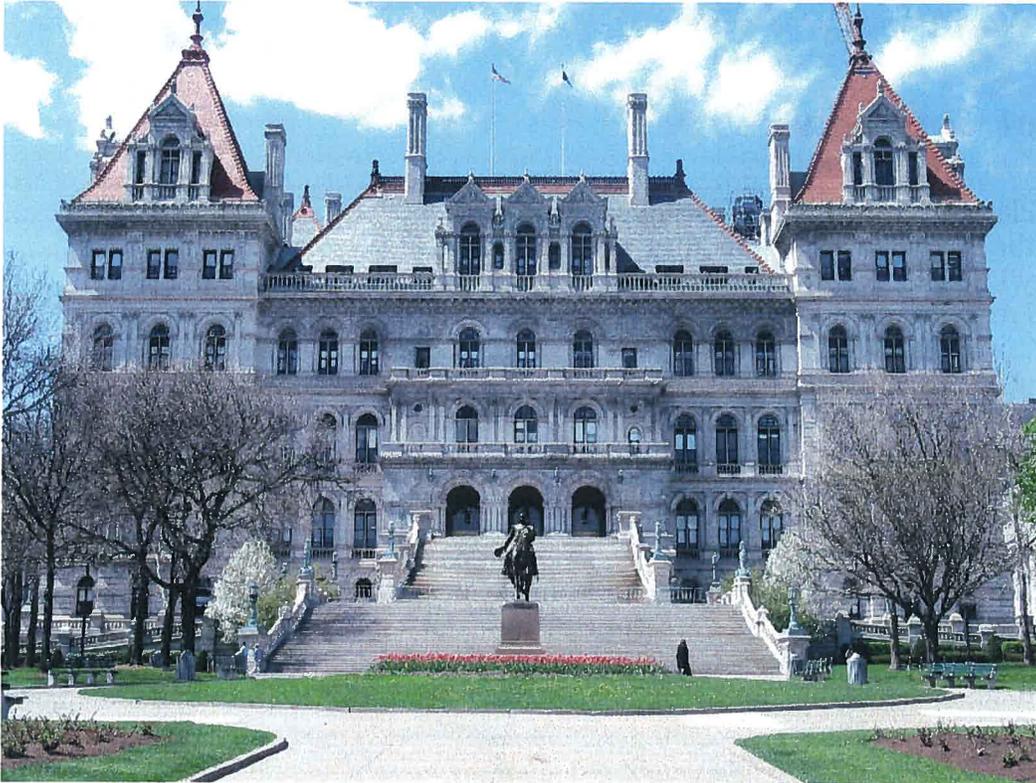


Executive 2013-14 New York State Budget County Impact: Initial Summary



New York State Association of Counties

January 25, 2013

**Hon. Edward A. Diana, NYSAC President
Stephen J. Acquario, Executive Director**

2013-14 State Budget: County Impact

Table of Contents

Financial Plan Overview – State Fiscal Year 2013-14.....	3
Closing the State Budget Gap in 2013-14	3
Net County Impact	5
Functional Area Program Impacts	5
Aging	5
Agriculture	5
Casino Gaming and Lottery	6
Community Colleges and Higher Education	7
Economic Development	7
Environment and Energy.....	9
Human Services	9
Home Rule Sales Tax Authority for Extension of Current Rates	12
Indigent Defense and Criminal Prosecution	12
Juvenile Justice Reform	13
Medicaid.....	14
Mental Hygiene.....	15
Minimum Wage	16
Pension Reform.....	16
Preschool Special Education.....	18
Public Health.....	19
Public Safety.....	21
Tax, Assessment and Other Resource Actions	23
Transportation & DMV	25

Financial Plan Overview – State Fiscal Year 2013-14

The Governor's Executive Budget recommendation conforms to the "nuts and bolts" of state government that the Governor has telegraphed it would be – no big surprises and it is a continuation of his efforts to manage the State finances within a self-imposed two percent State growth cap. Given the limitations of available resources and most of the budgeted increases in the Financial Plan already dedicated to a nearly \$900 million School Aid increases and \$600 million for Medicaid, little is left for major new initiatives.

There are no new state resources set aside to ease the financial burden of state mandates imposed on county tax payers in the proposed budget. But the Governor remains committed to implement a zero percent growth cap in county Medicaid costs effective in 2015 and has set aside \$100 million in this budget. In addition, the Governor's budget is proposing changes that may help ease county budget pressures including:

- Allowing counties an option to modify how they fund state mandated pension contributions.
- Providing counties more audit authority in the special education preschool program.
- Improving government efficiency and streamlining state and local legislative operations by removing the need for counties to pursue home rule legislative requests every two years with the state legislature in order to extend current local sales tax authority. Any increases will still require state legislative approval.
- Reducing administrative and reporting requirements for counties under Article 6 public health programs.
- Reforming the Workers Compensation system
- Renewing Binding Arbitration, which is scheduled to sunset in June 2013, with a new definition of "ability to pay" for municipalities under fiscal distress, making it subject to the property tax cap (does not apply to NYC) where "ability to pay" will be defined as no more than 2 percent growth in the contract.

These new initiatives in the proposed budget, in conjunction with no significant cost shifts and the important reforms enacted in last year's budget, will help reduce budget pressures for counties.

However, even with these important budget changes and financing reforms, counties are receiving about \$400 million per year less in state aid than they did in 2008 before the Great Recession, while caseloads and costs associated with the largest of the state mandated programs counties pay for on behalf of the state have risen across the board. Even with these proposals, counties remain in a deep hole from prior state budget actions that have not been reversed.

The Governor's 2013-14 Executive Budget Recommendation provides a starting point for state budget negotiations and NYSAC will work with the Legislature as the budget process moves forward.

Closing the State Budget Gap in 2013-14

In general, the proposed Budget provides for \$1.35 billion in net fiscal gap closing actions:

- \$434 million from State Agency operations – achieved through closing or consolidating facilities; strict controls on attrition and hiring; and consolidated procurement, information technology and workforce management functions;

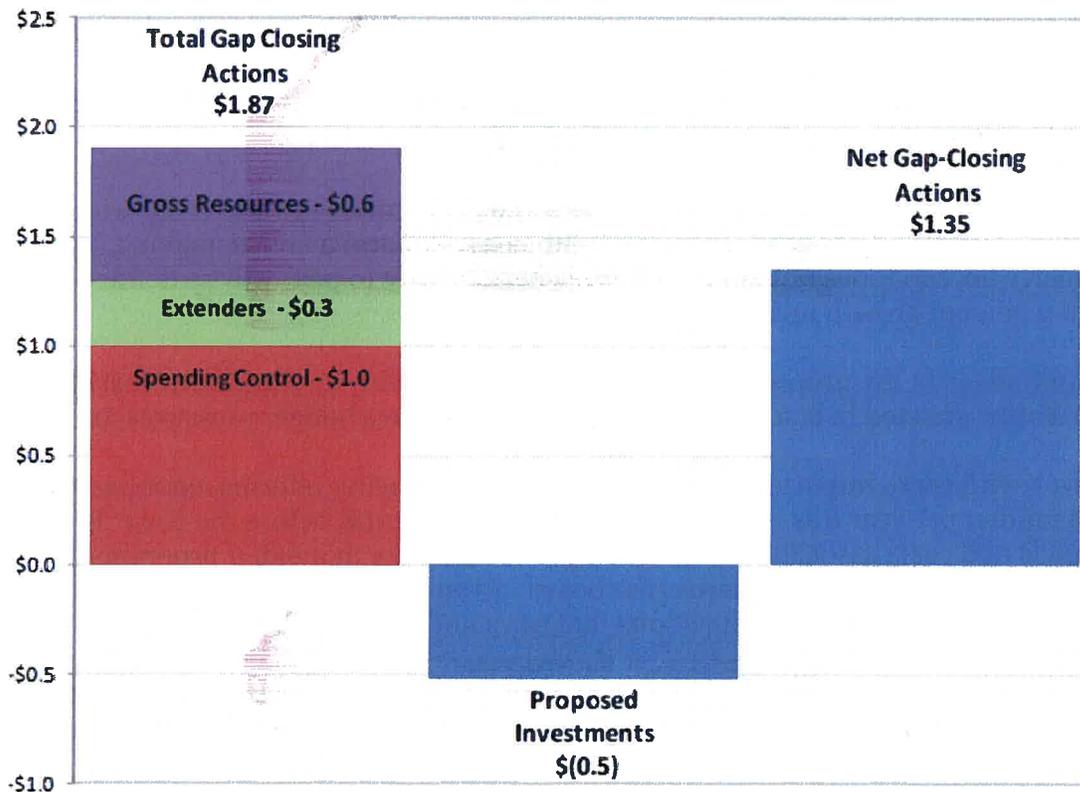
Executive 2013-14 New York State Budget: County Impact Summary

- \$412 million from Local Assistance spending – by deferring annual cost of living increases and trend factors for all health and human service providers; program eliminations and consolidations, among other items;
- \$128 million from debt management;
- \$378 million in tax extenders (primarily the utility tax under 18-a); and
- \$500 million in resources nearly split evenly between lower spending due to not expending teacher performance incentive grants previously programmed (some school districts failed to meet necessary standards to apply) and Workers' Compensation reforms that will free up capital reserves at the State Insurance Fund that will be reprogrammed for other one-time state purposes.

This is offset by new investments of about \$500 million as follows:

- \$250 million in debt repayments
- \$204 million in one-time grant aid to school districts
- \$50 million in costs related to Thruway Authority financial reforms

FY 2014 Gap-Closing Plan
(\$ in billions)



In the immediate out-years of the Governor's 2013-14 Budget (2015, 2016 & 2017) savings from spending control will carryover, but the majority of out-year gap closing actions will be generated from revenue extenders and other resources generated by actions in the 2013-14 budget.

Net County Impact

According to the NYS Division of the Budget (DOB) counties are expected to see about \$13 million in new funding or relief from expected costs in calendar year 2013. Most of this impact results from an increase in transit aid that equates to about a 9% increase on a full annual basis, reforms to public health programs and a projected increase in local revenues related to the State Department of Taxation and Finance closing tax loopholes and bolstering enforcement of sales tax collections which is expected to have a positive impact for counties. This does not include any impact from the Stable Rate Pension Contribution Option, Workers Compensation Reform or modifications to Binding Arbitration described below.

Functional Area Program Impacts

Aging

State Office for Aging

The SFY 2013-14 Executive Budget provides \$241.7 million in All Funds support representing a decrease of \$2.25 million from SFY 2012-13 Enacted Budget. This level of support will assist the agency in administering Federal, State and Local programs for New York's population aged 60 and older. The budget also proposes the elimination of the SFY 2013-14 Cost of Living Adjustments (COLA) for certain aging service providers.

Community Services

The SFY 2013-14 Executive Budget includes General Fund support for various community services for the elderly, including the following:

- | | |
|---|-----------------|
| 1. Community Services for the Elderly (CSE) Program | \$15.31 million |
| 2. Expanded In-home Services for the Elderly Program (EISEP) | \$46.04 million |
| 3. Caregivers Resource Centers | \$350,000 |
| 4. Wellness in Nutrition (WIN) – formerly SNAP | \$21.38 million |
| 5. Long Term Care Ombudsman Program | \$690,000 |
| 6. Transportation Services | \$921,000 |
| 7. Health Insurance Information Counseling and Assistance Program | \$921,000 |
| 8. Congregate Services Initiative (CSI) | \$403,000 |

Agriculture

Agriculture Local Assistance Program Funding

The following chart details specific proposed funding allocations in the 2013-14 Executive Budget for agriculture local assistance programs and compares the proposed amount with the appropriation in the 2012-13 enacted State Budget. While many of these programs have been proposed at reduced levels, the Legislature has typically restored funding during the budget process. For the past several years, most funding levels for these programs have been held constant.

Executive 2013-14 New York State Budget: County Impact Summary

Program	2012/13 Enacted Budget	2013/14 Proposed Budget
Core Diagnostic Lab	\$3,750,000	\$3,750,000
NYS Cattle Health Assurance	\$360,000	\$360,000
Quality Milk (Mastitis)	\$1,174,000	\$1,174,000
Johnes Disease	\$480,000	\$480,000
Rabies Prevention	\$150,000	\$50,000
Avian Disease	\$252,000	\$252,000
Ag in Classroom	\$80,000	\$80,000
Future Farmers of America	\$192,000	\$192,000
Ass'n of Ag Educators	\$66,000	\$66,000
Farm Family Assistance	\$384,000	\$384,000
Integrated Pest Mgmt	\$500,000	\$500,000
Geneva Experimental Seed Program	\$128,000	\$128,000
Golden Nematode	\$62,000	\$62,000
Ag. Child Care (Migrant)	\$6,521,000	\$6,521,000
Local Fairs	\$340,000	\$340,000
Wine / Grape Foundation	\$713,000	\$713,000
Farm Viability Institute	\$1,221,000	\$400,000
Center for Dairy Excellence/ Farm Viability Institute	\$150,000	\$150,000
NYS Apple Growers Association	\$206,000	\$206,000

Expand State Agencies' Access to NY Products

The budget proposes amendments to State Finance Law to allow state agencies to purchase food grown, harvested, produced, manufactured or processed in New York State in an amount not exceeding \$200,000, without a formal competitive process.

Taste-NY

\$2 million will be provided to implement the Taste-NY initiative to promote locally grown or produced food products, beer, wine and spirits or other New York-made goods. Taste-NY will develop retail venues in areas across New York, to sell predominantly New York State products free of all sales tax to the consumer.

Casino Gaming and Lottery

Develop Casino Gaming in NYS

The budget contains proposals to create the framework for development of casino gaming in New York. The authorization of casino gaming is still contingent on the Legislature passing, for a second time, a constitutional amendment making casino gambling legal in New York, and final approval by the public by voter referendum in November 2013.

Regulation

Create an Office of Casino Gambling Regulation within the New York State Gaming Commission. Up to three (3) casinos will be permitted to operate in New York under the regulation of the New York State Gaming Commission.

Location and Operators

Such casinos cannot be located in NYC, Suffolk, Nassau, Westchester, Rockland or Putnam Counties.

The Gaming Commission will select the location and the operator using “its best independent and unbiased judgment as part of a Competitive process”. Before the commission determines the location and operator the Gaming Commission must be given proof of “significant support from, both the local government and local community”. The potential operator must supply the Commission with the local significant support proof.

Revenue Distribution

The gross revenue the State receives from the casino operations will be distributed as follows: 90% to elementary and secondary education; 10% to local governments for property tax relief.

Report

The Gaming commission will conduct a study to be delivered to the Governor and State Legislature no later than May 15, 2013 that consists of the following:

- 1) The legal framework of licensing and regulating a casino.
- 2) Appropriate rates of taxation of the casinos
- 3) Levels of Capital Investment needed

VLT Purse Money to Fund Costs Associated with Equine Safety

This budget proposes requiring one (1) percent of the purse created by Video Lottery Terminals (VLT) to be paid to the Gaming Commission in order to increase equine health and safety for racehorses in New York. This measure in part stems from the Task Force on Racehorse Health and Safety’s final report, issued on September 28, 2012, which identified shortcomings in protocols for safeguarding race horses.

Community Colleges and Higher Education

The budget provides funding for community colleges at a base aid rate of \$2,272 per full-time equivalent student – this is level funding over the prior year.

Economic Development

The proposed budget contains several new programs designed to promote economic development across New York State. Leveraging the work of the Regional Economic Development Councils (REDC’s) created in 2011, the Executive Budget proposes new programs that focus on encouraging tourism, bolstering new and emerging industries, and promoting locally grown/produced food products.

Regional Economic Development Councils Funding

The 2013/14 budget proposes core funding for REDC's by allocating \$150 million in new economic development capital funding for regional priority projects. Additionally the budget provides \$70 million in State tax credits from the Excelsior Jobs tax credit program. Capital grants totaling \$165 million will support job creation and retention through the New York Works Economic Development Fund Program.

Tourism Advertising Program

Branded as "Market NY", the budget proposes the creation of a tourism advertising program, dedicating \$5 million in new competitive funding through the Department of Economic Development (DED) to support tourism marketing plans that best demonstrate regional collaboration among counties to promote regional attractions.

Innovation Hot Spots

The budget proposes a new program to promote economic growth in New York State by creating "innovation hot spots" - tax free zones affiliated with higher education incubators or non-profit incubators associated with universities or colleges. The idea is to foster innovation by offering inventors and entrepreneurs a low-cost well supported way to establish their companies. Winning hot spots will provide start-ups with growth support and assistance by providing a one-stop shop for services, office space, networking and other technical assistance. The companies located in incubators selected by economic development councils as "winning hot spots" will be exempt from New York State and local taxes for their first five years. The five winning "innovation hot spots" will be designated by the Department of Economic Development with the recommendations of the Regional Economic Development Councils in fiscal year 2013-2014, and five more will be designated the next fiscal year.

IDA Reform

The budget includes language that change the way IDA's provide financial assistance to companies with respect to State sales and use tax benefits. IDAs are currently able to offer local and state share (4% of total) sales tax exemptions. Changing this will upset local IDA's ability to secure projects in their area and further significantly change the local role in economic development. Provisions of the reform proposal include:

- Preventing an IDA from granting State sales and use tax exemption benefits for any project unless the project has been certified as a participant in the Excelsior Jobs Program,
- Requiring approval from the Commissioner of Economic Development, after input from the Regional Councils, to approve IDAs offering an exemption of any portion of the state sales tax,
- Limiting State tax benefits that an IDA could provide to not be greater than those approved by the Commissioner of Economic Development for the project. If the IDA does so, those benefits would be void from the inception, and the recipient would be required to pay such tax benefits to the Tax Commissioner,
- Changing the way that State sales tax benefits are offered, requiring the recipient to submit a claim for credit or refund to obtain those benefits,
- Requiring an IDA that arranges a payment in lieu of taxes (PILOT) agreement for State sales and use taxes, to remit those payments to the State, and

Requiring an IDA to send a notice to the Tax Department when the IDA's appointment of an agent/project operator has expired or been revoked.

Environment and Energy

Redirect Unclaimed Bottle Deposits to EPF

The budget contains a proposal to require the payment of \$15 million per year to the Environmental Protection Fund (EPF) from unredeemed "Bottle Bill" deposit collections currently deposited to the General Fund. The budget further establishes a formula for increasing the revenue the State receives from unclaimed deposits based on increased enforcement of the Bottle Bill, and directing those increased funds to the EPF.

Make the Waste Tire Management Fee Permanent

The budget proposes to make permanent the current \$2.50 fee which is collected on each new tire sold. Currently the tire service collects the fee and remits it to the Department of Taxation and Finance (DTF). The budget also provides for the electronic remission of the fee on a quarterly basis. These funds are to be used to administer and enforce provisions of Environmental Conservation Law solid and hazardous waste management.

Fund Climate Change Programs through Assessments on Gas and Electric Corporations

The budget authorizes NYSERDA to obtain revenue to finance the DEC's climate change program, from a special assessment on gas corporations and electric corporations. This special assessment authorizes the Department of Public Service to assess gas corporations and electric corporations for expenses related to administering Public Service Law programs.

Implement Moreland Commission Recommendations on Utility Storm Preparation

The budget contains provisions to implement recommendations of the Moreland Commission by giving the Public Service Commission (PSC) authority to

- initiate administrative proceedings to recover civil penalties against each public utility company and obtain increased penalties,
- review the performance of each company to provide safe and adequate service and order appropriate relief in the context of such review,
- formerly review each company's emergency response plan and initiate proceedings regarding compliance with such plan, and
- require each company to file a report in connection with a management and operations audit detailing how it intends to implement such audit and to make such plan enforceable upon the PSC's approval.

West Valley Debt Service

The budget authorizes and directs the Comptroller to receive for deposit to the credit of the General Fund a payment of up to \$913,000 from NYSERDA from unrestricted corporate funds. The \$913,000 transfer would help offset New York State's debt service requirements relating to the Western New York Nuclear Service Center (West Valley). The 2012/13 budget provided a similar one year authorization.

Human Services

Highlights of the SFY 2013-14 Executive Budget Human Services proposals are:

Office of Temporary and Disability Assistance

The SFY 2013-14 Executive Budget provides \$5.73 Billion in All Funds support representing a decrease of \$2.56 million from SFY 2012-13 Enacted Budget. Included in this appropriation are sufficient resources to support a projected public assistance caseload of 554,000.

Homeless Housing and Assistance Program

- Creates administrative efficiencies for homeless housing development by transferring the homeless housing assistance program (HHAP) from OTDA to the Division of Housing and Community Renewal (DHCR). (\$0 fiscal implications).

Supplemental Security Income Cost of Living Pass Through

- Increases the Supplemental Security Income benefits by the Cost of Living Adjustment (COLA) amount that was authorized by the Federal government.

Temporary Assistance for Needy Families (TANF) (see chart on next page)

- The SFY 2013-14 Executive Budget allocates \$1.39 billion in TANF surplus dollars as follows:
 - Flexible Fund for Family Services (FFFS) \$964,000,000;
 - Child Care Services \$394,967,000;
 - Summer Youth Employment Program \$25,000,000;
 - State Food Banks \$2,000,000.

(See chart on next page for further details)

Safety Net Program

- Maintains reimbursement for assistance provided under the Safety Net program at 29/71 percent (State/Local).

Office of Children and Family Services

The SFY 2013-14 Executive Budget provides \$3.77 billion in All Funds support representing a decrease of \$32.54 million from SFY 2012-13 Enacted Budget. This year to year decrease can be attributed to the full implementation of the NYC Close to Home initiative established as part of the SFY 2012-13 Enacted Budget and proposed expansion of this program to other counties; maximization of Federal Temporary Assistance for Needy Families (TANF) dollars for child care subsidies; and the transfer of funds to the new “Justice Center for the Protection of People with Special Needs.”

Executive 2013-14 New York State Budget: County Impact Summary

TANF Funding Initiative Commitments				
(Dollars in Thousands)				
PROGRAM	2010-2011 Enacted	2011-2012 Enacted	2012-13 Enacted	2013-14 Proposed
ACCESS - Welfare-to-Careers	\$250	\$250	\$0	\$0
Advanced Technology Training and Inf. Net.- ATTAIN	\$0	\$0	\$3,000	\$0
Advantage Schools	\$11,213	\$500	\$500	\$0
Alternatives to Detention /Alternatives to Res. Place.	\$6,000	\$0	\$0	\$0
Bridge	\$1,000	\$102	\$102	\$0
Career Pathways	\$5,000	\$0	\$750	\$0
Caretaker Relative	\$250	\$51	\$51	\$0
Centro of Oneida	\$0	\$25	\$25	\$0
Child Care CUNY -- SUNY	\$1,643	\$334	\$334	\$0
Child Care Demonstration Projects	\$5,265	\$3,395	\$1,265	\$0
Child Care Migrant Workers	\$0	\$0	\$0	\$0
Child Care Subsidies	\$392,967	\$392,967	\$324,276	\$394,967
Comm. Reinvestment /Alternatives to Detention	\$0	\$0	\$0	\$0
Community Solutions to Transportation	\$0	\$112	\$112	\$0
Disability Advocacy Program (DAP)	\$480	\$98	\$0	\$0
Displaced Homemakers	\$1,605	\$546	\$546	\$0
Earned Income Tax Credit-Related Offset	\$0	\$0	\$0	\$0
Educational Resources	\$125	\$0	\$0	\$0
Emergency Food Supplement (Statewide Food Banks)	\$0	\$0	\$250	\$2,000
Emergency Homeless	\$125	\$176	\$500	\$0
Flexible Fund for Family Services	\$960,000	\$951,000	\$964,000	\$964,000
Green Jobs Corps Program	\$2,000	\$0	\$0	\$0
Health Care Jobs Program	\$2,000	\$0	\$0	\$0
Home Visiting	\$0	\$0	\$0	\$0
Intensive Case Services for Higher Education for TANF Indiv	\$0	\$0	\$800	\$0
Local Family Support Fund	\$0	\$0	\$0	\$0
Local Inter. VESID Emp. Services (LIVES)	\$0	\$0	\$0	\$0
Non-residential Domestic Violence	\$1,449	\$510	\$1,210	\$0
Nurse Family Partnership	\$2,000	\$610	\$2,000	\$0
Preventive Services	\$6,000	\$610	\$610	\$0
Refugee Resettlement	\$500	\$102	\$0	\$0
Rochester-Genesee Regional Trans. Auth.	\$403	\$82	\$82	\$0
Settlement House	\$1,000	\$500	\$1,000	\$0
Strengthening Families/Stronger Fathers	\$0	\$200	\$200	\$0
Summer Youth Employment	\$15,500	\$15,500	\$0	\$25,000
Supplemental Homeless Intervention	\$1,006	\$205	\$0	\$0
Supportive Housing for Families	\$2,500	\$508	\$0	\$0
Transitional Jobs Program	\$5,000	\$0	\$0	\$0
Wage Subsidy	\$0	\$950	\$950	\$0
Workplace Literacy	\$0	\$0	\$250	\$0
Wheels for Work	\$409	\$144	\$144	\$0
TOTALS	\$1,425,690	\$1,368,867	\$1,302,957	\$1,385,967

Juvenile Justice Reforms

- Further reforms the Juvenile Justice System by closing non-secure OCFS facilities and placing at risk children, including those from outside of New York City, in community based settings. For SFY 2013-14 OCFS placement capacity would be reduced by 88 beds and 15 aftercare slots. By March 31, 2014 OCFS would no longer operate non-secure facilities.
- The NYC Close to Home initiative would be expanded statewide for Counties outside of NYC. (State cost, \$1.9 million and Local savings to be determined for SFY 2013-14 and State savings, \$1.4 million and local savings of \$2.8 million for SFY 2014-15).
- Provides \$36.27 million in General Fund support for services provided under NYC's "Close to Home" initiative representing an increase of \$27.66 million over SFY 2012-13 Enacted levels.

Executive 2013-14 New York State Budget: County Impact Summary

- Streamlines youth delinquency prevention efforts by combining the various programs. Under this proposal, funding for the Youth Development and Delinquency Prevention Program and the Special Delinquency Prevention Programs would be merged and establishing a youth development program. In addition Counties and New York City would be able to receive funding for appropriate services provided. The SFY 2013-14 Executive Budget provides \$14.12 million in General Fund support for this program representing reduction of \$1.29 million from SFY 2012-13 Enacted amounts.

Child Welfare Financing

- Maintains reimbursement for Child Welfare Services at 62 /38 percent local share which was authorized as part of the SFY 2002-03 Enacted Budget.
- Provides \$437.05 million in General Fund support for the Foster Care Block Grant (FCBG) and includes language that would set aside \$1.04 million for State reimbursement for local social services districts that are not operating an approved “Close to Home” initiative.
- Provides \$635.07 million in General Fund support for child welfare services including preventive services. This amount of funding is consistent with SFY 2012-13 Enacted levels.
- Provides \$2 million in General Fund support for the “Public/Private Partnership pilot project. Also includes language establishing criteria for participation, types of projects to be established and identifying the eligible regions which include: Capital; Central New York; Finger Lakes; Long Island; Mid-Hudson; Mohawk Valley; New York City; North County; Southern Tier; or Western New York.
- Provides \$2.36 million in General Fund support for services provided under the Runaway, Homeless Youth Act (RHYA), which is consistent with SFY 2012-13 appropriated levels.

Cost of Living Adjustments (COLA) for Human Service Providers

- Eliminates the SFY 2013-14 Cost of Living Adjustments (COLA) and trend factor adjustments to human service providers. (State savings, \$13 million/SFY 2013-14 and \$19 million/SFY 2014-15).

Child Care

- Provides approximately \$750 million in All Funds support for child care subsidies as follows:
 - General Fund \$137.4 million
 - Federal Child Care Development Fund \$216.8 million
 - Federal TANF \$394.9 million
 - Child Care for Migrant Workers \$1.7 million

Home Rule Sales Tax Authority for Extension of Current Rates

The Budget proposes to eliminate the need for counties to request State Legislative authority to extend current local sales tax rates. The extension of current local sales tax rates would be subject to local renewal every two years (simple majority) by the county legislative body. Requests to increase local sales tax rates beyond where they are currently would require State Legislative approval.

Indigent Defense and Criminal Prosecution

Funding for Indigent Defense

This proposed budget appropriates \$77 million in State funding for indigent defense. This is the same amount as in the enacted 2012/13 budget. There is an additional \$1.5 million, and \$1.1 million proposed respectively for the operation of the Office of Legal Indigent Services and New York State Defenders Association (NYSDA).

Differences in this year's proposed budget compared to the 2012/13 enacted budget regarding indigent defense are as follows:

- 1) The 2013/14 proposal omits an additional \$4 million that the 2012-2013 budget provided to OILS to distribute to upstate counties for indigent defense upstate caseload relief.
- 2) \$3 million for a Counsel at Arraignment PILOT program is set aside in 2013/14 to aid counties that provide indigent defense counsel during the arraignment or first appearance process.

County District Attorney Salary Increase

In 2012, State legislation was passed that incrementally increased all State Judge's salary rates over a four year span. Tied to the judicial salary level, under section 183-a of the State Judiciary Law, is the County District Attorney salary level, however unlike the judicial salary, the DA salary, in part, is a county expense. Under the proposal of the Executive State Budget, the State would pay for 100% of the DA's salary increase in 2013.

Insurance

Workers Compensation Reform

The proposed budget changes the way self-insured employers are assessed for the costs of the State's Workers Compensation Board. Self-insured employers currently pay assessments based on indemnity. Under the governor's proposals every single employer will pay for the cost of the State's Workers Compensation Board based on premium. This action will provide direct and immediate relief to counties who have been holding reserves for assessments on estimated future indemnity payments.

In addition, the State Budget proposal closes the Reopen Case Fund and the Aggregate Trust Fund (ATF), for an estimated savings for employers of \$400 million statewide.

The proposal also increases the minimum weekly payments for permanent and temporary partial disabilities from \$100 to \$150.

Juvenile Justice Reform

Note: More information on these proposals is included in the Human Services section.

Expand 'Close to Home'

The Executive Budget proposes expanding the 'Closer to Home' initiative begun in the 2012/13 budget. The proposal will eliminate OCFS non-secure detention facilities. In counties outside of New York City, youth who would otherwise be placed in non-secure Office of Children and Family Services (OCFS) facilities would instead be placed with the appropriate local commissioner of social services for receipt of services from private or not-for-profit entities.

Beginning May 1, 2013, family courts would no longer be authorized to place youth from counties outside of New York City in OCFS custody for placement in a non-secure level of care. OCFS would also close all of its non-secure facilities, providing 60 days public notice. Custody of all non-secure

youth in OCFS care would be transferred to the local commissioner. Effective March 31, 2014, OCFS will no longer be authorized to operate non-secure facilities.

Streamline funding for youth delinquency prevention

Several funding streams administered by the Office of Children and Family Services (OCFS) will be accessible by counties and NYC for youth development services for a variety of specified purposes, consistent with the existing programs. This will provide greater flexibility in meeting the youth development service needs and provide for administrative relief to both local governments and OCFS. This provision does make programmatic or funding changes to delinquency prevention programs but rather enhances the ability of counties to provide local youth development services by creating administrative efficiencies and greater flexibility in how youth development funding can be used.

Medicaid

The budget includes changes to implement the third phase of Medicaid Redesign Team (MRT) reforms including: extending the global cap on Medicaid growth and special authority for the Commissioner to maintain the global spending cap without further Legislative approval; additional cost containment proposals; investments in new health care initiatives and service delivery models; and a wide variety of law changes necessary to comply with the implementation of the federal Affordable Care Act (which requires advance enrollment beginning as early as October 2013).

Continued Cost Containment

- Continues the 2 percent across the board reduction for 2 more years with annual state savings of \$357 million.
- Provides no trend factor increase for any health care providers (some exceptions for services provided to children under 18 years of age that are special needs populations).
- Continues nursing home provider taxes.

Other Cost Containment

- Implements Spousal Support changes to conform with federal law – eliminates the ability of non-applying spouses to refuse to contribute toward the cost of care for the applicant spouse (\$70 million on a full annual basis).
- Modifies “prescriber prevails” for Atypical Antipsychotic Drug classes and other drug classes (\$14 million on a full annual basis).
- Tightens a variety of other prescription drug refill requirements and enhances supplemental rebate requirements (\$2.6 million).

New Investments

- Additional Supportive Housing – provides an additional \$20 million in new resources on top of \$75 million provided through MRT reforms.
- Provides \$2 million for Medicaid reimbursement for tobacco cessation counseling by dentists.
- Adds \$10 million (gross funding) above prior year levels for the Nursing Home Quality Pool (totaling \$60 million in 2013-14).
- Adds \$52 million gross to the Essential Community Provider Network and Vital Access Providers (totaling \$182 million in 2013-14 and \$153 million in 2014-15).
- Provides \$15 million for Health Homes Infrastructure Development.
- Provides \$15 million (gross) to support integration of Behavioral and Physical Health Clinics.

- Provides \$20 million (gross) to initiate a Managed Long Term Care Quality incentive program.
- Establishes a “living/prevaling” wage requirement for all nursing home employees.

County Nursing Homes

- Allows flexibility to the Department of Health, in consultation with impact facilities, to adjust Nursing Home IGT amounts to offset prior year federal recoupments dating back to 2006.

Federal Health Reform

NYSAC has long called on the State to maximize enhanced federal matching rates under the Affordable Care Act and allow the federal expansion of health insurance coverage to the uninsured to act as the health insurer of first resort and to direct a portion of the savings generated from these actions to help reduce the local share of Medicaid costs. The budget proposes to repeal Family Health Plus beginning January 2014 and require currently FHP enrollees to enter the federal exchange for state savings of \$40 million in 2014-15. The State is also assuming budget savings of \$43 million from enhanced federal Medicaid rates under the ACA. However, no savings are directed to be shared with counties under this proposal. The State also assumes new costs of \$115 million in 2014-15 resulting from the implementation of the Affordable Care Act.

Mental Hygiene

Methadone Registry

The budget proposes requiring the existing statewide Methadone Registry to incorporate dosing information on individual patients enrolled in opioid treatment program, and facilitate disaster planning to ensure patients are not adversely impacted in the event of an emergency or program closure.

OASAS State Aid Funding Authorization

Clarifications are made to the authority of OASAS to issue state aid funding authorizations (SAFAs) to local governmental units for the contracting of state aid to voluntary agencies.

OMH Facility Downsizing, Merger, and Closure

Under the budget proposal, the Commissioner of OMH would continue to have the authority to reduce inpatient capacity by downsizing, merging, or closing OMH hospitals. The legislation continues the requirement enacted in last year’s budget that OMH provide 75 days notice for facility closures and 45 days notice for ward closures and conversion to transitional placement program beds. Savings generated from downsizing is intended to be used for reinvestment to enhance community-based mental health services. However, the exact impact of this reinvestment on community mental health/local assistance funding is unknown at this time.

Appointment of OMH Staff

This proposal would remove the appointment powers previously granted to OMH facility directors, and give the Commissioner of OMH statewide appointing authority concerning the assignment and reassignment of staff.

Mental Health Incident Review Panels

A new section of law is proposed to create “Mental Health Incident Review Panels.” A panel would convene after a serious incident involving a person with mental illness takes place in the community. The panels would be made up of local governmental units, OMH staff, and other

representatives at the discretion of OMH. These panels would review incidents and their potential causes, and work to prevent such incidents from occurring in the future.

Annual Reviews for Sex Offenders

The budget proposal clarifies that annual reviews for sex offenders must be completed within one year of the date on which the court last ordered or confirmed the need for continued confinement.

Minimum Wage

This budget proposes a minimum wage rate increase from the current \$7.15/hour to \$8.75/hour.

Additionally, for food service employees who receive tips the minimum wage shall increase from \$4.60/hour to \$6.03/hour. Both increases would take effect on July 1, 2013.

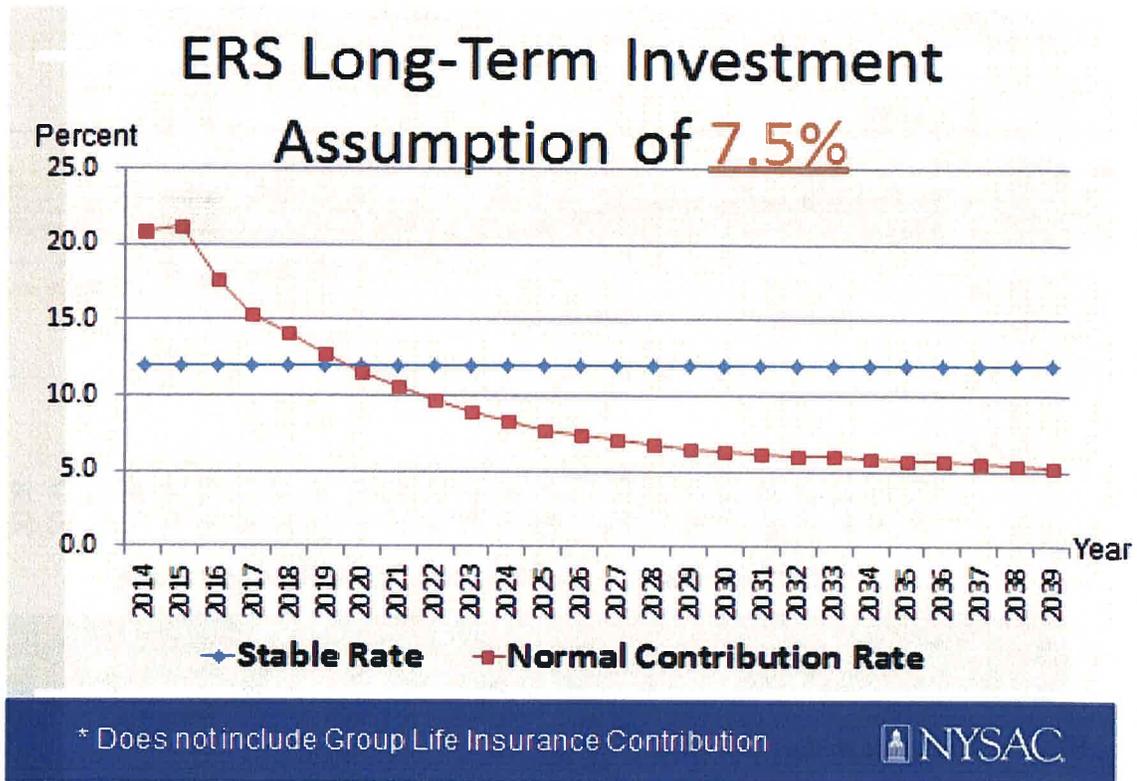
Pension Reform

The Governor's Budget builds on last year's Tier 6 pension reforms by adding a Stable Rate Pension Contribution option for local governments. The Governor's Budget acknowledges that the Tier 6 reforms, while significant, take many years to accrue to local governments so the new proposal attempts to frontload future savings of Tier 6 into the early years, with repayment expected on the back end. Implementation of the Stable Rate Pension Contribution Option is at the full discretion of the State Comptroller.

In general, the Stable Rate Pension Contribution Option would:

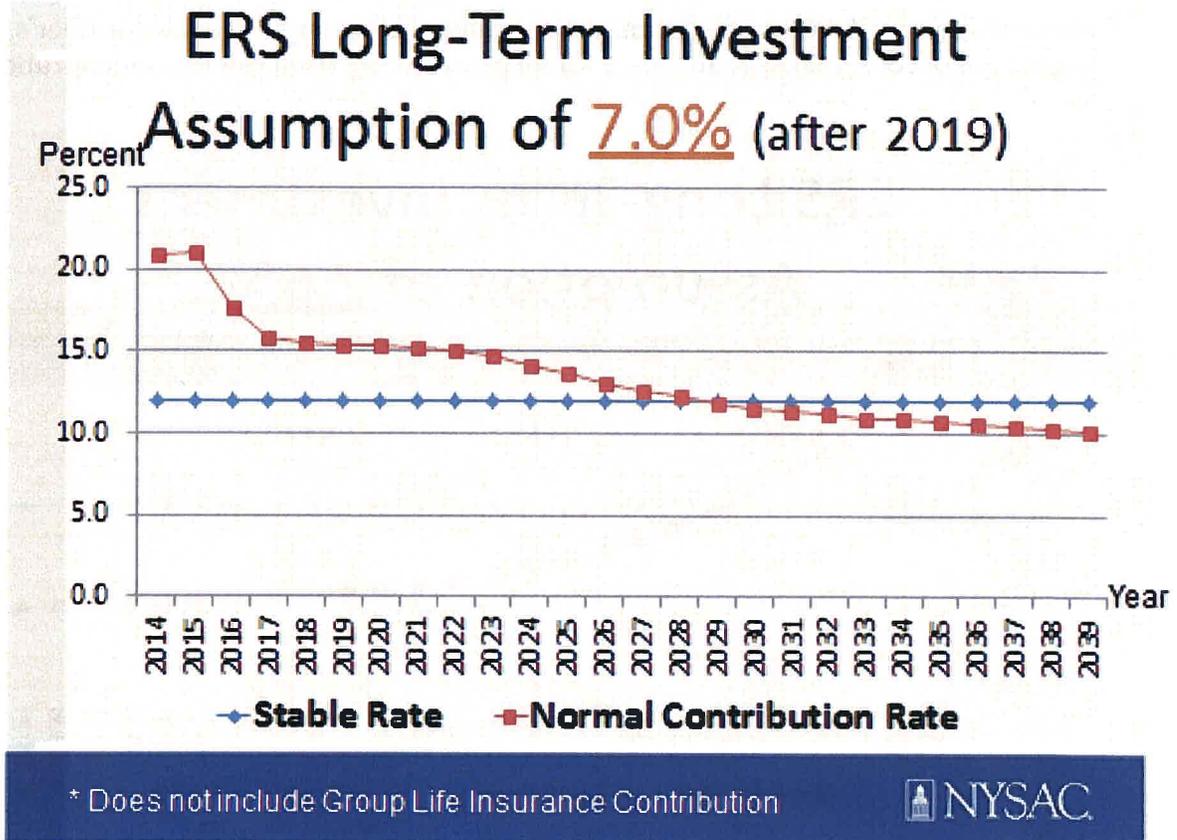
- Provide local governments the option to replace their normal and administrative contribution rate as calculated by the Comptroller, with a flat 12 percent rate for ERS and 18.5 percent for PFRS over a 25 year period (up or down, both the length of time and percentage) as determined by the Comptroller (to be reviewed in five year increments). In 2013-14 the average normal contribution rate will be about 21 percent for ERS and 28.9 percent for PFRS. See chart below for one possible depiction through 2030 of ERS, as projected by the NYS Division of the Budget over the first 15 years of the Stable Rate period.
- The Comptroller would have the ability to raise the Stable Contribution Rate at each major review point (5 years), but cannot increase the total amount above 16% for ERS and 22.5% for PFRS over the next 10 years. Future changes are at the Comptroller's discretion to ensure adequate resources are available to meet pension payment obligations.
- Local governments have a one-time opt-in to the Stable Contribution Rate program for the payment due February 1, 2014.
- At the end of the 25 year period, the local government returns to paying the normal and administrative contribution rate (per approval from the Comptroller)
- A participating municipal employer which elects the long-term Stable Contribution Rate option will not be able to amortize any portion of its future pension bill and must also maintain all contribution requirements from prior amortizations, in addition to paying the Stable contribution Rate.
- A local government may opt out of the long-term stable contribution option at any time and resume payment of the normal and administrative contributions, but must repay to the retirement system funds sufficient (at an amount to be determined by the Comptroller) to meet the benefits for active and retired members as if the municipality never opted into the long-term stable contribution option. This would include repayment of any principal

amounts that were below the normal contribution rate a result of paying the Stable Rate, plus any interest the Comptroller may determine is necessary. The Comptroller's annual target rate of return is currently 7.5% for all assets in the common retirement fund.



Source: NYS Division of the Budget Estimates

The annual return of investments in the Common Retirement Fund can dramatically change required contribution rates. The chart below highlights what contribution rates would be over the long term if the average annual rate of return dropped from 7.5 percent assumed today to 7 percent per year beginning in 2019.



Source: NYS Division of the Budget Estimates

Preschool Special Education

The cost of the Preschool Special Education program has skyrocketed over the last decade, and is estimated to cost \$2 billion annually. Recent audits released by the New York State Comptroller have revealed severe inefficiencies in the Preschool Special Education Program. While substantial reform is needed to create a more efficient and effective, the Executive Budget begins to address issues relating to fraud and abuse that has amounted to tens of millions of dollars annually. The budget proposes the following:

- New York City will assume responsibility for selecting approved program and related service providers through a competitive bidding process. Rates will be negotiated by New York City within parameters set by the State.
- Where an audit of a Preschool Special Education provider results in a disallowance, the governor's proposed budget proposes to increase the county share of the preschool special education audit recovery from the existing 40.5 percent to 75 percent.
- \$2,000,000 has been allocated for the development of data collection and analysis systems to improve capacity of the state, school districts, and municipalities oversight of the provision of preschool special education services.
- Up to \$1,000,000 will be made available in grants to counties to enhance program oversight.
- The State will continue to pay for 59.5 percent of program costs.

Public Health

Article VI General Public Health Work

NYSAC has been working with the Department of Health for the past year in an effort to implement Article VI reforms designed to alleviate administrative burdens on counties and expand access to state aid for Article VI public health services. The Executive Budget advances reforms designed to achieve \$40 million in annual savings starting in fiscal year 2014 and \$3.5 million in savings in FY 2015.

Under the Executive Budget proposal, the requirements to obtain Article VI State Aid would be amended as follows:

- The Municipal Public Health Services Plan (MPHSP) would be eliminated entirely. Germane components of the MPHSP would be incorporated into the State Aid Application.
- To receive state aid, municipalities would be required to provide services in six core areas:
 1. Family Health
 2. Communicable Disease Control
 3. Chronic Disease Services
 4. Community Health Assessment
 5. Environmental Health
 6. Public Health Emergency Preparedness Response
- Municipalities would also be submit a community health assessment and collect and report fees and revenues for Article VI services.
- Maintenance of effort calculations would be simplified in the following ways:

If a county's expenditure is reduced below the expenditure in the most recent fiscal year that county has filed all expenditure reports, state aid will be reduced by the percentage reduction in expenditures. Exceptions will be made for:

 1. Extraordinary temporary expenditures
 2. Unavoidable or justifiable program reductions
 3. Program is subsumed by another agency
 4. Demonstration that need for expenditure no longer exists
- The State base grant amount would be increased from the greater of \$550,000 or \$0.55 per capita, to the greater of \$650,000 or \$.65 per capita.
- Primary and preventative clinical health care services would be ineligible for state aid, subject to exceptions for persons under the age of twenty-one as the commissioner may deem appropriate.
- State Aid for the building a new laboratories would be eliminated. Costs associated with repair, relocation, equipment, and maintenance would still be eligible for State Aid.
- The budget also proposes a new state wide incentive program for General Public Health Work activities and provide up to \$1 million annually for this purpose. Disbursements will be made based on six established outcome based areas.
- Eliminate State Aid for the building a new laboratories. State Aid can still be used for costs associated with repair, relocation, equipment, and maintenance.

Additionally, the Executive budget proposes allowing Commissioner to amend vaccine list through regulation and permitting 3rd party reimbursement for STD diagnosis and treatment if the treated individual is willing to provide identifying information.

Primary Care

The budget makes permanent the exemption from social work and mental health licensure for individuals working in programs that are regulated, operated, funded or approved by the Office of

Mental Health, the Department of Health, the State Office for the Aging, the Office of Children and Family Services, the Office of Alcoholism and Substance Abuse Services, the Department of Community Corrections and Supervision, and the Office of People with Developmental Disabilities, and/or local governmental units or social services districts . This avoids a \$325 million annual costs resulting from new licensure requirements for the State and entities licensed and regulated by the State.

Early Intervention

A package of reforms similar to those proposed in the 2012-2013 Executive Budget has been advanced to address the growing costs in the Early Intervention (EI) program to provide Counties with fiscal relief. These include:

- Permitting a representative of a covered child's third party payor, to attend the Individualized Family Service Plan Meeting (IFSP) at a date and time chosen by the EI official. The representative may participate via conference call or other means.
- Requiring children covered by third party insurance to select and in network, approved EI provider absent extenuating circumstances including:
 - A qualified provider is unavailable in the child's network
 - A child's benefits have been exhausted
 - An extraordinary circumstance where there is a clear need, as determined by the Insurer or HMO, for a service to be performed by a provider who is not in their network.
- Preventing EI services from counting against a child's maximum annual or lifetime limits and prohibiting insurers from denying claims solely on the basis that the service was provided under EI.
- Requiring insurers to have an adequate network of EI providers qualified to perform EI services consistent with the needs of the EI program enrollment.
- Requiring EI service providers to provide documentation that they have entered into agreements with third party insurers. Provider agreements are subject to termination for failure to do so.

In addition to the above reforms, the proposed budget also advances the following reforms relating to establishing a child's eligibility for EI services:

Referrals

- DOH will develop a referral form that must be completed by a primary referral source documenting the referral source's concern or basis for suspecting the child has a disability, and where applicable, specifies the child's diagnosed condition that establishes eligibility for the EI program.
- Records and reports pertinent to the child's developmental status should be provided as well.

Screening

- Screening would be used to determine whether a child is suspected of having a developmental disability that needs to be evaluated for early intervention services.
- Screenings would be performed using standardized screening instruments approved by the Department of Health (DOH), unless the evaluator provides a written statement why such screening instruments are not appropriate or available for the child.
- Screening is not provided where a child has a diagnosed physical or mental condition with a high probability of resulting in a developmental delay that establishes eligibility for the program. The eligibility of these children shall be established using medical or other records.

Executive 2013-14 New York State Budget: County Impact Summary

- If based on a screening, a child is not suspected of having a disability, then an evaluation would not be required unless requested by the parents. Parents would be informed of this right to request an evaluation.
- If the screening indicates that an evaluation is necessary, then an evaluation would be conducted.

Evaluations

- Evaluations would be conducted using standardized evaluation instruments approved by DOH unless the evaluator provides a written statement why such evaluation instruments are not appropriate or available to the child.
- If a child is found to be eligible, the evaluation would continue with an assessment of the child's strengths and needs in each of the developmental areas, and the services appropriate to meet those needs.
- If a child receives an evaluation and is found ineligible for services, but is referred again due to the same delay in a single developmental area more than three and less than six months later, the child would receive a partial evaluation to assess that same developmental delay in lieu of a full evaluation. However, if there is a new concern or the delay is in more than one developmental area, or there is significant change in the overall development of the child before six months has passed, the child would receive another full evaluation.

Fiscal Impact of EI Reforms

- \$.9 million in savings in FY 2014 and \$3.6 million in FY 2015 associated with the EI program from streamlining eligibility provisions.
- \$1.2 million in costs in FY 2014 and \$2.5 million in FY 2015 associated with integrating covered EI program services into the managed care delivery program.

Public Safety

Probation

Probation aid to counties was appropriated at \$44,876,000. This amount is level from 2012/13 and 2011/12 enacted budgets.

The Executive Budget Proposal did not contain a series of expected reforms for Probation Departments that would have enhanced probation practices. More work is being done to determine if these measures will be included during 21 day or 30 day amendments.

The budget contains several provisions related to funding for programs for juvenile delinquents. Contained in the section on Juvenile Justice are proposals that would expand the 'Close to Home' initiative and streamline funding for youth delinquency prevention.

9-1-1 and Interoperable Communications Grants

The State proposes to accelerate Statewide Interoperable Communications Grants. The Division of Homeland Security and Emergency Services (DHSES) will award \$102 million in grants to counties in early 2013, \$66 million of this is from the 2012-13 appropriation of \$75 million, combined with \$36 million of the 2011/12 budget appropriation of \$45 million. This action demonstrates the State's efforts to hasten delivery of these funds to facilitate development of interoperability, given the key role communications play in emergency response. Plans already submitted by counties in 2012 will be awarded funding from the \$102 million.

Executive 2013-14 New York State Budget: County Impact Summary

The following chart indicates the funding appropriated through this grant program over the past 3 fiscal years. While \$140 million in funding has been authorized by the legislature, counties have only seen \$4,495,000 of this. This represents only 3% of total funds over a 3 year period. The announcement of \$102 million in awards is an effort to address these delays.

Statewide Interoperable Communications Grants Funding SFY 2010 to 2013

	2010/11	2011/12	2012/13	3 Year Total
Budget Appropriation	\$20,000,000	\$45,000,000	\$75,000,000	\$140,000,000
Amount dispersed to counties as of January 2013	\$15,505,000	0	0	\$15,505,000
Total Dispersed	\$4,495,000	0	0	\$4,495,000
Percent of total appropriated funds that counties have received:				3.2%

The 2013-14 Executive Budget also includes a new appropriation of \$75 million for another round of grants, the maximum amount of annual assistance pledged to counties under the 2010 enabling legislation.

State and local response to violent incidents involving persons with mental illness

A provision in the budget authorizes the Commissioner of the Office of Mental Health (OMH) to convene panels of State and local officials to review violent incidents involving persons with mental illness who either harm others or themselves. These panels will include mental health officials, members from local law enforcement and social service agencies. Though the information obtained by the review panel will be confidential, the OMH Commissioner will use the information to make an annual report to the Legislature and the Governor summarizing the findings and making recommendations. These reviews will result in policy recommendations to help prevent future occurrences and to enhance public safety. More information on this is available in the section on Mental Hygiene.

State Prison Closure

The budget proposes to expedite the prison closure process by giving the Governor authorization to close the Bayview and Beacon correctional facilities 60 days after notice. The budget proposal also includes language to permit the transfer of the former Fulton Correctional Facility to the Thomas Mott Osborne Memorial Fund for the purpose of establishing a center providing reform and rehabilitation programs, alternatives to incarceration (ATI), re-entry services, victim services and related community activities in order to increase public safety in the Bronx.

Extends Key Public Safety Programs

The budget also authorizes the extension of several programs including: expanding the geographic area relating to employment of police officers; determinate sentencing; incarceration, parole and probation fees; mandatory surcharge and crime victim assistance fees; alternatives to incarceration; armory rent; ignition interlock program for individuals convicted of alcohol-related violations; electronic court appearances; mandatory arrest in cases of domestic violence; and protective measures for child witnesses.

Restriction of a District Attorney's Ability to Plea Bargain Traffic Tickets

The budget proposes to restrict the District Attorneys and the Courts when offering/accepting plea bargains for ticketed drivers going 20 mph over the speed limit. The pleas in this instance could no longer result in a "no point violation," unless the DA states good cause in the record. Accordingly, guilty pleas in such cases would be required to be reported to the DMV Commissioner and would result with recorded points on the driver's license history.

According to the Division of the Budget, this bill provision's intent is to improve driver safety by way of further incentivizing drivers to drive the speed limit and to allow prosecutors a better ability to track repeating speed violators. Additionally, this change has a potential fiscal component. Under the current system when a speeding ticket is plead down to a non-moving violation (parking on the pavement) the fees associated with the offense stay with the locality. Fees for speeding convictions go to the State. Under this proposal, the only way the locality can continue to generate fees from these 20+ MPH infractions is through plea offers such as a 1110-A (failure to obey a traffic device). In these instances, the driver would receive points on their driving record and pay larger fines, that would be split a larger fine: the same revenue to go to the locality as a non-moving violation with an extra \$80 fee going to the State.

Minimum fines for Driving While Texting/Cell Phone Tickets

Minimum fines for drivers guilty of texting or using a cell phone while driving will increase.

- 1) \$50 to \$150 for the first violation
- 2) \$200 to \$350 for the second violation
- 3) \$400 to \$500 for three or more violations

Interest Arbitration

This proposed budget would extended for four (4) more years the laws that govern binding arbitration between municipalities and police/sheriff/fire contract negotiations. Additionally, the bill provides for following amendments/additions to the binding arbitration laws:

The public arbitration panel shall be required to determine if the municipality is a "distressed public employer" when considering the ability for the public employer to pay. To qualify as a distressed public employer the municipality must meet one of two criteria:

(1) the local government's average full value property tax rate is above the 75th percentile of all municipalities statewide, as averaged over the most recent 5 fiscal years; or (2) if the local government's five-year average general fund balance equals less than five percent of its budget.

If a municipality is found to be a "distressed public employer" the public arbitration panel may not award, for the first two years of the new contract, more than a 2% increase of the aggregate amount expanded by the public employer. Additionally the 2% or less increase shall be reduced by the increased cost of benefits (insurance, medical, hospitalization) in both the first and second (projected) years of the contract.

Tax, Assessment and Other Resource Actions

There are no new taxes or fees in the proposed Budget, but there are a series of extensions of existing taxes that will generated an additional \$403 million.

Extension of Existing Taxes

- High Income Charitable Deduction limitation is extended for three more years – limits charitable deductions for New York tax payers with adjusted gross income above \$10 million (\$140 million annually).

Executive 2013-14 New York State Budget: County Impact Summary

- Utility Assessments on electric, gas, water and steam – Originally enacted in 2009, this assessment generates over \$500 million in general fund revenues annually.
- Extends Monticello VLT Rates and makes Certain Tax Rates and Authorizations for Account Wagering permanent.
- Extend the 1982 MTA Business tax surcharge for 5 years (\$950 million annually)
- Makes Permanent the \$2.50 per new tire fee for waste management.

Tax Enforcement Actions

- Cigarette Taxes – expand the registration process for retailers and increases penalties for unstamped or illegally stamped cigarettes from \$150 per carton to \$600 per carton (\$13 million).
- Driver's License Suspension for delinquent taxes over a certain threshold with certain exceptions (\$26 million).
- Allows Warrantless Wage Garnishment- currently warrants must be filed with the NYS Department of State or County Clerks (\$10 million).
- Closes Royalty Income Business Tax Loophole – New York businesses would have to show on their returns that the taxpayer's non-New York parent company included the royalty income in its tax liability. (\$28 million)

Other Revenue and Resource Actions

- Makes permanent a series of tax modernization provisions enacted in 2011, including mandatory e-filing and e-payment for preparers and taxpayers, sales tax payment requirements, etc. (\$16 million per year).
- Eliminate Remaining Square Footage Requirements for Quick-Draw establishments – allows businesses of less than 2500 square feet without a license for on-premise alcohol consumption that sell lottery tickets to offer Quick-Draw (\$24 million).
- Diverts 1 percent of total purse money generated by VLT revenues to be used for enhancing horse racing safety.
- Ticket adjudication changes that will allow the state to collect surcharges of \$80 on speeding violations (\$58 million).
- Modifications to Workers Compensation would free up resources of the State Insurance Fund currently held in reserve – \$1 billion would become available and the State intends to use the new resources over the next four years for one-time (capital or debt retirement) purposes. In 2013-14 \$250 million would be used for debt reduction and \$500 million would be used for capital projects.
- Limits Local IDAs Authority to negotiate state sales tax exemptions for economic development purposes, more detail in the Economic Development section, (\$13 million per year).

Expanded Tax Credits and Exemptions

- Innovation Hot Spots – creates tax free-zones through partnerships between higher education and the private sector that establish high-tech incubator that allows start-up firms to avoid sales and business taxes for 5 years. Five such incubators would be authorized.
- Establishes Tax –free Sales at Taste-NY Facilities – designed to promote the sale of New York agricultural products, alcoholic beverages and similar items by combining tax-free sales at retail venues with aggressive branding and marketing.

Executive 2013-14 New York State Budget: County Impact Summary

- Tax Credit for plug-in electric vehicle charging stations – 50 percent of taxpayer cost, up to \$5,000 per charging station.
- Film Production Credit is expanded by reducing restrictions on claiming post-production portion of the credit and extends the credit for 5 years beginning in 2015.
- Enhances the Historic Commercial Properties Rehabilitation Credit by extending the current \$5 million per project credit for 5 years (2015-2019) and making the credit refundable beginning in tax year 2015.

Transportation & DMV

Annual Authorization for CHIPS and Marchiselli Programs

The proposed Executive Budget authorizes the Consolidated Highway Improvement Program (CHIPS) and Marchiselli Capital Aid Programs to counties, cities, towns and villages for State Fiscal Year 2013-14 at \$363.1 million and \$39.7 million, respectively. This is the same level of funding as was authorized for the Fiscal Year 2012-13.

Redistribute Transmission Tax between PTOA and MMTOA Transit Accounts

This bill would amend the Tax Laws that govern account distribution of the dedicated Highway and Bridge Trust Fund and the Mass Transportation Operating Assistance Fund. The Highway and Bridge Trust Fund will again receive 20% of the taxes imposed by Sections 183 and 184 of the Tax Law, however the remainder of such funding will be distributed as follows: 54% shall be deposited in the Mass Transportation Operating Assistance Fund, to the credit of the MMTOA account; and, 26% shall be deposited in the Mass Transportation Operating Assistance Fund, to the credit of the PTOA account.

This bill would not increase the tax rate; it redistributes the amount currently deposited in the Mass Transportation Operating Assistance Fund between the two accounts within the fund, in accordance with a regional split. Since the taxes are collected statewide, the distribution is based upon population within the downstate and upstate service districts.

Permit the DMV Commissioner to Keep State DMV Offices Open on Saturdays

The DMV Commissioner would be able to designate State branch DMV offices to be open to the public on Saturdays. Under current law County operated DMV offices already have the authority to remain open on Saturdays. Accordingly, this change would allow State run DMV offices the same operational flexibility.

Avoidance of a New York State Thruway Toll Increase by Reducing the Authority's Expenses

The proposed Executive Budget reduces the State Thruway Authority's expenses by approximately \$85 million per year. This reduction is achieved by eliminating the existing requirement that the Thruway Authority reimburse the State the State Police for services on their roadways. The State Police must still provide the same service levels on the Thruway, and will be fiscally reimbursed by the State, not the Thruway Authority.



NYSAC[®]

NEW YORK STATE
ASSOCIATION OF COUNTIES

**New York State Association of County
540 Broadway
Albany, NY 12207
518-465-1473 (Tel)
518-465-0506 (Fax)
www.nysac.org**