



NEW YORK STATE SENATE DEMOCRATIC MAJORITY

STAFF ANALYSIS OF THE 2019-20 EXECUTIVE BUDGET



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Staff Analysis of the SFY 2019-20 Executive Budget

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January 22, 2019

Dear Colleagues:

On Tuesday, January 15th Governor Andrew M. Cuomo proposed the Executive Budget for State Fiscal Year 2019-20. The Executive Budget proposes All Funds expenditures of \$175.2 billion (2% growth), State Operating Funds expenditures of \$102 billion (1.9% growth) and General Fund expenditures of \$64.9 billion (2.7% growth).

The mid-year update of the State Financial Plan estimated a SFY 2019-20 General Fund gap of \$3.1 billion. Due primarily to weakening Personal Income Tax receipts, the updated General Fund gap for SFY 2019-20 is now \$4.6 billion. The recommended Budget proposal closes the gap through spending reductions totaling \$3.4 billion and revenue actions totaling \$1.3 billion.

Out-year budget gaps are forecast to be \$4.3 billion in SFY 2020-21, \$3.7 billion in SFY 2021-22, and \$3.8 billion in SFY 2022-23. The Executive Budget indicates that such gaps will be addressed primarily by unidentified spending reductions needed to adhere to the two percent spending growth cap.

The Executive Budget also includes significant policy proposals that will require careful review. For example, a system of "congestion charges" in Manhattan south of 60th Street to support transportation system investments, establishing an Office of Cannabis Management and authorizing adult use of cannabis products, and changes intended to reform the State election system.

This analysis prepared by Senate Finance Committee staff will support our careful deliberation of the Executive Budget. I look forward to working with you to craft an enacted State Budget that serves the needs of all New Yorkers while being responsible stewards of public resources.

Sincerely,

A handwritten signature in black ink that reads "Liz Krueger".

Liz Krueger
Chair
Senate Finance Committee

2019 JOINT LEGISLATIVE BUDGET HEARING SCHEDULE

Legislative Office Building
Hearing Room B

Wednesday	January 23	9:30 AM	Environmental Conservation
Thursday	January 24	9:30 AM	Human Services
Monday	January 28	11:00 AM	Higher Education
Tuesday	January 29	9:30 AM	Public Protection
Wednesday	January 30	9:30 AM	Transportation
Monday	February 04	9:30 AM	Housing
Monday	February 04	3:00 PM	Workforce
Tuesday	February 05	9:30 AM	Health/Medicaid
Wednesday	February 06	9:30 AM	Elementary Education
Thursday	February 07	9:30 AM	Mental Hygiene
Monday	February 11	11:00 AM	Local Government
Tuesday	February 12	9:30 AM	Economic Development
Tuesday	February 12	1:00 PM	Taxes

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FY 2020 Executive Budget Financial Plan Overview

Background

The State Constitution requires that the Executive make an annual submission to the Legislature containing his plan of recommended appropriations, expenditures and cash disbursements necessary to carry out programs, along with estimates of revenues and cash receipts expected to be available to support these expenditures and disbursements for the forthcoming fiscal year. The State Constitution requires explicit recommendations for making changes to the current revenue structure and legislation to implement such recommendations.

Accompanying the legislation that contains all proposed appropriations and reappropriations and other legislation needed to implement the Executive Budget, is the Executive Budget Financial Plan. This document provides a comprehensive outline of the government's financial resources, and the spending amounts that are required to carry out programs.

Overview

The FY 2020 Executive Budget proposal projects an increase in State Operating Funds spending of nearly \$1.9 billion, or 1.9 percent, for a total of \$102 billion, which is consistent with the two percent state spending benchmark. On an All Funds basis, the FY 2020 Executive Budget projects total spending of \$175.2 billion, an increase of \$3.5 billion or 2.1 percent from FY 2019.

Budget Surplus / (Gap)

Executive Budget Surplus / (Gap) Estimate <i>(millions of dollars)</i>		
Fiscal Year	Before actions to adhere to 2%	After actions to adhere to 2%
FY 2020	\$0	\$0
FY 2021	(\$4,336)	(\$747)
FY 2022	(\$3,690)	\$904
FY 2023	(\$3,793)	\$2,476
Structural Surplus / (Gap)	(\$11,819)	\$2,633

As currently proposed, the FY 2020 Executive Budget is balanced in the General Fund, having eliminated the estimated \$3.1 billion budget gap that was reported in the Mid-Year Update. Before actions to adhere to the two percent spending benchmark, the Executive Budget projects a structural deficit of \$11.8 billion through FY 2023. This shifts to a \$2.6 billion structural surplus after actions to adhere to the spending benchmark.

Receipts

FY 2020 Receipts (millions of dollars)				
Funding Source	FY 2019 Current	FY 2020 Proposed	change	percent
General Fund*	72,502	76,184	3,682	5.1%
State Operating Funds	98,197	100,185	1,988	2.0%
All Funds	169,960	172,909	2,949	1.7%
* including transfers from other funds				

The Executive Budget projects that State All Funds receipts will total \$172.9 billion in FY 2020, which is 1.7 percent above the current year estimate of \$169.9 billion. Federal receipts are expected to total \$63.7 billion in FY 2020, which represents a 1.5% increase over the current year level.

State General Fund receipts are estimated to total \$41.7 billion in FY 2020, which is \$1.70 billion (or 4.5 percent) over current year levels.

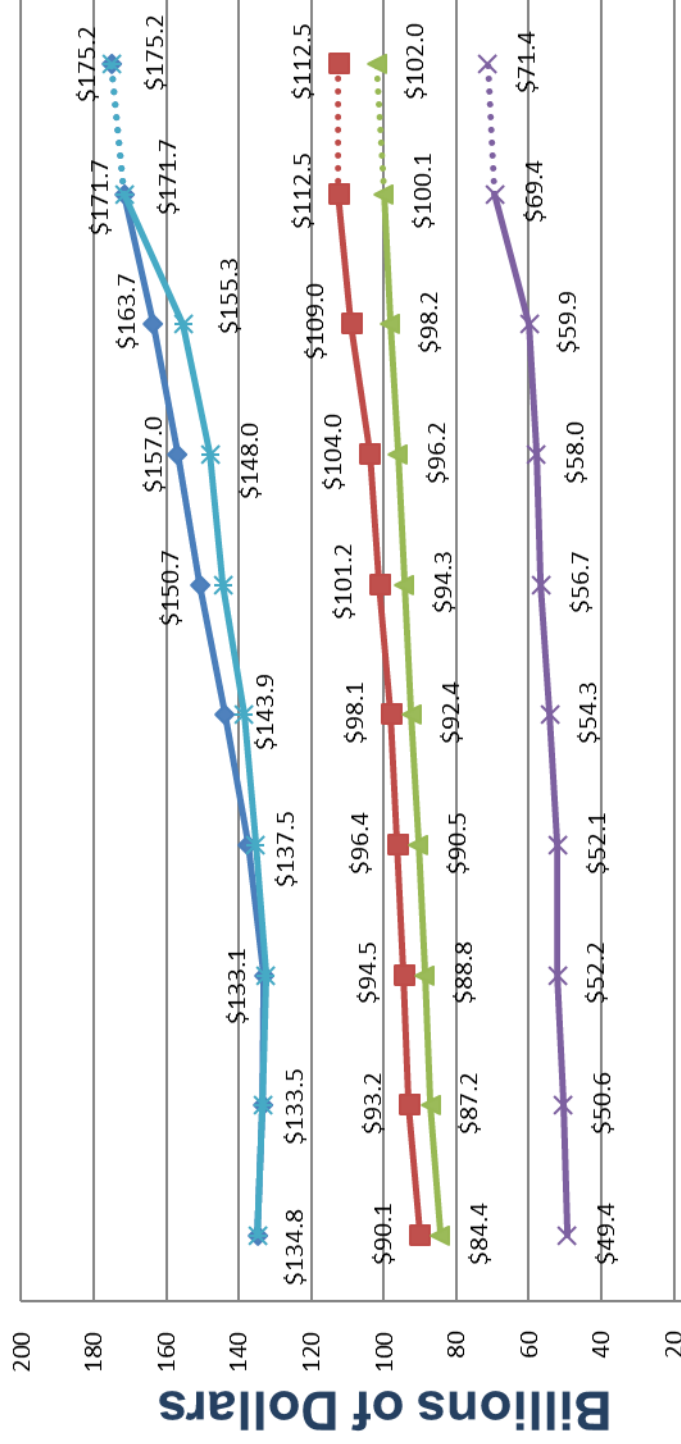
State Operating Funds receipts are projected at \$100.2 billion for FY 2020, which is 2 percent, or \$1.99 billion over current year levels.

Disbursements

Disbursements from the General Fund, excluding transfers to other funds, are projected to total \$71.4 billion in FY 2020, an increase of \$2.1 billion or 2.96 percent.

General Fund disbursements for agency operations, including General State Charges, is projected to total \$19.6 billion, an increase of \$474.8 million or 2.5 percent. Disbursements for Local Assistance payments are projected to increase by \$1.6 billion, or 3.2 percent, for a total of \$71.4 billion.

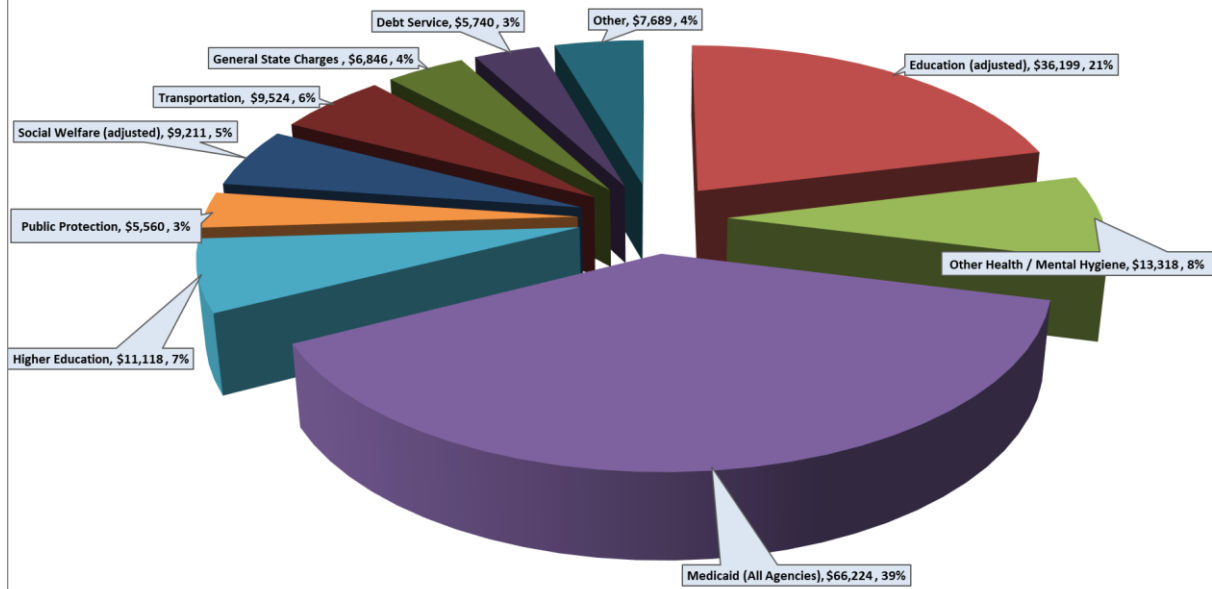
Multi-Year Cash Disbursements Trend



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
All Funds	\$134.8	\$133.5	\$133.1	\$137.5	\$143.9	\$150.7	\$157.0	\$163.7	\$171.7	\$175.2
All Funds, adjusted*	\$134.8	\$133.5	\$132.5	\$135.4	\$138.6	\$144.4	\$148.0	\$155.3	\$171.7	\$175.2
State Funds	\$90.1	\$93.2	\$94.5	\$96.4	\$98.1	\$101.2	\$104.0	\$109.0	\$112.5	\$112.5
State Operating Funds	\$84.4	\$87.2	\$88.8	\$90.5	\$92.4	\$94.3	\$96.2	\$98.2	\$100.1	\$102.0
General Fund	\$49.4	\$50.6	\$52.2	\$52.1	\$54.3	\$56.7	\$58.0	\$59.9	\$69.4	\$71.4

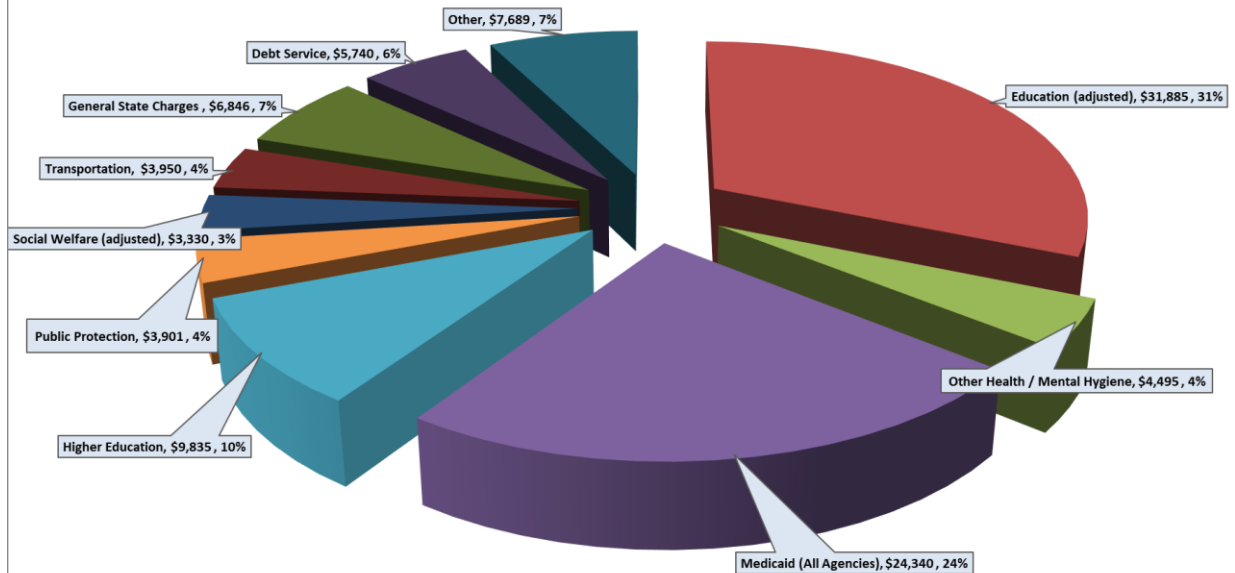
*excludes extraordinary federal funding related to Superstorm Sandy and the Affordable Care Act

FY 2020 Executive Budget All Funds Cash Disbursements
(millions of dollars, percentage of total)



Notes: Totals may not foot due to rounding. Includes monetary settlements from banks.

FY 2020 Executive Budget State Operating Funds Cash Disbursements
(millions of dollars, percentage of total)



Notes: Totals may not foot due to rounding. Includes monetary settlements from banks.

CASH DISBURSEMENTS BY FUNCTION					
FY 2020 Executive Budget		All Funds		State Funds	
		Thousands (\$)	% change*	Thousands (\$)	% change*
		State Operating Funds		General Fund	
		Thousands (\$)	% change*	Thousands (\$)	% change*
Local Assistance					
Economic Development	1,270,856		-16.0%	1,262,801	-16.1%
Education, school aid	30,356,692		3.6%	27,539,334	3.8%
Education, STAR	2,185,995		-9.8%	2,185,995	-9.8%
Education, other	3,161,975		0.1%	2,384,668	-0.1%
Health, other	9,499,209		2.9%	2,255,770	8.2%
Health, Medicaid (all components)	63,120,222		4.4%	21,730,816	5.4%
Higher Education	2,956,949		-1.9%	2,956,949	-1.9%
General Government	210,545		-9.2%	152,338	-12.3%
Local Government Assistance	743,561		-2.8%	743,561	-2.8%
Mental Hygiene (adjusted)	2,063,452		4.1%	1,906,983	4.3%
Parks and Environment	401,424		103.5%	245,154	498.7%
Public Protection	1,349,738		-4.7%	449,167	11.1%
Social Welfare, other (adjusted)	4,039,096		-8.1%	2,183,470	-14.0%
Social Welfare, welfare assistance	3,853,442		-3.2%	1,226,866	16.5%
Transportation	5,348,858		-8.9%	4,807,373	-9.8%
All Other	21,174		-104.8%	489,112	742.1%
Total Local Assistance	130,583,188		2.4%	72,520,357	2.5%
Percent of Total Spending			74.5%		63.8%
State Operations					
Personal Services	14,745,561		2.2%	14,092,279	2.4%
Non Personal Services	6,914,952		-1.0%	5,510,322	-1.1%
General State Charges	9,046,569		3.6%	8,702,556	3.8%
Total State Operations	30,707,082		1.9%	28,305,157	2.1%
Percent of Total Spending			17.5%		27.7%
Capital Projects					
	8,157,789		1.6%	7,062,915	5.2%
Percent of Total Spending			4.7%		6.2%
Debt Service					
	5,739,845		-4.7%	5,739,845	-4.7%
Percent of Total Spending			3.3%		5.6%
Total FY 2020 Spending	175,187,904		2.0%	113,628,274	2.2%
Percent of Total Spending					
Total FY 2020 Spending	175,187,904		2.0%	102,010,942	1.9%
Percent of Total Spending					
Total FY 2020 Spending	175,187,904		2.0%	71,443,368	3.0%
Percent of Total Spending					

* reflects percent change over previous fiscal year

Notes: General Fund totals do not include transfers to other funds. All Funds totals include bank settlement funds. The Medicaid All Components total includes Medicaid spending in other state agencies.

General Fund Cash Financial Plan

FY 2018 through FY 2020

(millions of dollars)

	FY 2018	FY 2019			FY 2020		
	Results*	Current	Change	Percent	Proposed	Change	Percent
Opening Fund Balance	7,749	9,445	1,696	21.9%	6,950	(2,495)	-26.4%
Receipts							
Taxes	49,656	36,827	(12,829)	-25.8%	39,660	2,833	7.7%
Miscellaneous receipts	3,129	3,109	(20)	-0.6%	2,071	(1,038)	-33.4%
Federal receipts	0	0	-	0.0%	0	-	0.0%
Transfers From Other Funds	18,635	32,566	13,931	74.8%	34,453	1,887	5.8%
Total Receipts	71,420	72,502	1,082	1.5%	76,184	3,682	5.1%
Disbursements							
Local Assistance Grants	46,072	50,283	4,211	9.1%	51,865	1,582	3.1%
Departmental Operations:							
Personal Service	6,136	8,787	2,651	43.2%	8,949	162	1.8%
Non-Personal Service	2,092	2,981	889	42.5%	2,996	15	0.5%
General State charges	5,572	7,336	1,764	31.7%	7,633	297	4.0%
Transfers To Other Funds:							
Debt service	1,047	804	(243)	-23.2%	537	(267)	-33.2%
Capital projects	2,191	2,713	522	23.8%	2,995	282	10.4%
State Share Mental Hygiene Medicaid	1,333	0	(1,333)	-100.0%	0	-	0.0%
SUNY Operations	1,015	1,020	5	0.5%	1,174	154	15.1%
Other	4,266	1,073	(3,193)	-74.8%	1,082	9	0.8%
Total Disbursements	69,724	74,997	5,273	7.6%	77,231	2,234	3.0%
Excess (Deficiency) of Receipts over Disbursements and Reserves	1,696	(2,495)			(1,047)		
Closing Fund Balance	9,445	6,950	(2,495)	-26.4%	5,903	(1,047)	-15.1%

Notes

FY 2018 results as reported by the State Comptroller's Annual Report to the Legislature on State Funds Cash Basis of Accounting, released July 2018.

The General Fund reflects fund reclassifications approved in the FY 2019 Enacted Budget; the changes affect the reporting of total receipts and disbursements but have no net impact on General Fund operations.

The Executive Budget projects FY 2020 General Fund receipts (including transfers) to increase \$4.7 billion or 6.6 percent from FY 2019 projections; the annual change is impacted by the shift of an estimated \$1.9 billion of receipts from FY 2019 into FY 2018 due to the federal Tax Cuts and Jobs Act of 2017 and the payment of \$500 million in additional personal income tax refunds in the last quarter of FY 2019.

The Executive Budget projects FY 2020 General Fund disbursements (including transfers) to increase by \$2.4 billion or 3.3 percent from FY 2019, driven mainly by increases in School Aid and Medicaid.

State Operating Funds Cash Financial Plan

FY 2018 through FY 2020

(millions of dollars)

	FY 2018 Results*	FY 2019			FY 2020		
		Current	Change	Percent	Proposed	Change	Percent
Opening Fund Balance	11,625	13,607	1,982	17.0%	11,889	(1,718)	-12.6%
Receipts							
Taxes	77,953	76,116	(1,837)	-2.4%	80,562	4,446	5.8%
Miscellaneous receipts	21,334	22,006	672	3.1%	19,549	(2,457)	-11.2%
Federal grants	74	75	1	1.4%	74	(1)	-1.3%
Total receipts	99,361	98,197	(1,164)	-1.2%	100,185	1,988	2.0%
Disbursements							
Local Assistance Grants	65,604	66,392	788	1.2%	67,966	1,574	2.4%
Departmental Operations:							
Personal Service	13,170	13,765	595	4.5%	14,092	327	2.4%
Non-Personal Service	5,651	5,619	(32)	-0.6%	5,557	(62)	-1.1%
General State charges	7,853	8,381	528	6.7%	8,702	321	3.8%
Debt service	5,873	5,975	102	1.7%	5,694	(281)	-4.7%
Capital projects	n/a	n/a			n/a		
Total disbursements	98,151	100,132	1,981	2.0%	102,011	1,879	1.9%
Net other financing sources (uses)	772	217			90		
Excess (Deficiency) of Receipts over Disbursements and Reserves	1,982	(1,718)			(1,736)		
Closing Fund Balance	13,607	11,889	(1,718)	-12.6%	10,153	(1,736)	-14.6%

Notes

FY 2018 results as reported by the State Comptroller's Annual Report to the Legislature on State Funds Cash Basis of Accounting, released July 2018.

The Executive uses State Operating Funds as the primary measure of State spending because it encapsulates the cost of current operations.

The Executive is expected to propose, and negotiate with the Legislature to enact, budgets in each fiscal year that hold State Operating Funds spending growth to two percent. Absent budget actions to adhere to the two percent benchmark, FY 2020 State Operating Funds spending would increase by \$6.7 billion, or 6.6 percent, to \$104.8 billion.

All Funds Cash Financial Plan

FY 2018 through FY 2020

(millions of dollars)

	FY 2018 Results*	FY 2019			FY 2020		
		Current	Change	Percent	Proposed	Change	Percent
Opening Fund Balance	11,105	12,749	1,644	14.8%	11,486	(1,263)	-9.9%
Receipts							
Taxes	79,266	77,537	(1,729)	-2.2%	81,979	4,442	5.7%
Miscellaneous receipts	27,262	29,614	2,352	8.6%	27,158	(2,456)	-8.3%
Federal grants	58,942	62,809	3,867	6.6%	63,772	963	1.5%
Total receipts	165,470	169,960	4,490	2.7%	172,909	2,949	1.7%
Disbursements							
Grants to local governments	121,995	127,480	5,485	4.5%	130,583	3,103	2.4%
Departmental Operations:							
Personal Service	13,838	14,426	588	4.2%	14,745	319	2.2%
Non-Personal Service	7,020	7,030	10	0.1%	6,962	(68)	-1.0%
General State charges	8,175	8,734	559	6.8%	9,046	312	3.6%
Debt service	5,873	5,975	102	1.7%	5,694	(281)	-4.7%
Capital projects	6,843	8,026	1,183	17.3%	8,158	132	1.6%
Total disbursements	163,744	171,671	7,927	4.8%	175,188	3,517	2.0%
Net other financing sources (uses)	(82)	448			440		
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing Uses	1,644	(1,263)			(1,839)		
Closing Fund Balance	12,749	11,486	(1,263)	-9.9%	9,647	(1,839)	-16.0%

Notes

FY 2018 results as reported by the State Comptroller's Annual Report to the Legislature on State Funds Cash Basis of Accounting, released July 2018.

All Funds is the most comprehensive measure of State spending because it includes Federal transfer payments (or grants).

All Funds disbursements are expected to exceed receipts (including other financing sources) in FY 2019 and FY 2020 with the difference funded from other available resources, including Extraordinary Monetary Settlements and general obligation bond proceeds to reimburse planned first-instance capital spending.

State Funds Cash Financial Plan

FY 2018 through FY 2020

(millions of dollars)

	FY 2018 Results*	FY 2019			FY 2020		
		Current	Change	Percent	Proposed	Change	Percent
Opening Fund Balance	11,134	13,039	1,905	17.1%	11,795	(1,244)	-9.5%
Receipts							
Taxes	79,266	77,537	(1,729)	-2.2%	81,979	4,442	5.7%
Miscellaneous receipts	27,061	29,412	2,351	8.7%	26,956	(2,456)	-8.4%
Federal receipts	79	80	1	1.3%	79	(1)	-1.3%
Total Receipts	106,406	107,029	623	0.6%	109,014	1,985	1.9%
Disbursements							
Grants to local governments	68,705	70,743	2,038	3.0%	72,520	1,777	2.5%
Departmental Operations:							
Personal Service	13,170	13,765	595	4.5%	14,092	327	2.4%
Non-Personal Service	5,651	5,619	(32)	-0.6%	5,557	(62)	-1.1%
General State charges	7,853	8,381	528	6.7%	8,702	321	3.8%
Debt service	5,873	5,975	102	1.7%	5,694	(281)	-4.7%
Capital projects	5,684	6,711	1,027	18.1%	7,063	352	5.2%
Total Disbursements	106,936	111,194	4,258	4.0%	113,628	2,434	2.2%
Net other financing sources (uses)	2,435	2,921			2,832		
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing Uses	1,905	(1,244)			(1,782)		
Closing Fund Balance	13,039	11,795	(1,244)	-9.5%	10,013	(1,782)	-15.1%

Notes

FY 2018 results as reported by the State Comptroller's Annual Report to the Legislature on State Funds Cash Basis of Accounting, released July 2018.

State Funds includes all State spending except Federal transfer payments.

Workforce Impact Summary

All Funds

FY 2018 through FY 2020

	FY 2018 Actuals (03/31/18)	Starting Estimate (03/31/19)	Attritions	New Fills	Mergers	Net Change	Ending Estimate (03/31/20)
Major Agencies							
Children and Family Services, Office of	2,887	2,964	(468)	468		0	2,964
Corrections and Community Supervision, Department of	29,351	29,175	(614)	767		153	29,328
Education Department, State	2,575	2,692	(269)	269		0	2,692
Environmental Conservation, Department of	2,887	3,110	(234)	239		5	3,115
Financial Services, Department of	1,356	1,381	(55)	55		0	1,381
General Services, Office of	1,811	1,931	(323)	323		0	1,931
Health, Department of	4,690	5,462	(718)	872		154	5,616
Information Technology Services, Office of	3,471	3,489	(130)	130		0	3,489
Labor, Department of	2,935	2,987	(285)	285		0	2,987
Mental Health, Office of	13,911	13,677	(1,455)	1,495		40	13,717
Motor Vehicles, Department of	2,301	2,344	(266)	266		0	2,344
Parks, Recreation and Historic Preservation, Office of	1,751	2,024	(152)	169		17	2,041
People with Developmental Disabilities, Office for	18,867	18,590	(1,078)	1,078		0	18,590
State Police, Division of	5,609	5,741	(311)	311		0	5,741
Taxation and Finance, Department of	3,898	3,975	(142)	252		110	4,085
Temporary and Disability Assistance, Office of	1,923	1,989	(234)	234		0	1,989
Transportation, Department of	8,501	8,520	(383)	383		0	8,520
Workers' Compensation Board	1,082	1,109	(89)	89		0	1,109
Subtotal - Major Agencies	109,806	111,160	(7,206)	7,685	0	479	111,639
Minor Agencies							
	7,591	8,167	(852)	1,051	0	199	8,366
Subtotal - Subject to Direct Executive Control	117,397	119,327	(8,058)	8,736	0	678	120,005
University Systems							
City University of New York	13,726	13,632				0	13,632
State University Construction Fund	142	152				0	152
State University of New York	45,882	46,092				0	46,092
Subtotal - University Systems	59,750	59,876	0	0	0	0	59,876
Independently Elected Agencies							
Audit and Control, Department of	2,630	2,663				0	2,663
Law, Department of	1,822	1,839				0	1,839
Subtotal - Independently Elected Agencies	4,452	4,502	0	0	0	0	4,502
Grand Total	181,599	183,705	(8,058)	8,736	0	678	184,383

Workforce Impact Summary

All Funds

FY 2018 through FY 2020

	FY 2018 Actuals (03/31/18)	Starting Estimate (03/31/19)	Attritions	New Fills	Mergers	Net Change	Ending Estimate (03/31/20)
Minor Agencies							
Adirondack Park Agency	54	54	(1)	1		0	54
Aging, Office for the	89	95	(16)	16		0	95
Agriculture and Markets, Department of	460	483	(50)	79		29	512
Alcoholic Beverage Control, Division of	113	120	(8)	8		0	120
Alcoholism and Substance Abuse Services, Office of	736	737	(109)	109		0	737
Arts, Council on the	27	30	(3)	3		0	30
Budget, Division of the	234	261	(45)	45		0	261
Civil Service, Department of	345	362	(67)	67		0	362
Correction, Commission of	29	32	(2)	2		0	32
Criminal Justice Services, Division of	408	435	(24)	24		0	435
Deferred Compensation Board	4	4	0	0		0	4
Economic Development, Department of	136	153	(13)	13		0	153
Elections, State Board of	69	81	(6)	10		4	85
Employee Relations, Office of	33	77	(3)	3		0	77
Executive Chamber	97	136	(50)	50		0	136
Financial Control Board, New York State	12	12	(1)	2		1	13
Gaming Commission, New York State	417	411	(19)	38		19	430
Higher Education Services Corporation, New York State	183	176	(15)	15		0	176
Homeland Security and Emergency Services, Division of	504	605	(29)	38		9	614
Housing and Community Renewal, Division of	608	682	(86)	180		94	776
Hudson River Valley Greenway Communities Council	0	1	0	0		0	1
Human Rights, Division of	160	164	(19)	19		0	164
Indigent Legal Services, Office of	24	34	0	2		2	36
Inspector General, Office of the	87	92	(7)	7		0	92
Interest on Lawyer Account	9	9	0	0		0	9
Judicial Conduct, Commission on	40	43	(3)	3		0	43
Justice Center for the Protection of People with Special Needs	422	430	(33)	26		(7)	423
Labor Management Committees	72	77	(6)	6		0	77
Lieutenant Governor, Office of the	4	7	(1)	1		0	7
Medicaid Inspector General, Office of the	405	426	(52)	52		0	426
Military and Naval Affairs, Division of	390	405	(45)	45		0	405
Prevention of Domestic Violence, Office for	24	27	(2)	2		0	27
Public Employment Relations Board	30	33	(3)	3		0	33
Public Ethics, Joint Commission on	52	52	(4)	4		0	52
Public Service Department	494	520	(26)	34		8	528
State, Department of	493	525	(52)	92		40	565
Statewide Financial System	135	142	(11)	11		0	142
Tax Appeals, Division of	23	27	(1)	1		0	27
Veterans' Affairs, Division of	83	98	(15)	15		0	98
Victim Services, Office of	79	102	(24)	24		0	102
Welfare Inspector General, Office of	7	7	(1)	1		0	7
Subtotal - Minor Agencies	7,591	8,167	(852)	1,051	0	199	8,366

Revenue and Capital Fact Sheet

Department of Taxation and Finance

State Operations and Aid to Localities:

The SFY 2020 Executive Budget recommends \$468.6 million All Funds (\$271.9 million General Fund; \$196.6 million Other Funds) for the Department of Taxation and Finance. This is an increase of \$3.2 million, or 0.7 percent from FY 2019 levels.

Full-Time Equivalent (FTE) Positions:

The Executive Budget recommends a workforce of 4,085 FTEs for the Department of Taxation and Finance. This represents an increase of 110 Full Time Equivalent (FTEs) compared with the FY 2019 budget and reflects the State investment in additional audit and enforcement resources. Of the total FTE increase, 100 FTEs will be auditor positions and 10 FTEs will be Information Technology specialists. The Division of Budget projects that the new positions will bring in an additional \$120 million in revenue to New York State annually.

Re-Appropriation:

\$13.2 million in Revenue Analysis, Collection, Enforcement, Processing, and Real Property Tax Program is re-appropriated. This re-appropriation will be utilized to pay for State Operations costs relating to processing personal income tax returns for the 2018-19 NYS personal income tax cycle. Further use of the re-appropriation includes State Operations payments linked to costs associated with various enacted Tax Law legislation changes over the past year.

Division of Tax Appeals

The SFY 2020 Executive Budget recommends a \$3.0 million General Fund appropriation and a workforce of 27 FTEs for the Division of Tax Appeals, both unchanged from FY 2019.

SFY 2019-20 State Tax Receipts Forecast

Generally, state tax receipts are forecast to show moderate growth in SFY 2019-20. For example, General Fund net personal income (PIT) growth is estimated to be 7.4 percent. Also, continuing strength in consumer spending (consumption) will help maintain solid sales and use tax revenue gains. Article 9-A receipts (Corporate Franchise Tax) are projected by DOB to grow at a very strong rate of 11.2 percent.

The decline in General Fund Miscellaneous Receipts (33.4 percent) is almost solely attributable to the decline in Monetary Settlements received by the State.

In the SFY 2019-20 Executive Budget, the Division of the Budget (DOB) still projects moderate personal income tax (PIT) revenue growth in both the current and next state fiscal year but at rates lower than originally forecast in the DOB SFY 2018-19 Mid Year Report (11/1/18).

State Receipts Tables

General Fund Receipts (millions)				
	Estimated SFY 2018-19	Forecast SFY 2019-20	\$ Change	% Change
Personal Income Tax				
Withholding	\$40,982	\$42,854	\$1,872	4.60%
Estimated Payments	\$16,256	\$17,472	\$1,216	7.50%
Final Returns	\$2,629	\$2,748	\$119	4.50%
Other Payments	\$1,500	\$1,564	\$64	4.30%
Gross Collections	\$61,367	\$64,638	\$3,271	5.30%
STAR Special Revenue Fund	(\$2,424)	(\$2,186)	\$238	-9.82%
Refunds/Offsets	(\$11,223)	(\$11,624)	(\$401)	3.57%
Revenue Bond Tax Fund	(\$25,072)	(\$26,507)	(\$1,435)	-5.70%
Net Collections	\$22,648	\$24,321	\$1,673	7.40%
User Taxes and Fees				
Sales and Use	\$7,120	\$7,506	\$386	5.40%
Cigarette/Tobacco	\$327	\$312	(\$15)	-4.60%
Alcoholic Beverage	\$262	\$265	\$3	1.10%
Total	\$7,709	\$8,083	\$374	4.90%
Business Taxes				
Corporation Franchise	\$3,157	\$3,510	\$353	11.20%
Corporation and Utilities	\$515	\$537	\$22	4.30%
Insurance	\$1,622	\$2,056	\$434	26.80%
Bank	\$102	\$60	(\$42)	-41.20%
Total	\$5,396	\$6,163	\$767	14.20%
Other Taxes				
Employer Compensation Expense Program	\$0	\$2	\$2	0.00%
Estate and Gift	\$1,056	\$1,074	\$18	1.70%
Real Estate Transfer	\$0	\$0	\$18	1.60%
Pari-Mutuel Taxes	\$15	\$15	\$0	0%
Other	\$3	\$3	\$0	0%
Total	\$1,074	\$1,093	\$19	1.80%
Total Tax Collections	36,827	39,660	2,833	7.7%
Miscellaneous Receipts	\$3,109	\$2,071	(\$1,038)	-33.40%
Federal Receipts	\$0	\$0	\$0	0.00%
Total Receipts	\$39,936	\$41,731	\$1,795	4.50%
Source: New York State Division of the Budget (DOB)				

Monetary Settlements

From FY 2015 through December 2018, the State received a total of nearly \$11.8 billion in Extraordinary Monetary Settlements. A total of \$10.8 billion in Extraordinary Monetary Settlements has been allocated to date. The settlements resulted from violations of State laws by major financial institutions and other entities. Since the 2019 Enacted Budget Financial Plan, the State has received \$1.1 billion in new monetary settlement payments. The Executive Budget proposes using the remaining balance of \$988 million for clean water infrastructure (\$500 million) and increases to rainy day reserves (\$250 million in FY 2019 and \$238 million in SFY 2019). Extraordinary Monetary Settlements held in the General Fund are expected to total \$4.2 billion at the close of FY 2019.

New Five Year State Capital Plan

The FY 20 Executive Budget provides funding for a new \$150 billion, five-year infrastructure plan. The plan includes funding for transportation and mass transit systems, affordable housing, economic and community development, schools, environmental and park facilities, and energy efficiency upgrades. The \$150 billion state capital infrastructure plan includes:

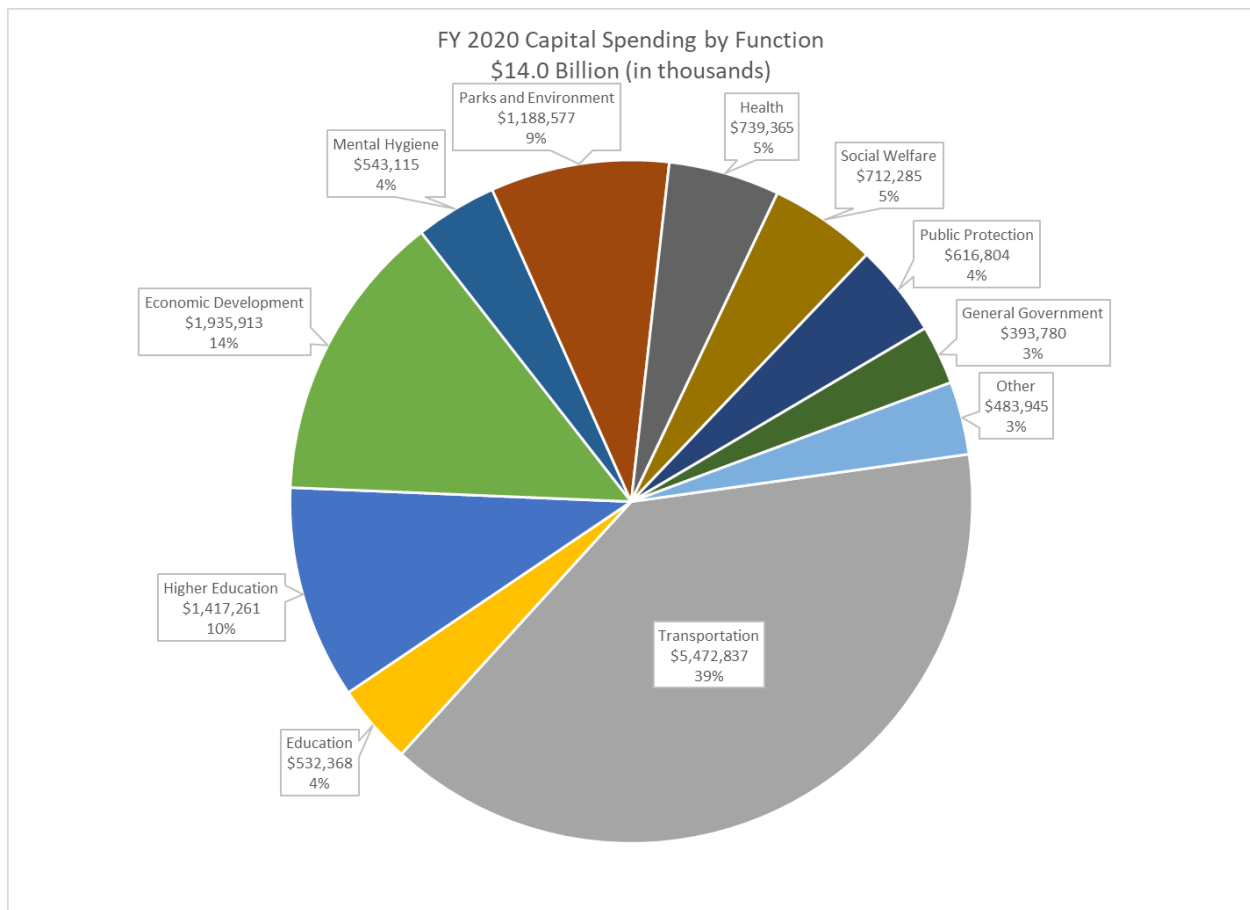
- \$66 billion for transportation, including mass transit, railroads, airports, highways, bridges and tunnels across the state
- \$32 billion for improving environmental facilities and our parks, and the development of green energy
- \$11 billion for economic and community development
- \$9 billion to further the state's investment in the construction of high-quality, affordable housing for the people of New York
- \$19 billion to help school districts build new and better school buildings
- \$13 billion to improve and maintain SUNY and CUNY buildings, health care facilities and other capital assets

The plan builds on the Executive's \$100 billion infrastructure plan, which is already underway and includes the Governor Mario M. Cuomo Bridge, the revitalization of John F. Kennedy and LaGuardia Airports, MTA Capital Plan commitments, and water infrastructure projects across the State.

SFY 2019-2020 Capital Spending

State Capital Projects spending is projected to total \$14 billion in SFY 2019. The Executive proposal includes \$13.4 billion in spending that appears in the State's Financial Plan and \$618 million in off-budget spending that is currently being financed through bond proceeds. Financing for capital spending in SFY 2019 is supported with State-debt (\$7.9 billion, 56 percent); State cash resources (\$3.9 billion, 28 percent) and Federal aid (\$2.2 billion, 16 percent). Capital spending over the next five years is expected to average approximately \$13.3

billion annually. In SFY 2019, capital spending is projected to increase by 2.1 percent as compared to FY 2019.



Sweeps and Transfers

PP/GG Article VII, Part K

Provides statutory authority for administration of accounts and funds within the FY 20 budget (sweeps and transfers). This includes authorization for transfers, temporary loans, and amendments to miscellaneous capital/debt provisions, including bond caps necessary to support the States Financial Plan.

All Funds Revenue Legislation

FY 2020 Executive's Tax and Revenue Action Proposals				
(All Funds/millions of dollars)				
	FY 2020	FY 2021	FY 2022	FY 2023
Personal Income Tax	\$612	\$3,544	\$4,813	\$5,447
Extend Higher Personal Income Tax Rates for Five Years	\$771	\$3,560	\$4,799	\$5,487
Extend Personal Income Tax Limitation on Charitable Contributions for Five Years	\$0	\$86	\$175	\$180
Extend Clean Heating Fuel Credit for Three Years	\$0	\$0	(\$6)	(\$6)
Permanently Extend Tax Shelter Reporting; Extend Preparer Penalties for 5 years;	\$14	\$18	\$18	\$18
Expand the Employee Training Incentive Program (ETIP) Credit	\$0	\$0	\$0	\$0
Close the Carried Interest Loophole	\$0	\$0	\$0	\$0
Include Certain New York State Gambling Winnings in Nonresident NY State Income	\$0	\$1	\$1	\$1
Increase Tax Return Audits	\$12	\$120	\$120	\$120
Make e-File Mandate Permanent	\$0	\$0	\$0	\$0
Make Technical Changes to the Farm Workforce Retention Credit	\$0	\$0	\$0	\$0
Cap Annual Growth in STAR Exemption Benefits at Zero Percent - Credit Portion	(\$60)	(\$119)	(\$175)	(\$238)
Lower Basic STAR Exemption Income Eligibility Requirement - Credit Portion	(\$125)	(\$122)	(\$119)	(\$116)
Consumption/Use Taxes				
Eliminate Internet Tax Advantage	\$125	\$250	\$250	\$250
Discontinue the Energy Services Sales Tax Exemption	\$96	\$128	\$128	\$128
Extend Certain Sales Tax Exemption Related to the Dodd-Frank Protection Act	\$0	\$0	\$0	\$0
Permanently Extend DTF Authorizations to Manage Delinquent Sales Tax Vendors	\$0	\$0	\$0	\$0
Enact the Cannabis Regulation and Taxation Act	\$0	\$83	\$85	\$141
Enact a Comprehensive Tobacco Control Policy	\$2	\$19	\$19	\$19
Impose a Supplemental Auto Rental Tax Surcharge	\$11	\$22	\$22	\$22
Business Taxes	\$0	(\$4)	(\$7)	(\$7)
Create the New York State Employer-Provided Child Care Credit	\$0	\$0	(\$1)	(\$1)
Create the Employer Recovery Hiring Tax Credit	\$0	\$0	(\$2)	(\$2)
Expand the Current Historic Rehabilitation Credit	\$0	\$0	\$0	\$0
Expand the Employee Training Incentive Program (ETIP) Credit	\$0	\$0	\$0	\$0

SFY 2019 Executive Article VII Revenue Bill

- **Make e-File Mandate Permanent (Part A):** The Executive Budget would make the provisions in Tax Law § 29, which mandate electronic filing and payments be made available to taxpayers, permanent. These provisions allow taxpayers to file and pay their taxes electronically. These provisions are set to expire on December 31, 2019. This proposal does not impact the State Financial Plan.
- **Expansion of Employee Training Incentive Program (ETIP) Credit (Part B):** The Executive Budget would amend the Economic Development law to allow businesses to receive the ETIP credit if they conduct training and the business is otherwise eligible for this credit. This bill would expand the definition of “eligible training” to include an internship program in software development, or the development of renewable or clean energy. This bill would also remove the requirement that applicants for this credit must procure training services from a third-party provider to be eligible to receive these tax credits. This proposal does not impact the State Financial Plan.
- **Provide a Sourcing Rule for GILTI Apportionment (Part C):** The Executive has proposed language that codifies certain administrative measures taken by the Taxation and Finance Commissioner in 2018. After passage of the federal 2017 Tax Cuts and Jobs Act (TCJA) in December 2017, the federal deduction for Global Intangible Low Tax Income (GILTI), a specific category of income earned by American owned foreign subsidiaries, ended. In effect, this change eliminated the State-level deduction for this income since New York State tax law is coupled with the federal law on this matter. With the end of this deduction, New York collected at least \$40 million in additional revenue in 2018, according to DOB. The proposed language merely codifies into law the administrative measures already in effect. This proposal does not impact the State Financial Plan.
- **Decouple from the Internal Revenue Code Federal Basis for NYS Manufacturing (Part D):** The Executive Proposal would amend the State Tax Law to use the New York State definition of adjusted basis for the purposes of assigning a valuation to manufacturing property, instead of using the federal adjusted basis definition. Generally, the “basis” refers to the method of determining the value of an asset before and after its purchase. Currently, the State provides certain qualifying manufacturers with a number of beneficial tax treatments, and one of the ways to qualify is by investing in a manufacturing property valued at over \$1 million. The TCJA allows companies to expense (deduct) greater levels of capital expenditures, meaning that under the Federal definition and test for determining the adjusted basis values, the actual extent of the taxpayer’s ownership may not be properly defined. Using the state adjusted basis would prevent this outcome. This proposal does not impact the State Financial Plan.
- **Extend the Workers with Disabilities Tax Credit for Three Years (Part E):** The Executive Budget extends the corporate and personal income tax credit for qualified

employers that employ individuals with developmental disabilities until January 1, 2023. The credit is equal to 15 percent of the qualified wages paid for a full-time employee with a maximum credit of \$5,000 per employee, or 10 percent of the qualified wages paid for a part-time employee with a maximum credit of \$2,500 per employee. Under current law, such credits are set to expire January 1, 2020. This proposal would decrease All Funds revenue by \$4 million annually in FY 2022 through FY 2024.

- **Extend Three-Year Gift Addback Rule and Require Binding NYS QTIP Election (Part F):** The Executive proposal extends the gift addback provision by seven years to 2026. The Executive proposal also mandates that an executor make a qualified terminable interest property (QTIP) election, regardless of whether a federal estate tax return was filed in order to claim the marital deduction for that property. An individual may place certain property in a QTIP trust and, if they do, when they die, the executor may elect to exempt that property from the estate tax and allow the surviving spouse to collect interest payments from that property. If this is the arrangement chosen, that property normally becomes eligible for taxation under the New York estate tax when the second spouse dies. Using current law, the State would determine whether such an election was made by looking at the federal estate tax return, as a pro-forma matter. Unfortunately, there are situations in which a federal estate tax return might not have been filed when the first spouse died. A recent surrogate court decision found that in an instance where no federal estate tax return was filed (the first spouse died in 2010, a year during which the federal estate tax was not in effect), the QTIP property could not be taxed when the second spouse died. This change in the law is meant to prevent more cases of such trusts avoiding taxation. This proposal does not impact the State Financial Plan.
- **Eliminate the Internet Tax Advantage (Part G):** The Executive Budget would require large marketplace providers to collect sales tax on taxable sales of items that are sold through the provider's services. Marketplace providers include platforms such as Amazon, eBay, and Etsy which facilitate business transactions for third-party sellers. This is an effort to allow New York State businesses to compete with out-of-state sellers that do not collect tax on sales to customers located in New York State made through marketplace providers. Under the proposed language, large marketplace providers that facilitate sales of tangible personal property would be treated as persons required to collect tax on such sales. In effect, this would require them to collect the tax, file a tax return, and remit the tax collected. This bill would relieve the burden on sellers that utilize marketplace providers to conduct their business to collect such tax. ¹This proposal increases All Funds receipts by \$125 million in FY2020 and \$250 million annually thereafter.

¹ In 1992, the United States Supreme Court ruled in *Quill Corp. v. North Dakota (1992) et al* that only companies with a physical presence inside a state can be required to collect sales tax. However, the *South Dakota v. Wayfair (2017)* overturned the *Quill* ruling, allowing states to tax transactions of tangible personal property for sales to residents of the state even if the seller is not physically located within the state collecting the tax. In 1989, New York State established provisions that would require any seller that sells more than \$300,000 in goods and services and conducts more than one hundred transactions to register as a sales tax vendor and collect and remit sales tax to New York State.

- **Discontinue the Energy Services Sales Tax Exemption (Part H):** The Executive Budget eliminates the sales tax exemption on the transmission and distribution of gas or electricity when purchased from an Energy Service Company (ESCO). Enacted to promote competition after utility deregulation in the 1990s, this exemption is no longer necessary now that competition among ESCOs is established (New York City eliminated this tax exemption in 2009). This proposal increases All Funds receipts by \$96 million in SFY 2019 and \$128 million annually thereafter.
- **Avoiding Large Changes to the Equalization Rate (Part I):** Generally, large changes to the market value of housing stock in a locality leads to large changes in that locality's equalization rate, thereby potentially increasing or decreasing property taxes. This Executive proposal would allow school districts in such circumstances to utilize three or five-year methods of averaging these apportionments, thereby dampening the effect of radical changes on property taxes. This change will insulate taxpayers from large and unexpected increases in their school tax bills. This proposal does not impact the State Financial Plan.
- **Real Property Tax Administration Efficiency (Part J):** The Executive Budget proposes several provisions to address the efficiency and effectiveness of real property tax administration. These proposals include:
 - Granting local governments the ability to provide assessment relief to properties after the taxable status date in the event of a State disaster
 - Offering counties the ability to create County-level Board of Assessments
 - Allowing assessors to take training courses for credit without obliging the State to pay their expenses
 - Allowing the DTF to send notices to assessors via email and allowing assessors to opt-out
 - Changing the special Franchise taxable status due date from July 1 to January 1
 - Requiring Electric Generating Facilities to fill out yearly Inventory and Income Reports
 - This proposal does not impact the State Financial Plan
- **Repeal of Tax Freeze Credit Program Reporting Requirements (Part K):** The Executive Budget would remove reporting requirements for the tax freeze credit program. This credit program was applicable only to taxable years 2014, 2015, and 2016; the statutes applying to this program were repealed through Chapter 59 of the Laws of 2018. These reporting requirements are unnecessary, as this program has already been repealed. This proposal does not impact the State Financial Plan.
- **Creation of the NYS Employer-Provided Child Care Credit (Part L):** The Executive Budget creates a new credit equal to 100 percent of the Federal credit for employers who provide child and dependent care facilities to their employees. The credit will enhance the opportunity for employers to provide quality child care services to their employees. This

proposal is expected to save New York businesses \$1 million annually. Decreases State All Funds revenue by \$1 million annually beginning in FY 2022.

- **NYS Gambling Winnings Inclusion in Nonresident NYS Income (Part M):** The Executive Budget would include in-state gambling winnings in excess of \$5,000 under the definition of nonresident New York income. This would allow New York State to tax these winnings. This bill would also couple the state tax law to federal withholding requirements for such winnings. This proposal would increase All Funds receipts by \$1 million annually beginning in FY 2021.
- **Farm Workforce Retention Credit Technical Changes (Part N):** The Executive proposes to make certain farm related operations, such as Christmas tree farms or cider production, eligible for the Farm Workforce Retention Credit. The proposal amends the definition of income from farming and clarifies that eligible entities can only claim the credit for employees who work on the farm side of a business, and not for staff that might be employed in nonfarm activities, like at an urban retail location. The credit is equal to between \$250 and \$600 per employee. This proposal does not impact the State Financial Plan.
- **Tax Shelter Provisions Permanent Extension and Tax Preparer Penalties (Part O):** This legislation would make permanent the current tax shelter reporting and penalty provisions for tax preparers. It would update the penalties for tax preparers who do not sign returns or who take unreasonable positions on returns. This provision would also update the State Tax Law provisions governing penalties for tax preparers to: clarify the penalties against preparers who take positions on returns or claims that are not properly supported by the Tax Law; and, ensure that the penalties for failing to sign a return and for failing to provide a required identification number on a return apply to all tax preparers. This proposal does not impact the State Financial Plan.
- **Higher PIT Rates Five-Year Extension (Part P):** The 8.82 percent income tax rate for high-income taxpayers, originally enacted in 2011, is extended for five years through 2024. Tax rates would be held at existing levels for: married filing jointly taxpayers with annual adjusted gross incomes above \$2,155,350; taxpayers filing as head of household with annual adjusted gross incomes above \$1,616,450; and single taxpayers with annual adjusted gross income above \$1,077,550. Increases All Funds revenue by \$771 million in SFY 2019, \$3.6 billion in FY 2021, \$4.8 billion in FY 2022, and \$5.5 billion in FY 2023.
- **PIT Limitation on Charitable Contributions Five-Year Extension (Part Q):** The Executive Budget extends the provisions which limit the amount of tax deductions against personal income tax through 2024. Taxpayers with New York adjusted gross income over \$1 million, but not over \$10 million, may receive a New York itemized deduction of up to 50 percent of their charitable contribution deduction allowed under the Internal Revenue Code. Taxpayers with New York adjusted gross income over \$10 million may receive a

New York itemized deduction of up to 25 percent of their charitable contribution deduction allowed under the Internal Revenue Code. Increases All Funds revenue by \$86 million in FY 2021, \$175 million in 2022, and \$180 million in FY 2023.

- **Clean Heating Fuel Credit Three-Year Extension (Part R):** The Executive Budget extends the Clean Heating Fuel Credit until January 1, 2023. The Clean Heating Fuel Credit is a credit against corporate and personal income tax for the purchase of bioheating fuel for residential purposes. The credit is equal to \$0.01 per percent of biodiesel, which is capped at \$0.20 per gallon, purchased by the taxpayer. This credit does not apply to fuel that is less than 6 percent biodiesel per gallon. The provisions of the tax credit are due to expire January 1, 2020. Decreases All Funds revenue by \$6 million annually in FY 2022 through FY 2024.
- **Make Permanent the Commissioner's Authorization to Manage Delinquent Sales Tax Vendors (Part S):** The Executive proposal authorizes the Tax Commissioner to require noncompliant vendors to deposit the sales collected by the vendor into a segregated account, in trust for the State. The Commissioner was given expanded authority in 2011 to debit segregated accounts, to require the vendor to deposit the sales tax moneys at least weekly, to require the vendor to obtain a bond if the vendor failed to comply, and to suspend or revoke a vendor's sales tax certificate of authority if the vendor did not comply with these requirements. This expanded authority is set to expire on December 1, 2019 and this bill would repeal the sunset date of these provisions. This proposal does not impact the State Financial Plan.
- **Repeal License Fees on Certain Co-ops (Part T):** The Executive proposal repeals a \$10 annual fee assessed on agricultural, rural electric, and certain heating and/or cooling cooperative corporations, and causes this fee to not be payable after January 1, 2020. The proposed language ensures that the agricultural and rural electric cooperatives retain the exemption from franchise, corporation and other applicable taxes they currently enjoy. This proposal has minimal impact on the State Financial Plan, as only \$250 in fees were paid in total in the last two years.
- **Expansion of Historic Rehabilitation Credit (Part U):** The Executive proposal extends the rehabilitation of historic properties tax credit. Under the proposed language, a credit equivalent to 20 percent of the qualified rehabilitation expenditures associated with the rehabilitation project is allowed against the Franchise Tax on Business Corporations, the Personal Income Tax and the Franchise Tax on Insurance Corporations. However, the proposed language retains the provision that the credit shall not exceed \$5 million per historic structure that qualifies for the federal equivalent of this credit. Thirty percent of these possible rehabilitation projects on state land do not lie within a census tract that fell below such specified income threshold. According to the Executive, historic properties owned by the State in Jones Beach, Sacketts Harbor, Bayswater Point, Staatsburgh, and others, potentially benefit from the expansion. According to the Executive, the State tax

expenditure for the Credit for Rehabilitation of Historic Properties was \$70 million in 2015. This proposal does not impact the State Financial Plan for SFY 2019, but would reduce State revenue by approximately \$1 million annually in each SFY thereafter.

- **Dodd-Frank Protection Act Sales Tax Exemption Extension (Part V):** The Executive Budget proposal extends a sales tax exemption provided to materially financially distressed or failed financial firms. These firms are compelled under the Dodd-Frank Wall Street Reform and Consumer Protection Act to create subsidiaries and transfer services and tangible property to those subsidiaries. The sales tax exemption insulates those transfers from being treated as a taxable sale. Under the proposed language, the deadline is extended from June 30, 2019 to June 30, 2021. However, the Executive proposal keeps the expiration date for this exemption at June 30, 2024. This proposal does not impact the State Financial Plan.
- **Employer Recovery Hiring Tax Credit (Part W):** The Executive Budget proposes the creation of a new Recovery Tax Credit program to provide tax incentives for the employment of individuals in recovery for a substance use disorder. Eligible individuals must have completed a course of treatment for their substance use disorder and have shown an abatement of signs and symptoms that characterize active addiction. This credit is equal to \$1 per hour worked per eligible employee, with a minimum requirement for each employee of 500 creditable hours. This credit caps the number of hours an eligible employee can work at 2,000 hours. The statewide allocation for this credit is \$2 million annually. Decreases All Funds revenue by \$2 million in FY 2022.
- **Exclusion from Entire Net Income Contributions to Capital of a Corporation (Part X):** The Executive Budget proposes to amend sections of the Tax law and the New York City Administrative Code to exclude from entire net income any contributions to the capital of a corporation by any governmental entity or civic group.² This proposal does not impact the State Financial Plan.
- **Close Carried Interest Loophole (Part Y):** The Executive proposal would amend the tax law to characterize these management service earnings as ordinary income for state purposes. In addition, this same income would be subject to an additional 17 percent fairness fee, which is equal to the federal rate difference between capital gains and ordinary income. This new fee would remain in effect until the federal government changed its law to treat this as ordinary income. This section will go into effect only if Massachusetts, New

² The enactment of the federal Tax Cuts and Jobs Act (TCJA) in 2017 included provisions amending §118 of the Internal Revenue Code (IRC) pertaining to contributions to the capital of a corporation. Generally, in the case of a corporation, gross income does not include any contribution to the capital of the taxpayer. Under the TCJA, an exception was created pursuant to §118(b) of the IRC, to include that a contribution by any governmental entity or civic group to the capital of a corporation shall be included as part of the corporations gross income. Due to New York's conformity with the federal IRC, this exception resulted in requiring a taxpayer to include a contribution by any governmental entity or civic group to their capital to be included for the purposes of their New York State entire net income.

Jersey, Connecticut, and Pennsylvania enact legislation that creates the same effect as this proposal. New Jersey has already passed such legislation.³ This proposal does not impact the State Financial Plan unless the states of Connecticut, New Jersey, Massachusetts and Pennsylvania enact substantially similar legislation.

- **Tax Law and New York City Administrative Code Technical Corrections (Part Z):** The Executive Budget includes technical corrections to various provisions of the State Tax Law and the New York City Administrative Code. These technical corrections include the following:
 - Amends Tax Law § 211(8)(a) to remove a reference to a provision of law, in Tax Law § 210, that was repealed by New York’s corporate tax reform
 - Amends Tax Law § 209(5) to remove an outdated reference to the Internal Revenue Code (“IRC”)
 - Revises the treatment of policyholders surplus accounts, reflecting changes to Federal law, under the Tax Cuts and Jobs Act, for taxable years, 2018-2025
 - This proposal does not impact the State Financial Plan
- **Real Property Taxation for Qualified Energy Systems Exemption (Part AA):** The Executive proposes that beginning on April 1, 2019, upon application to the local assessor, certain statutorily defined energy systems (e.g., a solar or wind energy system, farm waste energy system, micro-hydroelectric system, fuel cell electric generating system, micro-combined heat and power generating equipment system, or electric energy storage system) will be exempt from local taxation. This proposal does not impact the State Financial Plan.
- **New York City Enhanced Real Property Tax Circuit Breaker Credit Calculation Clarification (Part NN):** This proposal would clarify that New York City’s RPT Circuit Breaker credit, which was enacted in 2014 to provide a credit to New York City renters and homeowners-occupiers who earn less than \$200,000 annually and pay a certain amount in real property taxes (or real property tax equivalent) applies to taxable years beginning on or after January 1, 2016, in addition to taxable years between 2013 and 2016 as current law provides. The proposed language maintains that the NYC Circuit Breaker Credit will be repealed in 2020. Under current law, the Commissioner of Taxation and Finance is statutorily obliged to provide, by February 14, 2019, the Chair of the Senate Finance Committee with a comprehensive statistical report on this credit for 2018. Using US Census Data, the Committee staff have determined that the median New York City household has received a \$500 Circuit Breaker Credit last year and that New York City has paid out at least \$786 million to NYC households in 2018. This proposal does not impact the State Financial Plan.

³ The federal government taxes certain income earned by fund managers and private equity investors from certain investment management services at the capital gains rate, instead of much higher rates for ordinary income. This is known as the carried interest loophole. In addition, the federal treatment of this income precludes the state from taxing that income for nonresident taxpayers.

- **Supplemental Auto Rental Surcharge Expansion to Fund Upstate Public Transportation Systems (Part WW):** The Executive proposes to extend, outside the Metropolitan Commuter Transit District (MCTD), a 5 percent supplemental surcharge on auto rentals in effect for the MCTD. This Executive recommendation would help fund public transportation systems operating outside the MCTD. The funds from the surcharge in the MCTD go to the MTA. This expanded surcharge is estimated to raise \$11 million in FY20 and \$22 million in FY21. This act takes effect September 1, 2019. This proposal increases All Funds revenue by \$11 million in FY2020 and \$22 million annually thereafter.

Comprehensive Tobacco Legislation

- **Comprehensive Tobacco Policy (Part UU):** The Executive Budget implements several provisions that directly impact the sale of tobacco products in New York State. This includes:
 - Raising the sales age for tobacco products from 18 to 21
 - Prohibiting the sale of tobacco products in all pharmacies
 - Prohibiting the acceptance of any method of price reductions for tobacco products or e-cigarettes
 - Prohibiting the display of tobacco products or e-cigarettes in stores
 - Clarifying the authority of the Commissioner of Health to prohibit or restrict the sale of electronic cigarettes or electronic cigarette liquids from having flavors or names intended to appeal to minors
 - Prohibiting smoking inside and on the grounds of all hospitals licensed or operated by the Office of Mental Health (OMH)
 - Imposing a 20 percent excise tax on vapor products. This is different than last year's Executive proposal, which taxed based on liquid milliliter of vaping liquid. Revenues from this excise tax will be deposited in the Health Care Reform Act (HCRA) account
 - Requiring that electronic cigarettes be sold only through licensed tobacco retailers

State Fiscal Impact: Increases All Funds revenue by \$2 million in SFY 2019 and \$19 million thereafter.

Adult-Use Cannabis Legalization

- **Cannabis Regulation and Taxation Act (Part VV):** The Executive Budget would create and amend existing laws to legalize the adult-use of cannabis for adults over the age of 21. This bill would regulate and control the cultivation, processing, manufacturing, and sale of cannabis. It authorizes and creates the Office of Cannabis Management (OCM). This bill would create licensing limits, and there are provisions which would encourage social equity for applicants for retail licenses. The bill would also create a program to review and seal prior cannabis related convictions.

Office of Cannabis Management (OCM)

The Executive Budget outlines the functions, powers, and duties of the OCM. These powers and duties include the ability to:

- Issue and administer low- or zero-interest loans to qualified social equity applicants
- Issue, refuse, revoke, cancel or suspend licenses, registrations and permits provided for in this Act
- Restrict the amount of such licenses, registrations, and permits issued in the State or any political subdivision thereof
- Promulgate the standards of cultivation and processing of medical, adult use and hemp cannabis
- Create a credentialing program for workers in the cannabis industry
- Promulgate rules to prevent: drugged driving, the distribution of adult use cannabis to persons under the age of 21, the diversion of New York State cannabis from New York to other states, and the revenue from the sale of cannabis from going to criminal enterprises, gangs and cartels
- Hold hearings and wield subpoena power to compel testimony and acquire evidentiary material
- Hire investigators to enforce the provisions of this Act
- Appoint a State Cannabis Advisory Board

Medical Marijuana Changes

The Executive Budget makes several changes to the current medical marijuana program. This proposal creates a cannabis research license to allow for the testing of cannabis for potential medical benefits. This cannabis research license would not allow for the retail sale of cannabis products. It would allow physicians to prescribe the vaporization of the marijuana flower. Currently, physicians may only prescribe edible forms of cannabis. Patients who qualify for the medical marijuana program would be permitted to grow four plants in their residence. This bill also removes language that hinders the ability of medical marijuana to be covered by insurance. Additionally, the Executive Budget expands the medical use of marijuana for treatment of the following conditions and ailments:

- Substance use disorder
- Alzheimer's Disease
- Muscular dystrophy
- Dystonia
- Rheumatoid arthritis
- Autism
- Any condition authorized as part of a cannabis research license
- Any other condition as added by the executive director

Taxes

Taxes on participants in the medical cannabis program remain unchanged, as do taxes on industrial hemp cannabis production. The Executive proposes to impose three taxes on cannabis products:

- \$1 per dry weight gram of cannabis flower and \$0.25 per dry weight gram of cannabis trim;
- 20 percent of the invoice price imposed on the sale by a wholesaler to a retail dispensary;
- 2 percent imposed on the same sale by the wholesaler to a retail dispensary to be collected for the county in which the retail dispensary is located.

Revenues from the sale of cannabis products would be deposited in the New York State Cannabis Revenue Fund. These funds would be used for: the administration of the program; data gathering, monitoring and reporting; traffic safety committee; small business development and loans; substance abuse; harm reduction and mental health treatment and prevention; public health education and intervention; research on cannabis uses and applications; program evaluation and improvements; and any other purpose recommended by the Director of the Office of Cannabis Management and approved by the Director of the Budget.

Retail Sales

The Executive Budget will allow individuals to apply to the Office of Cannabis Management to cultivate, process, distribute, or dispense cannabis for sale within New York State. OCM would have the authority to charge an application fee and/or to auction licenses to bidders determined by OCM to be qualified based on specified selection criteria. Wholesalers must apply for a certificate of registration prior to starting business. The cost for the certificate is \$600 and must be renewed every 2 years.

This proposal creates a three-tier supply system for cannabis products: supplier, distributor, and the retailer. This proposal:

- Prohibits licensed suppliers and licensed distributors from becoming licensed retailers, except if the licensed supplier or licensed distributor is licensed to grow, distribute, or sell medical marihuana
- Allows for the co-location of cannabis retailer sellers and licensed medical marihuana sellers to allow current medical marihuana licensees to access the retail market, as long as the medical marihuana licensees also purchases a retail cannabis license
- Allows for the on-site consumption at certain licensed locations; neither a licensed cannabis retailer nor a licensed cannabis dispensary can obtain a licensed for on-site consumption
- Prohibits the sale of alcohol in a licensed cannabis retailer
- Allows county governments to opt-out from allowing the retail sale of cannabis products. Additionally, if a county does not opt-out of this program, a city with more than 100,000 residents may elect to opt-out

Public Protection Implications

The Executive Proposal reduces criminal penalties for the possession and sale of cannabis, but does not eliminate the current violation for possession of small amounts of cannabis. Further, while the bill allows for the immediate sealing of criminal records involving cannabis charges, with no waiting period, people with such criminal records would be required to file motions. Other changes to the law include:

- Driving while intoxicated with both alcohol and drugs moves from a misdemeanor to a Class E felony
- Growing or selling without a license is a misdemeanor:
 - 1st offense: maximum of \$5,000 fine and/or 30 days to 1 year in jail
 - 2nd offense: minimum \$10,000 fine and/or 30 days to 1 year in jail
 - After 2nd offense: minimum \$25,000 fine and/or min 30 days in jail
- Sale during suspension of a retail license: \$5,000 max fine for each offense and/or 6 months in jail
- Lying on application: \$5,000 max and up to 6 months in jail
- Licensee sale to minor two times in five years: fine of up to \$10,000
- Possessing or selling cannabis that was diverted is a misdemeanor
- People can no longer be violated while on parole, probation, supervision or bail for use

This proposal increases All Funds revenue by \$83 million in FY 2021, \$85 million in FY 2022, \$141 million in FY 2023, and \$184 million in FY 2024.

School Tax Relief (STAR) Program

The Revenue Bill for Fiscal Year 2020 includes a number of provisions designed to make the STAR program more efficient and effective. There are efforts underway by the Executive to move homeowners from the STAR exemption program to the STAR credit program. Under the exemption program, homeowners receive a deduction on the local property tax, and the State compensates the locality for the lost revenue (this is an expenditure for the State). Under the credit program, the eligibility and benefits are identical to the exemption program but it differs in administration: homeowners pay the full tax bill (eliminating the need for localities to be reimbursed) and homeowners receive the benefit in the form of a check from the State. Technically, this reduces tax revenue, as opposed to an expenditure with the exemption program. A number of proposals of the revenue bill are designed to move STAR beneficiaries out of the exemption program and into the credit program.

STAR Program Components:

The STAR program provides school tax relief to taxpayers by exempting the first \$30,000 of every eligible homeowner's property value from the local school tax levy. Lower-income senior citizens will receive a \$68,700 exemption in SFY 2019. The DTF oversees local

property assessment administration and is responsible for establishing STAR property tax exemption amounts.

The three components of STAR and their approximate shares of projected SFY 2019 program costs are: the Basic school property tax exemption for homeowners with incomes under \$250,000 or the Basic school property tax credit for homeowners with incomes under \$250,000 (54 percent); Enhanced school property tax exemption or credit for senior citizen homeowners with incomes under \$86,300 (27 percent); and a credit for income-eligible resident NYC personal income taxpayers (19 percent). In 2018, the NYC PIT rate reduction began a gradual conversion into a PIT tax credit, which has reduced, and will eventually eliminate, the NYC payment as a component of State Operating Funds spending. This change has no impact on the value of the STAR benefit received by taxpayers.

Spending on the STAR property tax exemptions reflects reimbursements made to school districts to offset the reduction in the amount of property tax revenue collected from STAR-eligible homeowners. Since 2017, the STAR exemption program has been gradually transitioned from a spending program into an advance refundable PIT credit program. As a result, first-time homebuyers and homeowners who move receive a refundable PIT credit in lieu of a property tax exemption. This change has no impact on the value of the STAR benefit received by homeowners.

School Tax Relief Program (STAR) (millions)				
Program	Participants (FY 2018 Actual)	\$ of Benefits (FY18 Actual)	\$ of Benefits (FY2019 Estimated)	\$ of Benefits (FY 2020 Projected)
Basic STAR (Exemption)	2,207,056	\$1,623	\$1,526	\$1,376
Enhanced STAR (Exemption)	656,665	\$909	\$898	\$810
Basic Star (Credit)	218,971	\$173	\$260	\$492
Enhanced STAR (Credit)	24,888	\$34	\$51	\$108
TOTAL STAR Beneficiaries	3,107,580	\$2,739	\$2,735	\$2,786

- **Annual Growth in STAR Exemption Benefits Cap (Part LL):** This proposal would cap the growth of the exemption for both Basic and Enhanced STAR at zero percent. The benefit cap on the growth of the STAR credit would remain at 2 percent. The extent to which homeowners heed the incentive and leave the STAR exemption program would reduce costs of the exemption program to the State, which compensates localities for the exemption. This program is designed to move beneficiaries from the exemption to the

credit program **with no reduction in benefits**. This proposal would reduce General Fund spending by an estimated \$106 million in SFY 2019.

- **Cooperative Housing Corporation Information Returns Disclosure (Part MM):** This proposal would authorize DTF to share information on cooperative housing corporations with local county assessors, so that information on shareholders (dwellers) can easily be obtained and acted on upon sale or transfer of the condominiums. This proposal does not impact the State Financial Plan.
- **Reporting Requirement for Mobile Home Parks (Part OO):** This proposal requires that information about mobile home park owners, tenants, services provided to tenants by owners, and park rules and regulations be submitted directly to the DTF. Such information is currently submitted to the Department of Housing and Community Renewal. This proposal does not impact the State Financial Plan.
- **STAR Fraud and Abuse Prevention (Part PP):** This proposal is designed specifically to curb STAR fraud and abuse in ways that would not substantially affect DTF workload. It would require DTF to verify that Enhanced STAR exemption recipients meet eligibility requirements in the same way they currently do for basic STAR beneficiaries, using taxpayer ID numbers to facilitate matching records within the Department. The proposal also imposes a six-year program ban for anyone giving materially false information on a STAR application from receiving the STAR credit (current law already imposes such a ban with respect to the exemption). Finally, the proposal makes it easier for the DTF to claw-back a STAR exemption check sent in error (a notice of deficiency would not be required). This proposal does not impact the State Financial Plan.
- **Decreasing the Income Limit of Basic STAR Eligibility (Exemption Program only) (Part RR):** Starting in the 2019-20 school year, the maximum income for eligibility for the Basic STAR exemption program would decrease from \$500,000 to \$250,000. Households making between \$250,000 and \$500,000 would need to enroll in the STAR *credit* program (where the limit will stay at \$500,000) to continue earning the benefit. This program is designed to move beneficiaries from the exemption to the credit program with no reduction in benefits. This proposal would reduce General Fund spending by \$125 million in SFY 2019.
- **STAR-Related Information Disclosure to Assessors (Part QQ):** This proposal allows DTF to share STAR related information with local assessors, to ensure that citizens are receiving the correct amount of STAR and other property tax exemptions accordingly. DTF would be authorized to inform assessors of property owners found to not be eligible for STAR, which enhanced STAR recipients are eligible for the senior citizens exemption, and the names, addresses, and dates of death of property owners in the locality (so that various property tax exemptions and credits do not remain in place longer than necessary). This proposal does not impact the State Financial Plan.

- **Clarification of STAR Check Tax Bill Notices (Part SS):** Occasionally, some STAR credit beneficiaries receive notices that their check “will be mailed,” even though they have already received it, potentially leading to the conclusion that another check is coming. This proposal changes the wording of those letters (which are mandated by law) to read “STAR check has been mailed or will be mailed.” This proposal does not impact the State Financial Plan.
- **Improvement of STAR Administrative Process (Part TT):** The Executive Budget proposal gives new Enhanced STAR exemption applicants the same ability to file extension requests as for Basic and Enhanced STAR extension requests for a renewal application. Under the current law, brand new Enhanced STAR eligible households that miss the deadline have no relief. This proposal does not impact the State Financial Plan.

Racing and Gaming Fact Sheet

Gaming Commission

Appropriations:

- The Executive Budget proposal includes \$100,000 in State Operations Funds for the Racing Fan Advisory Council.
- The Executive Budget proposal includes a \$49 million increase for the Tribal State Compact. This increase is due to the uncertainty of Tribal State Compact and commercial gaming revenues and timing of payments to localities.

Aid to Localities Highlights:

Along with a \$49 million increase (19.9 percent) in Aid to Localities, the Executive budget recommends an appropriation of \$233 million for Tribal State Compact Revenue, which represents the local share of the State's estimated revenues from Native American casinos. In addition, the Executive Budget recommends an appropriation of \$62 million, which represents the local share of the State's estimated revenues from commercial gaming revenues.

Gaming Commission All Funds Appropriations (millions)				
Category	Available SFY 2018-2019	Executive Recommendation SFY 2019-2020	\$ Change	% Change
State Operations	\$113.5	\$113.5	\$0.0	0.0%
Aid To Localities	\$246.0	\$295.0	\$49.0	19.9%
Total	\$359.5	\$408.5	\$49.0	13.6%

The SFY 2019 Executive Budget recommends \$408.5 million All Funds for the Gaming Commission, an increase of \$49 million or 13.6 percent, from the amount appropriated in FY 2019.

Tribal State Compact

Under the State Finance Law, in instances where the State receives monies from Native American casino revenues, as part of the terms of a compact held with the state, the state must provide aid to the local host government of the casino and the surrounding counties within the exclusivity zone. The local host may receive up to 25 percent of the State's share of compact revenues, while the surrounding non-host counties within the exclusivity zone receive 10 percent of the State's share of compact revenues, distributed on a per-capita basis. The State has a compact agreement with the Seneca Nation, the St. Regis Mohawk Tribe, and the Oneida Nation.

Budget Highlights

Seneca Nation: The Seneca Nation stopped making payments in FY 2018 (the March 2017 payment was paid to the localities in April 2017), so New York State and the Seneca Nation entered into arbitration. Earlier this year, the arbitration panel concluded that the Seneca Nation was obligated to make such payments to the state, including the seven quarterly payments it had not made January 7, 2019. The SFY 2019 Financial Plan assumes that the Seneca Nation will make outstanding payments and resume the regular payment schedule by March 2019. However, the appropriation levels reflect the possibility of the seven remaining local payments being rolled into SFY 2019.

The Aid to Localities Appropriations made under the Tribal State Compact are increased 25.3 percent throughout, with the increase in Aid to Host Counties representing 66 percent of the increase in overall aid. Aid to Host Counties and Surrounding Non-Host (Regional) Counties for SFY 2019 is up 22.6 percent and 32.7 percent respectively, over FY 2019. In SFY 2019, Regional Aid as a percentage of such overall appropriations is 27.9 percent, up 1.6 percent points from SFY 2018.

The SFY 2019 appropriation for the Oneida Nation is slightly decreased because the SFY 2018 appropriation was artificially high due to uncertainty surrounding the revenue impact of the new Oneida casino, Point Place. Meanwhile, the Executive Budget continues to include elevated appropriation authority for the St. Regis Mohawk Tribe to address a potential final compact agreement between the Tribe and the State.

Tribal State Compact Revenue Account In Gaming Commission - Aid to Localities In Gaming Commission - Aid to Localities Appropriation				
	FY 2019	FY 2020	\$ Change	% Change
<i>Host Aid</i>				
Seneca Niagara	\$44	\$65	\$21	47.7%
Seneca Allegany	\$26	\$29	\$3	11.5%
Seneca Buffalo Creek	\$18	\$27	\$9	50.0%
Mohawk	\$15	\$15	\$0	0.0%
Oneida	\$34	\$32	(\$2)	-5.9%
<i>Regional Aid</i>				
Seneca Niagara	\$17	\$26	\$9	52.9%
Seneca Allegany	\$9	\$12	\$3	33.3%
Seneca Buffalo Creek	\$7	\$11	\$4	57.1%
Mohawk	\$6	\$6	\$0	0.0%
Oneida	\$10	\$10	\$0	0.0%
Total	\$186	\$233	\$47	25.3%

SFY 2019 Executive Article VII Racing and Gaming Bills

- **Gaming Commission Employment Restrictions (Part BB):** The Executive Budget would amend the Racing, Pari-Mutuel, Wagering and Breeding Law to allow the Gaming Commission to waive for good cause any pre-employment restriction of a prospective employee by adopting a resolution at a properly noticed public meeting of the Gaming Commission. Under current law, no person may work for the commission if, within the past three years, he or she has held any direct or indirect interest in, or employment by, any company, association or person engaged in gaming activity within the state. The term “gaming activity” is defined broadly in current law to mean the conduct of any form of legalized gaming, including, but not limited to, pari-mutuel wagering, bingo, charitable gaming, lottery, or casino forms. This proposal does not impact the State Financial Plan.
- **Retired Racehorse Aftercare (Part CC):** The Executive Budget proposes 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.

Established in 1973, the Breeding Fund is a public benefit corporation that oversees the registration process for foals and stallions, and distributes incentives in the form of awards. At the heart of the program is more than \$17 million that the Fund pays out annually in breeder, owner, and stallion owner awards, and in purse enrichment to the state’s tracks. The incentives provided by the Fund are financed from within the racing industry itself, using a small percentage of the total monies wagered through the pari-mutuel system on thoroughbred racing in New York State. The Fund also obtains revenue from a small percentage of Video Lottery Terminal (VLT) monies from Resorts World Casino at Aqueduct, and from VLTs at Finger Lakes Race Track.

The Agriculture and New York State Horse Breeding Development Fund (“the Fund”) is a public benefit corporation established in 1965 to promote agriculture through the breeding of Standardbred horses and the conduct of equine research within the State. The Fund receives a percentage of the industry’s betting handle to manage the New York Sire Stakes (NYSS) program and to perpetuate its mission. Each respective fund would have the authority to determine what amount, in any, would be used to support and promote this ongoing care. This proposal is revenue neutral. This proposal does not impact the State Financial Plan.

- **Make Technical Changes to Gaming Provisions (Part DD):** Part DD seeks to enact into law several various subparts discussed in detail below.
 - *Subpart A:* This subpart would move the Office of Gaming Inspector General from Article 13 of the Racing law to Article 1. Created as part of the Upstate Gaming and Economic Development Act (UGEA) of 2013, the Gaming IG has jurisdiction to

investigate complaints from any source, including allegations of fraud, corruption, criminal activity, or abuse in the commission.

- *Subpart B:* Authorizes the Executive to appoint other bona fide residents of the state who have a cogent interest in the thoroughbred breeding industry in the state to the NYS Thoroughbred Breeding and Development Fund. Under current law, the three members of the State Gaming Commission currently sit on the Fund, along with six other members as appointed by the Executive. This proposal would effectively allow the Executive to also designate an additional three members instead of the Gaming Commission Members.
- *Subpart C:* This proposal authorizes the “Harry M. Zweig Memorial Fund” for equine research at Cornell University to accept gifts from donors in furtherance of its mission. Under current law, 2 percent of all moneys accruing to the Thoroughbred Breeding Fund and the Agriculture and NYS Horse Breeding Development fund are dedicated to this program. In addition, the proposal amends the Public Officers law to allow for indemnification of the Fund’s board members. At this point in time, it is unclear why said members need this relief.
- *Subpart D:* This proposal would reduce by 75 percent the amount of moneys dedicated to prizes and use that money to allow for supplemental prizes on more games. This proposal does not impact the State Financial Plan.
- **Streamline & Amend Tax Rates That Apply for VLT Operators (Part EE):** This proposal amends various statutes that set the tax rates for Video Lottery Terminals (VLT) and the distribution of monies derived from Video Lottery Gaming. Amending these formulas will result in an additional \$5 million in revenue to the state that would otherwise be kept by VLT operators.

Under current law, VLT tax rates vary on a facility-by-facility basis. Monies are removed from the total amount wagered, after payout of prizes for gaming administration by the agency, marketing allowances, capital awards, operator commissions, and finally racing support payments. The remaining funds are directed to education.

The Executive is proposing 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, which are “held harmless” under current law due to competition from nearby Class III casinos.

This proposal is slightly different than a similar proposal the Executive made last year regarding this issue. Under this slightly different proposal, rather than eliminate in its entirety the excess “hold harmless” language, the proposal instead offers these facilities an additional commission rate to hold them harmless.

Finally, this proposal extends, for four years, the changes made to accommodate Vernon Downs as part of Chapter 61 of 2017, from a sunset date of June 30, 2019 until March 31, 2023. This law allowed the Vernon Downs Racino to keep up to 75 percent of the revenue generated that would otherwise go to the state Division of Lottery within the Gaming Commission for administration of the video lottery terminal program at Vernon Downs. In addition, this bill would allow the facility to use revenues generated that it is allowed to keep through the vendor "capital award" program for operational expenses. As the statute is written, revenues generated under this program must be used for capital expenditures subject to a co-investment requirement from the operator. The Gaming Commission would have authority to determine whether or not the funds are necessary to sustain operations at the track.

The bill was scheduled to sunset after two years but under this proposal would remain in effect through 2023. This extension allows Vernon Downs to keep between \$1.6 and \$2 million annually that would otherwise go to education. Increases video lottery gaming revenue by \$5 million annually beginning SFY 2019.

- **Impose a Statutory Cap on Casino Free Play (Part FF):** This proposal restructures the calculation of "free play" credits as they pertain to what is considered "gross gaming revenue" (GGR) for purposes of taxation by the state. Under current law, "free play" promotional credits are not taxable for purposes of determining GGR as they pertain to casino slot play, while free play is statutorily capped at 15 percent for VLTs at VLT facilities. Currently, the four upstate Class III casinos are authorized by the Gaming Commission to provide up to 19 percent in free play to customers. Anything beyond this amount is considered GGR and the amount is subject to tax by the state.

This proposal would cap the amount of free play credits statutorily at an aggregate maximum amount equal to 19 percent for the next two years. Then, for the following three years, the amount would be a maximum amount equal to 19 percent, after which time it would drop to a maximum amount of 15 percent of GGR for taxable purposes. Any tax owed on free play above the cap would be due within 30 days of the end of the fiscal year.

Finally, the bill carries over a provision in current law that allows the reduction of free play allowance when the Commission and Budget Director jointly determine that the use of promotional credits is not effective in increasing the amount of revenue earned. This proposal does not impact the State Financial Plan.

- **Impose Off-Track Betting Reforms (Part GG):** This proposal makes several changes to the governance and operational structure for regional Off-Track Betting (OTB) corporations. First, the proposal authorizes a regional OTB to operate a tele-theater within any class III casino within the state. No admission fee could be charged, and any day in which a regional harness track is conducting live racing, such broadcasting must be prominently displayed. Takeout on winning wagers placed at a tele-theater are not subject to a 5 percent surcharge that other types of wagers typically are.

Second, the bill authorizes two OTBs to merge with one OTB assuming the operations of the other, subject to a written plan and approved by the Gaming Commission. The combining of any two OTBs would not impact the authorization or ability to exercise any other powers, or conduct any additional activity, as permitted or otherwise authorized.

Finally, the proposal would require various additional corporate and financial disclosures for OTB board members to enhance corporate responsibility. Among other proposals, boards would have to meet quarterly, and financial plans would have to be submitted annually, along with revenue and cash flow projections. The board would also have to be provided with quarterly budget data and cash flow projections with receipts and disbursements. This proposal does not impact the State Financial Plan.

- **Simulcasting Rate Extension (Part HH):** The Executive Budget proposes to extend the state’s current simulcasting rates for an additional five years. The 2018-19 Executive Budget proposed extending the current rates for an additional year, which the legislature accepted. Simulcasting rates have been extended on a year-to-year basis in the budget each year since their inception. This proposal does not impact the State Financial Plan.
- **Mid-Atlantic Drug Compact (Part II):** The Executive Budget authorizes the Gaming Commission to enter into the Mid-Atlantic Drug Compact (the “Compact”), which promotes coordinated rulemaking on equine racing drugs and medications.

The Compact takes effect following enactment by any two states. Respective state Gaming Commission Chairs serve as voting members of the Compact Commission. The Compact would allow breed-specific rules. A proposed equine drug testing rule must receive eighty-percent supermajority approval, to take effect on all Compact states. Proposed rules are subject to public comment in each state. The Commission will coordinate with national racing stakeholders, including the Association of Racing Commissioners International, Inc. (“ARCI”).

The Commission otherwise has similar duties and powers to a board of directors, in its ability to adopt bylaws, enter into agreements, and incur liabilities (member states are severally liable, not jointly). Withdrawal from the Compact requires statutory repeal. If the Compact dissolves, the enacted rules remain in effect in each state. The proposed bill states that Compact rules do not preclude New York from subsequent rulemaking on the same issues.

Under current law, the Gaming Commission has sole rulemaking authority, though it often adopts ARCI model drug rules. Among national stakeholders, there are competing proposals for rule uniformity, specifically: (i) federal preemption by the US Anti-Doping Agency; (ii) automatic adoption by reference of new ARCI model rules; and (iii) the interstate Compact. Maryland and Delaware adopted the Compact in 2018, which is also under consideration in West Virginia, New Jersey, and Pennsylvania. California also

recently expressed interest in joining the compact as well. This proposal does not impact the State Financial Plan.

- **Extend Advisory Committee on Equine Drug Testing and Remove Morrisville Equine Drug Lab Restriction (Part JJ):** The Executive Budget removes the restriction contained in section 902 of the Racing Law that requires drug testing of race horses be conducted by a state college with an approved equine science program. Currently, because of this language, the contract can only be fulfilled by one entity: Morrisville College in central NY.

By removing this restriction, the Gaming Commission will be able to entertain bids from other potential testing facilities, both within and outside of the state, at potentially lower prices. The Executive also included this proposal in his 2016 budget submission, which both houses rejected.

The Morrisville contract, according to the Division of Budget, is approximately \$4.1 million and expires June 2019. Under this proposal, the Gaming Commission would be empowered to determine a suitable laboratory(s) within its discretion.

In addition, this proposal extends, for an additional year, the Equine Drug Testing Advisory Committee, established in the 2018-19 Enacted Budget. This proposal has no impact on the State Financial Plan.

- **Streamline Occupational Licensing for Casino Employees (Part KK):** This proposal amends current provisions in law for the licensing of key casino employees. Specifically, the proposal would bifurcate licensing into two classifications of employees: primary registrations and sub-primary registrations. Authority is also granted for the Commission to promulgate rules and regulations to further effectuate background screening for key casino employees. The proposal also prohibits the denial or revocation of a license based on the conviction of certain crimes if it can be demonstrated that the individual is rehabilitated.

Finally, the Executive Director of the Gaming Commission would have the authority to waive, in his or her discretion, any of the requirements necessary if a gaming license applicant can demonstrate a waiver is justified, subject to certain conditions.

Under current law, there are two types of occupational licenses pertaining to casino licensing. A “*key employee*” is any natural person employed by a gaming facility licensee, or holding or intermediary company of a gaming facility licensee, and involved in the operation of a licensed gaming facility in a supervisory capacity and empowered to make discretionary decisions, which regulate gaming facility operations. No licensee, or a holding or intermediary company of a licensee, may employ any person as a casino key employee unless the person is the holder of a valid casino key employee license issued by the Commission.

A “*gaming employee*” is any natural person not otherwise included in the definition of a key employee, who is employed by a gaming facility licensee and is involved in facility operations, whose employment duties predominantly involve the maintenance or operation of gaming activity or equipment and assets.

Applicants for both positions must meet all requirements for licensure, including, but not limited to criminal background checks and fingerprinting, and must be forthcoming with all personal information. If, upon issuance of a formal request to answer or produce information, evidence or testimony, any applicant, licensee, registrant, or any other person refuses to comply, the application, license, registration or qualification of such person may be denied or revoked. Licenses for both key employees and gaming employees are valid for five years, unless suspended or revoked.

Any business to be conducted with a gaming facility applicant or licensee by a vendor offering goods or services which directly relate to gaming activity, including gaming equipment manufacturers, suppliers, repairers, and independent testing laboratories, must be licensed as a casino vendor enterprise prior to conducting such business. This proposal does not impact the State Financial Plan.

Education Fact Sheet

Appropriations

- **School Aid:** The Executive Budget recommends \$27.7 billion in School Aid, a \$956 million (3.6 percent) increase over School Year (SY) 2018-19.
- **Foundation Aid:** The Executive Budget increases Foundation Aid from \$17.8 billion to \$18.1 billion. This \$338 million (1.9 percent) increase is based on student need and district wealth, with every school district guaranteed a 0.25 percent increase in Foundation Aid. Within the \$338 million increase is a \$50 million increase in the Community Schools Setaside.
- **Competitive Grants:** The Executive Budget includes \$50 million for new competitive grant awards to school districts, including \$15 million for expanded prekindergarten programs, \$10 million for expanded after-school programs, and \$9 million for new Early College High School programs.

Article VII

- **Annual Professional Performance Review (APPR) Teacher Evaluation Reform:** The Executive Budget proposes language to alter teacher and principal evaluations, by removing the current requirement that grade 3-8 state exams and all other state exams be used as part of a teacher or principal's evaluation.
- **Equity Plans:** The Executive Budget proposes legislation requiring certain school districts to establish equity plans to increase per pupil expenditures in schools that are categorized as underfunded and high-need by the Director of the Budget. The Executive Equity proposal would require high need school districts to spend 10 percent of their Foundation Aid increase per underfunded school, up to a maximum of 50 percent of its Foundation Aid increase (up to a maximum of 75 percent of New York City's Foundation Aid increase).
- **Mayoral Control:** The Executive Budget proposes a three-year extension of mayoral control of New York City schools until June 30, 2022. Currently, mayoral control is set to expire on June 30, 2019.
- **Expense-Based Aids Consolidation:** Beginning in SY 2020-21, the Executive Budget would consolidate most expense-based aids into a new 'services aid' aid category, and provide annual increases to such category based on (i) the consumer price index, and (ii) the annual change in resident weighted average daily attendance. This consolidation intends to control growth in expensed-base aid spending.

Education Agency Details

State Education Department All Funds Appropriations				
Agency	Available SFY 2018-2019	Executive Recommendation SFY 2019-2020	\$ Change	% Change
State Education Department	\$36,149,315,750	\$37,059,594,850	\$910,279,100	2.5%
Total State Education Department	\$36,149,315,750	\$37,059,594,850	\$910,279,100	2.5%

Overview

The Executive Budget proposes \$37 billion in All Funds appropriations for the State Education Department in SFY 2019-20. This is an increase of \$910 million, or 2.5 percent, over SFY 2018-19 levels and is largely reflective of a \$956 million School Aid increase.

School Aid

The Executive Budget provides \$27.7 billion in School Aid, an increase of \$956 million (3.6 percent). The \$956 million increase is comprised of the following components:

- Expense-Based Aids (\$410 million)
- Foundation Aid (\$338 million)
- Competitive Grants (\$50 million)
- Fiscal Stabilization Fund (\$157 million)

2019-20 Executive Budget - School Aid Increase Components (\$ in Millions)				
	SY 2018-19	SY 2019-20	\$ Increase	% Increase
Foundation Aid	\$17,791	\$18,129	\$338	1.9%
Expense-Based Aids	\$8,475	\$8,885	\$410	4.8%
School Aid On The Run	\$26,266	\$27,014	\$748	2.8%
Categorical Aids	\$284	\$285	\$2	0.6%
Competitive Grants	\$184	\$234	\$50	27.2%
Fiscal Stabilization Fund	\$0	\$157	\$157	n/a
Total School Aid	\$26,734	\$27,690	\$956	3.6%

Foundation Aid: The Executive Budget increases Foundation Aid from \$17.8 billion to \$18.1 billion, with 86 percent of the \$338 million increase going to high-need school districts. School districts are guaranteed a minimum increase of 0.25 percent and are eligible to receive a higher increase depending on student need and wealth factors.

Community Schools Setaside: The Executive Budget increases the Foundation Aid Community Schools Setaside from \$200 million to \$250 million, with \$47 million of this increase targeted to 38 school districts containing struggling or persistently struggling schools

and/or school districts with increased enrollment in English language learners (ELLs). Additionally, \$3 million is targeted to 135 school districts to ensure all high-need school districts receive at least \$100,000 for community schools.

Expense-Based Aids: The Executive Budget provides a \$410 million increase in funding for expense-based aids for SY 2019-20. These aids, such as Transportation Aid, Building Aid, BOCES Aid, and Public/Private Excess Cost Aids, reimburse school districts for costs incurred in the previous school year.

2019-20 Executive Budget - School Aid On The Run (\$ in Millions)				
	SY 2018-19	SY 2019-20	\$ Increase	% Increase
Foundation Aid	\$17,791	\$18,129	\$338	1.9%
<i>Community Schools Aid Setaside</i>	\$200	\$250	\$50	25.0%
Excess Cost - High Cost	\$639	\$620	(\$19)	-3.0%
Excess Cost - Private	\$372	\$404	\$32	8.6%
Reorganization Operating Aid	\$6	\$6	(\$1)	-13.6%
Textbooks (Incl. Lottery)	\$175	\$177	\$1	0.7%
Computer Hardware	\$36	\$37	\$1	2.8%
Computer Software	\$45	\$46	\$1	1.4%
Library Materials	\$19	\$19	\$1	2.7%
BOCES	\$949	\$971	\$22	2.3%
Special Services	\$257	\$254	(\$3)	-1.3%
Transportation (Incl. Summer)	\$1,914	\$1,990	\$77	4.0%
High Tax	\$223	\$223	\$0	0.0%
Universal Prekindergarten	\$808	\$834	\$26	3.2%
Charter School Transitional Aid	\$39	\$40	\$1	3.1%
Full-Day Kindergarten Conversion Aid	\$3	\$3	\$0	2.3%
Academic Enhancement Aid	\$28	\$28	\$0	0.0%
Supplemental Public Excess Cost	\$4	\$4	\$0	0.0%
Building Aid (Incl. Reorg)	\$2,957	\$3,229	\$272	9.2%
Total Formula-Based Aids	\$26,266	\$27,014	\$748	2.8%

Prekindergarten: The Executive provides \$15 million to fund a new round of prekindergarten grant awards for high-need school districts. The Executive Budget also appropriates \$834 million to fund the third year of prekindergarten consolidation into Universal Prekindergarten Aid on the run, including:

- \$416 million for base UPK
- \$333 million for Statewide Full-Day Universal Prekindergarten
- \$25 million for the Federal prekindergarten grant
- \$30 million from competitive awards in 2015-16
- \$10 million from competitive awards in 2016-17

- \$5 million from competitive awards in 2017-18
- \$15 million from competitive awards in 2018-19

Empire State After School Program: The Executive Budget appropriates \$55 million for Empire State After School programs, including \$10 million for a new round of competitive grants. There is a setaside of \$2 million within the new \$10 million grant reserved for high-need school districts on Long Island.

Executive Initiatives: The Executive Budget provides \$50 million for new competitive grants, including:

- \$15 million for expanded pre-kindergarten programs
- \$10 million for Empire State After School program grants
- \$9 million for Early College High Schools
- \$3 million for alternative discipline grants
- \$3 million for a We Teach New York grant program to address the teacher shortage
- \$1.8 million for AP/IB exam fees
- \$1.5 million for Master Teachers
- \$1.5 million for a refugee and immigrant student welcome program
- \$1.5 million for school mental health programs
- \$1.5 million for the expanded mathematics access program
- \$1 million for the advanced courses access program
- \$1 million for recovery high schools
- \$200,000 for the New York State Youth Council

Charter Schools: The Executive Budget provides \$151 million to reimburse the cost of supplemental basic tuition payments to charter schools made in SY 2018-19. The Executive Budget also includes \$24.9 million in direct support for New York City charter schools to provide New York City charter school students with a 3.5 percent per pupil increase. The Executive Budget includes \$31.5 million in reimbursement for the City of New York associated with charter school facilities aid reimbursement for SY 2018-19 and prior school years. The Executive does not propose to alter the charter school cap.

Fiscal Stabilization Fund: The Executive Budget provides \$157 million in an unallocated Fiscal Stabilization Fund.

Special Education: The Executive Budget includes the following Special Education funding proposals for SY 2019-20:

- \$1.04 billion for preschool special education (State aid covers 59.5 percent of the overall costs associated pursuant to Section 4410 of the Education Law, with counties paying the remaining 40.5 percent)
- \$620 million in Public Excess Cost Aid to provide reimbursement for the additional costs associated with providing resource-intensive special education programs for students with disabilities

- \$404 million in Private Excess Cost Aid to provide reimbursement for public school students with more severe disabilities placed in private school settings, Special Act school districts, or the State-operated schools in Rome and Batavia
- \$365 million for summer school special education programs for school-age students pursuant to Section 4408 of the Education Law
- \$103 million for private schools for the blind and deaf, including \$93.7 million in base funding for the State share of tuition costs
- \$30 million in capital funding for health and safety projects at private schools for the blind and deaf

Grant Programs and Additional Aid Categories: The Executive Budget provides increased funding levels for the following programs for SY 2019-20:

- \$55 million for the education of students receiving services through the Office of Mental Health or the Office for People with Developmental Disabilities, an increase of \$750,000
- \$52.3 million for the education of Native Americans, an increase of \$888,817
- \$31.2 million for homeless pupils, an increase of \$1 million

The Executive Budget also provides SY 2019-20 funding for the following notable programs:

- \$96 million for the Employment Preparation Program (EPE)
- \$34.4 million for the School Lunch/Breakfast Program
- \$25 million for Teachers of Tomorrow
- \$18 million for the My Brother's Keeper initiative
- \$17.5 million for Bilingual Education Grants
- \$14 million for education of youth detained in local correctional facilities (a decrease of \$1 million)
- \$13.8 million for health services in the Big Four school districts
- \$12 million for the Roosevelt School District
- \$5.9 million for districts participating in the Urban-Suburban Transfer Program
- \$5 million for Native American Building Aid
- \$3.3 million for Learning Technology Grants
- \$2.7 million for special act school districts
- \$2 million for the Teacher Mentor Intern Program
- \$400,000 for Bus Driver Safety Training Grants

Teacher Resource and Computer Training Centers: The Executive Budget provides \$4.3 million for the remaining costs of the \$14.3 million Teacher Resources and Computer Training Centers program for SY 2018-19 and does not provide any new funding for SY 2019-20.

Nonpublic School Aid

The Executive Budget provides the following aid to nonpublic schools for SY 2019-20:

- \$193 million to reimburse the actual expenditures of non-public schools for specified State testing and data collection activities pursuant to Chapters 507 and 508 of the Laws of 1974 (a 3.6 percent increase)
- \$25 million in new capital funding for safety and security projects at nonpublic schools, community centers, and day care facilities at risk for hate crimes
- \$20 million for science, technology, engineering, and math (STEM) instruction (\$5 million increase)
- \$15 million in capital funding for nonpublic school safety equipment, the same level as last year
- \$922,000 to support academic intervention services

Office of Higher Education and the Professions

The Executive Budget reduces funding for many higher education scholarship and grant programs included by the Legislature in the 2018-19 Enacted Budget. The Executive reduces funding for the following initiatives:

- \$5.9 million decrease for the Higher Education Opportunity Program, bringing total funding to \$29.6 million
- \$4.5 million decrease for the Foster Youth Initiative, bringing total funding to \$1.5 million
- \$3 million decrease for the Liberty Partnership Program, bringing the total funding to \$15.3 million
- \$2.6 million decrease for the Science and Technology Entry Program (STEP), bringing total funding to \$13.1 million
- \$2 million decrease for the Collegiate Science and Technology Entry Program (CSTEP), bringing total funding to \$10 million

Cultural Education

The Executive Budget provides:

- \$91.6 million for aid to public libraries (\$5 million decrease)
- \$14 million in capital funds for library construction (\$20 million decrease)
- \$14 million for public television and radio, the same level as last year

Adult Career and Continuing Education Services (ACCES)

The Executive Budget provides:

- \$54 million for case services
- \$15.2 million for time-limited services or long-term support services;
- \$13.4 million for Independent Living Centers
- \$6.3 million for Adult Literacy Education (\$1 million decrease)

- \$1.8 million for literacy and basic education programs for public assistance recipients
- \$294,000 for college readers aid payments

Article VII

- **APPR Teacher Evaluation Reform:** The Executive Budget proposes legislation to alter teacher and principal evaluations, by removing the current requirement that grade three through eight ELA and Math and all other state exams be used as part of a teacher or principal's evaluation. In addition, the bill allows the Commissioner of Education to develop rules and regulations to allow alternative assessments in grades three through eight and to evaluate teachers and principals, including locally selected measures. Any selection and use of an assessment shall be subject to collective bargaining. This proposal is the same as S.1262 Mayer / A.783 Benedetto.
- **Equity Plans:** The Executive Budget proposes legislation that requires school districts with underfunded high-need schools to devote 10 percent of its Foundation Aid increase per underfunded school, up to a maximum of 50 percent of its Foundation Aid increase, to remedy underfunding. The Director of the Budget would make this determination of need. With respect to New York City, the maximum amount of its Foundation Aid increase that must be devoted to these schools is 75 percent. Where a district fails to develop an equity plan pursuant to these requirements, State Education Department (SED) shall develop such plan on behalf of the district.
- **Mayoral Control:** The Executive Budget proposes a three-year extension of mayoral control of New York City schools until June 30, 2022. Currently, mayoral control is set to expire on June 30, 2019.
- **Expense-Based Aid Reform:** The Executive Budget proposes to merge most expense-based aids into a new 'services aid' aid category and provides annual increases to such category based on (i) the consumer price index, and (ii) the annual change in resident weighted average daily attendance. Beginning in the 2020-21 school year, the new services aid category will merge 11 expense-based aids, including transportation aid, BOCES aid, special services aid, and textbook aid. The proposed language will not apply to building aid, universal pre-K aid, transitional aid for full day kindergarten, or special education aid. Additionally, the Executive proposes to create a new tier of building aid to make the reimbursement ratios less generous.
- **Regional Science, Technology, Engineering and Math (STEM) Magnet Schools:** The Executive Budget proposes language to allow Boards of Cooperative Education Services (BOCES) to establish Regional STEM Magnet Schools for students in grades nine through twelve, subject to the approval of SED. According to the Executive, these schools will likely be modeled after Tech Valley High School in the Capital Region, a four-year regional public high school operated by the Capital Region BOCES and Rensselaer-

Columbia-Greene BOCES. Tech Valley High School students attend free of charge and are provided an opportunity to learn about current and emerging technologies, and learn from relevant STEM industries in the region, while receiving a high school diploma.

- **Special Education Waivers:** The Executive Budget proposes language to allow school districts, approved private schools, or BOCES to submit an application for a waiver from special education duties outlined in state law, so long as the district, private school, or BOCES can demonstrate that it will continue to meet all federal requirements if such waiver is granted. The commissioner of SED is allowed to grant or deny requests for a waiver.
- **Data on Homeless Student Spending:** The Executive Budget proposes language to require school districts, receiving federal aid to support homeless students, to annually report on the accounting of such spending to SED. The commissioner of SED shall review such accounting and develop, in consultation with Office of Temporary and Disability Assistance (OTDA), an identification of best practices to support homeless youth.
- **Role of Law Enforcement/Security Personnel in Student Discipline:** The Executive Budget proposes language to require every school to define, as part of its code of conduct, the roles and responsibilities of school personnel, security personnel, and law enforcement as it relates to student misconduct. In addition, any district or charter school that retains law enforcement or security personnel, including school resource officers (SROs) shall develop a written contract, developed with stakeholder input, defining the relationship, and clearly delegate the role of school discipline to the school administration.
- **Instruction Program on Healthy Relationships:** The Executive Budget proposes instruction on healthy relationships as a component of health education curriculum for grades six through twelve. Such program shall include age-appropriate and medically accurate instruction teaching comprehensive sexual education, sexual health, and healthy relationship practices. The commissioner of SED shall adopt Educational Standards to be included in the Health Education Standards, after establishing a task force to study and make recommendations regarding the scope and substance of such standards. The task force shall seek comments and recommendations from teachers, school administrators, parents, and experts. The language also requires school districts to provide reasonable notice to parents of students in grades six through twelve that such instruction will be given. Any parent may direct the removal of the student from such instruction upon written notice.
- **Protections Against Sex Discrimination:** The Executive Budget directs all school districts to adopt and distribute a policy regarding sex discrimination, and requires such policy to specifically address discrimination against pregnant and parenting students. Such policies shall include a student's right to attend classes and participate in extracurricular activities, opportunities to make up missed classwork, protections of students from harassment, and a formal grievance procedure.

- **Authorizes School Bus Safety Camera Programs:** The Executive Budget includes a proposal allowing school districts to establish a school bus safety camera program imposing monetary liability on the owner of a vehicle that illegally passes a school bus. In order to implement this program, school districts are permitted to enter into contract with third parties for the installation, administration, and operation of such cameras. All penalty payments shall be paid to the school district; however, the district may contract with law enforcement to allow law enforcement to retain a portion of the payment, not to exceed 20 percent. Liability under these provisions shall not result in points on the owner's license. The language also increases the fines associated with passing a school bus. For a first conviction the fine shall increase from \$600 - \$700 to \$1,000 - \$1,250. For a third conviction, the fine shall increase from \$750 - \$1,000 to \$1,250 - \$1,500.
- **Extend New York Human Rights Law to Cover All Students:** The Executive Budget proposal amends Human Rights Law to create a definition of 'educational institution' to include any public school, school district, BOCES, public college or university. This definition would subject these public school entities to provisions of the Human Rights Law that prohibit educational institutions from conducting unlawful discriminatory practices, including deny the use of facilities to students, or permitting the harassment of students. A 2012 New York State Court of Appeals decision interpreted the current Human Rights Law to apply to an education corporation that holds itself out to the public to be non-sectarian and exempt from property taxes, which does not apply to traditional public schools.

Higher Education Fact Sheet

Appropriations

- **DREAM Act:** The Executive includes \$27 million to allow undocumented students access to the various financial aid, opportunity programs, grants, and scholarship programs administered by the State.
- **Excelsior Scholarship:** The Executive Budget provides \$118.6 million for the third-phase of the Excelsior Scholarship. This would allow 30,000 eligible students to attend a public university in New York tuition free. Under the third phase, the maximum income for eligibility increases to \$125,000.
- **\$834 Million in Critical Maintenance Funding:** The Executive Budget provides \$550 million for State University of New York (SUNY) campuses to perform critical maintenance on its infrastructure. The City University of New York (CUNY) received \$284 million for their critical maintenance needs.
- **Opportunity Program Reductions:** The Executive Budget proposes to reduce funding for opportunity programs by \$38 million, including the elimination of funds added by the Legislature in SFY 2018-19 for 10 programs.
- **Creation of the Family Empowerment Community College Pilot Program:** The Executive Budget includes a new \$5 million opportunity program for single parents attending SUNY or CUNY community colleges. Eligible adults would receive additional wrap-around services while completing their degree including childcare, tutoring, and academic advisement.

Article VII

- **Senator Jose R. Peralta DREAM Act (Part D):** The Executive Budget includes language to extend eligibility for state financial aid to applicants who are not legal residents of the state. The Executive proposal provisions are similar to S.1250 (Sepulveda) but omits the creation of a NYS DREAM Fund Commission.
- **For-Profit College Accountability Act (Part E):** The Executive Budget includes requirements that would make for-profit colleges prohibited from receiving more than 80 percent of their annual revenue from local, state, or federal government loan, grant, or scholarship programs including the tuition assistance program (TAP) and enhanced tuition awards.

Higher Education Agency Details

Higher Education Agencies All Funds Appropriations				
Agency	Available SFY 2018-2019	Executive Recommendation SFY 2019-2020	\$ Change	% Change
State University of New York	\$11,056,456,100	\$11,130,209,100	\$73,753,000	0.7%
City University of New York	\$4,632,149,400	\$4,749,216,000	\$117,066,600	2.5%
Higher Education Services Corporation	\$1,247,687,000	\$1,220,066,000	(\$27,621,000)	-2.2%
Council on the Arts	\$47,043,000	\$46,883,000	(\$160,000)	-0.3%
Total Higher Education	\$16,983,335,500	\$17,146,374,100	\$163,038,600	1.0%

Overview

The Executive Budget recommends an All Funds appropriation of \$17.1 billion for higher education and arts in New York. This is a \$163 million increase or 1 percent over SFY 2018-19 levels and is largely reflective of increases in fringe benefit payments to SUNY and CUNY. The decreases to the Higher Education Services Corporation (HESC) are reflective of accounting changes for certain payments from HESC to SUNY, to count these payments as a transfer instead of a disbursement.

City University of New York

The Executive Proposal includes a SFY 2019-20 core-operating budget for CUNY of \$1.37 billion. Tuition revenue is projected to increase by \$31.3 million to \$1.2 billion as a result of the \$200 rational tuition increase that was authorized in SFY 2017-18 for CUNY senior colleges.

The Executive Budget maintains base operating aid for community colleges at \$2,847 per Full-Time Equivalent (FTE) student, the same as SFY 2018-19. This results in overall community college base aid of \$222.8 million for CUNY, a reduction of \$6.3 million. CUNY would receive \$2 million for the Family Empowerment Community College Pilot Program.

The Executive Budget provides \$284.2 million for CUNY critical maintenance projects, which is flat from SFY 2019-20. The Executive provides \$68.3 million for the State's 50 percent share of projects at CUNY community colleges.

The Executive Budget proposes the following funding levels for CUNY programs:

- \$23.4 million for the Search for Education, Elevation and Knowledge (SEEK) program (\$4.7 million reduction)
- \$8.9 million for building rental aid
- \$1.9 million for Workforce Development and contract courses
- \$1.5 million for CUNY LEADS
- \$1.1 million for College Discovery Program (\$225,000 reduction)

- \$813,100 for child care centers (\$902,000 reduction)
- No appropriation was made for the Accelerated Study in Associate Programs (ASAP) or the CUNY Pipeline Program at the Graduate Center. ASAP was funded at \$2.5 million in the SFY 2018-19 Budget and the CUNY Pipeline Program was funded at \$187,500.

State University of New York

The overall SFY 2019-20 core-operating budget for SUNY is \$2.9 billion. SUNY does not request additional appropriation language for the use of tuition revenue and remains at \$1.92 billion.

The Executive Budget maintains base aid for community colleges at \$2,847 per FTE, the same as SFY 2018-19. This results in overall community college base aid of \$441.8 million for SUNY, a reduction of \$11.7 million. SUNY would receive \$3 million for the Family Empowerment Community College Pilot Program.

The Executive Budget provides \$550 million for SUNY critical maintenance projects, flat from prior year funding. The Executive provides \$37.1 million for the state's 50 percent share of projects at SUNY community colleges.

The Executive Budget proposes the following funding levels for SUNY programs:

- \$55 million for the Educational Opportunity Centers (EOCs) (\$7 million reduction)
- \$26.8 million for the Educational Opportunity Programs (EOP) (\$5.4 million reduction)
- \$11.6 million for building rental aid (no change)
- \$6 million for Graduate Diversity Fellowships (\$600,000 reduction)
- \$2 million for Small Business Development Centers (\$1.5 million reduction)
- \$1 million for Workforce Development (no change)
- \$1 million for childcare centers (\$1.1 million reduction)

No appropriation was made for the Graduate Achievement and Placement Program (GAPP).

Opportunity Program Cuts (\$ in Millions)				
Program	2018-19 Enacted	2019-20 Executive	\$ Change	% Change
Search for Education, Elevation, and Knowledge (SEEK)-CUNY	\$28.08	\$23.40	(\$4.68)	-17%
Educational Opportunity Program (EOP)-SUNY	\$32.17	\$26.81	(\$5.36)	-17%
Educational Opportunity Centers (EOC)-SUNY	\$62.04	\$55.04	(\$7.00)	-11%
Accelerated Study in Associates Program (ASAP)-CUNY	\$2.50	\$0.00	(\$2.50)	-100%
College Discovery-CUNY	\$1.35	\$1.12	(\$0.23)	-17%
Liberty Partnership Program-SED	\$18.36	\$15.30	(\$3.06)	-17%
Higher Education Opportunity Program (HEOP)-SED	\$35.53	\$29.61	(\$5.92)	-17%
Science and Technology Entry Program (STEP)-SED	\$15.81	\$13.18	(\$2.64)	-17%
Collegiate Science and Technology Program (CSTEP)-SED	\$11.98	\$9.98	(\$2.00)	-17%
Foster Youth Initiative-SED	\$6.00	\$1.50	(\$4.50)	-75%
Total	\$213.81	\$175.93	(\$37.88)	-18%

Higher Education Services Corporation

The Executive Budget proposes \$1.2 billion in All Funds appropriations for the Higher Education Services Corporation (HESC). This includes \$1.1 billion for the Tuition Assistance Program (TAP). The TAP appropriation includes \$27 million for the DREAM Act, \$118.6 million for the third-phase of the Excelsior Scholarship, and \$7.2 million for enhanced tuition awards. In addition, the Executive includes an additional \$1 million for the State's various scholarships and programs to bring total funding to \$60.7 million. The Executive maintains funding for programs such as the child welfare worker loan forgiveness program and scholarship.

Council on the Arts

The Executive Budget provides \$47 million in All Funds appropriations for the Council on the Arts, including \$40.6 million for grants awarded not-for-profit arts organizations. The Council on the Arts provides more than 2,400 grants to local theaters, museums, and dance companies across the State. The Executive reduced Council on the Arts funding \$160,000 through the removal of two legislative adds to support arts in Cayuga County and Central New York.

Article VII

- **CPA Minority Ownership (Part B):** The Executive Budget proposes language that would allow non-CPAs to own a minority stake in a CPA firm. CPA's under the Executive's proposal would need to hold a simple majority, at least 51 percent, of the outstanding stock shares, directors, and officers positions. The proposal also mandates the makeup of the Board of Directors by requiring that the president, the chairperson of the board, and any chief executive or other officers are certified public accountants. The proposal also includes language setting out requirements of CPA firm to assure that going forward the majority of any firms' assets and shares will continue to be controlled by certified public accountants.
- **Ban on Conversion Therapy (Part Y):** The Executive Budget proposes implementation language prohibiting mental health professionals from engaging in sexual orientation change efforts on patients under 18 years of age. The Executive Budget proposal defines "sexual orientation change efforts" to mean any practice by a mental health professional that seeks to change an individual's sexual orientation and clarifies that mental health professionals may provide counseling for a person seeking to transition from one gender to another. The Executive's proposal mirrors S.1046 (Hoylman) that passed both the Senate and Assembly.
- **Senator Jose R. Peralta DREAM Act (Part D):** The Executive Budget proposes language for the Senator Jose R. Peralta DREAM Act. The Executive Budget language extends eligibility for state financial aid to applicants who are not legal residents of the state. Such applicants would qualify for state financial aid if they attended a registered state high

school for two or more years, graduated from a registered state high school, lived continuously in New York while attending an approved state high school, and applied for attendance at the institution of higher education within five years of receiving their high school diploma. The Executive proposal provisions are similar to S.1250 (Sepulveda) but omits the creation of a NYS DREAM Fund Commission.

- **For-Profit College Accountability Act (Part E):** The Executive Budget includes requirements that would apply to for-profit colleges and universities accredited to operate in the State. Beginning in the 2019-20 academic year, the Executive Budget proposes language that prohibits proprietary colleges and universities from receiving more than 80 percent of their annual revenue from local, state, or federal government loan, grant, or scholarship programs including the TAP and enhanced tuition awards. If a proprietary college or university fails to meet the 80 percent threshold for two consecutive academic years then the institution would be unable to enroll new students participating in federal, state, or local aid programs. The Executive Budget language also includes reporting requirements for proprietary colleges and universities mandating them to disclose revenue and expenditures to the Commissioner of the State Education Department.
- **Arts Capital Grants Fund (Part F):** The Executive Budget restructures the arts capital revolving loan fund from a loan to a grant awarded to art organizations by the New York State Council on the Arts (NYSCA).

Public Protection Fact Sheet

Appropriations

- **DOCCS:** The Department of Corrections and Community Supervision provides an \$84.3 million increase in funding to support solitary confinement reforms related to the New York Civil Liberties Union (NYCLU) settlement and an Article VII proposal. This increase includes \$69 million for capital project funding and \$14 million in state operations to support 153 additional Full Time Employees (FTEs).
- **DCJS:** The Executive Budget proposal eliminates \$26.9 million in Aid to Localities funding included by the Legislature in SFY 2019. In addition, the Executive Budget provides \$10 million in new funding to support grants to local organizations for youth justice and gang prevention programs, including grants to address MS-13.
- **ILS:** The Executive Budget recommendation provides an increase of \$49.7 million in Aid to Localities funding to support the statewide implementation of the Hurrell-Harring Settlement. This includes \$49.3 million for local assistance grants and \$373,000 in State Operations support for two additional FTEs to support implementation.

Article VII

- **Pretrial Reform:** The Executive includes a proposal that would eliminate cash bail, require appearance tickets for most misdemeanors and most Class E felonies, require discovery to be completed within 15 days of arraignment and before the expiration of any plea offers, and enact some speedy trial reforms.
- **Child Victims Act:** The Executive Budget proposal extends the criminal statute of limitations for child sexual abuse crimes, allows civil lawsuits for such acts until the victim's 50th birthday, creates a one-year revival window for previously time-barred claims, and eliminates notice of claim requirements for claims against public institutions.
- **Segregated Confinement:** The Executive Budget proposal codifies the agreement made between NYCLU and the Department of Corrections and Community Supervision (DOCCS) generally reducing the use of segregated confinement. The proposal departs significantly, however, from existing segregated confinement reform proposals, particularly the Humane Alternatives to Long-Term (HALT) Solitary Confinement Act (S.1623/Sepulveda) by still allowing, in certain cases, people to be held indefinitely in segregated confinement or similar units created by the legislation.

Public Protection Agency Details

Public Protection Agencies All Funds Appropriations				
Agency	Available SFY 19	Executive Recommendation SFY 20	\$ Change	% Change
Department of Corrections & Community Supervision (DOCCS)	\$3,296,225,000	\$3,380,470,000	\$84,245,000	2.6%
Department of Law (AG)	\$263,872,000	\$250,927,000	(\$12,945,000)	-4.9%
Division Military and Naval Affairs (DMNA)	\$156,511,000	\$157,611,000	\$1,100,000	0.7%
Division of Criminal Justice Services (DCJS)	\$312,542,750	\$275,640,000	(\$36,902,750)	-11.8%
Division of Homeland Security and Emergency Services (DHSES)	\$1,536,307,000	\$1,568,307,000	\$32,000,000	2.1%
Division of State Police (DSP)	\$994,657,000	\$956,632,000	(\$38,025,000)	-3.8%
Interest on Lawyer Account (IOLA)	\$47,039,000	\$47,039,000	\$0	0.0%
Judicial Commissions (3)	\$5,764,000	\$5,764,000	\$0	0.0%
Office for the Prevention of Domestic Violence (OPDV)	\$5,597,000	\$5,597,000	\$0	0.0%
Office of Indigent Legal Services (ILS)	\$161,247,000	\$210,900,000	\$49,653,000	30.8%
Office of State Inspector General (IG)	\$7,444,000	\$7,244,000	(\$200,000)	-2.7%
Office of Victims Services (OVS)	\$119,698,000	\$171,798,000	\$52,100,000	43.5%
State Commission on Correction (SCOC)	\$2,955,000	\$2,955,000	\$0	0.0%
State Inspector General (IG)	\$7,444,000	\$7,244,000	(\$200,000)	-2.7%
Total Public Protection Agencies	\$6,917,302,750	\$7,048,128,000	\$130,825,250	1.9%
Judiciary All Funds Appropriation				
	Available SFY 19	Executive Recommendation SFY 20	\$ Change	% Change
Judiciary All Funds	\$2,265,791,552	\$2,336,671,887	\$70,880,335	3.13%
Judiciary General State Charges	\$783,403,737	\$814,814,979	\$31,411,242	4.01%
Total with General State Charges	\$3,049,195,289	\$3,151,486,866	\$102,291,577	3.35%

Overview

The SFY 2020 Executive Budget recommendation provides \$7.1 billion in All Funds appropriations for all agencies comprising the Public Protection functional area. This is an increase of \$130.8 million, or 1.9 percent, compared to SFY 2019 levels.

The New York State Unified Court System Budget recommends a total request of \$3.2 billion, an increase of \$102.3 million or 3.4 percent compared to SFY 2019 available funds.

Department of Corrections and Community Supervision (DOCCS)

The SFY 2020 Executive Budget provides All Funds appropriations of \$3.4 billion for DOCCS. This is an increase of \$84.3 million or 2.6 percent from SFY 2019.

State Operations: General Fund funding increases by a net of \$11.5 million, from \$2.6 billion, to \$2.6 billion in SFY 2020. This increase is a consequence of the following Executive Budget proposals:

- \$10.5 million increase associated with the NYCLU Special Housing Unit (SHU) settlement. The funding would support an increase of 116 Correction Officer FTEs and 37 Program FTEs
- \$3 million increase associated with electronic health record system

The Executive Budget offsets these increases with decreases of:

- \$1 million related to a 2018-2019 one-time Senate add for facility safety initiatives
- \$497,000 associated with the full annualization of the Affirmative Officer transfer in compliance with Executive Order 187
- \$360,000 decrease associated with the Shock Expansion included in Part KK of Chapter 55 of the Laws of 2018
- \$207,000 related to prior years savings recommendations

The funding level of \$7.1 million for Community Supervision and the Parole Board remains unchanged from SFY 2019.

Aid to Localities: The Aid to Localities funding level of \$29.5 million is unchanged from the SFY 2019 budget.

Capital Projects: The Executive Budget provides \$497 million in capital projects funding, which is an increase of \$70 million over SFY 2019 available funds. DOCCS plans to use almost all these funds to support solitary confinement reform included in the Executive Budget Article VII proposal.

Department of Law

The SFY 2020 Executive Budget provides All Funds appropriations of \$250.9 million, a net decrease of \$12.9 million or 4.9 percent from SFY 2019. This decrease in funding is associated with:

- \$13.9 million decrease in State Operations funding associated with an office move in NYC
- \$1 million increase in Capital Projects funding to support continuing efforts to upgrade technology systems

Division of Military and Naval Affairs (DMNA)

The SFY 2020 Executive Budget provides All Funds appropriations of \$157.6 million, an increase of \$1.1 million or 0.7 percent over SFY 2019. The Budget recommends a cut of \$4 million in State Operations funding because of the elimination of Federal Equitable Sharing appropriations, in line with recommendations from the Office of the NYS Comptroller.

Aid to Localities funding increases by \$100,000 to \$1 million. This increase in General Fund appropriations is associated with the additional expenses of the Service-members' Group Life Insurance Program.

The Executive Budget also includes a \$5 million increase in Capital Projects funding for armory maintenance projects.

Division of Criminal Justice Services (DCJS)

The SFY 2020 Executive Budget provides All Funds appropriations of \$275.6 million, a decrease of \$36.9 million or 11.8 percent over SFY 2019 available funds.

State Operations: The Executive Budget provides All Funds appropriations of \$84.3 million in State Operations funding, a decrease of \$15.6 million or 18.5 percent. This decrease is associated with the following Executive recommendations:

- \$16 million reduction from the Special Revenue Funds-federal account in response to discontinued usage of Federal Equitable Sharing program funds
- \$375,000 General Fund increase related to the operating expenses of bail reform

The Executive Budget continues to support 435 FTEs in SFY 2020, unchanged from SFY 2019 levels.

Aid to Localities: The Executive Budget provides All Funds appropriations of \$191.4 million in Aid to Localities funding, a net decrease of \$21.3 million or 10 percent from SFY 2019 available funds. The overall decrease in funding is associated with the following:

- \$26.9 million elimination of General Fund legislative adds

- \$10 million in new funding to support grants to local organizations for youth justice and gang prevention programs, including grants to address MS-13 gang violence
- \$4.4 million reduction in Special Revenue-Other funds traditionally used by the Legislature for discretionary grants
- \$1 million General Fund shift to the Legal Services Assistance Fund (LSAF)
- \$1 million increase in Special Revenue-Other LSAF funding for Aid to Prosecution

The Executive removes the lined-out appropriations for specific S.N.U.G. counties and allocates funding in one lump sum. The funding for Regional S.N.U.G. programs remains unchanged.

DCJS General Fund Legislative Eliminations				
Program/Recipient	Available SFY 19	Executive Recommendation SFY 20	\$ Change	% Change
Law Enforcement, Anti-Violence, Anti-Drug, Crime Control Prevention	\$2,971,000	\$0	(\$2,971,000)	100%
Westchester County Policing Program	\$1,984,000	\$0	(\$1,984,000)	100%
Domestic Violence Legal Services	\$1,609,000	\$0	(\$1,609,000)	100%
New York State Defenders Association	\$1,059,000	\$0	(\$1,059,000)	100%
Law Enforcement and Emergency Services Equipment and Technology	\$860,750	\$0	(\$860,750)	100%
Neighborhood Legal Services NY	\$800,000	\$0	(\$800,000)	100%
Prisoner Legal Services	\$750,000	\$0	(\$750,000)	100%
SNUG Bronx County***	\$615,000	\$0	(\$615,000)	100%
Alternative-To-Incarceration/Alternative-To-Detention Addition	\$500,000	\$0	(\$500,000)	100%
Finger Lakes Law enforcement Region Central New York	\$500,000	\$0	(\$500,000)	100%
Law Enforcement in the Southern Tier	\$500,000	\$0	(\$500,000)	100%
Additional Defense Services	\$441,000	\$0	(\$441,000)	100%
Central Family Life Center	\$356,000	\$0	(\$356,000)	100%
SNUG Poughkeepsie***	\$300,000	\$0	(\$300,000)	100%
Make the Road New York	\$300,000	\$0	(\$300,000)	100%
New York State Civil Air Patrol	\$300,000	\$0	(\$300,000)	100%
Brooklyn Conflicts Office	\$250,000	\$0	(\$250,000)	100%
Brooklyn Legal Services Corp A	\$250,000	\$0	(\$250,000)	100%
Child Care Center of New York	\$250,000	\$0	(\$250,000)	100%
Community Service Society of New York	\$250,000	\$0	(\$250,000)	100%
Legal Education Opportunity Program	\$250,000	\$0	(\$250,000)	100%
Goddard Riverside Community Center	\$250,000	\$0	(\$250,000)	100%
Firemen's Association of New York	\$250,000	\$0	(\$250,000)	100%
Newburgh Fire Department	\$250,000	\$0	(\$250,000)	100%
Neighborhood Legal Services NY	\$250,000	\$0	(\$250,000)	100%
Jewish Community Council of Greater Coney Island	\$250,000	\$0	(\$250,000)	100%
Fortune Society	\$200,000	\$0	(\$200,000)	100%
Vera Institute Common Justice Inc	\$200,000	\$0	(\$200,000)	100%
Legal Services NYC: Staten Island Legal Services	\$200,000	\$0	(\$200,000)	100%
Nassau Suffolk Law Services	\$200,000	\$0	(\$200,000)	100%
Legal Action Center	\$180,000	\$0	(\$180,000)	100%
Brooklyn Defenders	\$175,000	\$0	(\$175,000)	100%
New York County Defender Services	\$175,000	\$0	(\$175,000)	100%
Albany Law School	\$150,000	\$0	(\$150,000)	100%
Legal Aid Society	\$150,000	\$0	(\$150,000)	100%
New York City Legal Aid	\$150,000	\$0	(\$150,000)	100%
Make the Road New York	\$150,000	\$0	(\$150,000)	100%
Friends of the Island Academy	\$150,000	\$0	(\$150,000)	100%
The North Brooklyn Coalition	\$150,000	\$0	(\$150,000)	100%
Rape Crisis Centers	\$147,000	\$0	(\$147,000)	100%
Neighborhood Initiatives Development Corporation	\$147,000	\$0	(\$147,000)	100%
Correctional Association	\$127,000	\$0	(\$127,000)	100%
New York State Prosecutors Training Institute	\$126,000	\$0	(\$126,000)	100%
Chevra Hatzolah Incorporated	\$125,000	\$0	(\$125,000)	100%
Chevra Hatzolah Incorporated	\$125,000	\$0	(\$125,000)	100%

DCJS General Fund Legislative Eliminations Cont.				
Schoharie Fire Department and Volunteer Fire Depts	\$120,000	\$0	(\$120,000)	100%
Legal Services NYC: Queens Legal Services Corporation	\$110,000	\$0	(\$110,000)	100%
Bailey House	\$100,000	\$0	(\$100,000)	100%
John Jay College	\$100,000	\$0	(\$100,000)	100%
Greenburger Center for Social and Criminal Justice	\$100,000	\$0	(\$100,000)	100%
SNUG Wyndanch	\$100,000	\$0	(\$100,000)	100%
Mobilization for Justice	\$100,000	\$0	(\$100,000)	100%
Center for Court Innovation	\$100,000	\$0	(\$100,000)	100%
Active Shooter Response Kits: Ambulance/EMS	\$100,000	\$0	(\$100,000)	100%
Richmond County District Attorney's Office	\$100,000	\$0	(\$100,000)	100%
Legal Services NYC	\$100,000	\$0	(\$100,000)	100%
District Attorney Office: Queens County	\$100,000	\$0	(\$100,000)	100%
District Attorney Office: Rockland County	\$100,000	\$0	(\$100,000)	100%
District Attorney Office: Bronx County	\$100,000	\$0	(\$100,000)	100%
District Attorney Office: Richmond County	\$100,000	\$0	(\$100,000)	100%
Legal Services NYC: South Brooklyn Legal Services	\$100,000	\$0	(\$100,000)	100%
Kings Against Violence Initiative Incorporated	\$100,000	\$0	(\$100,000)	100%
Her Justice Incorporated	\$100,000	\$0	(\$100,000)	100%
SNUG Jacob Medical Center Auxiliary Inc***	\$85,000	\$0	(\$85,000)	100%
NYPD- Bronx	\$80,000	\$0	(\$80,000)	100%
Groundswell	\$75,000	\$0	(\$75,000)	100%
Mohawk Consortium	\$75,000	\$0	(\$75,000)	100%
Flatbush Shomrim Safety Patrol	\$75,000	\$0	(\$75,000)	100%
Northern Manhattan Improvement Corporation	\$75,000	\$0	(\$75,000)	100%
Legal Aid Society NYC	\$71,831	\$0	(\$71,831)	100%
Legal Services of the Hudson Valley	\$70,000	\$0	(\$70,000)	100%
Mobilization for Justice	\$60,000	\$0	(\$60,000)	100%
Sanctuary for Families	\$59,976	\$0	(\$59,976)	100%
Legal Aid Society Rochester	\$59,159	\$0	(\$59,159)	100%
Empire Justice Center	\$52,251	\$0	(\$52,251)	100%
Exodus	\$50,000	\$0	(\$50,000)	100%
Shmira Civilian Volunteer Patrol of Boro Park Inc	\$50,000	\$0	(\$50,000)	100%
Legal Aid Society	\$50,000	\$0	(\$50,000)	100%
Youth Represent Incorporated	\$50,000	\$0	(\$50,000)	100%
Immigrant Justice Corps Incorporated	\$50,000	\$0	(\$50,000)	100%
Legal Aid Society: Mid-New York	\$45,729	\$0	(\$45,729)	100%
Domestic Violence Law Project: Rockland County	\$45,722	\$0	(\$45,722)	100%
Legal Services NYC Brooklyn	\$45,722	\$0	(\$45,722)	100%
Legal Services NYC Queens	\$45,722	\$0	(\$45,722)	100%
My Sisters' Place	\$45,722	\$0	(\$45,722)	100%
Local Government: Nassau County	\$45,722	\$0	(\$45,722)	100%
Neighborhood Legal Services NY	\$45,722	\$0	(\$45,722)	100%
Volunteer Legal Services Project of Monroe County	\$45,722	\$0	(\$45,722)	100%
Elmcor	\$44,000	\$0	(\$44,000)	100%
Intergration and the Advancement of New Americans (CIANA)	\$40,000	\$0	(\$40,000)	100%
Osborne Association	\$31,000	\$0	(\$31,000)	100%

DCJS General Fund Legislative Eliminations Cont.				
New York University (NYU)	\$30,000	\$0	(\$30,000)	100%
Bergen Basin Community Development Corporation	\$26,000	\$0	(\$26,000)	100%
104th Precinct Civilian Observation Patrol	\$25,000	\$0	(\$25,000)	100%
Jacob Riis Settlement House	\$20,000	\$0	(\$20,000)	100%
Bronx Veteran Mentors Incorporated	\$15,000	\$0	(\$15,000)	100%
New York City Police Department	\$10,000	\$0	(\$10,000)	100%
Total	\$22,897,750		(\$22,897,750)	100%
Elimination of Reappropriation for legal services and support services			(\$5,000,000)	100%
SNUG Consolidation in \$4.8 million appropriation***			\$1,000,000	
Grand Total Legislative Eliminations			(\$26,897,750)	100%

Division of Homeland Security and Emergency Services (DHSES)

The SFY 2020 Executive Budget provides All Funds appropriations of \$1.6 billion, an increase of \$32 million or 2.1 percent over SFY 2019 available funds. The funding change is primarily attributed to a \$30 million increase in Capital Projects funding.

State Operations: The Executive Budget includes \$3.6 million in new funding for State Operations. This increase is attributable to:

- \$1.9 million increase related to prior year initiative annualization
- \$700,000 increase for the transfer of an ITS contract to DHSES for satellite services associated with emergency response vehicles
- \$1 million increase to support the Securing the Cities Program, a federal grant program to reduce the risk of deployment of radiological or nuclear weapons against major metropolitan areas in the United States

DHSES's budget also cuts 54 FTEs from Emergency Management and 5 FTEs from the Counter-Terrorism Program.

Aid to Localities: The Executive Budget eliminates the legislative addition of \$1.6 million for Red Cross Emergency Response Preparedness.

Capital Projects: The DHSES budget includes \$33 million in capital projects funding, an increase of \$30 million. This funding will support the following:

- \$25 million new appropriation for grants awarded through the Office of Interoperable Emergency Communications. These grants are provided to counties that develop consolidated public safety network systems to enhance communication between law enforcement and the public
- \$5 million new appropriation for capital improvement projects at the State Preparedness Training Center in Oriskany
- \$3 million to support alterations and improvements for the preservation of current facilities

Division of State Police (DSP)

The SFY 2020 Executive Budget provides All Funds appropriations of \$956.6 million, a decrease of \$38 million, or 3.8 percent, from SFY 2019 available funds. This decrease is primarily the result of a reduction of \$60 million from the State Operations budget due to the elimination of Federal Equitable Sharing appropriations, in line with recommendations from the Office of the NYS Comptroller, to ensure that New York uses best accounting practices.

State Operations: Overall funding for State Operations is cut by a net of \$49 million. This includes:

- \$60 million reduction from the removal of Equitable Sharing Department of Justice and Treasury Special Revenue Funds
- \$1 million increase in Federal funding to support investigations into the manufacture and distribution of methamphetamine
- \$1 million increase in Federal funding for Patrol Activities to support commercial vehicle safety enforcement
- \$9 million in additional funding from a Special Revenue Fund to police the Thruway

The Executive Budget includes no changes in the number of FTEs – the budget currently funds 5,741 salaried positions.

Capital Projects: The Executive Budget includes \$127.5 million in Capital Project funding, an increase of \$11 million. This increase includes \$5 million in funding for the preservation of existing facilities and \$6 million to support the construction of new stations and zone headquarters.

Office of Indigent Legal Services (ILS)

The SFY 2020 Executive Budget provides All Funds appropriations of \$210.9 million, an increase of \$49.7 million or 30.8 percent over SFY 2019 available funds. The majority of this increase, \$49.3 million, will support the second round of the statewide implementation of the Hurrell-Harring settlement. The remaining \$373,000 will support two additional FTEs to assist with workload associated with implementation.

Interest on Lawyer Account (IOLA)

The SFY 2020 Executive Budget provides All Funds appropriations of \$47 million in overall funding for local grants. This funding is unchanged from SFY 2019 available funds. The actual disbursement amounts depend on the interest generated by the trust accounts to fund the program. The Judiciary's SFY 2020 request also provides an appropriation of \$15 million for this program.

Judicial Commissions

The SFY 2020 Executive Budget provides All Funds appropriations of the following amounts for the State's three judicial commissions: Commission on Judicial Conduct (\$5.7 million); Commission on Judicial Nomination (\$30,000); and the Judicial Screening Commission (\$38,000). Funding for all three commissions is unchanged from SFY 2019 available funds.

Office for the Prevention of Domestic Violence (OPDV)

The SFY 2020 Executive Budget provides All Funds appropriations of \$5.6 million, which remains unchanged from SFY 2019. The SFY 2020 Executive Budget funding will support 27 FTEs, the same amount as in SFY 2019.

Office of Victims Services (OVS)

The SFY 2020 Executive Budget provides All Funds appropriations of \$171.8 million, an increase of \$52.1 million or 43.5 percent over SFY 2019 available funds. The increase is attributed to a new Federal Victims of Crime Act grant. \$50 million of this funding will support new Aid to Localities funding, which will be used for the following:

- \$46 million to support an increase in funding for victim and witness assistance programs, resulting in total funding of \$101.9 million
- \$4 million in new appropriations to support programs in Kings County for social and mental health services for individuals who witness or experience family, community or interpersonal violence, are in the justice system or are disconnected from education or employment

Rape Crisis Center Services: The SFY 2020 Executive Budget provides an appropriation of \$2.8 million in Special Revenue Fund-Other (SRFO) to support rape prevention programs. This appropriation was funded with General Fund dollars in SFY 2019.

The additional \$2.1 million in Federal funding is in the State Operations budget. This money will go towards the administration of the program.

State Commission of Correction (SCOC)

The SFY 2020 Executive Budget provides All Funds appropriations of \$3 million for SCOC, the same amount as SFY 2019. Of this amount, \$2.5 million or 86.2 percent will support 32 FTEs in SFY 2020.

Office of the State Inspector General

The SFY 2020 Executive Budget provides All Funds appropriations of \$7.2 million, a decrease of \$200,000 or 2.7 percent compared to SFY 2019 available funds.

Judiciary

The Judiciary is one of the three branches of the New York State Government. Article IV of the New York State Constitution outlines the Judiciary's role and authority. The State is responsible for funding all courts except Town and Village Courts. In accordance with the State Constitution, each year the Judiciary submits estimates of its financial needs to the Executive and Legislature on or before December 1st.

The Judiciary request for SFY 2020 includes a total appropriation authority of \$3.2 billion, an increase of \$102 million or 3.4 percent compared to SFY 2019 available funds. This total includes All Funds appropriations of \$2.3 billion and \$814.8 million in General State Charges (GSC). The increase consists of \$70.9 million in All Funds appropriations and \$31.4 million in General State Charges.

State Operations: The SFY 2020 State Operations budget request is \$2.3 billion, a cash increase of \$44.7 million or 2 percent, compared to SFY 2019 available funds. The funding increase also supports salary adjustments for State Judges due to the recent change in salary for Federal District Judges. In 2015, The New York State Commission on Legislative, Judicial, & Executive Compensation recommended that the salary of State Supreme Court Judges be the same as Federal District Judges. Chapter 59 of the Laws of 2018 added five new Supreme Court Judgeships. The Judiciary's Budget request provides funding to support all judicial positions and all filled non-judicial positions.

Aid to Localities: The SFY 2020 Budget request includes \$114.9 million in Aid to Localities funding, an increase of \$2.6 million or 2.3 percent compared to SFY 2019 available funds. The Judiciary proposes to use these funds for two purposes:

- \$110.9 million for the Court Facilities Incentive Aid Program, which provides state grants to local governments for the construction and maintenance of court facilities
- \$4 million for the Justice Court Assistance Program (JCAP), which provides State grants of up to \$30,000 to towns and villages to assist with automating their judicial courts

Capital Projects: The Judiciary's budget includes \$24 million to support the continuation of improvements to court technology infrastructure. This is a \$6 million increase in funding over SFY 2019 available funds.

Article VII

- **Eliminates the Gay Panic Defense (PPGG Part Q):** The Executive Budget proposal would eliminate learning about or discovering a person’s actual or perceived sexual orientation, gender, gender identity, or gender expression (commonly known as the “gay panic” defense) as a defense to the crime of Murder in the Second Degree.
- **Provisions Protecting Victims of Rape and Sex Trafficking (PPGG Parts R and T):** The Executive Budget includes proposals that would eliminate the statute of limitations for the crimes of Rape in the Second Degree and Rape in the Third Degree, prohibit using a person’s status as a victim of child sex trafficking as evidence in sexual assault cases, and prohibit using a person’s past prostitution convictions as evidence in sexual assault cases.
- **Banning Revenge Porn (PPGG Part S):** The Executive proposes the creation of a Class A misdemeanor, punishable by up to one year in local jail, for the intentional dissemination of intimate images without the consent of the subject of the images. The proposal also creates a private cause of action in such cases.
- **Domestic Violence Survivors Justice Act (PPGG Part U):** This proposal would expand alternative and reduced sentencing when a defendant committed a crime because of their being in an abusive relationship.
- **Elimination of the Death Penalty (PPGG Part W):** The Executive proposal would eliminate all references to the death penalty from New York law. Currently, the death penalty is unavailable as a sentence due to a 2004 Court of Appeals ruling, but the statutes remain on the books.
- **Banning Bump Stocks (PPGG Part X):** This bill would ban the possession, manufacturing, sale, and distribution of bump stocks and other items that increase firearms’ rate of fire. This proposal is drafted to be slightly broader than an existing Senate proposal in that it does not require the rate of fire to approximate that of an automatic weapon.
- **Effective Background Checks Act (PPGG Part Y):** Under this proposal, gun sellers may not deliver a firearm to a purchaser until either the purchaser has passed a background check or ten days have passed, while current law only requires three days to have passed. The language, however, does not include provisions requiring gun dealers’ employees to pass background checks.
- **Pretrial Reform (PPGG Part AA):** The Executive makes three proposals to reform pre-trial criminal procedure:
 - **Bail Reform (Subpart A):** In a departure from the Executive’s past proposals, this year’s proposal would eliminate cash bail and require the release of most defendants on non-monetary conditions. Further, the proposal would require police to issue

appearance tickets for all misdemeanors and Class E felonies, with some exceptions – meaning that most of these cases will not result in an automatic arrest.

- **Discovery Reform (Subpart B):** This proposal would require prosecutors to turn over the bulk of all discoverable material within 15 days after arraignment, and in any case, prior to the expiration of any plea offers. Further impeachment material must be turned over at least 15 days prior to trial.
- **Speedy Trial Reform (Subpart C):** The proposal would offer some protection against prosecutors buying themselves time by pausing and restarting the speedy trial clock by declaring their unreadiness after declaring readiness but does not provide defendants with protection from delays due to court congestion.
- **Grand Jury Reform (PPGG Part EE):** This proposal would make some changes to the admissibility of evidence in front of a grand jury, in conformance with the 2013 recommendations of the New York State White Collar Crime Task Force. The changes would allow certain business documents to be entered with an affidavit certifying their authenticity, rather than witness testimony, and allowing identity theft victims to submit an affidavit certifying that they did not consent to the use of their identity.
- **One Day Less (PPGG Part OO):** The Executive proposes reducing the maximum penalty for Class A misdemeanors from one year to 364 days. While this would have a minimal impact on actual sentences, it would effectively make all misdemeanors non-deportable offenses for non-citizens. The proposal is retroactive and would apply to cases where the sentence has already been given. Similar retroactive provisions have proven ineffective at preventing deportations, but the proposal would help non-citizens convicted of Class A misdemeanors in the future.
- **Segregated Confinement (PPGG Part JJ):** The Executive Budget proposal prohibits the placement of pregnant women and adolescents in segregated confinement, generally reduces the time individuals spend in segregated confinement and introduces new rehabilitative measures. The proposal increases the amount of out-of-cell time an individual held in segregated confinement is given, increases programming dedicated to rehabilitation, and increases staff training. The proposal departs significantly from existing segregated confinement reform proposals, particularly the HALT bill. The proposal will still allow, in certain cases, people to be held indefinitely in segregated confinement or similar units created by the legislation. The proposal would only prohibit the placement of adolescents in segregated confinement if they are in adolescent facilities, and would not restrict the placement in segregated confinement of individuals with mental health disabilities.
- **Shock Incarceration (PPGG Part KK):** The Executive Budget proposal expands the shock incarceration program by making persons convicted of burglary in the second degree or robbery in the second degree eligible for admission into the program upon a motion to be made by the convicted.

- **Reentry (PPGG Part II):** The Executive Budget proposal removes barriers to reentry for individuals with criminal records by: removing automatic bars on various occupational licenses and public service jobs for individuals convicted of felony offenses; prohibiting the publishing of documentation of arrests or other law enforcement action that did not yield convictions; and by removing the automatic six-month revocation of drivers licenses of individuals convicted of certain drug offenses. Occupational licenses impacted include licenses to work as a real estate broker, adjuster, notary, driving instructor, and in various gaming related employment. The proposal allows licensing bodies to retain the ability to consider these convictions in the granting of a license.

The Executive Budget proposal also extends compassionate parole to certain individuals over the age of 55 who are suffering from age-related disabilities and have served at least half of their minimum sentence. The Budget proposal also preserves the ability of the District Attorney to comment before an individual can be granted compassionate parole, and allows for a condition of the conditional parole to be the confinement of an individual in a hospital or hospice facility after release.

- **Department of Law Office of Special Investigation (PPGG Part RR):** The Executive proposes to create an Office of Special Investigation within the Department of Law to investigate any case where a police officer causes the death of an unarmed civilian during the performance of his or her duties. The Deputy Attorney General for Special Investigation would oversee the Office, except in cases involving the State Police. In those cases, the Attorney General would appoint an independent special prosecutor to conduct the investigation.

The proposal also requires every police department, county sheriff, and the Superintendent of State Police to report any incident where a police officer discharges a firearm in the direction of another person or takes action resulting in the death or serious bodily injury of another person to the Division of Criminal Justice Services (DCJS). The proposal requires the Municipal Police Training Council to establish a model use of force policy and requires local police departments, county sheriffs and the State Police to implement such policy.

- **Shifting Burden of Serving Process on Business Entities from Department of State to Plaintiff (TEDE Part Q):** The Executive proposes shifting the burden of serving legal process on corporations, cooperative corporations, redevelopment companies, condominium boards, associations, limited partnerships, limited liability partnerships, limited liability companies, real estate brokers, and not-for-profit corporations from the Secretary of State to the plaintiff.

The Executive Budget extends for one year the authority of the Secretary of State to charge additional fees for special expedited handling of documents.

- **Interest Rates on Civil Judgments and Accrued Claims (PPGG Part D):** The Executive proposes to lower the statutory interest rate on civil judgments and accrued claims from nine percent to the one-year United States Treasury Bill rate.
- **Child Victims Act (PPGG Part P):** The Executive proposes to enact the Child Victims Act, which would: (1) toll the criminal statute of limitations for sexual offenses committed against a child for an additional five years until the victim's 23rd birthday; (2) allow victims of child sexual abuse to bring civil claims until the age of 50; (3) open a one-year "revival window" to bring a lawsuit for victims of child sexual abuse whose civil claims are currently time-barred; and (4) eliminates the notice of claim and notice of intention requirements for lawsuits against governmental entities involving child sexual abuse. The proposal also provides revived civil claims with preference on the trial calendar, requires the Office of Court Administration to provide training for judges concerning crimes involving the sexual abuse of minors, and directs the Chief Administrative Judge to promulgate rules for the timely adjudication of revived claims.
- **Extreme Risk Protection Orders (PPGG Part Z):** The Executive proposes to enact Extreme Risk Protection Orders. Under the proposal, a police officer or district attorney with jurisdiction in the respondent's county or city of residence, family member, household member, or school official at the school the respondent attends, or recently attended, could apply for a court order requiring the seizure of firearms against a respondent that is likely to seriously harm themselves or others.

If the court finds probable cause to believe the respondent will harm themselves or others, the court may issue an ex parte temporary extreme risk protection order, with an opportunity for a hearing on a final order within three to six business days. If the court does not find probable cause, it would not issue a temporary order and set a hearing on a final order within ten business days.

At the hearing for a final order, the petitioner must prove by clear and convincing evidence that the respondent is likely to harm themselves or others. If the petitioner meets that burden, the court may issue a final order for a period of up to one year. During that period, the respondent may make one written request to the court for a hearing to set aside the order. At that hearing, the respondent must show by clear and convincing evidence that circumstances have changed to justify a change to the order. Before the expiration of the final order, the petitioner can request a renewal of the order but must show by clear and convincing evidence that the renewal is necessary. On the expiration of the order, the court will seal all records of proceedings related to the order to all except the respondent, the courts, and law enforcement. The respondent may then make a written application to get his or her firearms back.

- **Fee Increases for Attorney Biennial Registrations and Criminal History Searches (PPGG Part DD):** The Executive proposes to raise the attorney biennial registration fee from \$375 to \$425 and raise the fee for Office of Court Administration (OCA) criminal history searches and other OCA data searches from \$65 to \$90. All revenue from the increases would go to the Indigent Legal Services Fund for the statewide implementation of the Hurrell-Harring settlement, which requires the State to ensure counsel at a criminal defendant's first court appearance, ensure adequate representation, create standards for caseload size, and otherwise increase the quality and availability of indigent legal defense.
- **Civil Asset Forfeiture Reform (PPGG Part PP):** The Executive proposes several reforms to civil asset forfeiture. The proposed reforms would limit the ability to claim authorities to commence a forfeiture proceeding when not directly based on a conviction, limit the ability of claiming authorities to seek money judgments, increase the threshold for claiming authorities to seek attachment of assets, and require proceeds to be placed in a local Asset Forfeiture Escrow Fund.
- **Child-Parent Security Act (PPGG Part QQ):** The Executive proposes to enact the Child-Parent Security Act, which would provide for a judgment of parentage for children born through assisted reproduction and gestational surrogacy, clarify the rights of gamete donors and intended parents, and legalize compensated gestational surrogacy agreements in which the surrogate has no genetic relationship to the child. The proposal repeals and replaces the existing Domestic Relations Law sections governing surrogate parenting contracts and the legitimacy of children born through artificial insemination. The legislation allows intended parents to obtain a judgement of parentage prior to a child's birth that becomes effective at birth. Additionally, the legislation legalizes compensated gestational surrogacy, in which the surrogate has no genetic connection to the child.

The proposal allows intended parents to obtain a judgment of parentage prior to a child's birth that becomes effective at birth. In the case of a child born through assisted reproduction, the intended parents must meet New York residency requirements, show that the gestating parent became pregnant through gamete donation, show that the non-gestating parent consented to the procedure, and show proof of the gamete donor's donative intent. In the case of a child born through gestational surrogacy, the intended parents must show that they are eligible to enter into a gestational surrogacy agreement and that the agreement meets legal requirements. The judgment would declare the intended parents the sole parents upon the birth of a child, charge the intended parents with full responsibility for the child, and, in the case of gestational surrogacy, order the surrogate to transfer the child to the intended parents upon birth.

Health and Mental Hygiene Fact Sheet

Appropriations

- \$1.1 billion for the Department of Health and \$62.4 million for the Department of Mental Hygiene agencies to support minimum wage increases for workers who provide services reimbursed by Medicaid.
- New York City's reimbursement for general public health programs is reduced from 36 percent to 20 percent resulting in a \$26.85 million reduction.
- Codifies New York State of Health Insurance Marketplace (NYSOH) and provides \$570 million total funding.
- Defers the Cost of Living Adjustment for \$142 million in savings. This deferral impacts several agencies including Office for People with Developmental Disabilities, Office of Mental Health, Office of Alcoholism and Substance Abuse.

Article VII

- **Codify the Affordable Care Act:** The Executive Budget proposes to codify provisions of the Affordable Care Act into state law and proposes other provisions intended to ensure broader access to affordable, quality health insurance.
- **Women's Agenda:** Which includes the below legislation:
 - **IVF Coverage** Requires every large group, small group, and individual policy issued or delivered in New York to provide coverage for standard fertility preservation services when a medical treatment may directly or indirectly cause iatrogenic infertility to an insured individual. The proposal would also require every large group policy issued or delivered in New York State to provide coverage for three cycles of in-vitro fertilization used in treatment of infertility and it would prohibit discrimination against an insured individual seeking such treatment.
 - **Comprehensive Contraception Coverage Act** - Requires health insurance plans to cover all FDA-approved contraception drugs, devices and products without copays including emergency contraception, sterilization procedures, and contraception education/counseling and follow up services. Insurance plans (and Medicaid) would also have to allow for the dispensing of up to a 12-month supply of contraception at one time.
 - **Maternal Mortality Review Board** - Creates a state maternal mortality review board tasked with reviewing maternal deaths and developing findings, recommendations and best practices to prevent maternal deaths.
 - **Reproductive Health Act** - Updates New York's abortion law to allow advanced practice medical professionals to perform abortions up to 24 weeks of pregnancy or

after in the absence of fetal viability or to protect the life or health of the mother. The proposal also removes penal law provisions and other provisions related to criminalizing abortions.

- **Pharmacy Benefit Managers:** The Executive Budget includes legislation that would require all contracts or other arrangements entered into by a managed care plan to limit payment to the pharmacy benefit manager (PBM) to ingredient costs, a dispensing fee, and an administrative fee, and requires the PBM to pass-through any sources of income related to their services to the plan. Additionally, requires PBMs to register with the Department of Financial Services (DFS) and eventually become licensed by 2021.
- **Universal Access Commission:** The Executive Budget creates a “Universal Access Commission” that will advise the Commissioner of Health and Superintendent of Financial Services on options for achieving universal access to health care in New York State. The Commission members will be appointed by the Commissioner of Health and Superintendent of Financial Services and must “consult” with the legislature and stakeholder groups to discuss achieving universal access to care. They must provide a report to the Governor on their findings by December 1, 2019.

Department of Health Agency Details

The Executive Budget proposes \$160.2 billion in All Funds appropriations for the Department of Health (DOH) in FY 2020. This is an increase of \$7.5 billion, or 4.9 percent, over SFY 2019 levels. This All Funds appropriation includes \$5.0 billion for the Essential Plan, and \$7.0 billion for remaining health program spending.

Health and Mental Hygiene Agency All Funds Appropriations				
Agency	Available SFY 2018-2019	Executive Recommendation SFY 2019-2020	\$ Change	% Change
Department of Health	\$152,678,198,100	\$160,181,094,500	\$7,502,896,400	4.9%
Office of Medicaid Inspector	\$50,021,000	\$44,435,000	(\$5,586,000)	-11.2%
Office of Mental Health	\$4,264,744,000	\$4,395,554,000	\$130,810,000	3.1%
Office for People with Developmental Disabilities	\$4,699,874,000	\$4,821,694,000	\$121,820,000	2.6%
Office of Alcoholism and Substance Abuse Services	\$808,764,000	\$802,338,000	(\$6,426,000)	-0.8%
Justice Center for the Protection of People with Special Needs	\$56,404,000	\$57,640,000	\$1,236,000	2.2%
Total	\$162,558,005,100	\$170,302,755,500	\$7,744,750,400	4.8%

Public Health:

- **General Public Health Work Reimbursement Reduction:** The Executive Budget reduces New York City's reimbursement for certain general public health funding from 36 percent to 20 percent. The state achieves \$26.85 million in savings from this reduction.
- **Early Intervention Rate Increase:** The Executive Budget increases reimbursement rates for early intervention providers. The SFY 2020 budget includes \$3.60 million for this increase.

New York State of Health:

The SFY 2020 Executive Budget includes \$570 million total funding to codify the NYSOH marketplace in law. Since 2014, NYSOH has enrolled 4.7 million New Yorkers, decreasing the total of uninsured individuals by nearly 1 million.

Capital Funding

The Executive Budget continues \$3.8 billion in capital investments for certain health care providers but does not include a new round of capital funding for the Health Care Facility Transformation Program. Round II of these awards have yet to be announced. Up to \$300 million of last year's funding may be awarded to unfunded project applicants submitted in response to the Department's Request For Application announced in January 2018. Additionally, \$5 million of this funding will be reprogrammed for regional perinatal care

centers or other health providers to establish rural telehealth applications. Additionally, the budget continues \$750 million for a life sciences laboratory project on the Harriman campus.

Medical Assistance (Medicaid) Program

The Executive budget recommends \$73.9 billion (All Funds) in Medicaid Spending for SFY 2020. This is an increase of \$1.326 billion or 1.8 percent. Spending for Medicaid Global Cap and Health Care Transformation (state funds) is \$19.6 billion, which is an increase of \$680 million or 3.6 percent. Spending under the Global Cap increases from \$18.9 billion to \$19.4 billion. This is an increase of \$568 million or 3.0 percent over SFY 2019 spending. The Medicaid Global Cap limits spending growth to the 10 year rolling average of the medical component of the medical consumer index price. Further, the budget extends the Medicaid Global Cap until March 31, 2021.

Medicaid Spending				
Category	FY19	FY20	\$ Change	% Change
Medicaid and Health Care Transformation Fund (State Funds)	\$18,920	\$19,600	\$680	3.6%
Medicaid (Global Cap)	\$18,865	\$19,433	\$568	3.0%
Medicaid (Total All Funds)	\$72,584	\$73,909	\$1,326	1.8%

Additionally, the Executive Budget continues the state's commitment to take over Local Medicaid Growth. This year's budget provides approximately \$3.7 billion in fiscal relief to localities.

Minimum Wage Investments:

The SFY 2020 Executive Budget provides \$1.1 billion to support minimum wage increases for workers providing services reimbursed by Medicaid. The below table details these impacts:

Minimum Wage State Impacts (in millions)			
	FY 2019	FY 2020	Increase
Home Care	\$617.5	\$1,011.4	\$379.8
Personal Care	\$55.5	\$80.0	\$24.5
Home Health	\$8.8	\$12.7	\$3.9
Nursing Homes	\$7.1	\$9.9	\$2.8
Inpatient	\$0.6	\$1.1	\$0.5
Outpatient (Clinic)	\$4.7	\$5.7	\$1.0
ALPs	\$1.9	\$2.3	\$0.4
Hospice	\$0.0	\$0.1	\$0.0
Transportation	\$7.0	\$7.8	\$0.8
Total	\$703.3	\$1,131.0	\$427.7

Medicaid Redesign Team (MRT) Proposals

The MRT was created in 2011 to develop a multi-year reform plan to curb Medicaid and improve health outcomes. The Executive Budget recommendation for SFY 2020 includes multiple MRT initiatives. The fiscal impact of these initiatives is neutral and while most of these proposals require legislative action, many can be implemented administratively. These recommendations include pharmacy, long term care, managed care, and transportation initiatives, as well as several other proposals to achieve additional savings.

Pharmacy: The budget includes several pharmacy initiatives that achieve \$88 million in savings in SFY 2020 and \$104.8 million in SFY 2021. These initiatives include:

- Reduces coverage for certain over-the-counter drugs and increases the co-pay from \$.50 to \$1.00. The Executive assumes \$12.3 million in savings in SFY 2020
- Eliminates prescriber prevails protections in Medicaid fee-for-services and managed care. The Executive assumes \$18.7 million in savings
- Aligns drug payments charged to managed care organizations by PBMs with the fee-for-service price. The Executive assumes \$43.3 million in savings for SFY 2020
- Accelerates the Drug Cap rebate contracting process. The Executive assumes \$13.7 million in savings in SFY 2020

Long Term Care: Long term care initiatives will achieve \$272.7 million in savings in SFY 2020. These savings grow to \$247.7 million in SFY 2021, as follows:

- Makes it harder for the community spouse to refuse spousal support for the non-institutionalized spouse. The Executive assumes \$5.9 million in savings
- Establishes a per-member-per-month reimbursement for fiscal intermediaries (FI) and makes changes to the authorization process for FIs, which could reduce the number of FIs operating in the state. The Executive assumes \$75 million in savings
- The Executive assumes \$24.5 million for the modified implementation date for the Community First Choice Option initiative
- The Executive assumes \$122.8 million in savings for a nursing home case mix adjustment. This adjustment would allow DOH to use more than two data points for case mix adjustments.
- The SFY 2020 invests \$15 million in New York State Office for the Aging's Expanded In-Home Services for the Elderly Program. The Executive assumes this investment will achieve \$34 million in savings by diverting the elderly from nursing homes and other types of care
- The Executive achieves \$25 million in savings by allowing managed long term care plans to manage utilization of personal care services

Managed Care Savings: The Executive Budget proposes several MRT initiatives for managed care. These initiatives will achieve an estimated \$56.3 million in savings in SFY 2020; growing to \$70.9 in the out-years.

- The state will take over from localities certain disenrollment processes for Medicaid Managed Care and decrease the amount of capitation payments that are paid for each case.

This achieves \$18.7 million in SFY 2020. The state assumes an additional \$3.9 million in savings from additional third party health insurance recoveries.

- The Executive assumes \$29.6 million in savings by transitioning Flushing Hospitals from Value Based Payment Quality Insurance Program to Vital Access Provider Assistance Program.
- The Executive assumes \$4.1 million in savings from OMIG managed care recoveries.

Transportation Savings: The Executive Budget proposes several transportation initiatives which achieve \$23.6 million in savings for SFY 2020 and \$30.1 million in the out-years.

- Carves transportation out of the Managed Long Term Care (MLTC) capitated rate, and move it into fee-for-service. This achieves \$6.4 million in savings.
- Carves Adult Day Health Care out of MLTC to fee-for-services. The Executive assumes \$4.1 million in savings.
- The budget eliminates \$4 million in rural transit assistance.
- The budget eliminates \$3 million in supplemental ambulance rebate payments.
- The budget reduces rates provided to New York City livery providers by \$3.00. Rates for livery rides over five miles, green taxi, and livery services will be reduced. The Executive assumes \$6.1 million in savings.

Additional Savings Proposals: The Executive Budget expects to achieve \$89 million in savings through additional savings proposals:

- Allows for certain regulatory requirements on providers involved in DSRIP projects or replication or scaling activities to be waived. Providing regulatory flexibility would facilitate the growth of services and projects would decrease hospital utilizations. The Executive assumes \$10 million in savings.
- Achieves \$5 million in savings through a Health Home rate reduction.
- Implements reduction for inpatient fee-for-service and managed care rates to general hospitals with a high percentage of potentially avoidable inpatient services. This achieves \$5 million in savings.
- Implements the National Diabetes Prevention program and assumes \$900,000 in savings through this implementation.
- Limits the amount paid towards Medicaid Part B deductibles, and ambulance and psychologist services, to ensure that these payments do not exceed the amount that would otherwise be paid for a non-dual-eligible member. This would achieve \$17.5 million in savings.
- Eliminates \$24.5 million in state payments for the Major Academic Centers of Excellence. This payment is provided to five New York State hospitals including:
 - Albany Medical Center (\$2.3 million)
 - Mount Sinai Hospital (\$5 million)
 - New York Presbyterian Hospital (\$10.7 million)
 - NYU Hospital Center (\$2.4 million)
 - Strong Memorial Hospital (\$4.1 million)

- Eliminates the Population Health Improvement program, which provides \$7.8 million in savings. This will eliminate funding for ten regional contractors, but funding for the Finger Lakes will remain.
- Provides \$18.3 million in savings if CMS approves the State's federal waiver for supportive housing services, which currently are only state funded.

Other Investments: In addition to the above savings proposals the Executive Budget invests \$104 million in several programs:

- \$6.4 million to expand coverage for applied behavioral analysis for children in Medicaid managed care and fee-for-services.
- \$3.1 million for an additional year increase for ambulance rate adequacy.
- \$60 million for Disproportionate Share Hospital (DSH) payments for the three SUNY teaching hospitals: SUNY Downstate, SUNY Upstate, and Stonybrook. These hospitals will receive a projected gross total of \$459 billion in DSH payments.
- \$10 million to develop the Electronic Visit Verification system to verify when home care services are provided.
- \$2.8 million to shift funding for Off Track Betting retirees' health insurance under the Global Cap.
- \$300,000 to increase funding to \$1 million for the United Hospital fund
- \$1.8 million to shift funding for the Nursing Home Transition and Diversion waiver to the Global Cap
- \$11.5 million to shift funding for the Traumatic Brain Injury waiver program to the Global Cap.
- \$530,000 for implementation of the Behavioral Health Parity initiative.
- \$4 million to support Maternal Mortality initiatives, including creating a maternal mortality review board.
- \$3.6 million to provide a 5 percent rate increase to early intervention providers.

Mental Hygiene:

The Executive Budget includes an additional \$62.4 million (state share) to support minimum wage increase for workers providing services for Office of Mental Health (OMH), Office for People with Developmental Disabilities (OPWDD), and Office of Alcoholism and Substance Abuse Services (OASAS). The below table shows the year over year minimum wage impacts

Minimum Wage State Impacts (in millions)			
Agency	FY 2019 State	FY2020 State	Annual Change
Office for People with Developmental Disabilities	\$43.0	\$90.5	\$47.5
Office of Mental Health	\$10.1	\$18.5	\$8.4
Office of Alcoholism and Substance Abuse	\$11.7	\$18.4	\$6.7
Total	\$64.8	\$127.4	\$62.6

The budget also defers the Human Services Cost of Living Adjustment across several agencies to achieve \$142 million in savings. For these three agencies, the savings were the following:

- OPWDD- \$72 million
- OMH - \$37 million
- OASAS- \$12 million

Office of Mental Health

The Executive Budget proposes approximately \$4.4 billion in All Funds appropriations for the Office of Mental Health (OMH), which represents an increase of \$130.8 million, or 3.1 percent, over SFY 2019 levels. The increase in appropriation for OMH reflects increased capital authority, investment in community-based services, minimum wage and residential stipend enhancements. The budget includes:

- \$10 million to increase the stipend for supportive housing
- \$10 million for new adult home beds and peer services
- \$850,000 in state grants to help develop jail based restoration units
- Eliminates \$7.8 million in legislative adds
- \$100 million in bonded capital for the new Mid-Hudson Forensic Psychiatric center
- \$1.7 million in savings in State Operations. This reduction is attributed to the proposed Jail Based Restoration program

The Executive Budget continues \$5.5 million for reinvestment into community-based services from state operated bed closures. Additionally, State Operations includes \$6.8 million for two additional forensic wards. The 80 additional Full Time Equivalent (FTE) positions that are needed for this investment are offset by a reduction of 40 FTEs due to the Jail Based Restoration proposal for a total net of 40 new FTEs for the Office.

Office for People with Developmental Disabilities

The Executive Budget proposes \$4.8 billion in All Funds appropriations for the OPWDD. This represents an increase of \$121.8 million, or 2.6 percent, over SFY 2019 levels. The increase supports new investments in OPWDD program priorities, expansion of supportive housing

capacity, increased costs related to the minimum wage, investments to support OPWDD's transition to managed care and anticipated agency costs. These changes include:

- \$120 million all funds for new service growth across the agency's services.
- \$5 million for startup costs for managed care readiness
- Elimination of \$2.3 million in legislative adds

OPWDD's FTEs remain unchanged year to year for a total of 18,572.

Office of Alcoholism and Substance Abuse Services

The Executive Budget recommendation proposes \$802 million in all funds for the Office of Alcoholism and Substance Abuse Services. This a decrease of \$6.4 million from SFY 2019. This decrease is largely attributable to the elimination of legislative additions.

Additionally, the Executive Budget proposal includes, and makes permanent a \$1.5 million appropriation for the newly created substance use disorder and mental health ombudsman. It also continues \$3.8 million for Prison and Jail Based Substance Use Disorder services.

SFY 2019 has added 50 crisis beds and 139 Part 820 Residential Services beds and an additional 260 beds are expected to open over the next three years. The OASAS capital budget includes \$7 million for development of new beds and treatment slots. OASAS will see no year to year change in FTEs.

Justice Center for the Protection of People with Special Needs

The Executive Budget proposes \$57.6 million in All Funds appropriations for the Justice Center for the Protection of People with Special Needs (the "Justice Center"), which represents an increase of \$1.2 million, or 2.2 percent, from SFY 2019. The Justice Center realizes \$507,000 in savings from eliminating duplicative jurisdiction and training programs. Due to this action the Justice Center will see a reduction of seven FTEs.

Article VII

Department of Health

- **Medicaid Transportation**

- **Transportation Manager Carve-out:** The Executive Budget proposes to carve transportation out of the MLTC capitated rate, and move it into fee-for-service, with the exception of transportation services provided or arranged for enrollees of a Program of All-Inclusive Care for the Elderly (PACE). The Commissioner of the Department of Health would have the authority to contract with a transportation manager in a district to manage Medicaid transportation.

- **Ending Supplemental Payment to Emergency Medical Transportation Providers:** The Executive Budget would eliminate the annual supplemental payment at the close of the current fiscal year.
- **Repealing Rural Transit Assistance:** The Executive Budget proposes to eliminate \$2 million in transit assistance paid to rural counties for the purpose of providing increased access to Medicaid non-emergency transportation.
- **Medicaid Pharmaceutical**
 - **Over-the-Counter Drug Reimbursement and Co-Pay:** The Executive Budget would allow the Commissioner of Health to remove drugs from the list of drugs for which the Medicaid program provides reimbursement, and would increase the co-pay charged for over-the-counter drugs from \$0.50 to \$1.00.
 - **Elimination of Prescriber Prevails:** The Executive Budget proposes to eliminate the prescriber prevails provisions from fee-for-service and managed care plans.
 - **Medicaid Drug Cap Revisions:** The Executive Budget would extend the Medicaid Drug Cap through SFY 2021, keeping it flat. The Executive Budget also proposes to eliminate the requirement that the DOH report the projected state funds Medicaid drug expenditures to the Drug Utilization Review Board (DURB), and would eliminate existing statutory protections for pharmaceutical manufacturers that have already agreed to offer rebates on their programs. The Commissioner would no longer be obligated to accept the DURB's recommendation on a rebate, and DOH would negotiate directly with a manufacturer. Finally, the Executive proposes to move the annual reporting date from February to July.
 - **Pharmacy Benefit Managers:** The Executive Budget would require that all contracts or other arrangements entered into by a managed care plan limit payment to the PBM to ingredient costs, a dispensing fee, and an administrative fee, require the PBM to pass-through any sources of income related to their services to the plan, and remit any amount charged in excess of the amount allowed to the plan on a quarterly basis. Unconsolidated law is also proposed which would require that managed care plans provide evidence of compliance with this proposal within 90 days and within 180 days of the effective date.
- **Medicaid Managed Care**
 - **National Diabetes Prevention Program:** The Executive Budget proposes to reimburse evidence-based prevention and support services offered by the National Diabetes Prevention Program in non-clinical, community based organizations.
 - **Medicare Part B Cost-sharing:** The Executive Budget advances language, which would limit the amount paid towards Medicaid Part B deductibles and ambulance and psychologist services to ensure that they do not exceed the amount that would otherwise be paid for a non-dual-eligible member.
- **Extends the Medicaid Global Cap:** The Executive Budget extends the Medicaid Global Cap until March 31, 2021.

- **Extenders**

- **New York State Medical Care Facilities Financing Act:** The Executive proposes to extend provisions of this act this until January 1, 2025.
- **Medicaid eligibility for 19- and 20-year-olds:** The Executive proposes to extend this until October 1, 2024.
- **Authorization of bad debt and charity care allowances for Certified Home Health Care Agencies:** The Executive proposes to extend this until June 30, 2024.
- **NYS Medical Care Facilities Financing Act:** The Executive proposes to extend provisions of this act until June 30, 2024.
- **State Transportation Manager Authority:** The Executive proposes to extend this until June 9, 2024.
- **Patient Centered Medical Homes:** The Executive proposes to extend this until April 1, 2024.
- **Temporary Operators of Adult Care Facilities:** The Executive proposes to make this permanent.
- **Provisions related to Managed Long Term Care Plans:** The Executive proposes to extend these until April 1, 2024.
- **Nursing Homes cash assessment:** The Executive proposes to extend this until March 31, 2024.
- **Elimination of the 1996-1997 trend factor:** The Executive proposes to extend this until March 31, 2024.
- **Continuation of hospital and nursing home .25 trend factor reductions:** The Executive proposes to extend these until March 31, 2024.
- **Cap on reimbursement of administrative and general costs for Long Term Home Health Care Programs & Certified Home Health Care Agencies:** The Executive proposes to extend this until March 31, 2024.
- **General hospital trend factor elimination:** The Executive proposes to extend this until March 31, 2024.
- **Nursing home appeals cap:** The Executive proposes to extend this until March 31, 2024.
- **Certified Home Health Care Agency episodic pricing:** The Executive proposes to extend this until March 31, 2024.
- **Hospital capital extender:** The Executive proposes to extend this until March 31, 2024.
- **APG rates for Article 31 and 32 providers:** The Executive proposes to extend this until March 31, 2022.
- **Mental Health Special Needs Plans:** The Executive proposes to extend this until March 31, 2025.
- **Upstate Disproportionate Share Hospitals Funding Extender:** The Executive proposes to make this permanent.
- **Physicians Excess Medical Malpractice Program:** The Executive proposes to extend this until June 30, 2020.

- **Medicaid Long Term Care**
 - **Spousal Support:** The Executive Budget proposes to furnish medical assistance to a Medicaid applicant only if the applicant's community spouse refuses to make resources available and the applicant executes an assignment of support in favor of the social services district, or if the applicant's other legally responsible relative is absent from the applicant's household and refuses to make resources available.
 - **Consumer-Directed Personal Assistance Program (CDPAP) and Fiscal Intermediary:** The Executive Budget proposes to repeal the sections of the CDPAP statute, which allow the Department of Health to authorize and revoke authorization for fiscal intermediaries to operate in the state, and which prohibit false or misleading advertising by a fiscal intermediary. In 2020, the entire CDPAP statute would be repealed and replaced, giving the Department the authority to set a reimbursement methodology for fiscal intermediaries statewide, and to allow for a fiscal intermediary authorization process, which does not require a competitive bid or a request for proposals.
- **Medicaid Hospitals**
 - **Non-Medical Grants Repeal:** The Executive Budget proposes to eliminate \$24.5 million in non-medical grants to non-major public academic medical centers.
 - **Delivery System Reform Incentive Payments (DSRIP) Program:** The Executive Budget would allow the Commissioners of Department of Health, the Office of Mental Health, the Office for People with Developmental Disabilities, and the Office of Alcoholism and Substance Abuse Services to waive regulatory requirements on providers involved in DSRIP projects or replication or scaling activities.
 - **Per diem Inpatient Psychiatric Service Rates:** The Executive Budget proposes to remove requirements that the regulations governing per diem inpatient psychiatric service rates include case mix adjustment mechanisms and criteria for adjustments based on length of stay.
 - **Rate reduction for potentially avoidable inpatient services:** The Executive Budget would allow for a reduction in inpatient fee-for-service and managed care rates to general hospitals with a high percentage of potentially avoidable inpatient services. The savings would be used to incentivize preventative care initiatives, maternity services, and other ambulatory care services.
- **Regulates Pharmacy Benefit Managers:** The Executive Budget would require PBMs to register with the DFS and become licensed by 2021. PBMs must disclose any financial incentive for promoting a specific drug or other financial arrangements affecting health insurers. DFS may suspend or refuse to renew or issue a PBM license if it determines that the PBM violated insurance law, provided misleading information in its application or reports, or for several other reasons. Health insurers are prohibited from paying anyone for PBM services if that person or entity is not licensed as a PBM.

- **Codify the Affordable Care Act:** The Executive Budget proposes to codify provisions of the Affordable Care Act into state law and proposes other provisions intended to ensure broader access to affordable, quality health insurance.
 - **Guarantees Availability:** expands the guaranteed availability provisions for small group coverage to include large group coverage and the requirement that health insurers offer and accept coverage for all employers in the State; prohibits insurers from imposing any pre-existing condition exclusion in an individual or group policy of hospital, medical, surgical or prescription drug policies; prohibits minimum participation requirements for group comprehensive coverage; and requires health insurance coverage newly issued to Employer Welfare Funds after June 1, 2019 to comply with the requirements of the Insurance Law; authorizes the Superintendent of the DFS to designate a preventive care and screening service that is consistent with current or previous recommendations to continue to be provided without cost-sharing; removes the annual dollar limit of \$2,500 for enteral formulas; and codifies the essential health benefits, limits on cost-sharing, and actuarial value requirements as required under the ACA.
 - **Requires Coverage of Medically Necessary Abortions:** codifies State regulations, which prohibit insurers from excluding coverage for medically necessary abortions.
 - **Mandates Publishing Drug Formularies:** requires health insurers providing coverage for prescription drugs to publish their drug formulary and establish a process for an insured to request a formulary exception.
 - **Prohibits Discrimination:** prohibits health insurers from discriminating based on sex, sexual orientation, gender identity or expression, transgender status, marital status and sexual stereotyping.
 - **Prohibits State Law Evasion:** prohibits insurers from evading New York protections with respect to health insurance coverage issued to associations and to employers that have their principal place of business in the State and employers with the lesser of 25 percent or 25 employees that work in the State; aligns permissible blanket association requirements with the existing requirements for association groups in the Insurance Law; prohibits the sale of stop-loss insurance outside the State to employers with 100 or fewer employees with at least one employee that works in the State.
 - **Gives DFS Superintendent “Superpowers:”** specifies that the Superintendent of DFS shall be afforded the highest level of deference in interpreting the Insurance Law
 - **Specifies Legislative Intent:** specifies the intent of the legislature that the laws of New York provide consumer and market protections at least as strong as those under the Federal Patient Protection and Affordable Care Act as that law existed and was interpreted on January 19, 2017.

- **Extends Medical Indemnity Fund (MIF) Rates and transfers administration to the Department of Health:** The Executive Budget would transfer administration of the MIF from the DFS to the DOH and would extend until December 31, 2020 the definition of “usual and customary rates” to be either the 80th percentile of charges for the same service by a specialist in the same geographical region, or 130 percent of the Medicare or Medicaid rate, whichever is higher.
- **Women’s Agenda:** The Executive Budget includes several proposals to further the Governor’s “Women’s Agenda” including:
 - **IVF coverage:** Requires every large group, small group, and individual policy issued or delivered in New York to provide coverage for standard fertility preservation services when a medical treatment may directly or indirectly cause iatrogenic infertility to an insured. The proposal would also require every large group policy issued or delivered in New York State to provide coverage for three cycles of in-vitro fertilization used in treatment of infertility (as determined in accordance with the standards and guidelines of the ACOG), and it would prohibit discrimination against an insured individual seeking such treatment.
 - **Comprehensive Contraception Coverage Act:** requires health insurance plans to cover all FDA-approved contraception drugs, devices and products without copays including Emergency Contraception, sterilization procedures, and contraception education/counseling and follow-up services. Insurance plans (and Medicaid) would also have to allow for the dispensing of up to a 12-month supply of contraception at one time.
 - **Maternal Mortality Review Board:** Creates a state maternal mortality review board tasked with reviewing maternal deaths and developing findings, recommendations and best practices to prevent maternal deaths.
 - **Reproductive Health Act:** Updates New York’s abortion law to allow advanced practice medical professionals to perform abortions up to 24 weeks of pregnancy, or after in the absence of fetal viability or to protect the life or health of the mother. The proposal also removes penal law provisions and other provisions related to criminalizing abortions.
- **Commission on Achieving Universal Health Care in New York:** The Executive Budget creates a “Universal Access Commission” that will advise the Commissioner of Health and Superintendent of Financial Services on options for achieving universal access to health care in New York State. The Commission members will be appointed by the Commissioner of Health and Superintendent of Financial Services and must “consult” with the legislature and stakeholder groups to discuss achieving universal access to care. They must provide a report to the Governor on their findings by December 1, 2019.
- **Reduce NYC’s reimbursement rate for the General Public Health Work Program:** The Executive Budget reduces NYC’s reimbursement under the General Public Health Work Program from 36 percent to 20 percent for a state savings of \$27 million in FY 2020,

and \$54 million when fully annualized. Funding for these programs include Family Health, Communicable Disease Control, Chronic Disease Prevention, Community Health Assessment, Emergency Preparedness and Environmental Health.

- **Lead Poisoning Prevention:** The Executive Budget reduces the threshold for the designation of “elevated blood levels” that triggers follow-up and intervention processes. The Executive Budget also requires all residential rental properties to be maintained as “lead safe.” If a rental unit is not deemed to be “lead safe” by the Commissioner of Health or local official, that official may order the owner of the rental unit to abate the lead condition.
- **Healthcare Capital Funding:** The Executive Budget provides an additional \$300 million for the Statewide Healthcare Transformation Program to be awarded to “unfunded” projects from the second round of funding. These projects scored high enough to qualify for the Statewide Healthcare Transformation II round of funding but were not selected. The awards must be made no later than May 1, 2019.
- **Codifying the New York State of Health Insurance Marketplace:** The Executive Budget codifies the establishment of the NY State of Health, The Official Health Plan Marketplace that currently only exists via an Executive Order issued by Governor Cuomo in 2012.
- **Managed Care Program Integrity: The Executive Budget:**
 - Includes several provisions related to recovery of payments from Managed Care and Managed Long Term Care (MLTC) programs.
 - Ensures that penalties may be imposed against a Managed Care organization in cases of fraud or abuse and ensures that payments made pursuant to the managed care program are considered Medicaid payments.
 - Establishes a process by which the Office of the Medicaid Inspector General (OMIG) may review each managed care provider’s performance of program integrity obligations. OMIG may recover up to two percent of the premiums paid to the provider for the time period under review, after a notice and opportunity to be heard is provided to the provider.
 - Requires that managed care provider compliance programs must adequately address medical assistance program risk areas and compliance issues and that home care services workers obtain National Provider Identifiers from the National Plan and Provider Enumeration System established by the Center for Medicare and Medicaid Services.
 - Provides for the recovery of overpayments by managed care and MLTC providers to their contractors or providers, and when the OMIG is unsuccessful in such recovery, allows the OMIG to require the managed care or MLTC provider to recovery the overpayment on behalf of the state.

Revenue Bill Provisions

- **Comprehensive Tobacco Policy:** The Executive Budget includes several proposals related to restrictions on the sale of tobacco products. The Executive Budget:
 - Raises the age to purchase tobacco products (including vaping products) to 21.
 - Prohibits the use of price reduction instruments (such as coupons) for tobacco products.
 - Prohibits smoking on OMH hospitals and residential facilities.
 - Gives the DOH the authority to restrict the sale of vaping products such as e-cigarettes that contain a characterizing flavor or names of flavors that are intended to appeal to children.
 - Prohibits the sale of tobacco products in pharmacies and prohibits the display of tobacco products (including vaping products) where a customer may see them in any store.
 - Levies a 20 percent excise tax on the retail sales of vapor products. This differs from previous proposals that set an excise tax per milliliter of vaping liquid. Revenues from this fund will be deposited in Health care Reform Act (HCRA) account. Vaping products are also subject to the sales and use tax and all vapor products retailers must register with the Department of Tax and Finance. This is estimated to raise \$2 million in FY2020 and \$19 million annually thereafter.
- **Cannabis Regulation and Taxation Act:** The Executive Budget includes the Cannabis Regulation and Taxation Act (CRTA) that seeks to legalize adult-use cannabis, creates the Office of Cannabis Management to regulate adult use cannabis, the Medical Marijuana program, and hemp cannabis programs, and tax adult use cannabis. The CRTA establishes the Office of Cannabis Management (OCM) within the Division of Alcohol Beverage Control to oversee adult use, medical and hemp cannabis. The OCM will be in charge of overseeing licensure, testing, and enforcement of the CRTA.
 - **Medical Cannabis Program:** The medical marijuana program will be incorporated into the new regulatory structure and administered by OCM. The new medical cannabis program expands upon the current medical marijuana program by expanding the types of conditions that are eligible for medical cannabis, allowing all medical professionals authorized to write prescriptions for controlled substances to certify patients for the program, allowing for the “smoking” or “vaping” of medical cannabis, creating “cannabis research licenses,” and authorizing limited home cultivation of medical cannabis for personal medical uses. Existing registered organizations will be given preference to be one of the ten registered organizations in the medical cannabis program and may also be granted adult-use cannabis operating licenses.
 - **Adult Use Program:** The CRTA authorizes those 21 years of age and over to smoke or use cannabis in private areas or at an on-site consumption location. The CRTA creates a tiered system of separate licenses for the cultivation, processing, distributing, dispensing, and on-site consumption of cannabis. A cultivation license holder may not also hold a dispensing or on-site consumption license. License

holders with more than 25 employees must have a collective bargaining agreement with a labor organization. The CRTA also requires the creation of a social and economic equity plan that promotes consideration of minority and women-owned business or disadvantaged farmers including the creation of an incubator program. The penalty for cultivating or selling cannabis without a license is a misdemeanor and \$5,000 fine for first time offense. In addition, counties and larger cities may “opt-out” of the adult-use program.

- Hemp Cannabis: The CRTA requires new licenses for growing, manufacturing, or extracting hemp cannabis or products that contain cannabinoids intended for consumption (such as CBD oils). However, any manufacturing or processing of food ingredients from hemp will remain subject to regulation under the agriculture and markets law. Every hemp cannabis extractor must have their products tested at an OCM approved lab and must adhere to strict requirements for package labeling.
- Social Justice: The CRTA reduces criminal penalties for the possession and sale of cannabis, but does not eliminate the current violation for possession of small amounts of cannabis. The CRTA allows for the immediate but not automatic sealing of criminal records involving cannabis charges and proposes reducing the time for low level possession violations to be sealed. The CRTA also removes a positive marijuana toxicology as cause for an individual to have violated their post-release supervision agreement.
- Taxes: Taxes on participants in the medical cannabis program remain unchanged, as do taxes on industrial hemp cannabis production. Three new taxes are created on adult-use cannabis including a tax of \$1 per dry gram weight of cannabis flower or 25 cents per dry gram of cannabis trim (parts of the plant other than the flower), a 20 percent excise tax on the invoice price charged by a wholesaler to a retail dispensary, and an additional 2 percent tax on the invoice price to be collected in trust for the county in which the retail dispensary is located. Wholesalers must apply for a certificate of registration prior to starting business. The cost for the certificate is \$600 and must be renewed every 2 years. All revenues collected from the taxes on adult use cannabis will be deposited into a new Cannabis Revenue Fund. The Executive estimates that the state would collect \$83 million in revenue in SFY 2021, \$85 million in SFY 2022, \$141 million in FY 2023 and \$184 million in SFY 2024.

Revenue from the program will be used for administration of the regulated cannabis program, the governor’s traffic safety committee, small business development and loans, substance abuse, harm reduction and mental health treatment and prevention, public health education and intervention, research on cannabis uses and applications, and any other identified purpose recommended by the director of the Office of Cannabis Management and approved by the Director of the Budget.

While the effective date for the CRTA is immediate there is no specific timeframe for when the CRTA is fully operational. However, reporting provisions for registered organizations do not become effective until April 1, 2020 and the Executive does not anticipate collecting any revenue from the taxes until SFY 2021.

Mental Hygiene

- **OMH recover Medicaid Exempt Income:** The Executive Budget extends the Office of Mental Health's authority to recover Medicaid exempt income from providers of community residence licensed by OMH until December 31, 2022 for residences located outside of New York City, and to June 30, 2022 for residences located in New York City.
- **Restoration to Competency in Local and State Operated Jails:** The Executive Budget authorizes county and state-run prisons to opt-in to a program to develop residential mental health units within local jails for the housing, treating, and eventual restoration of felony defendants to mental competency as they await trial. The Executive budget provides \$850,000 in grants to help in the development of these units. Currently, felony defendants that are deemed not competent to stand trial must receive treatment in a psychiatric hospital, general hospital or outpatient setting.
- **Deferral of Human Services COLA:** The Executive Budget proposes to defer the statutory COLA for human services agencies for another year (April 1, 2019 through March 31, 2020). The Executive projects the deferment of a 2.9 percent COLA will save the state \$142 million. The Governor also directs the commissioners of the OPWDD, the OMH and the OASAS to develop the COLA using the actual U.S. consumer price index (C.P.I.) for all urban consumers, beginning in April 2020 and continuing until March 2023. In FY 18 budget, the time period for development of the COLA using this methodology was 2019 through 2022. The current budget resets the 3-year time frame to begin in 2020.
- **Eliminate Duplicative License Requirements for OPWDD providers:** The Executive Budget extends provisions enacted in the 2018-19 Adopted Budget that allows DOH, OMH, and OASAS providers to provide integrated services without having to get a license from the other agencies to also include OPWDD providers.
- **Eliminate Duplicative Oversight by the Justice Center:** The Executive Budget removes the Justice Center's jurisdiction over inpatient psychiatric units at hospitals and summer camps for children with developmental disabilities which are already regulated by other agencies.
- **Behavioral Health Insurance Parity Reforms:** The Executive Budget includes several proposals related to insurance coverage and services for people with mental health and substance use disorders (SUD).
 - Increases access to behavioral health services (MH, SUD, and Autism) by instituting several mandates on insurance companies including requiring minimum coverage standards, removing benefit limitations, prohibiting denial of medically necessary care, prohibiting the charging of multiple copayments per day and requiring behavioral health copayments be equal to a primary care office visit, requiring naloxone coverage, prohibiting prior authorization for medication assisted

treatment. prohibiting preauthorization and concurrent utilization review of SUD services during the initial 21 days of treatment (expanded from 14 days), prohibiting preauthorization and concurrent utilization review of inpatient psychiatric services for youth services during the initial 14 days of treatment, requiring MH utilization review staff to have subject matter expertise. allowing OASAS to designate a standard utilization review tool for in-State SUD treatment, prohibiting insurers from retaliating against providers that report insurance law violations to State agencies, requiring insurers to post additional detail regarding their behavioral health provider networks, and requiring insurers to provide their most recent comparative analysis for insureds.

- Requires hospital emergency departments to have policies and procedures in place for providing medication assisted-treatment (MAT) prior to patient discharge.
- Requires Emergency Departments in hospitals to check the prescription monitoring database (ISTOP) before administering a controlled substance.
- Medicaid Coverage for Court Ordered SUD Treatment: Clarifies that Medicaid must cover court ordered treatment for substance use disorder, but only for treatment provided at OASAS certified facilities.
- Adds Fentanyl Derivatives to Controlled Substance Schedule: Adds 19 Fentanyl derivatives to the list of controlled substances and authorizes the Commissioner of Health to classify any substance as a Schedule I controlled substance that is listed as a Schedule I controlled substance on the federal schedule.

Human Services, Aging and Housing Fact Sheet

Appropriations

- **Raise the Age:** The Executive Budget provides \$200 million in funding to support continued implementation of Raise the Age, an increase of \$100 million over FY 2019.
- **Child Care Subsidies:** The Executive Budget increases overall funding for child care subsidies by \$26 million.
- **Minimum Wage Support:** The Executive Budget maintains approximately \$15 million to support the increased minimum wage in human services programs, including an additional \$4 million for the Summer Youth Employment Program and an additional \$2.9 million for Healthy Families New York.
- **Advantage After School:** The Executive Budget provides \$10.8 million in additional funding for the Advantage After School program to support the minimum wage, a net increase of \$5.8 million over the FY 2019 Enacted Budget.
- **Cost Shift to New York City:** The Executive proposes to establish a 10 percent local share, for New York City only, for Family Assistance to needy families expenditures.
- **Office of Rent Administration and the Tenant Protection Unit:** The FY 2020 Executive Budget proposes approximately \$65.4 million for the oversight and enforcement of rent regulated housing, which is an increase of \$21.9 million, or 50.3 percent, from FY 2019. Included within this appropriation is an explicit \$5.5 million for the Tenant Protection Unit.
- **Local Assistance Housing Programs:** The Executive Budget continues funding for the Rural Rental Assistance Program at \$21 million, which is \$2.6 million or 12.6% less than last year. Aid to Localities programs included by the Legislature in the FY 2019 Enacted Budget are eliminated for a total cut of \$6.3 million.
- **Office of Storm Recovery:** The Executive Budget includes new capital funding of \$72 million to continue recovery and rebuilding efforts in areas affected by Superstorm Sandy.
- **Manufactured Home Advantage Program:** The Executive Budget included new capital funding of \$5 million for mobile and manufactured home advantage program.
- **Fully Fund local Veterans' Service Agencies:** The Executive Budget provides an increase of \$203,000 to enable the Division of Veterans' Affairs to fully fund county and city Veterans' Service Agencies.

Article VII

- **Equality Agenda:** The Executive Budget includes a multi-point Equality Agenda:
 - **Equal Pay:** Makes pay equity provisions applicable to all protected classes of workers, and prohibits inquiring about salary history information from job applicants prior to making an offer of employment;
 - **GENDA:** Prohibits discrimination based on gender identity or expression, and includes related offenses under the hate crimes statute;
 - **Workplace Harassment:** Requires language in non-disclosure agreements clarifying that harassment is not limited to severe or pervasive actions, and stating that employees may still file a complaint of harassment or discrimination with a government agency and participate in any investigation;
 - **Breastfeeding Protections:** Clarifies that lactation is a pregnancy-related condition entitled to reasonable workplace accommodations;
 - **Equal Rights Amendment:** Amends the State Constitution to add “sex” as a protected class under the equal protection clause.
- **Rent Regulation Act of 2019:** The Executive Budget includes a proposal that would require the Legislature to extend and reform certain laws governing rent regulation, but it does not include any specific language or policy proposals.
- **Child Care Health and Safety:** The Executive Budget includes language to implement requirements of the federal Child Care and Development Block Grant Reauthorization Act of 2014 by requiring background checks and increasing safety inspections for enrolled legally-exempt and enrolled relative legally-exempt providers.
- **Prohibit Source of Income Discrimination in Housing:** The Executive Budget proposal would prohibit any property owner from refusing to sell, rent or lease a building or structure, or any portion thereof that is used or occupied as the home or residence, on the basis of the prospective tenant’s lawful source of income, including child support, social security benefits, or any form of public or housing assistance.
- **PINS Reforms:** The Executive proposes to prohibit Family Courts from ordering the detention or residential foster care placement of a child in a Person in Need of Supervision (PINS) proceeding, except in limited circumstances.
- **Residential Domestic Violence Shelter Requirements:** The Executive seeks to eliminate the current requirement that domestic violence victims seeking shelter apply for public

assistance, and removes the ability of the Office of Temporary and Disability Assistance (OTDA) to charge a fee for services to domestic violence victims.

- **Temporary Operators:** The Executive proposes to authorize the Office of Children and Family Services to appoint a temporary operator for a foster care program when the health, safety or welfare of the residents is in jeopardy; the Executive also proposes to extend the ability of OTDA to appoint a temporary operator over an emergency homeless shelter for an additional three years.

Human Services Agency Details

Human Services, Aging and Housing Agency All Funds Appropriations				
Agency	Available SFY 2018-2019	Executive Recommendation SFY 2019-2020	change	percent
State Office For the Aging	\$256,970,500	\$269,975,500	\$13,005,000	5.1%
Office of Children and Family Services	\$4,004,950,250	\$3,769,006,350	(\$235,943,900)	-5.9%
Raise the Age	\$100,000,000	\$200,000,000	\$100,000,000	100%
Office of Temporary and Disability Assistance	\$5,732,899,000	\$5,822,716,000	\$89,817,000	1.6%
Division of Housing and Community Renewal	\$662,249,000	\$459,219,000	(\$203,030,000)	-30.7%
State of New York Mortgage Agency	\$222,665,010	\$215,199,849	(\$7,465,161)	-3.4%
Division of Veterans' Affairs	\$21,258,000	\$19,606,000	(\$1,652,000)	-7.8%
Division of Human Rights	\$18,153,000	\$18,153,000	\$0	0%
Office of the Welfare Inspector General	\$1,412,000	\$1,312,000	(\$100,000)	-7.1%
National and Community Service	\$30,691,300	\$30,773,300	\$82,000	0.3%
Pay for Success Contingency Reserve	\$69,000,000	\$69,000,000	\$0	0%
Total Human Services, Aging, and Housing	\$11,120,248,060	\$10,874,960,999	(\$245,287,061)	-2.2%

Overview

The Executive Budget recommends \$10.9 billion in All Funds appropriation authority for the agencies comprising the Human Services, Aging and Housing functional area for FY 2020. This is a decrease of \$245.3 million, or 2.2 percent, over FY 2019 levels. The year to year change is largely the result of decreases in appropriation authority for the Office of Children and Family Services and the Division of Housing and Community Renewal, which are described in more depth below.

State Office for the Aging

The FY 2020 Executive Budget proposes \$270 million in All Funds appropriations for the State Office for the Aging (SOFA). This is an increase of \$13 million, or 5.1 percent, over FY 2019 levels and is the net result of a \$15 million investment for the Expanded In-Home Services for the Elderly Program, as well as a discontinuation of one-time Legislative adds

totaling approximately \$2.6 million. The Executive Budget maintains SOFA's staffing at 95 FTEs.

Article VII

- **NYSOFA Private Pay Protocols:** The Executive Budget proposes to authorize the State Office for the Aging (SOFA) to create private pay protocols for all programs they administer. Area Agencies on Aging (AAAs) may implement these protocols at their option, and funds received by AAAs or their contractors pursuant to these protocols must be used to supplement, not supplant, funds from state, federal, or county appropriations. Participant payments will not be required for individuals with incomes below 400 percent of the Federal Poverty Level (FPL), but the legislation will not prohibit cost sharing previously authorized by the Community Services for the Elderly (CSE) program for individuals below 400 percent FPL. Those with incomes above 400 percent FPL who are currently receiving services will not be required to make participant payments in the future for those services.

Office of Children and Family Services (OCFS)

The FY 2020 Executive Budget recommends \$3.8 billion in All Funds appropriation authority for the Office of Children and Family Services, a decrease of \$235.9 million or 5.9 percent, from FY 2019.

This decrease can mainly be attributed to reductions of:

- \$127 million resulting from the shift of General Fund support for child care to TANF;
- \$50 million from the elimination of an OCFS capital appropriation for Raise the Age;
- \$34.8 million from the elimination of FY 2019 Legislative initiatives;
- \$19.2 million from the elimination of unneeded appropriation authority related to federally supported human services training activities;
- \$17.3 million resulting from the shift of the Advantage After School Program to TANF.

These reductions are partially offset by:

- The addition of \$15 million in appropriation authority related to federal grant funding for early childhood development programs;
- The addition of \$5 million in appropriation authority related to federal grant funding for lead testing at child day care facilities; and
- An increase of \$3 million to support creation of the Family First Transition Fund, which will leverage federal and private foundation funding to support expansion of kinship and family foster care capacity.

The Executive Budget recommends a workforce of 2,964 FTEs for FY 2020, which is unchanged from FY 2019.

Raise the Age

New York's Raise the Age law took effect on October 1, 2018, at which time the age of criminal responsibility increased from 16 to 17 years-old. On October 1, 2019, the second phase of Raise the Age will become effective, and the age of criminal responsibility will increase from 17 to 18 years-old. The FY 2020 Executive Budget provides \$200 million in funding to support continued implementation of Raise the Age, an increase of \$100 million over FY 2019. The Executive Budget also eliminates the \$50 million OCFS capital appropriation, as OCFS has enough existing capital spending authority to meet its needs.

Child Care

The FY 2020 Executive Budget increases overall support for child care subsidies by \$26 million, for a total of \$832 million. The Executive proposal reduces OCFS General Fund support for child care by \$127 million, which is offset by an increase of \$144.2 million in TANF support. The Executive Budget continues to reserve up to \$80 million in federal funding to support implementation of the health and safety requirements of the federal Child Care and Development Fund Block Grant Reauthorization Act of 2014, along with up to \$10 million in additional federal funding to increase child care availability in the State.

Human Services Minimum Wage

The FY 2019 Enacted Budget provided \$15 million in funding to mitigate the impact of minimum wage increases on human services providers and in certain programs. The FY 2020 Executive Budget proposal provides \$14.6 million in continued support for minimum wage increases across all impacted programs. Included within that amount is an additional \$10.8 million for Advantage After School, and \$2.9 million for Healthy Families New York. An additional \$4 million was provided for the Summer Youth Employment Program, which is appropriated under TANF.

Human Services Centralized Training Center

OCFS recently undertook a complete redesign of the State's human services training program, which included the establishment of a centralized training center at their headquarters in Rensselaer. This new, state-of-the-art facility will enable increased use of simulation-based trainings which, when combined with the new approach that is intended to expand opportunities for curriculum development and delivery, will make OCFS better able to respond to the increased demand and ever-changing need for human services trainings. The FY 2020 Executive Budget provides the necessary appropriation support for this training redesign, including authorizing reimbursement of travel expenses for training attendees.

Youth Facility Billing Restructuring

The home county of a youth who is placed in a juvenile detention facility is responsible for 50 percent of the cost of housing and providing services to that youth. These facilities are operated by the State, and the counties are billed quarterly for their share of the costs, which have been capped at \$55 million statewide since FY 2016. The FY 2020 Executive Budget proposes to allow OCFS to intercept certain local assistance payments that are made to counties to offset the amount due to the state for youth facility costs.

In addition to providing administrative relief to the counties and the State, this proposal would yield \$110 million in Financial Plan savings and enable OCFS to make continued progress in reducing the backlog. Under this proposal, the State would intercept local payments for youth facility costs for CYs 2017 and 2018 in FY 2020, and then return to one year of youth facility costs in FY 2021 and thereafter.

Article VII

- **Mandated Background Checks for Legally-Exempt Child Care Providers:** The Executive seeks to bring New York State into compliance with the federal Child Care and Development Block Grant Reauthorization Act of 2014 through mandating an increase in required background checks and safety inspections for enrolled legally-exempt child care providers and relative enrolled legally-exempt providers. Although these providers are not required to be licensed by OCFS, they are permitted to provide subsidized child care for eligible families and relatives. For the past several years, the state has received waivers from the federal government to delay implementation of these provisions. However, the state now risks significant fiscal sanctions (approximately \$12 million) for continued noncompliance with these requirements.

In addition, the Executive proposal increases the period of validity for initial licenses from two years to four years, and mandates pre-service and annual training for providers.

- **Mandatory Criminal Background Checks for Employees of Foster Care Programs:** In 2018, Congress enacted the Family First Prevention Services Act (FFPSA), which added new restrictions on federal financial support for room and board for foster children placed in group care settings. In addition, FFPSA mandates that states conduct background checks on all individuals working in a group care setting, regardless of their contact with children.

Accordingly, the Executive proposes legislation that would authorize mandatory state and federal criminal background checks for current and prospective employees of programs providing residential foster care services. Background checks must be requested from the Justice Center for the Protection of People with Special Needs, the Division of Criminal Justice Services, and the Federal Bureau of Investigation. This provision is applicable for every prospective employee that is not already required to have clearance, and any current employee that has not previously had a clearance.

These statutory changes, along with the previously mentioned creation of the Family First Transition Fund, are necessary to bring New York into compliance with FFPSA and ensure continued eligibility for approximately \$600 million in federal Title IV-E funding that supports child welfare services.

- **Persons in Need of Supervision (PINS) Reform:** The Executive seeks to eliminate the ability of Family Courts to order the placement of a PINS (Persons in Need of Supervision)

child in detention. The proposal also restrains the court's ability to order residential foster care placement for a PINS child, except in situations where the child is deemed a "sexually-exploited" child under the state's Safe Harbour law. This carve-out is intended to protect vulnerable children from further exploitation. The proposed language also removes the January 1, 2020 sunset date for state funding associated with the detention and residential foster care placement of PINS youth that was enacted in FY 2018, which is made obsolete by the other provisions of this proposal.

- **OCFS Authorization for Temporary Operator Appointment for a Foster Care Program:** The Executive proposes language that allows OCFS to appoint a temporary operator for a foster care program when conditions exist that jeopardize the health, safety or welfare of the children served and the established operator is unable or unwilling to address them. The temporary operator would be directed to correct and eliminate any concerns regarding the health, safety or welfare of the established operator and will manage the facility for an initial period of 90 days (with the potential for additional 90 day periods if deemed necessary). Any costs attributed to the presence of the temporary operator, including compensation, are the responsibility of the established operator. This proposal is in response to recent high-profile instances whereas several youths residing in residential foster care have left the facility without permission and committed crimes in residential neighborhoods.

This proposal also extends the authority of OTDA to appoint a temporary operator over an emergency homeless shelter for an additional three years, to March 31, 2022. This provision was included in the FY 2017 Enacted Budget, and was set to expire March 31, 2019.

Office of Temporary and Disability Assistance (OTDA)

The FY 2020 Executive Budget proposes \$5.8 billion in All Funds appropriation authority for the Office of Temporary and Disability Assistance, an increase of \$89.8 million or 1.6 percent, from FY 2019.

This increase can mainly be attributed to increases of:

- \$144.2 million in TANF support for child care;
- \$28 million to shift the Advantage Afterschool program from OCFS to TANF;
- \$21.9 million in the disability determinations program;
- \$5 million to establish a voluntary program to enable counties outside of New York City to assist public assistance recipients living with HIV/AIDS in securing stable housing and achieving better health outcomes;
- \$4.5 million in continued support for the Empire State Poverty Reduction Initiative;
- \$4 million for the Summer Youth Employment program;
- \$3.1 million for Homeless Housing and Preventive Services programs;
- \$2 million for the human trafficking program; and

- \$500,000 for a new program to enable gifts to food banks.

These increases are offset by decreases of:

- \$100 million in the Family Assistance program;
- \$19 million from the elimination of FY 2019 Legislative TANF initiatives; and
- \$4.5 million from the elimination of FY 2019 Legislative initiatives.

The Executive Budget recommends a workforce of 1,989 FTEs for FY 2020, which is unchanged from FY 2019.

Temporary Assistance for Needy Families (TANF)

Summary of FY 2020 Executive Budget TANF Proposal (thousands of dollars)				
Program	FY 2019 Enacted	FY 2020 Executive	change	percent
TANF Base	\$1,707,691	\$1,751,905	\$44,214	2.6%
Family Assistance/Emergency Assistance to Families	\$1,400,000	\$1,300,000	(\$100,000)	-7.1%
Child Care Subsidies	\$307,691	\$451,905	\$144,214	46.9%
TANF Initiatives	\$1,025,968	\$1,039,041	\$13,073	1.3%
Advantage After School	\$0	\$28,041	\$28,041	100%
ATTAIN	\$4,000	\$0	(\$4,000)	-100%
Career Pathways	\$2,850	\$0	(\$2,850)	-100%
Centro of Oneida	\$25	\$0	(\$25)	-100%
Child Care CUNY	\$141	\$0	(\$141)	-100%
Child Care Facilitated Enrollment - Monroe County	\$2,185	\$0	(\$2,185)	-100%
Child Care Facilitated Enrollment - NYC	\$3,754	\$0	(\$3,754)	-100%
Child Care Facilitated Enrollment - Upstate	\$2,549	\$0	(\$2,549)	-100%
Child Care SUNY	\$193	\$0	(\$193)	-100%
Flexible Fund for Family Services	\$964,000	\$964,000	\$0	0%
Non-Residential DV	\$3,000	\$3,000	\$0	0%
Preventive Services	\$1,570	\$0	(\$1,570)	-100%
RGRTA	\$82	\$0	(\$82)	-100%
Strengthening Families through Stronger Fathers	\$200	\$0	(\$200)	-100%
Summer Youth Employment	\$40,000	\$44,000	\$4,000	10%
Wage Subsidy	\$475	\$0	(\$475)	-100%
Welfare to Careers	\$800	\$0	(\$800)	-100%
Wheels for Work	\$144	\$0	(\$144)	-100%
TOTAL TANF	\$2,733,659	\$2,790,946	\$57,287	2.1%

The FY 2020 Executive Budget proposes total TANF appropriations of nearly \$2.8 billion. This is an increase of \$57.3 million, or 2.1 percent, from FY 2019 levels. The Executive proposal would shift \$144.2 million in funding for child care from OCFS into TANF, as well as \$28 million for the Advantage After School program. The Executive increases funding for the Summer Youth Employment program by \$4 million in support of the minimum wage, and

eliminate nearly \$19 million in FY 2019 Legislative initiatives. Please see the chart entitled “Summary of FY 2020 Executive Budget TANF Proposal” for more information.

New York City Local Share for Family Assistance to Needy Families

The Executive Budget proposes to institute a 10 percent local share requirement, applicable to New York City only, for expenditures related to the TANF Family Assistance (FA) program. Currently, this program is funded entirely with federal TANF block grant funds. For counties outside of New York City, FA would continue to be fully TANF funded. This local share requirement would be consistent with the 10 percent local share that New York City currently pays for the Emergency Assistance to Families program. The Division of the Budget (DOB) estimates that this proposal will yield \$72.3 million in TANF savings. The Executive proposal reprograms New York City TANF savings, along with the elimination of FY 2019 Legislative initiatives, to fund increased support for child care subsidies, a \$4 million increase to the Summer Youth Employment program, and \$28 million for the Advantage Afterschool program, which the Executive proposes to shift from OCFS to TANF.

HIV/AIDS Rent Cap

The FY 2019 Enacted Budget provided authorization for counties outside the City of New York to offer shelter supplements to Public Assistance (PA) recipients who are living with medically diagnosed HIV infection. The program would offer up to 100 percent of the fair market rent in order to prevent homelessness or ensure that such individuals receive stable housing. The FY 2020 Executive Budget provides \$5 million to establish a new program for counties outside the City of New York to help those living with medically diagnosed HIV infection secure stable housing and improve their health outcomes. Counties can opt-in to participate in the new program. In order to become eligible, counties would partner with a Medicaid managed care organization (MCO) and a nonprofit service provider that can connect the recipient to vital housing and other services. Under the Executive proposal, the new program would require a dollar-for-dollar match. A \$1 million State allocation would require a similar contribution from the MCO.

Additionally, the Executive Budget authorizes funding for the existing New York City HIV/AIDS rent cap through the Safety Net Assistance program. Previously, financial settlement funds were utilized to pay the state cost of providing this benefit, and this change will provide a stable source of funding for the program.

Article VII

- **Removal of Public Assistance Provisions for Domestic Violence Victims:** The Executive seeks to eliminate current statutory language that requires domestic violence (DV) victims seeking shelter in a DV shelter to apply for public assistance. The Executive proposes to remove language that allows OTDA to charge victims a fee for provided services. This proposal would bring New York State into compliance with the federal Family Violence Prevention Services Act (FVPSA) and ensure that New York continues to receive funding from the federal government.

- **Pass-Through Authorization of Any Federal SSI and COLA:** The Executive proposal would statutorily raise the Monthly Personal Needs Allowance (PNA) and the Supplemental Security Income (SSI) Standard of Need for various elderly and disabled New Yorkers who receive this financial assistance. This language raises the limits for 2019 (an average increase of \$4-\$6 per month per individual, dependent on level of care and living arrangement) and provides authorization for similar increases in 2020 based on any federal cost of living adjustments within the first six months of 2020. Without this authorization, New York residents would be unable to receive the federal COLA. This is an annual budgetary occurrence and will take effect December 31, 2019.
- **Time-Limited Job Try-Outs for Public Assistance Recipients:** The Executive proposes legislation to allow local social services districts (LSSDs) to place public assistance (PA) recipients in time-limited job try-outs with private for-profit, non-profit and public sector entities as work experience assignments. The goal of the Executive proposal is to secure unsubsidized employment for the PA recipient. Such job try-outs would be for a period of 90 days, not to exceed 40 hours per week. The participant would receive a useful public purpose assignment, such as health services, social services, education, operation of public facilities, or child care. After the 90 day term, the jobsite is required to hire the public assistance recipient, absent a demonstrated reasonable cause to deny employment.

Although the job try-out placement would not be considered employment, public assistance recipients will be guaranteed certain labor and human rights protections, such as time for meals and prohibition against unlawful discriminatory practices and retaliation. This proposal is similar to previous workfare programs, where a public assistance recipient is required to participate in different employment, job search/readiness or community service activities as a condition of receiving public assistance.

Division of Housing and Community Renewal

The Executive Budget proposes \$459.2 million in All Funds appropriations for the Division of Housing and Community Renewal (DHCR) for FY 2020. This is a decrease of \$203 million, or 30.7 percent, over FY 2019 levels. This decrease is attributed to the following Executive Actions:

- \$250 million reduction of a one-time investment in the New York City Housing Authority; and
- \$132 million reduction of a one-time capital appropriation for the five-year housing plan.

The Executive Budget proposes a two-year funding commitment of approximately \$129 million for the oversight and enforcement of rent regulated housing, which includes a two-year appropriation of \$11 million for the Tenant Protection Unit. The \$129 million would be an increase of approximately 230 percent. However, \$16 million of the two-year appropriation is contingent on laws governing rent regulation being extended and including certain reforms.

The Executive Budget reappropriates approximately \$2.5 billion, which is comprised of \$1.9 billion originally appropriated in FY 2017 and an additional \$541.5 million in FY 2018 to create and preserve 100,000 affordable housing units and at least 6,000 supportive housing units. When combined with the one-time \$132 million appropriation in FY 2019, the total amount invested to date in the five-year Housing Plan is approximately \$2.6 billion.

The Executive Budget also includes a \$72 million capital appropriation for the Governor's Office of Storm Recovery to supplement federal funding of approximately \$4.5 billion for areas affected by Superstorm Sandy.

Lastly, the Executive Budget recommends a staffing level of 776 FTEs for DHCR, which reflects an increase of 94 FTEs from the FY 2019 level and corresponds with the increased investment in the oversight, administration, and enforcement of the laws governing rent regulation.

Article VII

- **Rent Regulation Act of 2019:** This Executive Budget proposal would require the Legislature to extend laws governing rent regulation. Specifically, the proposal requires the Legislature to include in any extension of the rent laws:
 - Reforms to end vacancy decontrol;
 - Amendments on the application of preferential rent; and
 - Limits on capital improvement charges, such as major capital improvements, based on a DHCR report. The report would be due on or after March 1, 2019, and would include:
 - The number of rent stabilized and rent controlled accommodations within and outside the City of New York;
 - The number of applications for major capital improvements filed with DHCR;
 - The number of units that are charging preferential rents, and the average difference between the preferential rent and the legal regulated rent;
 - The number of rent overcharge complaints processed by DHCR; and
 - The number of final overcharge orders granting an overcharge.
- **Mortgage Insurance Fund (MIF) Excess Reserves:** This Executive Budget proposal would use excess reserves from the MIF to provide \$8.5 million to the Neighborhood Preservation Program (NPP) and \$3.5 million to the Rural Preservation Program. MIF funding in the amount of \$150,000 for each one of the NPC and RPC Coalitions is no longer supported with MIF funds.
- **Prohibit Source of Income Discrimination in Housing:** The Executive Budget proposal would prohibit any property owner from refusing to sell, rent, or lease a building or structure, or any portion thereof that is used or occupied as the home or residence, on the

basis of the prospective tenant's lawful source of income, including child support, social security benefits, or any form of public or housing assistance. In addition, it would make it illegal to discriminate against any person because of any lawful source of income in the terms, conditions or privileges of any publicly assisted housing accommodation or in the furnishing of facilities or services in connection therewith.

- **Limiting Security Deposits:** The Executive Budget proposal would cap the amount of the security deposit charged by property owners to any tenant at two months' rent, including the first month's rent. The legislation would include any payments, fees, deposits, and charges in this cap.

State of New York Mortgage Agency

The Executive Budget proposes \$215.2 million in All Funds appropriations for the State of New York Mortgage Agency (SONYMA). This represents a decrease of approximately \$7.5 million. This decrease is entirely due to a reduction in certain mortgage recording taxes that SONYMA collects.

Division of Veterans' Affairs

The FY 2020 Executive Budget recommends \$19.6 million in All Funds Appropriation support for the Division of Veterans' Affairs (DVA). This is a net decrease of \$1.7 million, or 7.8 percent, from FY 2019 levels. This decrease is primarily the result of:

- The elimination of \$2.2 million in FY 2019 Legislative initiatives;
- A \$300,000 increase in State Operations funding in support of the Veterans' Benefits Advising Program; and
- A \$203,000 increase in funding to allow DVA to fully fund county and city veterans' service agencies in accordance with section 359 of the Executive Law.

The Executive Budget recommends a workforce of 98 FTEs, which is unchanged from the previous year.

Article VII

- **"Pension Poaching Prevention Act" for Veterans:** The Executive proposes language to curtail unauthorized entities from preying on veterans through scams involving veterans' benefits. The proposal would mandate that only those entities that are authorized by federal law to receive compensation for advising or assisting veterans or their beneficiaries could represent a veteran on matters relating to benefits, claims, appeals, etc. This proposal would also require that advertisements created by legitimate entities contain specific disclosures. Lastly, the Executive proposal would provide that violations of these provisions would be considered deceptive acts in the conduct of business, trade or commerce.

Division of Human Rights

The FY 2020 Executive Budget recommends \$18.2 million in All Funds appropriation support for the Division of Human Rights, which is unchanged from the previous year. The Executive recommends maintaining the current staffing level of 164 FTEs in FY 2020.

Equality Agenda

The Executive budget includes language to enact a multi-point “Equality Agenda,” as follows:

- **Ensuring Equal Pay:** The Executive Budget includes legislation to prohibit employers from inquiring about, or relying on, a salary history as a factor in determining whether to offer a position or making a salary offer to a prospective employee. Applicants may, if done without prompting, volunteer salary information. If an applicant provides such information voluntarily, an employer may then use it in their determinations. Employers may discuss compensation expectations with applicants, as long as they do not inquire about salary history. The Executive proposal would also expand the equal pay provision to ban pay discrimination for all protected classes, not just sex, for substantially similar work.
- **Gender Expression Non-Discrimination Act (GENDA):** The Executive Budget includes language to protect gender expression by enacting GENDA to prohibit discrimination based on a person’s gender identity or expression. This proposal would also include offenses related to a person’s gender identity or expression under the hate crimes statute.
- **Increased Protections against Workplace Harassment:** The FY 2019 Enacted Budget contained a package of legislation to increase protections against sexual harassment. The FY 2020 Executive Budget contains legislation that would increase protections against sexual harassment further by:
 - Insulating New Yorkers from restrictive judicial interpretations of federal civil rights law which serve to weaken their civil rights. This proposal would stipulate that when the wording of federal civil rights law is similar to that of New York’s civil rights law, the federal interpretation would be the minimum standard of protection afforded by the law, as opposed to the maximum;
 - Clarifying that actions can be considered harassment even if they are not pervasive and severe;
 - Requiring that all non-disclosure agreements entered into on or after January 1, 2020 include language stipulating that employees retain the right to file complaints of harassment or discrimination with state or local agencies, and that the employee can participate in any investigation; and
 - Requiring the Department of Labor to consult with the Division of Human Rights on the production and distribution of workplace sexual harassment posters that employers must prominently post.

- **Protecting Breastfeeding in the Workplace:** The Executive proposes to amend the Executive law to add lactation to the definition of pregnancy-related conditions for which reasonable workplace accommodations must be provided. Under this proposal, failure to provide such accommodations would constitute a discriminatory practice.
- **Equal Rights Amendment:** The Executive Budget proposal contains language to propose a State Constitutional amendment to add “sex” as a protected class under the equal protection clause of the State Constitution.

Miscellaneous Agencies

Office of the Welfare Inspector General

The FY 2020 Executive Budget recommends \$1.3 million in All Funds appropriation support for the Office of the Welfare Inspector General. A decrease of \$100,000, or 7.1 percent, from FY 2019 is the result of an accounting change, and does not represent a cut in funding. The Executive recommends a workforce of seven FTEs, which is unchanged from FY 2019.

National and Community Service

The Executive recommends \$30.8 million in All Funds appropriation support for the Office of National Community Service, an increase of \$82,000 or 24.4 percent from the previous year. The Office’s FY 2020 recommended staffing level is unchanged at 10 FTEs. The Office of National and Community Service provides staff support to the New York State Commission on National and Community Service, which qualifies the State for federal community service grants for local nonprofit agencies. Programs supported by these grants include providing youth education, assistance to individuals with disabilities, public health services, and disaster preparedness.

Pay for Success

The Executive Budget proposes to maintain the current \$69 million appropriation for the Pay for Success Contingency Reserve in FY 2020. Under the Pay for Success model, program financing is provided up-front by private or philanthropic sources. Government payments are only made if the programs achieve agreed upon outcomes, as verified by an independent validator, and public sector savings exceed its costs.

Transportation Fact Sheet

Appropriations

- **\$4.4 Billion Contribution to SFY 2016-2020 Capital Plan:** The Executive funds the fifth year of the Department of Transportation's (DOT) capital program at \$4.4 billion. This includes \$100 million each for BRIDGE NY and PAVE NY.
- **Statewide Mass Transportation Operating Assistance (STOA) Increases:** The Executive increases non-Metropolitan Transportation Authority (MTA) Downstate aid by 7.2 percent and Upstate aid by 5.3 percent.
- **Consolidated Highway Improvement Program (CHIPs) and Marchiselli:** The Executive Budget eliminates a SFY 2019 legislative add of \$65 million for extreme winter recovery and maintains the funding at \$477 million.
- **MTA Capital Plan:** The Executive Budget makes funding for the MTA capital plan contingent on passage of three Article VII provisions: congestion pricing, MTA restructuring, and expansion of speed camera zones in New York City (NYC).

Article VII

- **Congestion Pricing:** The Executive Budget proposes legislation authorizing the MTA to establish a congestion tolling program for entering or remaining in the "congestion zone" south of 60th Street in Manhattan. The Triborough Bridge and Tunnel Authority (TBTA), an MTA subsidiary, is directed to design, implement, and maintain the congestion tolling program. Toll levels are not established in the legislation; but the TBTA is directed to generate sufficient revenue to offset tolling system construction and maintenance costs and fund \$15 billion for capital projects included in the MTA's 2020-2024 capital plan or any successor programs.
- **MTA Restructuring:** The Executive Budget adds a new section to the MTA enacting statute permitting the MTA Board to assign, transfer, share, or consolidate any of its powers, duties, functions or activities within or between itself upon majority vote of the Board members then in office with an additional vote for the Chairman if there is a tie. The language prohibits impairment of bondholder agreements or labor agreements.
- **Camera Enforcement:** The Executive Budget includes numerous camera enforcement proposals, including red light cameras, bus lane enforcement cameras, and school speed zone enforcement cameras, and authorizes new stopping, standing, parking, and block-the-box camera enforcement for the proposed NYC congestion pricing zone. Some of these revenues would be dedicated for public transit purposes.

Transportation Agency Details

Transportation Agency All Funds Appropriations (\$000s)				
	Available SFY 2019	Executive Recommendation SFY 2020	\$ Change	% Change
Department of Transportation	\$10,049,268	\$9,479,312	(\$569,955)	-5.7%
Department of Motor Vehicles	\$362,574	\$395,885	\$33,311	9.2%
Metropolitan Transportation Authority	\$2,585,292	\$2,436,843	(\$148,449)	-5.7%
Total Transportation	\$12,997,134	\$12,312,040	(\$685,094)	-5.3%

Overview

The Executive Budget proposes \$12.3 billion in All Funds appropriations for SFY 2020, a reduction of 5.3 percent from the SFY 2019 Enacted Budget. This decrease reflects a move of MTA Aid Trust Account revenues off-budget and the elimination of funding for the Subway Action Plan.

Department of Transportation

The Executive Budget proposes \$9.5 billion in All Funds appropriations for the DOT. This is a reduction of \$570 million or 5.7 percent from SFY 2019. The decrease reflects the elimination of two SFY 2019 legislative adds: \$65 million for extreme winter recovery and \$122 million for a discretionary capital program.

The Executive also eliminates \$194 million of operating aid for the Subway Action Plan. In addition, the Executive proposes shifting revenues from the MTA Aid Trust Account off-budget so that receipts are deposited directly with MTA rather than being annually appropriated. A similar shift was made last year for the MTA Payroll Mobility Tax in order to make revenues available more quickly to the MTA and to improve its credit by making the revenue dedicated solely to the MTA rather than be subject to the appropriation process.

The Executive increases non-MTA Statewide Mass Transportation Operating Assistance (STOA) by 7 percent. Specifically, the Executive Budget increases Upstate transit aid by 5.3 percent, or \$11 million, as a result of expanding the auto rental surcharge that is currently in place for vehicles in the Metropolitan Commuter Transportation District. Downstate non-MTA transit aid is increased by 7.2 percent, with the exception of a larger increase for the Lower Hudson Transportation Link.

SFY 2020 Statewide Mass Transportation Operating Assistance (STOA) (\$000s)				
	SFY 2019 Available	SFY 2020 Executive Recommendation	\$ Change	% Change
MTA Total	\$3,497,672	\$2,999,998	(\$497,674)	-14.2%
Nassau	\$69,329	\$74,352	\$5,023	7.2%
Rockland	\$3,501	\$3,754	\$254	7.2%
Staten Island Ferry	\$34,151	\$36,625	\$2,474	7.2%
Suffolk	\$26,966	\$28,920	\$1,954	7.2%
Westchester	\$57,321	\$61,474	\$4,153	7.2%
NYC DOT	\$91,263	\$97,876	\$6,613	7.2%
LHTL	\$8,000	\$11,000	\$3,000	37.5%
Formulas	\$33,105	\$35,503	\$2,399	7.2%
Non-MTA Downstate Total	\$323,636	\$349,504	\$25,868	8.0%
CDTA	\$37,157	\$39,134	\$1,978	5.3%
CNYRTA	\$33,918	\$35,723	\$1,805	5.3%
NFTA	\$53,498	\$56,345	\$2,848	5.3%
RGRTA	\$41,183	\$43,375	\$2,192	5.3%
Formulas	\$40,899	\$43,076	\$2,177	5.3%
Upstate Total	\$206,655	\$217,653	\$10,998	5.3%
MTA Total	\$3,497,672	\$2,999,998	(\$497,674)	-14.2%
Non-MTA Total	\$530,291	\$567,157	\$36,866	7.0%
STOA Total	\$4,027,963	\$3,567,155	(\$460,808)	-11.4%

Note: this table excludes federal and supplemental assistance.

The Executive Budget provides \$4.4 billion for the fifth year of the DOT capital program. This includes \$100 million each for BRIDGE NY and PAVE NY. The CHIPS and Marchiselli program funding is kept flat at \$477 million and does not include \$65 million added by the Legislature in SFY 2019 for extreme winter recovery.

Metropolitan Transportation Authority

The Executive Budget proposes a \$148.4 million All Funds decrease for the MTA. This reduction is due to moving MTA Aid Trust Account revenues off-budget, and the elimination of \$174 million in capital support for the Subway Action Plan, which offsets increases in transit aid. Operating aid is provided to the MTA at \$2.9 billion, and supports the Verrazano Bridge residential and commercial toll rebate program at SFY 2019 levels, which includes the \$3.5 million added by the Legislature. The Executive keeps funding for reduced fares for schoolchildren flat at \$25.3 million.

Department of Motor Vehicles

The Executive Budget provides a \$33.3 million increase to the Department of Motor Vehicles (DMV) to support the second year of the license renewal cycle and programmatic mandates that include conversion of licenses to REAL IDs.

Article VII

Department of Transportation

- **Design-Build Expansion/Extension (Part D):** The Executive Budget proposes to extend design-build authorization permanently, and extend it to the Dormitory Authority (DASNY), Urban Development Corporation/Empire State Development Corporation (ESDC), Office of General Services (OGS), Department of Health (DOH), and Olympic Regional Development Authority (ORDA). Currently the Thruway Authority, DOT, DEC, OPRH, and Bridge Authority are authorized to use design-build on projects greater than \$10 million. This bill also expands the scope of certain specifically identified projects from no less than \$5 million to no less than \$1.2 million in value. It also attempts to exempt design-build from various additional procurement laws, such as the lowest responsible bid requirements. It expands the types of eligible projects to include buildings and “appurtenant structures,” and authorizes use of construction manager build and manager at risk models in which the private contractor has a more direct role in managing construction and assuming risk for project costs. The bill also requires the state to consider the contractor’s history of complying with the service-disabled veteran-owned business participation goals, in addition to existing statutory requirements for MWBEs and small businesses.
- **Bus/Stretch Limousine Safety (Part T):** The Executive Budget proposes legislation focusing on for-hire passenger motor carriers. The legislation prohibits the DMV from registering stretched or modified limousines and requires livery vehicles capable of carrying 8-15 passengers to obtain passenger commercial driver license endorsements. It also prohibits u-turns by certain large vehicles and buses, punishable by misdemeanor or Class E felony depending on the severity of the injury involved. It also eliminates the exemption certain buses have from being equipped with seatbelts, and imposes a \$120 semiannual fee for for-profit buses, limousines, and other liveries subject to DOT’s bus inspection program. The legislation also authorizes DOT and DMV to seize vehicle plates and have law enforcement impound vehicles for various violations or suspected violations that could endanger the public welfare, and permits court-ordered forfeiture for multiple offenses.

Metropolitan Transportation Authority

- **Congestion Pricing (Part BB):** The Executive Budget proposes legislation authorizing the MTA to establish a congestion tolling program for entering or remaining in a “congestion zone” south of 60th Street in Manhattan. TBTA, an MTA subsidiary, is directed to design, implement, and maintain the congestion tolling program. Toll levels are not established in the legislation, TBTA is directed to generate sufficient revenue to offset tolling system construction and maintenance costs and fund \$15 billion for capital projects included in the MTA’s 2020-2024 Capital Program or any successor programs. The revenues generated are intended to supplement rather than supplant any federal, state, or

local funds expended by the MTA for the Capital Program. The operation date shall be determined by MTA and TBTA, but cannot start earlier than December 31, 2020.

- *Payment, Enforcement:* TBTA is required to offer a wide variety of toll payment options. The legislation also includes additional penalties for concealing or obscuring one's license plate and adds a \$100-\$500 fine for violations. TBTA and the MTA are also required to report biennially on the program's congestion impacts, including FHV vehicle-miles traveled, transit use, and average bus speeds in the congestion zone.
- *Exemptions:* For-Hire Vehicles (FHV) are not required to pay the toll for entering and remaining in the zone for the part of a trip that is already subject to the FHV surcharge implemented last year, and authorized emergency vehicles are exempt from congestion tolls for entering or remaining in the zone. Travelers using the FDR East Side Drive are excluded from the charges. The tolls motorists pay for using the Queens Midtown Tunnel, Hugh Carey/Brooklyn Battery Tunnel, Holland Tunnel, Lincoln Tunnel, and Henry Hudson Bridge are credited against the toll they would otherwise pay to enter the congestion zone.
- **Speed Cameras (Part CC):** The Executive Budget proposes legislation reinstating NYC's school zone speed camera program and increasing the number of zones covered from 140 to 290. The bill requires the City to install signs giving notice of the use of speed cameras, and requires prioritizing camera placement based on speed data or the crash history of a school speed zone. It proposes to study the effectiveness and adequacy of the current time-of-day limitation, which is generally one hour before and after each school day. The program is extended until July 1, 2022. The Executive Budget language attempts to dedicate the revenues generated by the 150 additional school zones to the New York City Transit Authority for capital safety improvements.
- **MTA Restructuring (Part EE):** The Executive Budget adds a new section to the MTA enacting statute permitting the MTA Board to assign, transfer, share, or consolidate any of its powers, duties, functions or activities within or between itself upon majority vote of the Board members then in office with an additional vote for the Chairman if there is a tie. The language prohibits impairment of bondholder agreements or labor agreements.
- **Moving MTA Aid Trust Fund Off-Budget (Part FF):** The Executive Budget proposes legislation shifting revenues from the MTA Aid Trust Account off-budget so that receipts are deposited directly with MTA rather than being appropriated by the State. The MTA Aid Trust Account consists of taxi medallion surcharges and supplemental motor vehicle and car rental fees. This act takes effect immediately. The appropriation to the MTA Aid Trust Fund was \$317 million in SFY 2019.

- **Bus Lane and Other Camera Enforcement Authorizations (Part GG):** The Executive Budget eliminates the 10-route cap on the number of bus rapid transit (BRT) routes NYC and MTA are authorized to operate, and increases the fine for camera-enforced bus lane violations. Currently fines are \$115 per notice of liability. This legislation adjusts the fine from \$115 to \$125 on the first offense, and adds a new schedule for repeat offenses: \$150 for a second offense, \$200 for three offenses, \$250 for four, and \$350 for subsequent offenses committed within a year. The legislation also authorizes the City and MTA to use camera enforcement for stopping, standing, parking and turning violations, as well as block-the-box violations, in the congestion toll zone south of 60th Street in Manhattan between 6:00 AM and 10:00 PM. The SFY 2019 Adopted Budget authorized the MTA to operate 50 mobile bus cameras on BRT routes south of 96th Street in Manhattan and to keep the attendant revenue. The existing BRT program otherwise dedicates the revenue to the City; the authorization for stopping, standing, parking, and turning violations dedicates any revenue generated to general MTA purposes. The bill permanently extends these programs.
- **MTA Binding Arbitration Extender (Part HH):** The Executive proposes legislation that would extend binding arbitration disputes between the MTA and labor to July 1, 2021. The current law provides for a binding arbitration process to settle disputes between MTA and labor representatives and will expire on July 1, 2019.
- **Increase Criminal Penalties for Transportation Worker Assault (Part II):** The Executive Budget expands protections for highway workers and various public transportation and highway workers by including these professionals in the Class D felony of Assault in the Second Degree, expanding work zone safety and outreach programs, and establishing a Class B misdemeanor under the Vehicle and Traffic Law for intrusion into a highway work zone. The employees added include highway workers, motor vehicle inspectors, motor carrier investigators, station agents, ticket collectors, subway and bus maintenance staff, and various airport employees.
- **Modifying Air Train Boundaries (Part OO):** The Executive Budget proposes modifying the land dimensions authorized to be taken by eminent domain for purposes of siting the LaGuardia Air Train to correct one of the blocks referenced. This has the effect of narrowing the authorization to the originally described corridor.
- **Transit Diversions (Part K):** The Executive Budget proposes legislation reducing annual aid to offset 2011 Payroll Tax modifications by \$65 million, and transfers \$17 million from downstate transit aid to the Capital Projects Fund.

Department of Motor Vehicles

- **Red Light Camera Extensions (Part H):** The Executive Budget proposes legislation extending red light camera enforcement programs five years until December 1, 2024 for the following municipal programs: Albany, Mount Vernon, Nassau County, New Rochelle, New York City, White Plains, Suffolk County, and Yonkers.
- **Autonomous Vehicles (Part M):** The Executive Budget proposes legislation extending the autonomous vehicle pilot program until April 1, 2021, permanently extends DMV's annual reporting requirement, eliminates the "one-hand-on-the-wheel" requirement on April 1, 2021, and directs the DMV and Department of Financial Services (DFS) to establish regulations on the subject. This is intended to permanently authorize autonomous vehicle operation after April 1, 2021.
- **Ignition Interlock Extension (Part N):** The Executive Budget proposes legislation extending the ignition interlock program until September 1, 2021.
- **Mandatory Surcharge Extension (Part O):** The Executive Budget proposes legislation extending mandatory surcharges on traffic violations until September 1, 2021.
- **Local Authorization for Scooters and Certain Motorcycles (Part P):** The Executive Budget proposes legislation permitting localities to authorize scooters and certain limited use motorcycles ("local motorcycles"), including those that are partially propelled by human power. Scooters and local motorcycles are not permitted to transport more than one person, and can only be lawfully operated on public highways within municipalities that have authorized their operation.

Thruway Authority

- **Toll Enforcement (Part JJ):** The Executive Budget codifies a Tolls by Mail system requiring participating tolling authorities to allow for electronic communication of tolls incurred or otherwise provide toll bills by first class mail. All authorities with cashless tolling have to maintain a website and toll-free hotline, establish procedures for disputing bills, and maintain signage at the facility displaying toll and violation rates. Any authority operating a cashless tolling facility is also required to conduct a public awareness campaign regarding paying by mail.

Stand-Alone/Miscellaneous

- **Joint Resolution Opposing Federal Mandate on License Revocation for Unrelated Drug Offenses:** The Executive Budget proposes a joint legislative resolution opposing a 1991 Federal policy requiring a six-month driver license suspension or revocation for any drug offense under the threat of withheld state highway funds. The Federal policy provides an exception if the state opts out of the program by passing a legislative resolution opposing the federal law and by the governor filing a written certification. Since New York already

passed a law implementing the suspensions, the Executive Budget also repeals the existing statute in Part II of PPGG. That repeal also eliminates the mandatory six-month suspension for driving while ability impaired by drugs and crimes relating to assault and strangulation.

- **Gateway Development Commission (Part DD):** The Executive Budget legislation creates a Gateway Development Commission to replace the non-profit Gateway Program Development Corporation originally formed to oversee delivery and financing of the proposed Gateway Tunnel connecting New Jersey with New York. The Development Corporation was incorporated in November 2016; it originally had representatives from Amtrak, United States DOT, New York and New Jersey, until the incoming Federal Administration withdrew from the board in July 2017. The Executive argues that this new bi-state commission structure can facilitate Federal funding applications and provide cost savings for the respective states. It also amends permits NYSDOT to cooperate and contract with the Commission on intercity passenger rail projects.

Economic Development Fact Sheet

Appropriations

- **High Technology Innovation and Economic Development Infrastructure Program:** The Executive Budget proposes \$325 million in capital funding for the second year of the High Technology Innovation and Economic Development Infrastructure Program. The FY 2019 appropriation was \$300 million.
- **Regional Economic Development Council Initiative:** The Executive Budget proposes \$150 million in capital funding for FY 2020 for the Ninth Round of the Regional Economic Development Councils.
- **New York Works Economic Development Fund:** The Executive Budget proposes \$220 million in capital funding for the New York Works Economic Development fund, an increase of \$20 million over FY 2019. This appropriation would support projects that facilitate an employer's ability to create new or retain existing jobs. It would also fund infrastructure investments necessary to attract new businesses or expand existing businesses.
- **NYSUNY 2020 and NYCUNY 2020:** The Executive Budget proposes a total of \$110 million in capital funding for the NY SUNY 2020 and the NY CUNY 2020 grant programs. The program provides incentives for capital development on SUNY and CUNY campuses and within surrounding communities.
- **Minority and Women-Owned Business Development:** The Executive Budget proposes \$635,000 in FY 2020 General Fund spending for the Minority and Women-Owned Business Development and Lending Program

Article VII

- **MWBE Extender and Expansion:** The Executive proposes legislation that would expand the definition of contracting agency to include any state funded entity, grant the Director discretionary authority to set the personal net worth requirements via regulation, establish MWBE fraud as a criminal offense and create a diversity workforce program.

Economic Development Agency Details

Economic Development Agency All Funds Appropriations				
Agency	Available SFY 2018-19	Executive Recommendation SFY 2019-20	\$ Change	% Change
Department of Economic Development	\$ 92,011,333	\$ 88,408,663	\$ (3,602,670)	-4.1%
Empire State Development Corporation	\$1,369,378,000	\$ 909,914,000	\$ (459,464,000)	-50.5%
Total Economic Development	\$1,461,389,333	\$ 998,322,663	\$ (463,066,670)	-46.4%

Overview

The Executive Budget proposes almost \$1 billion in All Funds appropriations for State Agencies within the economic development functional area in FY 2020, a decrease of \$463 million (or 46.4 percent) from Available FY 2019 Budget levels. This decrease largely reflects the elimination of a \$600 million one-time capital appropriation for the Life Sciences Lab and Public Health Initiative in the Capital District offset by \$110 million for NYSUNY and NYCUNY 2020 capital projects.

Department of Economic Development (DED)

The Executive Budget proposes \$88.4 million in All Funds appropriations for the Department of Economic Development, a decrease of \$3.6 million (or 4 percent) from FY 2019. This decrease largely reflects the elimination of \$8.1 million in one-time Legislative initiatives, offset by an increase of \$4 million in the Manufacturing Extension Partnership Program.

Please refer to the Department of Economic Development Aid to Localities chart on the following page for more details.

Empire State Development Corporation (ESDC) a/k/a Urban Development Corporation

The Executive Budget proposes All Funds appropriations totaling \$910 million for the Empire State Development Corporation in FY 2020, a decrease of \$459 million (or 33 percent) from FY 2019. This decrease largely reflects a \$600 million one-time capital appropriation for the Life Sciences Lab and Public Health Initiative in the Capital District offset by \$110 million for NYSUNY 2020 and NYCUNY 2020 capital projects.

Please refer to the Empire State Development Aid to Localities and Capital Funding charts on the following pages for more details.

Department of Economic Development Aid to Localities			
Program	Enacted FY 2019	Executive FY 2020	Change
Centers of Excellence	\$ 9,595,663	\$ 9,595,663	\$ -
Additional Services and Expenses of Centers of Excellence	\$ 2,276,670	\$ -	\$ (2,276,670)
Centers for Advanced Technology	\$ 13,818,000	\$ 13,818,000	\$ -
Technology Development Organization Matching Grants	\$ 1,382,000	\$ 1,382,000	\$ -
Addl Technology Development Organization Matching Grants	\$ 609,000	\$ -	\$ (609,000)
Industrial Technology Extension Service	\$ 921,000	\$ 921,000	\$ -
SUNY Poly and RPI Focus Center	\$ 3,006,000	\$ 3,006,000	\$ -
High Technology Matching Grants Program	\$ 6,000,000	\$ 6,000,000	\$ -
NYS Innovation Hot Spots and Incubators	\$ 5,000,000	\$ 5,000,000	\$ -
Small Business Innovation Research	\$ 500,000	\$ -	\$ (500,000)
Tourism Promotion Matching Grants	\$ 3,815,000	\$ 3,815,000	\$ -
Addl Tourism Promotion Matching Grants	\$ 593,000	\$ -	\$ (593,000)
Beekmantown Gateway Information Center	\$ 196,000	\$ 196,000	\$ -
Binghamton Gateway Information Center	\$ 196,000	\$ 196,000	\$ -
Agritourism	\$ 3,565,000	\$ 3,971,000	\$ 406,000
Town of East Hampton for Tourism Initiatives	\$ 100,000	\$ -	\$ (100,000)
Dream It, Do It Western NY Inc	\$ 80,000	\$ -	\$ (80,000)
Regional Economic Gardening Program	\$ 100,000	\$ -	\$ (100,000)
Chautauqua Regional Economic Development Corporation	\$ 300,000	\$ -	\$ (300,000)
Broome County Community Charities Golf Tournament	\$ 3,000,000	\$ -	\$ (3,000,000)
Finger Lakes Tourism Alliance	\$ 200,000	\$ -	\$ (200,000)
Lake Ontario and Thousand Island Tourism Promotion	\$ 100,000	\$ -	\$ (100,000)
Addl Local Tourism Promotion Matching Grants	\$ 500,000	\$ -	\$ (500,000)
North Country Chamber of Commerce	\$ 150,000	\$ -	\$ (150,000)
Science and Technology Law Center Program	\$ 343,000	\$ 343,000	\$ -
Manufacturing Extension Partnership	\$ 9,470,000	\$ 13,470,000	\$ 4,000,000
Total	\$ 65,816,333	\$ 61,713,663	\$ (4,102,670)

Empire State Development Corporation (UDC) Capital			
Program	Enacted FY 2019	Executive FY 2020	Change
Clarkson-Trudeau Partnership	\$ 5,000,000	\$ 5,000,000	\$ -
NYSUNY 2020	\$ -	\$ 55,000,000	\$ 55,000,000
NYCUNY 2020	\$ -	\$ 55,000,000	\$ 55,000,000
Retention of Pro Football in Western NY	\$ 2,305,000	\$ 2,331,000	\$ 26,000
Market NY Program	\$ 8,000,000	\$ 8,000,000	\$ -
New York Works Economic Development Fund	\$ 200,000,000	\$ 220,000,000	\$ 20,000,000
Regional Economic Development Council Initiative	\$ 150,000,000	\$ 150,000,000	\$ -
Life Sciences Lab and Public Health Initiative in Capital District	\$ 600,000,000	\$ -	\$ (600,000,000)
High Technology Innovation & Economic Development Infrastructure	\$ 300,000,000	\$ 325,000,000	\$ 25,000,000
Total	\$ 1,265,305,000	\$ 820,331,000	\$ (444,974,000)

Empire State Development Corporation (UDC)			
Aid to Localities			
Program	Enacted FY 2019	Executive FY 2020	Change
Minority and Women Owned Business Development and Lending Prog	\$ 635,000	\$ 635,000	\$ -
Addl Minority and Women Owned Business Development	\$ 365,000	\$ -	\$ (365,000)
Federal Community Development Financial Institutions Prog	\$ 1,495,000	\$ 1,495,000	\$ -
Addl Federal Community Development Financial Institutions Prog	\$ 300,000	\$ -	\$ (300,000)
Entrepreneurial Assistance Program	\$ 490,000	\$ 490,000	\$ -
Addl Entrepreneurial Assistance Program	\$ 1,274,000	\$ 1,274,000	\$ -
Retention of Pro Football in Western NY	\$ 4,605,000	\$ 4,605,000	\$ -
Urban and Community Development Program	\$ 3,404,000	\$ 3,404,000	\$ -
Empire State Economic Development Fund	\$ 26,180,000	\$ 26,180,000	\$ -
Support Ec Dev initiatives of the State	\$ 44,500,000	\$ 44,500,000	\$ -
Market NY Program	\$ 10,300,000	\$ 7,000,000	\$ (3,300,000)
Stony Brook Medicine's National Cancer Institute	\$ 670,000	\$ -	\$ (670,000)
Bronx Overall Economic Development Corporation	\$ 550,000	\$ -	\$ (550,000)
Brooklyn Chamber of Commerce	\$ 500,000	\$ -	\$ (500,000)
Queens Chamber of Commerce	\$ 500,000	\$ -	\$ (500,000)
Canisius College	\$ 200,000	\$ -	\$ (200,000)
Center State CEO	\$ 200,000	\$ -	\$ (200,000)
Manufacturers Association of Central NY	\$ 200,000	\$ -	\$ (200,000)
North Country Chamber of Commerce	\$ 150,000	\$ -	\$ (150,000)
Dubois Bunche Center for Public Policy at Medgar Evers College	\$ 125,000	\$ -	\$ (125,000)
Buffalo Niagara International Trade Gateway Organization	\$ 50,000	\$ -	\$ (50,000)
World Trade Center Buffalo Niagara	\$ 50,000	\$ -	\$ (50,000)
Sullivan Renaissance	\$ 25,000	\$ -	\$ (25,000)
Center State CEO Grants for Growth Program	\$ 500,000	\$ -	\$ (500,000)
Auburn Welcome Center	\$ 50,000	\$ -	\$ (50,000)
Adirondack North Country Inc	\$ 200,000	\$ -	\$ (200,000)
Watkins Glen International	\$ 110,000	\$ -	\$ (110,000)
Base Retention	\$ 3,000,000	\$ -	\$ (3,000,000)
Beginning Farmers Fund	\$ 1,000,000	\$ -	\$ (1,000,000)
Assoc of Community Employment Programs for the Homeless, Inc	\$ 75,000	\$ -	\$ (75,000)
Black Institute Inc	\$ 75,000	\$ -	\$ (75,000)
New Bronx Chamber of Commerce Inc	\$ 100,000	\$ -	\$ (100,000)
Kingsbridge Riverdale Van Cortland Development Corporation	\$ 250,000	\$ -	\$ (250,000)
Center State CEO Inc	\$ 400,000	\$ -	\$ (400,000)
Staten Island Economic Development Corporation	\$ 150,000	\$ -	\$ (150,000)
Bayside Business Association	\$ 115,000	\$ -	\$ (115,000)
Community Development Revolving Loan Fund	\$ 400,000	\$ -	\$ (400,000)
Chamber of Commerce of the Borough of Queens Inc	\$ 125,000	\$ -	\$ (125,000)
New York Women's Chamber of Commerce Inc	\$ 125,000	\$ -	\$ (125,000)
Queensborough Community College Auxiliary Enterprise	\$ 25,000	\$ -	\$ (25,000)
Sunset Park District Management Association Inc	\$ 25,000	\$ -	\$ (25,000)
Wildcat Service Corporation	\$ 100,000	\$ -	\$ (100,000)
Care Center of New York Inc	\$ 10,000	\$ -	\$ (10,000)
Caribbeing, Inc	\$ 50,000	\$ -	\$ (50,000)
East River Development Alliance Inc	\$ 25,000	\$ -	\$ (25,000)
Centro Civico Cultural Dominicano Inc	\$ 25,000	\$ -	\$ (25,000)
Inwood Art Works Inc	\$ 20,000	\$ -	\$ (20,000)
Bronx Overall Economic Development Corporation	\$ 350,000	\$ -	\$ (350,000)
Total	\$ 104,073,000	\$ 89,583,000	\$ (14,490,000)

Article VII

- **Clarification of DASNY's Authority:** The Executive Budget changes Dormitory Authority of the State of New York (DASNY)'s authorization to succeed the Medical Care Facilities Finance Agency (MCFFA), to limit DASNY financing only to the health care projects that would fall entirely within the scope of the MCFFA. MCFFA's purpose, prior to its consolidation into DASNY in 1995, was the provision of funds for health and health-related facilities constructed by eligible nursing home companies, hospitals, non-profit medical corporations and municipalities.
- **Authorization for DASNY to Enter into Certain Design and Construction Management Agreements:** The Executive Budget adds Department of Environmental Conservation (DEC) and the Office of Parks, Recreation and Historic Preservation (OPRHP) to the list of entities classified as a "dormitory". The Executive indicated the intent of permanently extending DASNY's authorization to provide design and construction services to DEC and OPRHP. DASNY's authorization to this effect was last extended in 2017 for two years.
- **Reuse of Interfaith Medical Center Land in Brooklyn:** The Executive proposes authorizing the Atlantic Avenue Healthcare Property Holding Corporation, a subsidiary of Dormitory Authority of the State of New York (DASNY), to sell, exchange, transfer, lease and convey real property, located in Brooklyn and currently under use by Interfaith Medical Center. The bill specifically "notwithstanding" provisions of law regarding disposition of property by public authorities including disposal at fair market value through independent appraisal and publicly advertised bidding.¹
- **Extend the Service-Disabled Veteran Owned Business Development:** The Executive proposes legislation that would extend the Service-Disabled Veteran Owned Business Act (SDVOB) for five years.
- **Extend the general loan powers of UDC:** The Executive proposes legislation that would extend the loan powers of the UDC to July 1, 2020; this provision will expire on July 1, 2019.

¹ Any reuse or transfer will be subject to terms and conditions defined by the Commissioner of the New York State Division of Homes and Community Renewal (NYHCR). The transfers are also required to be consistent with a plan to increase access and quality of health care services and preventative care and create affordable housing as part of the Vital Brooklyn Initiative. The bill requires that the transfer does not impair the tax-exempt status of any outstanding bonds or other obligations issued by DASNY to finance or refinance the subject property. The bill also requires a land survey of the properties that may be used in conveyance.

- **Extend the authorization of UDC to administer the Empire State Economic Development Fund:** The Executive proposes legislation that would extend the authority of the UDC to administer the Economic Development Fund for one year; this provision will expire on July 1, 2019.
- **Reauthorize and extend provisions relating to MWBE in State contracts:** The Executive proposes legislation that would expand the definition of contracting agency to include any state funded entity, grant the Director discretionary authority to set the personal net worth requirements via regulation, establish MWBE fraud as a criminal offense and create a diversity workforce program.
- **Assessment of fees for Fiber Optic Cables in Highway Rights-of-Way:** The Executive proposes legislation that would authorize the Department of Transportation (DOT) to charge a “fiber optic utility” for use and occupancy of a State right-of-way. Recipients of grant funds under the New NY Broadband Program will be exempt from this fee. This legislation would prohibit passing on any fee/assessment/rents assessed and collected pursuant to this Part to end users (customers). The Office of the State Comptroller would collect all monies and deposit those funds into a Special Obligation Reserve and Payment Account. .
- **Incorporate Net Neutrality Principles into the State’s Procurement Process:** The Executive proposes language that requires state agencies and public authorities to contract only with internet service providers (ISPs) that adhere to net neutrality principles. The Governor’s proposal would also define the term “net neutrality” and codify provisions of Executive Order No. 175, prohibiting ISPs from blocking lawful content, applications, services, non-harmful devices, or applications that compete with other services provided by the ISP.

Labor and Workforce Fact Sheet

Appropriations

- **Growth in State Workforce:** The State Workforce would increase by 2,292 Full Time Employees (FTEs) from December 2018 Actuals to March 2020 Estimates.
- **Employment and Training Program Reductions:** The Executive Budget does not include numerous appropriations added by the Legislature for various employment and training programs, which totaled \$14.5 million in SFY 2018-19.
- **World Trade Center Sick Worker Reimbursement:** The Executive Budget includes an additional \$1 million, bringing the total to \$2 million, to support reimbursements for municipalities providing paid sick leave to some officers with qualifying World Trade Center illnesses.

Article VII's

- **Increasing Penalties for Wage Theft:** The Executive Budget legislation would increase criminal penalties for employers who knowingly engage in wage theft. The severity of the penalty is based on the specific amount of wage theft per employee.
- **Reducing Penalties for Unemployment Insurance Recipients Working Part Time:** The Executive Budget would provide additional flexibility for part-time work while a person is unemployed.
- **Ensuring Equal Pay:** The Governor includes an Article VII to prohibit an employer from relying on or inquiring about salary history unless voluntarily shared by the applicant without prompting and expands equal pay laws to all protected classes.
- **Concurrent Resolution to Add Sex as a Protected Class in New York State Constitution:** The Executive Budget proposes to amend the equal protection clause to prohibit discrimination on the basis of sex.
- **Implement a Sliding Scale Reimbursement of Healthcare Costs for Future New York State Civilian Hires at Retirement:** The Executive Budget proposes an Article VII to scale reimbursement based upon years of service. This proposal would only affect employees hired on or after April 1, 2019.
- **Cease Reimbursement of the Medicare Income Related Monthly Adjustment Amount (IRMAA) to High-Income State Retirees:** The Executive Budget proposes an Article VII that would eliminate reimbursement of IRMAA to high state income retirees.

- **Provide State Reimbursement of the Standard Medicare Part B (Medical) Premium Paid to Eligible NYSHIP Retirees and their Dependents at the 2019 Level of \$135.50 per Month:** The Executive Budget proposes an Article VII to freeze state reimbursement for retirees at \$135.50 per month (2019 federal level).
- **Protecting Personal Privacy of Union Members:** The Executive Budget proposes an Article VII to prohibit the disclosure of personal information of public sector employees; employers are required to provide unions with the names, addresses, titles, operating unit and work location of all employees in a particular bargaining unit.
- **Propose a Series of Civil Service System Reforms:** The Executive Budget proposes an Article VII that would allow the Department of Civil Service to establish continuing eligible lists whenever appropriate, expand the ability non-competitive and labor class employees to compete for positions in the competitive class and would extend salary protection to provisional employees.

LABOR AND WORKFORCE AGENCY DETAILS

Labor and Workforce Agency All Funds Appropriations				
Agency	Available SFY 2018-2019	Executive Recommendation SFY 2019-2020	\$ Change	% Change
Department of Labor	\$3,632,804,000	\$3,618,163,000	(\$14,641,000)	0.0%
Labor Management Committees	\$40,031,000	\$38,555,000	(\$1,476,000)	-3.6%
General State Charges	\$5,853,420,000	\$6,027,072,000	\$173,652,000	3.0%
Department of Civil Service	\$57,488,000	\$58,741,000	\$1,253,000	4.0%
Workers' Compensation Board	\$216,543,000	\$196,439,000	(\$20,104,000)	-9.3%
Workers' Compensation Reserve	\$12,820,000	\$9,590,000	(\$3,230,000)	-25.1%
Office of Employee Relations	\$8,291,000*	\$8,683,000	\$392,000	4.7%
Deferred Compensation Board	\$892,000	\$892,000	\$0	0.0%
Public Employment Relations Board	\$3,984,000	\$4,056,000	\$72,000	1.8%
Total Labor and Workforce	\$9,817,982,000	\$9,962,191,000	\$165,209,000	1.6%
* Adjusted amount includes adjustments of \$3,431,000 for the transfer of Affirmative Action Administrators pursuant to Executive Order 187 issued on August 29, 2018.				

Overview

The Executive Budget proposes approximately \$10 billion in All Funds appropriations for the agencies comprising the Labor and Workforce functional area in SFY 2019-20. This is an increase of \$165.2 million, or 1.6%, over SFY 2018-19. The largest dollar change is in the General State Charges budget, which supports the costs of State employee and retiree fringe benefits as well as pays other State responsibilities, such as taxes on State-owned land, payments in lieu of taxes (PILOTs), etc.

Department of Labor

The Executive Budget proposes \$3.6 billion in All Funds appropriations for the Department of Labor (DOL), which is a decrease of \$14.6 million. None of the \$14.5 million in legislative adds for various employment and training programs are included in the Executive Budget. The DOL's workforce will remain stable at 2,897 FTEs, which is the same as SFY 2018-19.

Article VII

Department of Labor

Increasing Penalties for Wage Theft: The Executive Budget proposes to increase criminal penalties for employers who knowingly engage in wage theft. The severity of the penalty is based on the specific amount of wage theft per employee.

The Executive Budget proposal replaces that penalty framework with the following:

- Failure to pay a single employee less than \$100 *or* failure to pay up to \$25,000 to more than one employee is a class A misdemeanor.¹
- Failure to pay a single employee greater than \$1000 *or* greater than \$25,000 to more than one employee is a class E felony.²
- Failure to pay a single employee greater than \$3000 *or* more than \$100,000 to more than one employee is a class D felony.³
- Failure to pay a single employee greater than \$50,000 *or* more than \$500,000 to more than one employee is a class C felony.⁴

Reducing Penalties for Unemployment Insurance Recipients Working Part Time: The Executive Budget legislation would permit a claimant who is only partially unemployed and eligible benefit to be paid a reduced benefit amount based on the amount of money earned rather than the number of days worked. The current unemployment system reduces a claimant's unemployment insurance benefits by 25 percent for each day worked, which disincentivizes part time work.

Under the Executive's proposal, a claimant could collect up to two-thirds of their weekly unemployment benefit in part-time work, and still collect the remaining difference between the amount earned through work and their total UI benefit. In practice this means that an unemployed person could take part-time work shifts without the disincentive that they would earn less working part-time than if they remained unemployed.

¹ Upon a conviction of a Class "A" misdemeanor, a court may sentence an individual to a maximum of one year in prison and may impose a fine up to \$1,000.

² Upon conviction of a Class "E" felony, a court may sentence an individual to a maximum of four years in prison and a fine up to the higher of \$5,000 or double the amount of the defendants' gain from the commission of the crime.

³ Upon conviction of a Class "D" felony, a court may sentence an individual to a maximum of seven years in prison and a fine up to the higher of \$5,000 or double the amount of the defendants' gain from the commission of the crime.

⁴ Upon conviction of a Class "C" felony, a court may sentence an individual to a maximum of fifteen years in prison and a fine up to the higher of \$5,000 or double the amount of the defendants' gain from the commission of the crime.

Ensuring Equal Pay: The Executive Budget proposes an Article VII amending the Executive Law to prohibit an employer from relying on or asking about salary history in order to determine whether to offer employment or what salary to offer the prospective employee. However, the proposal does not prohibit an applicant from sharing their salary history voluntarily and without prompting. If the applicant chooses to do so, the employer is permitted to consider that information. There is additional language clarifying that engaging in discussion about salary expectations, benefits, or other compensation, is not prohibited.

Besides from prohibiting salary disclosures, the Executive Budget further proposes expanding existing equal pay laws that apply to sex to instead apply to all protected classes..

Concurrent Resolution to Add Sex as Protected Class in New York Constitution: The Executive Budget proposes an amendment to the equal protection clause of the New York State Constitution. The current language prohibits discrimination based on race, color, creed, or religion, and will be amended to include sex.

Department of Civil Service

The Executive Budget proposes \$58.7 million in All Funds appropriations for the Department of Civil Service, which is an increase of \$1.3 million, or 4%, from SFY 2018-19. The increase is primarily the result of an additional \$1 million appropriation for the reimbursement of costs related to providing sick leave for employees with a qualifying World Trade Center condition. FTEs will remain flat at 362 FTEs.

Workforce Impact Summary

All Funds								
FY 2018 Through FY 2020								
	FY 2018 Actuals (03/31/18)	Starting Estimate (03/31/19)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/20)
Major Agencies								
Children and Family Services, Office of	2,887	2,964	(468)	468	0	0	0	2,964
Corrections and Community Supervision, Department of	29,351	29,175	(614)	767	0	0	153	29,328
Education Department, State	2,575	2,692	(269)	269	0	0	0	2,692
Environmental Conservation, Department of	2,887	3,110	(234)	239	0	0	5	3,115
Financial Services, Department of	1,356	1,381	(55)	55	0	0	0	1,381
General Services, Office of	1,811	1,931	(323)	323	0	0	0	1,931
Health, Department of	4,690	5,462	(718)	872	0	0	154	5,616
Information Technology Services, Office of	3,471	3,489	(130)	130	0	0	0	3,489
Labor, Department of	2,935	2,987	(285)	285	0	0	0	2,987
Mental Health, Office of	13,911	13,677	(1,455)	1,495	0	0	40	13,717
Motor Vehicles, Department of	2,301	2,344	(266)	266	0	0	0	2,344
Parks, Recreation and Historic Preservation, Office of	1,751	2,024	(152)	169	0	0	17	2,041
People with Developmental Disabilities, Office for	18,867	18,590	(1,078)	1,078	0	0	0	18,590
State Police, Division of	5,609	5,741	(311)	311	0	0	0	5,741
Taxation and Finance, Department of	3,898	3,975	(142)	252	0	0	110	4,085
Temporary and Disability Assistance, Office of	1,923	1,989	(234)	234	0	0	0	1,989
Transportation, Department of	8,501	8,520	(383)	383	0	0	0	8,520
Workers' Compensation Board	1,082	1,109	(89)	89	0	0	0	1,109
Subtotal - Major Agencies	109,806	111,160	(7,206)	7,685	0	0	479	111,639
Minor Agencies	7,591	8,167	(852)	1,051	0	0	199	8,366
Subtotal - Subject to Direct Executive Control	117,397	119,327	(8,058)	8,736	0	0	678	120,005
University Systems								
City University of New York	13,726	13,632	0	0	0	0	0	13,632
State University Construction Fund	142	152	0	0	0	0	0	152
State University of New York	45,882	46,092	0	0	0	0	0	46,092
Subtotal - University Systems	59,750	59,876	0	0	0	0	0	59,876
Independently Elected Agencies								
Audit and Control, Department of	2,630	2,663	(212)	212	0	0	0	2,663
Law, Department of	1,822	1,839	(139)	139	0	0	0	1,839
Subtotal - Independently Elected Agencies	4,452	4,502	(351)	351	0	0	0	4,502
Agency Total	181,599	183,705	(8,409)	9,087	0	0	678	184,383

Workforce Impact Summary

All Funds FY 2018 Through FY 2020

	FY 2018 Actuals (03/31/18)	Starting Estimate (03/31/19)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/20)
Minor Agencies								
Adirondack Park Agency	54	54	(1)	1	0	0	0	54
Aging, Office for the	89	95	(16)	16	0	0	0	95
Agriculture and Markets, Department of	460	483	(50)	79	0	0	29	512
Alcoholic Beverage Control, Division of	113	120	(8)	8	0	0	0	120
Alcoholism and Substance Abuse Services, Office of	736	737	(109)	109	0	0	0	737
Arts, Council on the	27	30	(3)	3	0	0	0	30
Budget, Division of the	234	261	(45)	45	0	0	0	261
Civil Service, Department of	345	362	(67)	67	0	0	0	362
Correction, Commission of	29	32	(2)	2	0	0	0	32
Criminal Justice Services, Division of	408	435	(24)	24	0	0	0	435
Deferred Compensation Board	4	4	0	0	0	0	0	4
Economic Development, Department of	136	153	(13)	13	0	0	0	153
Elections, State Board of	69	81	(6)	10	0	0	4	85
Employee Relations, Office of	33	77	(3)	3	0	0	0	77
Executive Chamber	97	136	(50)	50	0	0	0	136
Financial Control Board, New York State	12	12	(1)	2	0	0	1	13
Gaming Commission, New York State	417	411	(19)	38	0	0	19	430
Higher Education Services Corporation, New York State	183	176	(15)	15	0	0	0	176
Homeland Security and Emergency Services, Division of	504	605	(29)	38	0	0	9	614
Housing and Community Renewal, Division of	608	682	(86)	180	0	0	94	776
Hudson River Valley Greenway Communities Council	0	1	0	0	0	0	0	1
Human Rights, Division of	160	164	(19)	19	0	0	0	164
Indigent Legal Services, Office of	24	34	0	2	0	0	2	36
Inspector General, Office of the	87	92	(7)	7	0	0	0	92
Interest on Lawyer Account	9	9	0	0	0	0	0	9
Judicial Conduct, Commission on	40	43	(3)	3	0	0	0	43
Justice Center for the Protection of People with Special Needs	422	430	(33)	26	0	0	(7)	423
Labor Management Committees	72	77	(6)	6	0	0	0	77
Lieutenant Governor, Office of the	4	7	(1)	1	0	0	0	7
Medicaid Inspector General, Office of the	405	426	(52)	52	0	0	0	426
Military and Naval Affairs, Division of	390	405	(45)	45	0	0	0	405
Prevention of Domestic Violence, Office for	24	27	(2)	2	0	0	0	27
Public Employment Relations Board	30	33	(3)	3	0	0	0	33
Public Ethics, Joint Commission on	52	52	(4)	4	0	0	0	52
Public Service Department	494	520	(26)	34	0	0	8	528
State, Department of	493	525	(52)	92	0	0	40	565
Statewide Financial System	135	142	(11)	11	0	0	0	142
Tax Appeals, Division of	23	27	(1)	1	0	0	0	27
Veterans' Affairs, Division of	83	98	(15)	15	0	0	0	98
Victim Services, Office of	79	102	(24)	24	0	0	0	102
Welfare Inspector General, Office of	7	7	(1)	1	0	0	0	7
Subtotal - Minor Agencies	7,591	8,167	(852)	1,051	0	0	199	8,366

Article VII

Department of Civil Service

Implement a Sliding Scale Reimbursement of Healthcare Costs for Future New York State Civilian Hires at Retirement: The Executive Budget proposes an Article VII to scale healthcare reimbursement based upon years of service. This proposal would affect employees hired on or after April 1, 2019. This proposal would not apply to police officers, firefighters, uniformed personnel in the Department of Corrections and Community Supervision, security hospital treatment assistants or any state employee that has retired with ordinary, accidental, or performance of duty disability.

Currently, reimbursement of healthcare costs is the same for all retirees with over 10 years of state service, and such employees lock in lifetime healthcare benefits at the same reimbursement rate as an employee. Under this proposal a sliding scale would be implemented so that only employees with 30 years of service would earn retiree healthcare at the employee rate. The exact rates would vary based on employee grade and years of service in the following manner:

Sliding Scale Reimbursement of Healthcare Costs				
	Proposed Single Premiums		Proposed Family Premiums	
State Service	<i>Grade 9 or lower</i>	<i>Grade 10 or higher</i>	<i>Grade 9 or lower</i>	<i>Grade 10 or higher</i>
10 -20 years	54%-72%	50% - 68%	39%-57%	35%-53%
20-30 years	78%-88%	74%-84%	63%-73%	59%-69%

Ceases Reimbursement of Income Related Monthly Adjustment Amount (IRMAA) to High-Income State Retirees and Caps Reimbursement of the Medicare Part B Premiums for State Retirees to 2019 Levels: The Executive Budget proposes an Article VII that would eliminate reimbursement of IRMAA to high state income retirees. This proposal would save the state \$2.9 million in the first quarter of 2020, increasing to \$12.4 million dollars in SFY 2020-21. The proposal would also limit reimbursement of Medicare Part B premium paid to retirees to an amount equal to 2019's standard Medicare premium charge, which is currently \$135.50. This proposal would result in savings of \$2.3 million in the first quarter of 2020 and \$12.3 million in SFY 2020-21.

Standard Medicare Premium Rates 2012-2019				
2012	2013-2016	2017	2018	2019
\$99.00	\$104.90	\$121.80	\$134.00	\$135.50

IRMAA Premium Rates			
Single Retirees	Married Retirees	IRMAA Premium (monthly)	Total Premium (monthly)
Up to \$85,000	Up to \$170,000	\$0	\$135.50
\$85,001-\$107,000	\$170,001- \$214,000	\$54.10	\$189.60
\$107,001-\$135,000	\$214,001- \$267,000	\$135.40	\$270.90
\$135,001- \$160,000	\$267,001- \$320,000	\$216.70	\$352.20
\$160,001-\$500,000	\$320,001-\$750,000	\$297.90	\$433.40
Over \$500,000	Over \$750,000	\$325.00	\$460.50

Protecting Personal Privacy of Union Members: The Executive Budget proposes an Article VII to prohibit the disclosure of personal information of public sector employees; employers are required to provide bargaining units with the names, addresses, titles, operating unit and work location of all employees in that particular bargaining unit. The disclosure of such personal information would be regarded as an employer improper practice charge. Employers would still be required to submit this information for PERB, court orders, subpoenas or any other court processes. The proposal is limited to personal information of an employee and does not affect other provisions of law related to the release of job titles, salaries, employment dates or other publicly available information. The proposal also requires that public employers provide unions with the information of all employees within the bargaining unit on a quarterly basis. This Article VII tracks with a similar Executive Order release by the Governor in 2018, and is part of general idea of protecting public sector unions in the aftermath of the *Janus* Supreme Court case.

Extend Binding Arbitration Until July 1, 2024: The Executive Budget proposes an Article VII that would extend binding arbitration for public safety unions to July 1, 2024. The current law allows for a binding arbitration process to settle disputes between public employers and public safety unions and will expire on July 1, 2019.

Continuous Recruitment Exams: The Executive Budget proposes an Article VII that would allow the Department of Civil Service (DCS) to establish a continuing eligible list for any class of positions that it deems appropriate. Currently, DCS can only establish a continuing eligible list when it finds inadequate numbers of well-qualified persons available for recruitment. Continuous recruitment examinations are exams that are held regularly and candidates can apply at any time. Candidates who pass a continuous recruitment exam are placed on the eligible list and remain on the list in the rank corresponding to their final score; would apply to both the DCS and municipal Civil Service Commissioners.

Non-Competitive and Labor Class Promotional Exams: The Executive Budget proposes an Article VII that would eliminate the requirement that the Department of Civil Service hold an open competitive exam at the same time as a promotional exam so that non-competitive and labor class employees can take a promotional exam. Currently, non-competitive and labor class employees can only take a promotional exam for a position in the competitive class if an open

competitive exam is also offered at the same time. Open competitive exams are available to anyone while promotional exams are only available for current state employees.

Grant Salary Projection for Provisional Employees: The Executive Budget proposes an Article VII that amends the Civil Service Law to offer salary protection to provisional employees. Under current law, if the Department of Civil Service lowers the grade of a title, a current permanent employees' salary is not reduced but current law does not provide the same protection for anyone who is not a permanent employee.

General State Charges: The Executive Budget proposes \$6.0 billion in All Funds for General State Charges, which is \$173.7 million more, or 3% higher, than SFY 2018-19. Most of this increase is because of workers' compensation for injured workers (\$51 million), employee and retiree health insurance (\$27 million), and payment of the Social Security payroll tax (\$25 million).

Labor Management Committees: The Executive Budget proposes \$38.6 million in All Funds for Collective Bargaining Agreements (CBAs) that have been settled with enabling legislation enacted, which is \$1.5 million less than was appropriated in SFY 2018-19. Any costs of new CBAs will be incorporated within separate legislation. The Labor Management Committees' FTE count will remain steady at 77.

Public Employment Relations Board: The Executive Budget proposes approximately \$4 million in All Funds appropriations for the Public Employment Relations Board (PERB). This is an increase of \$72,000, or 1.8%, over SFY 2018-19 levels, and represents an increase in the per diem rate for mediators and factfinders who assist in resolving public sector collective bargaining disputes. PERB's FTE levels will remain steady at 33.

Workers' Compensation Board: The Executive Budget proposes \$196.4 million in All Funds appropriations for the Workers' Compensation Board (WCB), which is a decrease of \$20.1 million, or 9.3%, over SFY 2018-19 levels. \$20 million of this decrease is because of a capital appropriation made in support of a multi-phase project to facilitate the WCB's use of video hearing conferences and for the analysis, design, and build of a web-based portal. The WCB's workforce will remain steady at 1,109 FTEs.

Article VII

Stabilize State Insurance Fund Investments: The Executive Budget proposes new allowances for the State Insurance Fund (SIF) in handling investments of its surplus funds. This proposal would permit SIF to invest up to 25 percent of its surplus funds in investment grade nationally recognized securities, up to 50 percent of surplus funds in investments in diversified index funds and accounts irrespective of the rating and up to ten percent of surplus funds in investments as set forth in the Insurance Law irrespective of the rating.

Currently SIF is authorized to invest up to 100 percent of reserves in U.S. corporate bond but only up to 50 percent of surplus in A rated corporate debt. The memorandum of support indicates that the proposal would allow SIF to invest surplus similarly to reserves.

Strengthen Compliance with State Insurance Fund Audits: Currently, SIF only has the right to cancel a workers' compensation insurance policy if there is non-payment of premiums and assessment. The Executive Budget proposes an Article VII adding the additional basis of if the employer fails to cooperate with a payroll audit. The proposal defines failing to cooperate with a payroll audit as either (1) failing to make or keep an appointment during regular business hours with a payroll auditor after SIF has made at least two attempts to arrange an appointment, including contacting the employer's broker or accountant, if any, or (2) failing to furnish business records in the course of a payroll audit as required. The proposal adds that in addition to the current law, in which an employer who willfully fails to furnish records shall be guilty of a misdemeanor, the employer shall also be subject to a fine between \$5,000 and \$10,000 and any other penalties provided by law. A new provision provides that an employer who willfully fails to furnish records and previously was subject to such criminal penalties within the past ten years shall be guilty of a class E felony⁵ and subject to a fine between \$10,000 and \$25,000 in addition to other penalties provided by law.

Workers' Compensation Medical Providers: The Executive Budget proposes changes to the Workers' Compensation Law to update the authorization process and expanding the types of health care providers.

The Article VII allows treatment to be rendered to an injured employee by an authorized physical therapist, occupational therapist, or acupuncturist upon the prescription or referral of an authorized physician or nurse practitioner and makes technical changes to the law replacing "physician" with "provider." However, the bill substantially limits or prohibits those providers' ability to conduct an independent medical examination or have their reports, records, or opinions used as evidence of a causal relationship of a work related accident, occupational disease, or presence and degree of a disability.

Office of Employee Relations: The Executive Budget proposes \$8.7 million in All Funds appropriations for the Office of Employee Relations (OER). Upon enactment of the SFY 2018-19 budget, \$4.9 million was appropriated for OER; however, as the result of Executive Order 187, transfers of Affirmative Action Administrators resulted in a concurrent transfer of \$3.4 million in existing appropriations from 15 other state agencies within SFY 2018-19. When considering those transfers, OER had a total appropriation of \$8.3 million in SFY 2018-19, and the Executive Budget's increase of \$392,000 (or 4.7%) reflects an additional transfer of an Affirmative Action Administrator for SFY 2019-20. OER's staffing level will remain constant at 77.

⁵ A Class "E" felony carries a maximum of four years in prison and a fine up to the higher of \$5,000 or double the amount of the defendants' gain from the commission of the crime.

Deferred Compensation Board: The Executive Budget proposes \$892,000 in All Funds for the Deferred Compensation Board, which is the same as SFY 2018-19. The DCB's workforce will remain steady at four FTEs.

General Government Fact Sheet

Appropriations

- **\$100 million for Department of State Capital:** The FY 20 Executive Budget proposes \$100 million to fund the fourth round of the Downtown Revitalization Initiative (DRI).
- **\$35.36 million for the Office of Cannabis Management:** The FY 20 Executive Budget creates the Office of Cannabis Management and includes \$35.6 million in funding to support the operations of this new office.

Article VII

- **Disclosure of Tax Returns by Candidates for Public Office:** Requires candidates for statewide office to disclose ten years of state and federal tax returns, and state senators and members of the assembly to disclose five years of state and federal tax returns
- **Public Campaign Financing and Additional Campaign Finance Reform:** Requires reporting of contributions in excess of \$1,000, contribution limits of \$4,000 per primary and per general for state senate candidates, and \$2,000 per primary and per general for assembly member candidates, and creates a public financing system enforced by SBOE
- **Online Voter Registration:** Establishes a process to register voters online
- **Early Voting Implementation:** Allows thirteen days of early voting in all special, primary, and general elections effective January 1, 2020
- **United Primary Election:** Implements primary consolidation to fourth Tuesday in June
- **Ban on Corporate and LLC Contributions:** Bans corporate and LLC contributions except to independent expenditure committees
- **Agency-Based Automatic Voter Registration:** Creates a system of integrating opt-out voter registration applications in certain agency applications online and in paper form, and an electronic system for the agency to transfer such applications
- **Upstate Primary Voting Hours:** Establishes uniform statewide polling place hours of 6 a.m. to 9 p.m.
- **Pre-Registration of Minors:** Permits pre-registration of 16 and 17-year-olds
- **Registration Portability:** Permits automatic change of address of voters who move within the state
- **Disclosure Requirements for Certain Nonprofit Entities:** Requires public disclosure of name and address of individuals or entities donating more than \$2,500
- **Restrictions on Campaign Activity:** Prohibits employee of a statewide elected official, state senator, or member of the assembly, from volunteering for the campaign of their employer
- **Automatic Voter Registration – DMV:** Creates a system of integrating opt-out voter registration applications in certain DMV applications

- **Same Day Voter Registration Concurrent Resolution:** Affirmatively adds to constitution the right of citizens to register to vote on and before Election Day and vote in that election if eligible
- **No Excuse Absentee Ballot Constitutional Amendment:** Removes excuses required for absentee voting.

General Government Agency Details

General Government All Funds Appropriations				
Agency	Available SFY 2018-2019	Executive Recommendation SFY 2019-20	\$ Change	% Change
Division of Alcoholic Beverage Control	\$13,313,000	\$48,675,000	\$35,362,000	265.6%
Department of Audit and Control	\$354,382,000	\$362,728,000	\$8,346,000	2.4%
Division of the Budget	\$50,011,000	\$49,184,000	(\$827,000)	-1.7%
State Board of Elections	\$40,559,000	\$11,559,000	(\$29,000,000)	-71.5%
Executive Chamber	\$17,854,000	\$17,854,000	\$0	0.0%
Department of Financial Services	\$433,282,963	\$441,555,963	\$8,273,000	1.9%
Office of General Services	\$1,212,353,000	\$1,233,353,000	\$21,000,000	1.7%
Office of Information Technology Services	\$854,543,000	\$1,233,353,000	\$378,810,000	44.3%
Office of the Inspector General	\$7,444,000	\$7,244,000	(\$200,000)	-2.7%
Office of the Lieutenant Governor	\$630,000	\$630,000	\$0	0.0%
Department of State	\$253,693,000	\$252,267,000	(\$1,426,000)	-0.6%
Statwide Financial Services	\$30,491,000	\$30,506,000	\$15,000	0.0%
Joint Commission on Public Ethics	\$5,582,000	\$5,582,000	\$0	0.0%
Total General Government	\$3,274,137,963	\$3,694,490,963	\$420,353,000	12.8%

Overview

General Government consists of 22 agencies, boards and commissions that play an essential role in the day-to-day operations of New York State government that provide an array of services that directly affect people and businesses throughout the State. Overall, these agencies have two goals: to provide oversight, regulation and enforcement of State laws and create an efficient and effective use of government services and funding. The FY 2020 Executive Budget proposes \$3.69 billion in All Funds support for the various agencies under General government, which reflects a year-to-year increase of \$420.35 million or 12.9 percent. Highlights of General Government agencies are included in the next pages.

Division of Alcoholic Beverage Control

The FY 2020 Executive Budget proposes \$48.68 million in All Funds Support, which represents an increase of \$35.36 million or 265.6 percent over FY 19 Enacted levels. This increase in Special Revenue-Other (SR-O) funding an appropriation of \$35.36 million is associated with the Office of Cannabis Management.

The Office of Cannabis Management would be a centralized office responsible for oversight of all activities that support a comprehensive cannabis regulatory system, including licensing, distribution of cannabis products in the adult use, industrial, and medical cannabis markets.

The appropriation of \$35.36 million for the Office of Cannabis Management would only be available once the Legislature enacts legislation establishing the office including, specific responsibilities, authorities and staffing levels.

The remaining appropriation of \$13.31 million in General Fund support, included in the FY 20 Executive Budget is consistent with FY 19 Enacted levels and would support 120 FTEs. This level of staffing is consistent with FY 19 Enacted levels.

Department of Audit and Control

The FY 2020 Executive Budget proposes \$362.73 million in All Funds support, which is an increase of \$8.35 million or 2.4 percent over FY 19 Enacted levels. The FY 2020 Executive Budget provides support for 2,663 FTEs, which is consistent with FY 19 Enacted levels. Of the \$362.3 million in total funding provided in the FY 2020 Executive Budget, \$330.70 million is attributed to a State Operations increase of \$13.07 million or 4.1 percent over FY 19 levels. This increase of \$13.07 million is associated with State Operations personal service and non-personal service costs.

The Executive Budget includes appropriation language that would provide the Department of Audit and Control with new authority to audit State University of New York (SUNY) and City University of New York (CUNY) construction fund contracts, SUNY contracts Research Foundation contracts in excess of \$1 million, and Office of General Services (OGS) centralized contracts in excess of \$85,000.

Finally, the FY 2020 Executive Budget does not include any new Capital funding for the Department of Audit and Control, which is a reduction of \$4.72 million from FY 19 levels. The FY 20 Executive Budget re-appropriates \$8.19 million in capital funding to enable the agency to complete the payroll system redesign.

Division of the Budget

The FY 2020 Executive Budget proposes \$49.18 million in All Funds support, which is a reduction of \$827,000 from FY 2019 Enacted levels of \$50.01 million. This level of funding would support 261 FTEs, which is consistent with FY 19 staffing levels. The FY200 Executive budget eliminates \$527,000 in General Fund spending related to membership dues as follows:

- \$469,000 for Council on State Governments
- \$48,000 for National Conference of State Legislatures
- \$10,000 for Nation Conference of Insurance Legislators

The FY 20 Executive Budget also eliminates \$300,000 in General Fund spending for the 2018 Council of State Governments' Eastern Regional Conference Annual meeting held last year.

Statewide Financial Services

The FY 20 Executive Budget proposes \$30.51 million in All Funds support, reflecting an increase of \$15,000. This level of fund would support 142 FTEs, which is consistent with FY2019 levels.

State Board of Elections

The FY 20 Executive Budget proposes \$11.56 million in All Fund support, which is a decrease of \$29 million or 71.5 percent from FY 19 levels. This level of funding would support 85 FTEs, which is an increase of four FTEs from FY 19 levels. The FY 20 Executive Budget re-appropriates \$29 million in funding from FY 19 Enacted Budget, for cyber security enhancements (\$28 million) and HAVA initiatives (\$1 million).

The Executive Budget includes language within the appropriations that would prevent any funds from being spent until the Legislature enacts a chapter of the laws that would amend the election laws, establish campaign limits and a public financing system, establish a NYS campaign finance fund, and establish the New York State campaign finance tax check off. These provisions are included as part of the Executive's proposal to reform and modernize New York State's election system.

The FY 20 Executive Budget includes an ambitious agenda to modernize New York State's election system and campaign finance reform. The Executive Budget includes several Article VII provisions to reform New York State's election system, which is similar to legislation recently passed by the Senate Majority. The FY 20 Executive Budget fails to include funding to support these proposals for election reform.

Article VII

- **Disclosure of Tax Returns by Candidates for Public Office (Part A):** The Executive Budget proposes that candidates for public office, specifically any candidate for the office of governor, lieutenant governor, attorney general, comptroller, state senator, and members of the assembly, must disclose their state and federal tax returns. Candidates running for statewide office must file with the State Board of Elections (SBOE) at least the ten most recent taxable years for which returns were filed. Candidates for state senator or member of the assembly must file returns for the five most recent taxable years for which returns have been filed.

A candidate shall not be included on the official ballot for the general election if he or she has not timely filed their income tax returns with SBOE.

- **Public Campaign Financing and Additional Campaign Finance Reform (Part B):** The Executive Budget proposes reforms to the campaign finance system by requiring disclosure of certain contributions, reducing contribution limits, and enacting a voluntary public campaign finance system.

Reporting Requirements:

The Executive Budget legislation amend the election law to extend reporting requirements to intermediaries defined as individual, corporation, partnership, political committee, employee organization, or other entity which bundles any contribution from a person or entity to a candidate or authorized committee. Contributions or loans in excess of \$1,000 must be disclosed within 60 days of receipt.

Contribution Limits

Contribution Limits	
Participating candidates are subject to a contribution limit in the aggregate amount per nomination and election as follows:	
Candidates:	
Statewide candidates	\$6,000 (\$12,000 total contribution limit for primary and general election)
State Senate candidates:	\$4,000 (\$8,000 total contribution limit for primary and general election)
Assembly Member candidates	\$2,000 (\$4,000 total contribution limit for primary and general election)
The proposal also imposes contribution limits for candidates in any election who are not participating in public financing as follows:	
Statewide candidates:	Nomination/Primary – no less than \$4,000 and no more than \$10,000 General Election - \$15,000
State senator:	Nomination or election - \$5,000
Assembly Member:	Nomination or election - \$3,000

Public Financing

This proposal creates a public financing system for any primary, general, or special election for nomination or election to the office of governor, lieutenant governor, attorney general, state comptroller, state senator, or state assembly. To be eligible candidates must meet certain eligibility requirements and must meet certain eligibility thresholds in the below table. Participating candidates shall receive 6-1 matching funds for the first \$175 of eligible private funds per contribution. To be eligible, a candidate must also meet the following threshold for eligibility:

Public Financing Eligibility	
Candidate	Threshold
Governor	\$650,000, including at least 6,500 contributions in sums between \$10 and \$175 from NYS residents
Lieutenant Governor, Comptroller, Attorney General	\$200,000, including at least 2,000 contributions in sums between \$10 and \$175 from NYS residents
Senator	\$20,000, including at least 200 matchable contributions in sums between \$10 and \$175 from residents of the district
Assembly	\$10,000 including at least 100 contributions in sums between \$10 and \$175 from residents of the district.

- **Limits on Public Financing:** The bill limits the amount of public financing participating candidates can receive:

Limits on Public Financing	
Primary	
Governor	\$8 million
Lieutenant Governor; Comptroller; Attorney General: Attorney General	\$4 million
Senator	\$375,000
Assembly	\$175,000

General or Special Election	
Governor and Lieutenant Governor (combined)	\$10 million
Comptroller	\$4 million
Attorney General	\$4 million
Senator	\$375,000
Assembly	\$175,000

- **Auditing and Enforcement for Public Financing:** The public financing system proposal also includes a mechanism for auditing participating candidates, which will be conducted by SBOE and enforced by SBOE's Chief Enforcement Counsel. Every statewide candidate who participates in public financing will be audited. Fifty percent of all other participating candidates will be audited. The fifty percent is selected through a separate lottery for each office. For senate and assembly races, if a district is selected, every participating candidate in the district will be audited. The lottery is weighted based on how frequently the district has been selected during the past three election cycles. Violations are subject to civil penalties up to \$15,000. SBOE's Chief Enforcement Counsel is authorized to institute special proceeds or civil actions to impose the penalties. Good faith reliance on a formal or informal advisory opinion issued by a majority of SBOE's commissioners to a participating candidate will be presumptive evidence that the candidate did not commit a violation.

Election Reform

- **Creation of the Campaign Finance Fund:** The state fund will consist of revenues received from the New York State Campaign Finance Fund check off of section 658 of the tax law, abandoned property fund, the general fund, and all other funds pursuant to law. The fund shall also receive contributions from private individuals, organizations, or other persons. Any deficiencies will be paid by the state comptroller using the general fund. New York State residents may opt to designate that forty dollars out of their income tax return be paid into the fund.
- **Online Voter Registration (Part C):** The Executive Budget Proposal creates a process for electronic personal voter registration. The system would be established by SBOE to register voters online. The SBOE would electronically transmit applications to the applicable local Board of Elections (Board), and each local Board would maintain a voter

registration system capable of receiving and processing voter registration application information including electronic signatures.

- **Early Voting Implementation (Part D):** The Executive proposed budget includes language to allow early voting in all special, primary, and general elections 13 days prior to any of the aforementioned elections.
- **United Primary Election (Part E):** The Executive proposal implements primary consolidation and sets the date for the fourth Tuesday in June.
- **Ban on Corporate and LLC Contributions (Part F):** The Executive proposal prohibits corporate entities and limited liability companies (“LLCs”) from making direct or indirect payments to any political party, committee or organization, or to any corporation, LLC, joint-stock or other association organized or maintained for political purposes, candidates for political office or nomination to such office, or for any political purpose whatsoever, also including reimbursement or indemnification. However, the proposal clarifies that corporations, LLCs, joint stock associations, and organizations financially supported by any such entity, may make independent expenditures and contribute independent expenditure committees for political purposes.
- **Agency-Based Automatic Voter Registration (Part G):** The Executive Proposal implements automatic voter registration (AVR) at agencies that are already required to provide voter registration services by law, including but not limited to the: Office of Children and Family Services, Office of Temporary and Disability Assistance, Department of Health, Department of Labor, Office for the Aging, Division of Veterans’ Affairs, Office of Mental Health, Office of Vocational and Educational Services for Individuals with Disabilities, Office of Alcoholism and Substance Abuse Services, and Department of State.

These agencies would be required under the proposal to require integrated personal voter registration applications to persons initially applying for services, renewing or recertifying services, and changing their address, electronically or on paper. The agency is responsible for transmitting to SBOE received electronic or paper registration applications. This is a “front end” system in which the applicant can decline registering to vote at the agency.

- **Election Day Holiday (Part H):** The Executive proposal mandates that all employers give their employees three hours of paid time off to vote in all elections, an increase from two hours in the current law. The proposed bill requires the employee to request this time off at least two days prior to the Election.
- **Upstate Primary Voting Hours (Part I):** The Executive proposal changes the hours upstate counties are required to open polls. Currently, poll sites in upstate counties open at 12 p.m. and close at 9 p.m. The proposal would change the opening time to 6 a.m., which is the time polls open in all other counties. .

- **Pre-Registration of Minors (Part J):** The Executive proposal allows for pre-registration of 16 & 17-year-olds). The Governor’s proposed legislation states that the applicants shall be automatically registered following verification of the person’s qualifications and address.
- **Registration Portability (Part L):** The Executive Budget proposal expands the law allowing for the automatic update of voter registration information when the Board receives a change of address notification for any individual who moves within New York State. Current law only requires notification from for individuals who move within the same county or city.
- **Electronic Poll Books (Part N):** The Executive Budget proposal establishes a “computer generated registration list,” also known as an electronic poll book that contains a list of voters in alphabetical order for a single election district or poll site that contains a copy of the signature for each voter listed. This may be used instead of registration poll records in order to establish voter eligibility in a poll site on Election Day.
- **Disclosure Requirements for Certain Nonprofit Entities (Part Q):** The Executive proposal requires any 501(c)(3) corporation or entity to report to the joint commission on public ethics (“JCOPE”) the name and address of any individual, corporation, association or group that made any monetary or in-kind donation in excess of \$2,500 during the relevant reporting period and the date of any monetary or in-kind donation. Pursuant to current law, the funding disclosure report includes the name an address of the covered entity, the name and address of the recipient entity, the names of any persons who operate or manage the covered entity, and the date of the monetary or in-kind donation was made. A new addition to the report pursuant to the proposed bill is the name and address of any individual, corporation, association, or group that made any monetary or in-kind donation in excess of \$2,500 during the relevant reporting period.
- **Restrictions on Campaign Activity (Part U):** The Executive budget proposal prohibits an employee of a statewide officeholder, state senator, or member of the assembly, from volunteering for the campaign of their employer.
- **Automatic Voter Registration – DMV (Part X):** The Executive budget proposal establishes an automatic voter registration for persons applying for a driver’s license, change of address, or other identification card at the DMV. The system of automatic registration is “front end,” as an individual would decline registering to vote at the DMV.
- **Same Day Voter Registration Concurrent Resolution:** The Executive budget proposal amends the New York State Constitution by removing the provision requiring that registration be completed at least ten days before each election. The Executive legislation inserts a provision into the Constitution stating that citizens are entitled to apply for registration to vote on any day prior to and including Election Day, and are thereby entitled to vote at such election.

- **No Excuse Absentee Ballot Constitutional Amendment:** The Executive budget proposal amends the New York State Constitution by removing the excuses required for absentee voting.

Office of Information Technology Services

The FY 20 Executive budget proposes \$864.54 million in All Funds support, reflecting an increase of \$10 million or 1.2 percent over FY 19 levels. This level of funding would support 3,489 FTEs, which is consistent with FY 19 staffing levels.

The FY 20 Executive Budget includes \$10 million in new capital funding, which would be used for enterprise technology and financial application investments for the Statewide Financial System.

Office of the Inspector General

The FY 20 Executive Budget proposes \$7.24 million in All Funds support, reflecting a decrease of \$200,000 or 2.7 percent from FY 19 levels. This level of funding would support 92 FTEs, which is consistent with FY 19 levels.

The Executive Budget includes appropriation language that would provide the Office of Inspector General with new authority to audit State University of New York (SUNY) and City University of New York (CUNY) construction fund contracts, SUNY contracts Research Foundation contracts in excess of \$1 million, and Office of General Services (OGS) centralized contracts in excess of \$85, 000.

Office of the Lieutenant Governor

The FY 20 Executive Budget proposes \$630,000 in All Funds support, which is consistent with FY 19 Enacted Levels. This level of funding would support seven FTEs. This level of staffing is also consistent with FY 19 Enacted levels.

Department of State

The FY 20 Executive Budget proposes \$252.27 million in All Funds support, which is a decrease of \$1.43 million or 0.6 percent from FY 19 levels. This level of funding would support 565 FTEs, which is an increase of 40 FTEs over FY 19 levels. The overall decrease in funding of \$1.43 million is attributed to a decrease of local assistance grants of \$5.85 million including:

- \$5 million for a one-time liberty defense add
- \$850,000 for Public Utility Law Project, NY Immigration Coalition, and Doe fund

Additionally, \$939,000 in savings is realized by shifting cemetery vandalism funding into Capital. These decreases are offset by increases in State Operations funding including: \$3.4 million for the Business and Licensing fund to support the transfer of call center functions and 40 FTEs from the Department of Taxation and Finance.

In addition, \$40,000 increased funding is for personal service increases under the Lake George Park and the Tug Hill Commissions. Finally, \$123,000 in additional funding is provided for

personal service increases under the Authorities Budget Office. The FY 20 Executive Budget also increases Capital funding by \$2 million to support projects under the cemetery vandalism program.

The FY 20 Executive Budget includes \$6.4 million in General Fund support for the Office for New Americans, which is a decrease of \$5 million from FY 19 Enacted levels. The reduction in funding is attributed to the elimination of a legislative add for services that would assist non-citizens. The funds were used for such services as English as a second language, job placement, job retention, legal services and case management.

Office of General Services

The FY 20 Executive Budget proposes \$1.23 billion in All Funds support, reflecting an increase of \$21 million or 1.7 percent over FY 19 levels. This increase of \$21 million is attributed to an increase in capital funding to support improvement of aging infrastructure at the Harriman Campus and the Empire State plaza. The FY 20 Executive recommendation for OGS would support 1,931 FTEs, which is consistent with FY 19 levels.

Article VII

- **Prohibitions on Vendor Contributions during Procurement (Part KK):** The Executive proposes legislation that would make it unlawful for a business that has submitted a bid, quotation, offer or response to any posting on a state project to contribute to an officeholder or candidate of that particular state governmental entity and/or any agencies that are involved in the evaluation, response or approval of the final contract. Business entities who are awarded a bid would be prohibited from making a contribution for a year while business entities who bid but were not awarded the contract would be able to make contributions after the close of the procurement process. This limitation also applies to an officeholder or candidate's authorized political committee. Under this proposal, the Senate and Assembly would be treated as separate entities when only one of the houses issues a posting. Any business entity that violates this provision would be subject to a civil penalty of either \$10,000 or 200 percent of the contribution, recoverable in an action brought by the state board of elections chief enforcement counsel. Any person acting on behalf of an officeholder, candidate, or political committee that accepts a contribution in violation of this provision would be required to refund the contribution.
- **Permanent Emergency Construction Authority (Part HH of PPGG):** The Executive proposes amending the Public Buildings law to extend permanently the authority of OGS to conduct emergency construction made necessary by unforeseen events without first engaging in the normally required competitive bidding process for contracts under a certain value. The current value is set at \$600,000 and the Executive proposes to increase it to \$2 million. This law is set to expire this year and was last extended in 2017.

Executive Chamber

The FY 20 Executive Budget proposes \$17.85 million in All Funds support, which is consistent with FY 19 Enacted levels. This level of funding would support 136 FTEs, which is also consistent with FY 19 levels.

Department of Financial Services

The FY 20 Executive Budget proposes \$441.56 million in All Funds support, which reflects an increase of \$8.27 million or 1.9 percent over FY 19 levels. This level of funding would support 1395 FTEs, which is an increase of 14 FTEs over FY 19 levels.

The overall appropriation increase of \$8.27 million is attributed to an increase in State Operations funding of \$11.65 million as follows:

- \$7.50 million in the Administration program for personal and non-personal service growth.
- \$1 million in increased SRO spending for Seized Assets accounts in order for New York State to comply with Federal guidelines.
- \$2.50 million in increased funding for IT upgrades as part of the new revenue system upgrades.
- \$1.65 in additional funding for 10 new FTEs associated with the behavioral health parity reform that is included as part of the FY 20 Executive Budget.
- \$800,000 in additional funding for four new FTEs associated with the Pharmacy Benefit Managers proposal included as part of the FY 20 Executive Budget.
- \$1.79 million in savings is attributed to insurance payment re-estimates.

The FY 20 Executive Budget offsets the State Operations spending increase with \$3.36 million in reductions for local assistance spending. Details of the reductions are as follows:

- \$75,000 is savings due to the planned phase out of the COBRA Entertainment Workers Subsidy.
- \$3.3 million in savings due to the reduction in Healthy NY. This reduction for the program is due to more of these individuals are being transferred to the Health Exchange.

Article VII

- **Student Loan Servicer Licensing and Regulation:** The Executive Budget proposes licensing and regulation of student loan servicers who have at least one borrower in the State of New York. This legislation provides servicer duties, servicer prohibitions and authorizes the Superintendent to suspend or revoke a license after notice and a hearing. Unlike previous versions of this bill, this proposal excludes servicers that service Federal loans. This would significantly limit the impact of this legislation.

Joint Commission on Public Ethics (JCOPE)

The SFY 19- 20 Executive Budget provides an All Funds appropriation of \$5.6 million, which is the same as prior SFY 2018-2019 available funds. The Executive Budget provides flat funding for JCOPE.

Article VII

Reforming FOIL to bring the State Legislature in line with agency FOIL requirements (Part BB): The Executive Budget repeals the special provisions of law for the state Legislature and adds the State Senate and Assembly to the Freedom of Information Law that applies to agencies. The legislation adds additional requirements on both agencies and each house of the Legislature to put public records and records that would be of substantial interest to the public online until they reach the end of their retention period or are no longer of substantial interest to the public.

Article VII

Ban Lobbyists from Giving Loans to Candidates and Political Committees: The Executive Budget proposes to prohibit lobbyists from lending money to candidates and political committees, except to themselves or their own political committee. The ban would apply to lobbyists under the New York City Administrative Code, political action committees, independent expenditure committees and labor unions as well.

This legislation amends the Election Law, relating to campaign contributions and receipt limits. Under current law, loans made to a candidate or political committee by any person, firm, association or corporation is only considered a campaign contribution if the loan is not repaid by the date of the election.

Ban Political Consultants from Lobbying Certain Elected Officials: This legislation amends the gift prohibition, in the Legislative Law, to prohibit lobbyist from serving as paid political consultants for state elected officials. If an individual lobbies an elected official, they would be prohibited from also serving as that elected official's political consultant, and vice versa.

Lower Lobbyist Disclosure Thresholds to \$500: This legislation lowers the threshold for what constitutes a "reportable business relationship," to trigger a new filing and disclosure requirement for lobbyists from \$1,000 down to \$500.

Under this proposal, a lobbyist would be required to file a statement of registration if they expend, incur, or receive over \$500 of reportable business, which is a reduction from \$5,000. Additionally, any clients who retain a lobbyist will have to submit a semi-annual report if their lobbying expenses exceed \$500, a reduction from \$5,000.

Increase Lobbyist Penalties: This legislation increases civil and criminal penalties for lobbyists who fail to file their report or who fail to comply with an audit. It also creates a liability for public corporations, including municipalities that fail to file mandatory reports or fail to file mandatory disclosures.

Extend the two-year lobbying ban to a five-year ban, including elected officials; and explicitly prohibits all forms of lobbying (Part T): This legislation increases the length of

time before former state officers or employees, members of the Legislature and the Executive Chamber can appear or practice before a state entity or agency, or lobby state entities from the current two-year ban to a five-year ban. This proposal adds new language explicitly including anyone who was required to file a long form financial disclosure (“policy makers” and people making \$97,448 or more in annual income).

Financial Disclosure for Local Elected Officials: This legislation would require municipal officers, including County Executives, County Managers, Chairs of County Boards of Supervisors and County Legislatures, and any local elected official who earns a government salary of \$50,000 a year to file annual financial disclosure statements with JCOPE. The financial disclosure statements for municipal officers would be made public in the same way financial disclosures made by state elected officials are public.

Lobbyist Code of Conduct: This proposal would add new language to the Lobbying Act, creating a “Code of Conduct for Lobbyists.” The standards include a duty of honesty and loyalty to clients and government officials; a duty of disclosure requires that lobbyists should disclose their duties under this code of conduct to clients; and a duty to provide truthful and accurate information to clients. Violators would be subject to a civil penalty up to \$25,000 for the first offense, and a six-month to five-year ban on lobbying for subsequent offenses.

Local Government Fact Sheet

- **Aid and Incentives for Municipalities (AIM).** Under the Executive budget proposal, Aid and Incentives for Municipalities support will be reduced to \$655.5 million, a \$59 million decrease from \$714.7 million appropriated in the SFY 2019 Enacted Budget. The reduction is attributed to a new aid formula created in the Executive budget proposal. The result of the new aid formula is the elimination of 846 towns and 480 villages from the AIM program.
- **Countywide-Shared Services Initiative.** The Executive budget proposal provides \$40 million match of first-year savings from county-wide share services plans. This is a first-time appropriation in the Executive 2020 Budget proposal. The funding for this program will be used for counties that implemented shared services plans in FY 2018. Counties will receive matching funds from the State in calendar year 2019.
- **Property Tax Cap.** The Executive budget proposal advances legislation to make the two-percent Property Tax Cap permanent in New York State (excluding New York City). Since the enactment of the New York State property tax cap, property taxes have grown by an average of just 1.9 percent per year. Under the New York State Property tax cap, local taxpayers saved \$3,200 in just the first six years.
- **STAR Program.** The Executive budget proposes several changes to both the STAR Exemption Program and Credit. First, the Executive proposes to cap the School Tax Relief (STAR) exemption benefit at two percent. Secondly, the Executive proposes to lower basic STAR Income Limit for the exemption program only. Thirdly, the Executive budget introduces language that limits STAR abuse.

Local Government Assistance Agency Details

Overview

The Executive budget provides local governments with \$42.2 billion in State support through major local aid programs and savings initiatives. The Executive Budget proposes a positive net local impact of over \$1.2 billion for municipalities and school districts for their fiscal years ending in 2020. The net local benefit is primarily the result of a statewide school aid increase of \$956.3 million, including \$50 million in new competitive grants and a \$157 million in a fiscal stabilization fund.

The Executive budget proposal will benefit school districts outside of New York City by \$474.2.7 million in LFY 2020. The Executive budget proposes a positive impact of \$235 million on counties and \$23.7 million positive impact on other Cities. However, towns and villages will negatively be impacted by the Executive budget proposal (\$36.30 million). This is mostly due to the adjustment in Aid and Incentives for Municipalities (AIM).

IMPACT OF THE FY 2020 EXECUTIVE BUDGET ON LOCAL GOVERNMENTS						
Local Fiscal Year Ending in 2020, Includes Major Local Aid Programs, in Millions	Total	NYC	School Districts	Counties	Other Cities	Towns & Villages
Total SFY 2020 Executive Budget Impact on LFY	\$1,073.60	\$376.90	\$474.20	\$235.10	\$23.70	(\$36.30)
Fiscal Stabilization Fund for Schools	\$157.00	\$0.00	TBD	\$0.00	\$0.00	\$0.00
New Competitive School Grants	\$50.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grants Total SFY 2020 Executive Budget Impact on LFY 2020	\$1,280.60	\$376.90	\$474.20	\$235.10	\$23.70	(\$36.30)
Grant Total SFY 2020 Major Local Aid Programs/ Savings	\$42,194.60	\$17,269.40	\$18,514.00	\$4,880.00	\$719.50	\$212.00

LOCAL GOVERNMENT ASSISTANCE				
Funding Source	Available SFY 2018- 2019	Executive Recommendation SFY 2019- 2020	\$ Change	% Change
General Fund	\$1,030,853,113.00	\$726,352,613.00	(\$304,500,500.00)	-29.5%
Fiduciary Funds	\$30,000,000.00	\$30,000,000.00	\$0.00	0.0%
All Funds	\$1,060,853,113.00	\$756,352,613.00	(\$304,500,500.00)	-29%

The Executive Budget recommends \$756.4 million in All Funds appropriations for local government assistance programs. This includes \$726.4 million in General Fund support to Local Governments, \$30 million in Fiduciary Funds to cover contingency appropriations requirements.

SUMMARY OF SPENDING (millions)				
Program	FY 2019 Enacted Budget	FY 2020 Executive Proposal	\$ Change	% Change
AIM Base Level Funding	\$714.70	\$655.50	(\$59.20)	-8.3%
County-Wide Shared Services Initiative	\$0.00	\$40.00	\$40.00	0.0%
Citizens Empowerment Tax Credits and Grants*	\$4.30	\$5.00	\$0.70	16.3%
Local Government Efficiency Grants*	\$4.00	\$5.10	\$1.10	27.5%
Local Government Performance and Efficiency Program*	\$6.30	\$14.30	\$8.00	127.0%
VLT Impact AID	\$28.90	\$28.90	\$0.00	0.0%
Miscellaneous Financial Assistance	\$12.00	\$2.30	(\$9.70)	-80.8%
Small Government Assistance	\$0.20	\$0.20	\$0.00	0.0%
Program Totals	\$770.40	\$751.30	(\$19.10)	-2.5%
Source: New York State Division of Budget				

*1

Local Government Assistance. The Executive Budget proposes \$751.3 million spending to Local Government Assistance programs, which provide a range of State Aid and Assistance for all classes of Local Governments. Funds for Local Government Assistance decreased by \$19.1 million, or 3% when compared to FY 2019. This is primarily due to adjustment and reduction of AIM. The Executive budget proposes a reduction in the Miscellaneous Financial Assistance program by 81% or \$9.7 million.

County-Wide Shared Services Initiative. The County-Wide Shared Service Initiative created a service panel in each county, chaired by the Chief Executive Officer of the County. The panels will work to help develop and ultimately approve a County-Wide Shared Service Property Tax Savings Plan through intergovernmental cooperation to find new opportunities for share and coordinate services. The Executive budget provides a match of first-year savings from county-wide shared services plans in the amount of \$40 million. Counties that implement shared service plan in FY 2018 are eligible to receive matching funds from the State in FY 2019.

Citizens Empowerment Tax Credit and Grants. The program provides aid to reorganized local governments equal to 15% of the combined amount of real property taxes levied by all of the municipalities involved in the consolidation or dissolution. The grant cannot exceed \$1.0million. The Executive budget proposes a funding increase to the program for \$5.0 million in FY 2020. This represents a \$700 thousand increase to the program, or a 16% increase compared to the Enacted FY 2019 budget.

¹ *Beginning in FY 2018, some Citizens Re-Organization Empowerment Grants, Local Government Efficiency Grants and the Local Government Performance and Efficiency Program were funded out of the Special Infrastructure Account instead of the General Fund. A portion of anticipated spending for these programs in FY 2020 will also be funded in this manner.

Local Government Efficiency Program (LGEP). LGEP is a program administered by the New York Department of State. The program provides technical assistance and competitive grants to local governments for projects that will achieve savings and improve municipal efficiency through shared services, cooperative agreements, consolidations and dissolutions. The Executive Budget proposes \$14.3 million, or an \$8.0 million increase to the program when compared to FY 2019.

Video Lottery Terminals (VLTs). The Executive budget proposal maintains VLT aid at \$28.9 million for eligible municipalities in which a video lottery gaming facility is located.

AID TO MUNICIPALITIES WITH VIDEO LOTTERY TERMINAL (VLT) FACILITIES	
Municipality	Amount
Yonkers	\$19,600.00
Batavia Downs	\$802.00
Fairgrounds (Buffalo)	\$1,154.00
Finger Lakes	\$2,369.00
Monticello	\$1,234.00
Saratoga Springs	\$3,101.00
Vernon Downs	\$626.00
Total	\$28,886.00
Source: New York State Division of Budget	

Aid And Incentives To Municipalities (AIM):

The Executive Budget proposal for State Fiscal Year (SFY) 2019-20 provides \$655.6 million in unrestricted AIM. AIM was created in SFY 2005-06 to consolidate various unrestricted local aid funding programs and to provide unrestricted aid that could be utilized at the discretion of the local entity.

Since SFY 2010-11 through SFY 2018-19, AIM has remained unchanged. SFY 2020 Executive budget proposes to reduce AIM by 8%, or \$59.2 million in SFY 2020. Under the Executive budget proposal, towns and villages will see AIM cut by \$42.7 million and \$16.4 million, respectively. This represents a both an 89% and 83% reduction in aid to towns and villages.

2019-20 Executive Budget: Aid and Incentives for Municipalities Proposal				
Municipalities	SFY 2019 Enacted Budget	SFY 2020 Executive Budget Proposal	\$ Change	% Change
Cities	\$647,093,629.00	\$647,093,629.00	\$0.00	0%
Towns	\$47,911,167.00	\$5,173,925.00	-\$42,737,242.00	-89%
Villages	\$19,726,905.00	\$3,309,175.00	-\$16,417,730.00	-83%
Total AIM	\$714,731,701.00	\$655,576,729.00	-\$59,154,972.00	-8%
Source: New York State Division of Budget				

The Executive's AIM reduction is based on the local government's base AIM award for 2018 divided by 2017 total expenditures. If the quotient is two percent or less than the local government is deemed to have a "low reliance" on AIM funding. The Executive proposal would eliminate AIM payments to 846 towns and 480 villages considered in low reliance according to this AIM formula.

The Executive's proposal will not eliminate local government eligibility for additional state programs and incentives, including County-Wide Shared Services Initiative, Local Government Efficiency Grants, and the Citizens Empowerment Tax Credit.

Article VII

PPGG – Article VII

- **Interest rate on Court Judgements (Part D) :** The Executive Budget changes interest rate paid by the State and local governments on court judgements or accrued claims from the current fixed nine percent rate to a market rate.
- **Binding Arbitration Extension (Part F) :** The Executive Budget extends binding arbitration for public safety unions for an additional five years, until 2024.
- **Makes Property Tax Cap Permanent (Part G):** The Executive proposes eliminating the sunset for the property tax cap. The property tax cap was established in 2011 and under current law it is scheduled to expire at the same time as rent regulation but no earlier than June 16, 2020. This proposal has no fiscal impact on the State.
- **Extending Authorization for Eight Municipalities to Operate Red Light Cameras (Part H):** The Executive proposes extending until December 1, 2024 eight municipalities authority to operate Red Light Cameras.
 - The municipalities are the City of Albany, City of Mount Vernon, the County of Nassau, City of Rochelle, County of Suffolk, City of White Plains, City of Yonkers and the City of New York.

- **Adjust AIM to Certain Towns and Villages based on Reliance (Part I):** This bill would eliminate Aid and Incentives to Municipalities (AIM) to those towns and villages where AIM funding constitutes less than two percent (2%) of the municipalities' all funds budgets. This would reduce Local Government Assistance (LGA) spending by \$59.2 million.
- **Authorize Nassau County Class One Reassessment Exemption (Part J):** Provides Nassau County with the local option to phase-in, over a five-year period, the effects of any assessment changes on 'class one' properties [one, two & three family homes] as reflected on the 2020-21 assessment roll.
- **Authorize the Alienation of Certain Parklands in Hastings, NY (Part FF):** Authorizes the Town of Hastings, located in the County of Oswego, to transfer ownership of certain real property to construct a new State Police station. Due to restrictions on the use and alienability of these parklands under New York common law, the Town requires legislative authorization.
- **Permanently Provide Energy as a Centralized Service (Part GG):** Would make permanent the current law allowing agencies and political subdivisions to acquire electricity as a 'centralized service' through the Office of General Services ("OGS") and to extend the authority to acquire such services to public authorities and public benefit corporations. Current law permits State agencies and local governments to purchase energy products (primarily electricity) as a centralized service provided by OGS. The Executive claims this proposal will result in energy cost savings for public authorities and public benefit corporations.

Revenue – Article VII

- **Cap Annual Growth in STAR Exemption Benefit (Part LL):** The Executive Budget caps the School Tax Relief (STAR) exemption benefit at two -percent. The STAR exemption can be no greater than the prior year savings.
- **Lower Basic STAR Income limit to \$250,000 (Part RR):** The Executive Budget proposes to reduce the income qualification for Basic STAR Exemption from \$500,000 to \$250,000 starting in the 2019-2020 School Year.
- **Prevent STAR Fraud and Abuse (Part PP):** The Executive Budget proposes to reduce fraud and abuse in both the STAR Exemption and Personal Income Tax Credit Program, by excluding households for six-years that have been found guilty of abuse and fraud.
- **Disclosure of STAR-Related Information to Assessors (Part QQ):** The Executive Budget authorizes the Commissioner of Tax and Finance to inform local assessors if such exemption or credit cannot be granted because:

- Property owner exceeds the program income limit (without presenting the owner's income to assessors),
 - Property is not owner's primary residence,
 - Property owner does not meet the applicable age requirement,
 - Property owner failed to enroll in the Income Verification program.
- **Clarify STAR Check tax bill notices (Part SS):** The Executive Budget makes an administrative technical change on tax bill.
- **Improve the STAR Administrative process (Part TT):** The Executive Budget makes technical corrections to the STAR Exemption and PIT program.

Environment, Agriculture and Parks Fact Sheet

Appropriations

- **\$300 Million Environmental Protection Fund:** The Executive Budget proposes to maintain EPF appropriations at \$300 million, the same level as SFY 2019.
- **New Clean Water Infrastructure Act Funds:** The Executive Budget proposes \$500 million in new funds in SFY 2020, as part of an additional \$2.5 billion allotment for Clean Water Infrastructure projects.
- **Aid to Locality Program Reductions:** The Executive Budget proposes \$28.4 million for local assistance to agriculture programs. This is a reduction of almost \$5 million from SFY 2019. However, the funding provided within the Executive Budget is not lined out to individual programs; it is instead provided in one lump sum which would be allocated pursuant to a plan by the Commissioner of Agriculture and Markets and approved by the director of the budget rather than at the discretion of the Legislature.

Article VII

- **Climate Leadership Act:** The Executive Budget creates the Climate Action Council, responsible for state recommendations to achieve forty percent reductions in greenhouse gas emissions by 2030, and eighty percent by 2050. Council comprised of: (i) various state agency chairs, (ii) one environmental justice group representative; and (iii) one representative from organized labor. Bill requires state energy planning board to update state energy plan every four years, in order to achieve one hundred percent clean energy by 2040 for the state's electricity demand. Bill requires DEC to establish a "social cost" on carbon emissions, expressed in dollars per ton of carbon dioxide.
- **Bottle Bill Expansion:** The Executive Budget expands the types of beverage containers subject to deposit requirements, including: sports drinks, energy drinks, juices, and ready drink teas and coffees. The Bottle Bill expansion will go into effect in 2020. It is estimated that this expansion will generate an additional \$20 million. The new funding generated by the expansion will support the Environmental Protection Fund and provide General Fund relief.
- **Ban Single-Use Plastic Bags** The Executive Budget bans plastic carryout bags, subject to numerous end-use exceptions, including: (i) produce/meat packaging; (ii) newspaper packaging; (iii) garment bags; and (iv) food takeout bags. No fee for paper bags, but does not preclude local municipalities from doing so.
- **Prohibit Offshore Drilling:** The Executive Budget prohibits land leases for oil and gas production on state coastal and tidal waters. Similarly, prohibits

leases/conveyances/licenses for infrastructure, storage, and transfer related thereto. Ships carrying north-Atlantic petroleum cannot enter New York's navigable waters.

Environment, Agriculture And Parks Agency Details

Environment, Agriculture and Parks Agency All Funds Appropriations				
Agency	Available SFY 2018-19	Executive Recommendation SFY 2019-20	\$ Change	% Change
Adirondack Park Agency	\$ 4,544,000	\$ 4,684,000	\$ 140,000	3.0%
Agriculture and Markets	\$ 186,755,000	\$ 206,993,000	\$ 20,238,000	9.8%
Energy Research and Development Authority	\$ 17,000,000	\$ 17,700,000	\$ 700,000	4.0%
Environmental Conservation	\$1,245,971,000	\$ 1,756,188,000	\$ 510,217,000	29.1%
Green Thumb	\$ 3,318,000	\$ 3,561,000	\$ 243,000	6.8%
Greenway Heritage Conservancy	\$ 166,000	\$ 166,000	\$ -	0.0%
Hudson River Park Trust	\$ 50,000,000	\$ 23,000,000	\$ (27,000,000)	-117.4%
Hudson River Valley Greenway Communities Council	\$ 321,000	\$ 321,000	\$ -	0.0%
Olympic Regional Development Authority	\$ 70,090,000	\$ 107,090,000	\$ 37,000,000	34.6%
Parks, Recreation and Historic Preservation	\$ 435,928,000	\$ 481,459,000	\$ 45,531,000	9.5%
New York Power Authority	\$ 215,000,000	\$ 172,000,000	\$ (43,000,000)	-25.0%
Department of Public Service	\$ 95,422,000	\$ 104,682,000	\$ 9,260,000	8.8%
Total Environment, Agriculture and Parks	\$2,324,515,000	\$ 2,877,844,000	\$ 553,329,000	19.2%

Overview

The SFY 2020 Executive Budget proposes \$2.9 billion in All Funds appropriations for State Agencies within the Environmental Conservation functional area in SFY 2020, an increase of \$553 million (or 19.2 percent) from Available SFY 2019 Budget levels. This increase largely reflects the addition of \$500 million for clean water infrastructure projects, \$37 million for ORDA capital projects and \$45 million for Parks capital projects and related staff and operations.

Department of Environmental Conservation

The SFY 2020 Executive Budget proposes almost \$1.8 billion in All Funds appropriations for the Department of Environmental Conservation (DEC), an increase of \$510 million, or 29.1 percent, over SFY 2019 levels. This amount almost entirely reflects the first \$500 million of another \$2.5 billion allocation for clean water infrastructure projects.

The SFY 2020 Executive Budget proposes to maintain spending for the Environmental Protection Fund at \$300 million. The Executive has requested those funds be disbursed as follows:

- \$38.2 million, an increase of \$51,000, for solid waste programs
- \$88.4 million, an increase of \$2.1 million, for parks and recreation programs
- \$152.2 million, a decrease of \$4.1 million, for open space programs
- \$21.2 million, an increase of \$2 million, for climate change programs

Please see the Environmental Protection Fund chart at the end of this section for additional detail.

The Executive Budget also proposes a \$15 million increase, to \$55 million, in NY Works capital funding over SFY 2019 levels that would fund additional access, infrastructure and amenity upgrades at DEC administered lands and campgrounds.

The Executive Budget also proposes \$525,000 for 5 FTEs for the newly redeveloped Frontier Town Campground, Equestrian and Day Use Area.

Adirondack Park Agency

The SFY 2020 Executive Budget recommends All Funds appropriations of \$4.7 million for the Adirondack Park Agency (APA), an increase of \$140,000, or three percent, from the current year. The increase is primarily due to negotiated pay increases. Staffing levels for the APA are projected to remain unchanged at 54 FTE positions.

New York State Department of Agriculture and Markets

The SFY 2020 Executive Budget recommends All Funds appropriations of \$207 million for the Department of Agriculture and Markets (NYSDAM). This represents a net increase of \$20.2 million, or 9.8 percent, from the current fiscal year. These changes reflect an increase in the amount of baseline spending on local assistance programs (please see the Agriculture Local Assistance chart on the following page).

The Executive Budget also includes \$2.5 million for ongoing upgrades to the Expo Center at the New York State Fair and a \$1.8 million increase in State Operations Spending for 29 new food safety inspectors.

Green Thumb

The SFY 2020 Executive Budget recommends All Funds appropriations of \$3.6 million for Green Thumb, an increase of \$243,000, or 6.8 percent over the current fiscal year. This change is due to increases in personal service resulting from changes in the minimum wage.

The Greenway Heritage Conservancy of the Hudson River Valley

The SFY 2020 Executive Budget recommends All Funds appropriations of \$166,000 for the Greenway Heritage Conservancy of the Hudson River Valley (Conservancy), the same as for the previous eight fiscal years.

The Hudson River Valley Greenway Community Council

The SFY 2020 Executive Budget recommends All Funds appropriations of \$321,000 for the Hudson River Valley Greenway Community Council. The funding is unchanged from the current fiscal year.

Hudson River Park Trust

The SFY 2020 Executive Budget recommends All Funds appropriations of \$23 million for the Hudson River Park Trust to complete the redevelopment and infrastructure repairs of the park.

New York State Energy Research and Development Authority

The SFY 2020 Executive Budget recommends All Funds appropriations of \$17.7 million for the New York State Energy Research and Development Authority (NYSERDA). This represents an increase of \$700,000, or four percent, from the current fiscal year. The increase is necessary to meet the State's obligations to a federal cost sharing agreement with the US Department of Energy for the management and administration of the nuclear fuel reprocessing plant at West Valley.

The bulk of the estimated \$1.34 billion in NYSERDA revenue comes from off-budget programs funded through mandatory surcharges imposed upon ratepayers and utility companies. These funds are used by NYSERDA to implement the goals of the 2015 State Energy Plan, with the goal of reducing carbon emissions and increased use of renewable energy resources.

Department of Public Service

The SFY 2020 Executive Budget recommends All Funds appropriations of \$104.7 million for the Department of Public Service (DPS), an increase of \$9.3 million, or 8.8 percent, from the current fiscal year. This increase is to support eight new FTEs in the area of Article 10 siting and ITS related contractual obligations.

New York Power Authority

The SFY 2020 Executive Budget recommends All Funds appropriations of \$172 million for the New York Power Authority (NYPA). This represents a net decrease of \$43 million from the current fiscal year. This decrease, \$77 million reflects a reduction in the State's repayment of funds previously transferred by NYPA to the State.

Olympic Regional Development Authority

The SFY 2020 Executive Budget recommends All Funds appropriations of \$107.1 million for the Olympic Regional Development Authority (ORDA), an increase of \$37 million, or 34.6 percent. This reflects \$20 million in additional capital spending at ORDA facilities for energy efficiency upgrades and renovation projects. The increase also includes a \$16 million appropriation in connection with legislation that would authorize ORDA to be able to defend, indemnify and/or insure third parties in connection with the 2023 World University Games.

Similar to previous years, the Executive Budget includes \$2.5 million in New York Works capital sub-allocated from the Office of Parks, Recreation and Historic Preservation to ORDA for various capital improvements at ORDA's facilities.

Department of Parks, Recreation and Historic Preservation

The SFY 2020 Executive Budget recommends All Funds appropriations of \$481.5 million for the Office of Parks, Recreation and Historic Preservation, an increase of \$45.5 million, or 9.5 percent from SFY 2019. This reflects a New York Works increase of \$20 million dollars to complete phase two of construction at Shirley Chisholm State Park, increased appropriations for 17 FTEs related to the park, as well as increased appropriations for the establishment of a Golf Enterprise Fund and Retail Store Enterprise Fund.

Article VII

- **Waste Tire Management:** The Executive Budget makes the \$2.50 new tire fee permanent, which otherwise would sunset December 31, 2019. Existing law directs fee funds be used for waste tire abatement.
- **Bottle Bill Expansion:** The Executive Budget expands the types of beverage containers subject to deposit requirements, including: sports drinks, energy drinks, juices, and ready drink teas and coffees.
- **DEC Authorized to Accept Gifts and Partner with Private Entities:** The Executive Budget authorizes DEC to solicit funds/gifts (to be used for DEC programs) and enter into partnerships with private entities.
- **Ban Single-Use Plastic Bags:** The Executive Budget bans plastic carryout bags, subject to numerous end-use exceptions, including: (i) produce/meat packaging; (ii) newspaper packaging; (iii) garment bags; and (iv) food takeout bags. No fee for paper bags, but does not preclude local municipalities from doing so.

- **Prohibit Offshore Drilling:** The Executive Budget prohibits land leases for oil and gas production on state coastal and tidal waters. Similarly, prohibits leases/conveyances/licenses for infrastructure, storage, and transfer related thereto. Ships carrying north-Atlantic petroleum cannot enter New York’s navigable waters.
- **Wetland Mapping Notifications:** The Executive Budget authorizes DEC to provide hearing notices for wetlands mapping updates by standard mail (current law requires certified mail).
- **Consumer and Personal Products Disclosure:** The Executive Budget creates the “Consumer Chemical Awareness Act”, authorizing DEC and DOH to establish standards for labelling and disclosing consumer product ingredients potentially harmful to human health. Similarly, the Executive Budget requires manufacturers of personal care products (excluding soap), to more fully disclose their ingredients than currently required under federal law.
- **Climate Leadership Act:** The Executive Budget creates the Climate Action Council, responsible for state recommendations to achieve forty percent reductions in greenhouse gas emissions by 2030, and eighty percent by 2050. Council comprised of: (i) various state agency chairs, (ii) one environmental justice group representative; and (iii) one representative from organized labor. Bill requires state energy planning board to update state energy plan every four years, in order to achieve one hundred percent clean energy by 2040 for the state’s electricity demand. Bill requires DEC to establish a “social cost” on carbon emissions, expressed in dollars per ton of carbon dioxide.
- **Parks Retail Stores Enterprise Fund and Golf Enterprise Retail Fund:** The Executive Budget creates a parks retail stores enterprise fund and golf enterprise fund, consisting of all moneys received from each respective operation and are only to be used for services and expenses relating to those operations.
- **Expand authority of ORDA to enter into contracts of agreements containing indemnity provisions in order to host Olympic or other national or international games or events:** The Executive proposes legislation that would allow ORDA to enter into contracts for national or international events. That authority would be limited by the amount of an appropriation set aside for the event, and provides specific authority of \$16 million for the 2023 World Games.
- **Cable Television/Utility Assessment:** The Executive proposes language to authorize an assessment on cable service providers to reimburse certain expenses Department of Health via a cable service providers; authorizes reimbursement of expenses incurred by the Office of Parks, Recreation & Historic Preservation and Departments of Agriculture and Markets, Environmental Conservation and State via an assessment levied on utilities. Current law permits DPS to assess public utilities and cable television companies for costs related to

regulation of their respective industries. This is an annual reauthorization of a transfer of funds.

- **Authorize the New York State Energy Research and Development Authority (NYSERDA) to assess and collect program funding via a special assessment on gas and electric corporations:** The Executive proposes language that would allow NYSERDA to finance a portion of its research, development and demonstration program (including grants), the energy policy & planning program, the zero emissions vehicle and electric vehicle rebate program, and Fuel NY program from an assessment on gas and electric corporations. The assessment cannot exceed \$19.7 million annually. While NYSERDA is technically ‘off budget’, Part W allows the Executive to designate certain funds for programs that otherwise would not be funded through NYSERDA’s budget.
- **New York Power Authority Energy Projects:** The Executive proposes language to expand the authority of the New York Power Authority (NYPA) to provide energy-related projects, programs, and services to any of its power customers, not just those who purchase power under specific enumerated programs, including state agencies, authorities and municipalities and higher education institutions. This bill amends the definition of energy-related projects, programs and services to include energy efficiency and conservation, energy management, and energy supply reliability and expands NYPA’s ability to contract with [to provide such expanded services to] any entity currently under contract with NYPA. This bill would also provide NYPA the authority necessary to design, finance, develop, construct, install, lease, operate and maintain electric vehicle charging stations throughout the State for use by the public.
- **NYPA Renewable Energy Transmission and Sale:** The Executive proposes language to authorize the New York Power Authority (NYPA) to develop renewable energy projects, including transmission, and sell generated renewable product/energy to public entities and NYPA customers. Further authorizes NYPA to recover costs from entities purchasing renewable products, and authorizes the use of notes, bonds, loans or other available sources to finance the development of renewable energy projects.

Environmental Protection Fund			
Program	FY 2019 Enacted	FY 2020 Executive	Change
SOLID WASTE			
Landfill Closure/Gas Management	\$ 700,000	\$ 700,000	\$ -
<i>Essex County</i>	\$ 300,000	\$ 300,000	\$ -
<i>Hamilton County</i>	\$ 150,000	\$ 150,000	\$ -
Municipal Recycling	\$ 14,000,000	\$ 14,000,000	\$ -
<i>Food donation/recycling/organics projects</i>	\$ 2,000,000	\$ 2,000,000	\$ -
Secondary Marketing	\$ 149,000	\$ 200,000	\$ 51,000
Pesticide Database	\$ 1,800,000	\$ 1,800,000	\$ -
<i>Long Island Pesticide Prevention</i>	\$ 200,000	\$ 200,000	\$ -
Environmental Justice	\$ 7,000,000	\$ 7,000,000	\$ -
<i>Connect Kids</i>	\$ 1,000,000	\$ 1,000,000	\$ -
<i>EJ community impact and job training grants</i>	\$ 3,000,000	\$ 3,000,000	\$ -
<i>Non profit competitive grants</i>	\$ -	\$ 500,000	\$ 500,000
<i>Community groups and indian tribes</i>	\$ -	\$ 100,000	\$ 100,000
<i>SUNY ESF for Natives</i>	\$ -	\$ 350,000	\$ 350,000
Natural Resource Damages	\$ 2,025,000	\$ 2,025,000	\$ -
Pollution Prevention Institute	\$ 4,000,000	\$ 4,000,000	\$ -
<i>Interstate Chemicals Clearinghouse</i>	\$ 100,000	\$ 100,000	\$ -
Environmental Health	\$ 6,500,000	\$ 6,500,000	\$ -
<i>Clean SweepNY Program</i>	\$ 500,000	\$ 500,000	\$ -
<i>Center for Clean Water at Stony Brook for 1,4 Dioxane</i>	\$ 1,000,000	\$ 1,000,000	\$ -
<i>Children's Environmental Health Centers</i>	\$ 2,000,000	\$ 2,000,000	\$ -
<i>Fresh Connect</i>	\$ 625,000	\$ 625,000	\$ -
Brownfield Opportunity Areas (BOA)	\$ 2,000,000	\$ 2,000,000	\$ -
Solid Waste Total	\$ 38,174,000	\$ 38,225,000	\$ 51,000
PARKS & REC			
Waterfront Revitalization	\$ 14,000,000	\$ 15,000,000	\$ 1,000,000
<i>Inner City/Underserved</i>	\$ 9,000,000	\$ 9,000,000	\$ -
<i>Climate Change Resiliency Planning/LWRP Updates</i>	\$ 2,000,000	\$ 2,000,000	\$ -
<i>Niagara River Greenway</i>	\$ 200,000	\$ 200,000	\$ -
Municipal Parks	\$ 19,500,000	\$ 19,500,000	\$ -
<i>Innecity/Underserved</i>	\$ 10,000,000	\$ 10,000,000	\$ -
<i>Tivoli</i>	\$ 250,000	\$ 250,000	\$ -
<i>Hudson River Valley Trail Grants</i>	\$ 500,000	\$ 500,000	\$ -
<i>SUNY ESF</i>	\$ 120,000	\$ 120,000	\$ -
<i>Paul Smiths College</i>	\$ 180,000	\$ 180,000	\$ -
Public Access & Stewardship	\$ 32,638,000	\$ 33,700,000	\$ 1,062,000
<i>Belleayre</i>	\$ 1,000,000	\$ 1,000,000	\$ -
<i>Parks and Trails Friends Group Capacity Grants</i>	\$ 500,000	\$ 1,000,000	\$ 500,000
Hudson River Park (HRP)	\$ 3,200,000	\$ 3,200,000	\$ -
ZBGA	\$ 15,000,000	\$ 15,000,000	\$ -
Administration of Nav Law 79-b Programs	\$ 2,000,000	\$ 2,000,000	\$ -
Parks & Rec Total	\$ 86,338,000	\$ 88,400,000	\$ 2,062,000

Environmental Protection Fund Continued			
Program	FY 2019 Enacted	FY 2020 Executive	Change
OPEN SPACE			
Land Acquisition	\$ 35,000,000	\$ 32,387,000	\$ (2,613,000)
Land Trust Alliance	\$ 2,500,000	\$ 2,500,000	\$ -
Urban Forestry	\$ 1,000,000	\$ 1,000,000	\$ -
Regions 1, 2 and 3	\$ 3,000,000	\$ 3,000,000	\$ -
Tug Hill Tomorrow Land Trust - ACUB	\$ -	\$ 1,000,000	\$ 1,000,000
Lake George Park Commission	\$ 700,000	\$ 200,000	\$ (500,000)
Community Forest Program	\$ -	\$ 500,000	\$ 500,000
Working Forest Conservation Easements	\$ -	\$ 3,000,000	\$ 3,000,000
Albany Pine Bush Commission	\$ 2,675,000	\$ 2,675,000	\$ -
LI Pine Barrens Commission	\$ 2,000,000	\$ 2,000,000	\$ -
Environmental Commissions	\$ 1,063,000	\$ 1,063,000	\$ -
Susquehanna River Basin Commission	\$ 259,000	\$ 259,000	\$ -
Delaware River Basin Commission	\$ 359,500	\$ 359,500	\$ -
Ohio River Valley Water Sanitation Commission	\$ 14,100	\$ 14,100	\$ -
Interstate Environmental Commission	\$ 41,600	\$ 41,600	\$ -
New England Interstate Water Poll. Control Comm.	\$ 38,000	\$ 38,000	\$ -
LI South Shore Estuary Reserve	\$ 900,000	\$ 900,000	\$ -
Agricultural Non-Point Source Poll Cont	\$ 17,000,000	\$ 18,000,000	\$ 1,000,000
Cornell Integrated Pest Management	\$ 1,000,000	\$ 1,000,000	\$ -
Cornell Cooperative Ext Suffolk County	\$ 500,000	\$ 500,000	\$ -
Cornell pesticide management ed program	\$ 250,000	\$ 250,000	\$ -
Non-Agricultural Non-Point Source Poll Cont	\$ 7,000,000	\$ 7,000,000	\$ -
Cornell Community Integrated Pest Management	\$ 550,000	\$ 550,000	\$ -
Farmland Protection	\$ 18,000,000	\$ 17,000,000	\$ (1,000,000)
Cornell Land Classification and Master List of Soils	\$ 90,000	\$ 95,000	\$ 5,000
Biodiversity stewardship	\$ 1,350,000	\$ 1,350,000	\$ -
Pollinator Protection	\$ 500,000	\$ 500,000	\$ -
Cornell - adverse impacts of pesticides, bee husbandry	\$ 300,000	\$ 300,000	\$ -
Cary Institute of Ecosystem Studies - Catskill enviro research	\$ 100,000	\$ 100,000	\$ -
Hudson River Estuary Plan	\$ 6,500,000	\$ 6,500,000	\$ -
Mohawk River	\$ 1,000,000	\$ 1,000,000	\$ -
Finger Lk-Lk Ontario Watershed	\$ 2,300,000	\$ 2,300,000	\$ -
Lake Erie Watershed Protection	\$ 250,000	\$ 250,000	\$ -
Water Quality Improvement Prog	\$ 20,250,000	\$ 18,250,000	\$ (2,000,000)
Suffolk Co - 50% match to address nitrogen	\$ 3,000,000	\$ 3,000,000	\$ -
Suffolk Co - sewer improvement projects	\$ 1,500,000	\$ 1,500,000	\$ -
Nassau County Bay Park Outfall Pipe	\$ 5,000,000	\$ 5,000,000	\$ -
Long Island Regional Planning Council - LI Nitrogen Action Plan	\$ 250,000	\$ 250,000	\$ -
Statewide Drug Collection Program at Pharmacies	\$ 1,000,000	\$ 1,000,000	\$ -
Removal and disposal of firefighting foam with PFOS	\$ 100,000	\$ 100,000	\$ -
Update source water assess plans and protect prog	\$ 5,000,000	\$ 5,000,000	\$ -

Environmental Protection Fund Continued			
Program	FY 2019 Enacted	FY 2020 Executive	Change
OPEN SPACE Continued			
Oceans & Great Lakes Initiative	\$ 17,250,000	\$ 17,250,000	\$ -
<i>Peconic Bay Estuary Program</i>	<i>\$ 200,000</i>	<i>\$ 200,000</i>	<i>\$ -</i>
<i>Great Lakes Commission</i>	<i>\$ 60,000</i>	<i>\$ 60,000</i>	<i>\$ -</i>
Invasive Species	\$ 13,300,000	\$ 13,300,000	\$ -
<i>Lake George</i>	<i>\$ 450,000</i>	<i>\$ 450,000</i>	<i>\$ -</i>
<i>Cornell Plant Certification Program</i>	<i>\$ 120,000</i>	<i>\$ 120,000</i>	<i>\$ -</i>
<i>Cornell Colden Nematode</i>	<i>\$ -</i>	<i>\$ 62,000</i>	<i>\$ 62,000</i>
<i>Eradication</i>	<i>\$ 6,050,000</i>	<i>\$ 6,050,000</i>	<i>\$ -</i>
<i>Cornell for hemlock wooly adelgid</i>	<i>\$ 500,000</i>	<i>\$ 500,000</i>	<i>\$ -</i>
<i>Southern Pine Beetle Eradication</i>	<i>\$ 500,000</i>	<i>\$ 500,000</i>	<i>\$ -</i>
<i>Central Pine Barrens Joint Planning and Policy Comm.</i>	<i>\$ 250,000</i>	<i>\$ 250,000</i>	<i>\$ -</i>
Soil & Water Conservation Districts	\$ 10,000,000	\$ 10,500,000	\$ 500,000
Agricultural Waste Management	\$ 1,500,000	\$ 1,500,000	\$ -
<i>Cornell dairy acceleration program</i>	<i>\$ 700,000</i>	<i>\$ 700,000</i>	<i>\$ -</i>
Open Space Total	\$ 156,338,000	\$ 152,225,000	\$ (4,113,000)
CLIMATE CHANGE MITIGATION & ADAPTATION			
Greenhouse Gas Management	\$ 1,000,000	\$ 1,500,000	\$ 500,000
<i>Regenerate NY Grant</i>	<i>\$ -</i>	<i>\$ 500,000</i>	<i>\$ 500,000</i>
<i>Cornell natural working lands agricultural inventory</i>	<i>\$ -</i>	<i>\$ 500,000</i>	<i>\$ 500,000</i>
State Vulnerability Assessments - NYS Climate Adaptation	\$ 3,000,000	\$ 2,000,000	\$ (1,000,000)
<i>Wood Products Development Council</i>	<i>\$ -</i>	<i>\$ 200,000</i>	<i>\$ 200,000</i>
Smart Growth	\$ 2,000,000	\$ 2,000,000	\$ -
Climate Resilient Farms Program	\$ 2,500,000	\$ 5,000,000	\$ 2,500,000
<i>Cornell Soil Health</i>	<i>\$ 200,000</i>	<i>\$ 200,000</i>	<i>\$ -</i>
<i>Dutchess County SWCD HV Carbon Farming Pilot</i>	<i>\$ -</i>	<i>\$ 200,000</i>	<i>\$ 200,000</i>
Climate Smart Communities Competition	\$ 10,650,000	\$ 10,650,000	\$ -
<i>Resiliency planting program</i>	<i>\$ 500,000</i>	<i>\$ 500,000</i>	<i>\$ -</i>
Climate Change Total	\$ 19,150,000	\$ 21,150,000	\$ 2,000,000
ENVIRONMENTAL PROTECTION FUND TOTAL	\$ 300,000,000	\$ 300,000,000	

