



DEMOCRATIC CONFERENCE / COUNSEL AND FINANCE

Date: March 17, 2017
To: Senate Democratic Conference Members
From: Counsel and Finance Staff
Re: Assembly One-House Super Highlights

This memorandum provides full analysis of the highlights of the Assembly One-House Budget resolution. The resolution adopted by the Assembly concurs with each of the main appropriation and Article VII bills as proposed by the Executive, with various modifications and new proposals by the Assembly Majority in the following manner.

Agriculture

Partial Aid to Localities Restoration

The Assembly restores \$4.8 million in Aid to Localities support (the Governor had cut approximately \$9.5 million- mainly in support of regional Senate Republican adds) for agricultural programs, including an increase of \$1.1 million for the Farm Viability Institute, \$1 million for agricultural migrant childcare, and \$625,000 for the Fresh Connects program (rejects transfer of this program to the EPF). These restorations are offset by a \$1 million reduction to Taste NY (\$100,000 appropriated) and a \$300,000 reduction to the Cornell Ag in the Classroom program (keeps \$80,000, which was the SFY 2016-17 funding level).

New Agricultural Capital Projects

The Assembly accepts the Executive's \$50 million appropriation for a second round of improvements at the State Fairgrounds, and provides an additional \$10 million in capital support: \$5 million for local fairgrounds (restores to 2016-17 level, Exec proposed \$0), and \$5 million for municipal and non-profit humane societies and animal shelters (new initiative- also included in Senate one-house).

Rejects Appropriation Language that would Eliminate OSC Oversight

The Assembly rejects proposed appropriation language that would exempt Taste NY contracts from State Comptroller oversight.

Economic Development

Department of Economic Development

The Assembly concurs with the Executive proposal on All Funds appropriation for State Operations for the Department of Economic Development.

The Assembly rejects the following Executive proposals for Aid to Localities:

- \$7 million for Market NY;
- \$5 million for Innovation Hot Spots & Incubators; and
- \$1.45 million for Agritourism/Taste NY.

The Assembly restores funding for the following programs which were eliminated in the Executive proposal for Aid to Localities:

- Adds funds for the Centers of Excellence (\$1.28 million), for a total of \$10 million;
- Adds funds for Technology Development Organization Matching Grants (\$1.2 million), for a total of \$2.6 million; and
- \$500,000 for the SUNY Albany Center of Excellence.

The Assembly adds funding for the following programs in the Executive Proposal for Aid to Localities:

- \$1.18 million for Centers of Advance Technology, for a total of \$15 million; and
- \$1 million for local tourism matching grants, for a total of \$4.82 million.

Urban Development Corporation

The Assembly provides an All Funds appropriation of \$1.6 billion, a reduction of \$888 million from the Executive proposal.

The Assembly proposes the following for Aid to Localities:

- Rejects \$26.18 million appropriation for the Empire State Economic Development Fund;
- Reduces support for a lump sum appropriation for Tourism/Economic Development Promotion by \$39 million, while maintaining support of \$30.5 million for tourism promotion efforts. In addition, the Assembly requires that no funds for this purpose be disbursed until the State's disparity study on minority- and women-owned business enterprise participation in State contracts is completed and provided to the Legislature;
- Restores additional funds for Community Development Financial Institution (\$300,000), for a total appropriation of \$1.8 million;
- Adds funding for the Minority- and Women-Owned Business Development Lending Program (\$365,000), for a total appropriation of \$1 million; and
- Provides \$1 million for the Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) Technical Assistance Program.

The Assembly proposes the following changes for Capital Projects:

- Reduces appropriations for the multi-year Life Science Initiative by \$300 million, while maintaining support of \$150 million, including \$75 million for public infrastructure and site preparation projects; \$50 million for bioscience research laboratories and academic medical centers throughout the State; and \$25 million for neurological research clinical trial centers;
- Rejects funding for the following programs in the Executive proposal:
 - \$207.5 million for Strategic Projects Program;
 - \$199 million for the New York Works Economic Development Fund;
 - \$150 million for Regional Economic Development Councils;

- \$33 million for NY Power Electronics Manufacturing Consortium;
- \$8 million for Market NY; and
- \$2 million for City of Auburn and Town of Owasco water treatment systems.
- The above water system grants are instead supported by a \$2 billion appropriation for Water Infrastructure that is included in Department of Environmental Conservation;
- The Assembly provides \$150 million for a Life Sciences Public Health Laboratory under the Department of Health, and requires laboratory facilities to remain in the City of Albany; and
- The Assembly also provides funding for the following programs:
 - \$50 million in capital support for Nonprofit Cultural Organizations;
 - \$20 million for capital support for the Centers of Excellence and Centers for Advance Technology;
 - \$90 million for the RESTORE NY Communities initiative;
 - \$10 million for the Community Restoration Fund, including \$5 million for NYC Housing Preservation & Development;
 - \$10 million for Strategic Investment in Workforce Development Initiatives; and
 - \$5 million for the New York Healthy Food & Healthy Communities Fund.

MWBE

Modifies the Executive’s proposal to extend the MWBE program by extending the program for an additional two years. The program is set to expire at the end of this year if no extension is granted. The disparity study was due last August and is now seven months late.

START-UP NY

Rejects the Governor’s proposal to rebrand START-UP NY as the “Excelsior Business Program.” The Assembly adds language to specify annual reporting requirements which now must include all net new jobs previously recorded, adjusted for new jobs which have been subsequently lost.

Miscellaneous

- Adds language that requires ESDC and the Department to maintain a comprehensive statewide searchable database of funds allocated to or administered by the agency, including all programs, projects, recipients, and other pertinent economic metrics;
- Adds language that requires REDC council members to file an annual financial disclosure statement, follow the Code of Ethics and FOIL requirements, and be subject to the open meetings law;
- Adds language that updates and clarifies procedures for the state technical assistance to small businesses apply for SBIR/STTR (Small Business Innovation Research/Small Business Technology Transfer) technical assistance program grants;
- Adds a Strategic Investment in Workforce Development Program to identify areas of the state or specific industries experiencing shortages in skilled workforce, and support workforce education programs that strive to meet the skill and training needs of employers;

- Accepts the Executive’s proposal to extend the authority of the Office of General Services to enter into construction contracts without formal competitive bidding in certain emergencies;
- Rejects the Governor’s proposal to authorize the OGS to contract for certain printing services without competitive bidding if the cost of printing is under \$85,000; and
- Modifies the Executive’s proposal related to the Preferred Source Program to ensure that the program is functioning in a manner consistent with program goals and objectives.

Education

The Assembly takes the following funding actions in State Operations:

- Creates a Special Revenue Fund to allow the State Education Department to charge and collect fees from colleges it accredits within the state, and provides \$650,000 in appropriation authority; and
- Rejects the Executive proposal to set aside \$500,000 within State Education Department administration funding for confidential legal assistance for the Legislature and the Executive.

School Aid

The Assembly provides an overall increase in General Support for Public Schools (GSPS) of \$1.8 billion over School Year 2016-17. This reflects an increase of \$887 million over the Executive Budget. Foundation Aid is increased by \$1.4 billion for School Year 2017-18, an increase of \$1.03 billion over the Executive Budget proposal of \$428 million.

- The Assembly provides for a three-year phase-in of Foundation Aid. The phase-in factor for Foundation Aid would bring all school districts to 50% of the overall Foundation Aid base;
- The Assembly rejects the community schools set aside within Foundation Aid and makes it a separate category;
- The Assembly eliminates the freeze on expense-based aids and provides an increase of \$38 million for these school aid categories; and
- The Assembly increases funding for Career and Technical Education for BOCES and Special Services aid. Funding is increased by \$25 million.

The Assembly takes the following funding actions for other education programs:

- Restores \$1.2 million in funding for Buffalo City and Rochester City School District's' school health services;
- Increases funding for Employment Preparation Education by \$10 million to \$106 million;
- Provides \$45 million in additional grants for expanded prekindergarten for 3 and 4 years old;
- Eliminates \$400,000 for the Excellence in Teaching Awards program;
- Increases aid to the East Ramapo School District by \$1 million to \$2 million;
- Increases funding for the My Brother’s Keepers program by \$1.2 million, for overall funding of \$19.2 million;
- Restores \$14 million for Teacher Centers;

- Increases funding for the Schools for the Blind and Deaf by \$2.3 million;
- Provides \$903,000 for the Henry Viscardi Schools and \$903,000 in additional funding for the School for the Blind and Deaf;
- Provides \$2 million for teacher turnover prevention at special education schools;
- Increases the set-aside for the Consortium for Workers Education by \$1.5 million to \$3 million;
- Includes \$1.25 million for charter schools that were converted from existing public schools;
- Provides \$15 million for English Language Learners;
Provides \$10 million for homeless pupils;
- Provides \$1 million for middle class students to provide assistance for admission to specialized high schools in New York City; and
- Includes \$475,000 for the Executive Leadership Institute.

Higher Education Opportunity Programs

The Assembly takes the following funding actions for higher education opportunity programs:

- Increases funding for Liberty Partnership Program by \$6.1 million to \$21.4 million;
- Increases funding for the Higher Education Opportunity Program by \$11.8 million to \$41.4 million;
- Increases funding for the Science and Technology Entry Program by \$5.2 million to \$18.3 million;
- Increases funding for the Collegiate Science and Technology Entry Program by \$3.9 million to \$13.8 million;
- Increases funding for the Foster Youth Initiative by \$3 million for overall funding of \$4.5 million;
- Increases funding for the National Board for Professional Teaching Standards by \$400,000 to \$768,000; and
- Rejects language that would withhold Bundy Aid from independent colleges and universities.

Adult Education

The Assembly takes the following funding actions:

- Provides \$1 million for Independent Living Centers; and
- Provides \$1 million for Adult Literacy competitive grants.

Cultural Education

The Assembly takes the following funding actions:

- Restores \$4 million for Aid to public libraries; and
- Includes \$250,000 for the Schomburg Library and \$75,000 for the Langston Hughes library.

The Assembly takes the following Capital Projects funding actions:

- Provides an additional \$15 million for library construction aid, bringing total funding to

- \$29 million; and
- Provides \$21.5 million for a new capital construction plan for Special Schools Construction, including \$10 million for 853 schools, \$10 million for 4201 schools and \$1.5 million for the schools for the State-operated school for the Deaf in Rome.

Article VII

Charters

The Assembly rejects the Executive changes to facilities aid and the removal of the regional charter cap for New York City. The Assembly freezes charter tuition and accepts the statutory end of supplemental tuition. The Assembly also includes provisions related to transparency, accountability, enrollment parity, charter facilities aid, co-location requests, and discipline as follows:

- Provides that charters established in conjunction with non-profits must also specify the extent of the entity's participation in the management and operation of the school;
- Requires charter entities to provide detailed, written findings related to the enrollment when making a determination to approve a charter;
- Requires charters to annually disclose information related to the compensation of individuals serving as a charter executive, loans or gifts received over one thousand dollars, and financial statements related to assets of the charter, and, if applicable, any of its affiliated corporate/business entities valued over one million dollars;
- Prohibits charters from compensating any individual who is also an employee of a charter affiliate;
- Prohibits charters from entering into agreements with corporate/business entities to operate the school unless the entity agrees to provide access to various records for auditing purposes;
- Requires charters to have a formal contract with any corporate/business entity that must be approved by the charter entity;
- Requires charters that request co-location to demonstrate that the charter does not have the financial capacity to procure adequate facilities;
- Limits the time a charter may be offered private space to three years;
- Limits charter facilities' rental aid payments to six years, and provides that a reduced payment be provided to the charter in the last three years;
- Strengthens provisions relating to the enrollment of ELLs, students with disabilities, and free lunch recipients by requiring charters to retain an equal or greater enrollment of such students compared to the district's enrollment;
- Require that enrollment targets be considered a very significant factor for charter renewal;
- Applies statewide disciplinary laws to charter schools, requires charters to develop a code of conduct, and requires charters to submit an annual report of disciplinary measures imposed on students;
- Applies Articles 8 and 9 of the Labor Law relating to prevailing wage and public works to charter schools;
- Requires charters to annually provide parents with information detailing the process by which to file a complaint against the charter;

- Requires charter school to notify parents if the charter is placed in probationary status; and
- Establishes clearer guidelines for residency determinations for charter schools and addresses intercept issues when a residency dispute exists.

Mayoral Control

The Assembly modifies the Executive’s provision, by extending Mayoral Control New York City schools for seven years, until June 30, 2024

Prekindergarten and Kindergarten

The Assembly proposal makes SED’s administration of the \$340 million Full-Day Pre kindergarten program permanent; extends the deadline for Full Day Prekindergarten teachers to become certified by two years to match the timeline for the other prekindergarten programs; rejects the Executive proposal to create minimum daily time requirements for prekindergarten programs to allow programs to have scheduling flexibility; and requires the Commissioner to study unmet need for public prekindergarten programs.

The Assembly also provides a financial assistance step-down for five years for school districts newly offering full day kindergarten.

Struggling Schools

The Assembly requires the remaining \$75 million of Persistently Struggling Schools Transformation Grants be made available immediately.

Tax Cap

The Assembly requires the Commissioner of Tax and Finance to promulgate regulations excluding PILOTS and BOCES capital from the tax cap, and establishes a minimum tax cap of zero percent in order to prevent negative tax caps.

Discipline

The Assembly requires the Commissioner to study disciplinary procedures and ways to prevent suspension.

SED Inspector General

The Assembly rejects the Executive proposal to create an SED Inspector General.

Recovery Schools

The Assembly rejects the Executive proposal to authorize BOCES to establish two recovery high schools.

School Bus Contracts (EPPs)

The Assembly proposes to ensure school bus contractor employees would be provided employee protection provisions under certain conditions, allows the New York City School Districts to extend bus contracts using the Employment Cost Index rather than the Consumer Price Index, and exempts school buses from sales tax.

Special Education Waivers

The Assembly rejects the Executive proposal to allow any school district to apply for waivers from certain special education requirements.

Specialized High Schools

The Assembly requires the Chancellor of the New York City School District to study the admissions processes of specialized high schools, and modifies the Executive proposal relating to New York City specialized high school notifications to middle school students to conform the requirement to current practice.

McKinney-Vento Homeless Assistance Act

The Assembly accepts the Executive proposal to amend the Education Law to conform to recent Federal changes to the McKinney-Vento Homeless Assistance Act.

Energy & Telecommunications

Article VII

- Modifies the Executive proposal to fund state operating expenses of various agencies through a utility assessment (\$3 million) by shifting the cost to the New York Power Authority (NYPA). The Assembly concurs with the Executive proposal to continue the authorization for the Department of Health to finance public health education programs with revenues generated from an assessment on cable television companies;
- Proposes new language to establish the Indian Point Nuclear Plant Closure Task Force to assess the local impact of the Plant closure, workforce retraining, and make recommendations on the use of the facility supported Community Fund;
- Proposes to prohibit the purchase of Zero Emission Credits (ZECs) until the Public Service Commission (PSC) and New York State Energy Research and Development Authority (NYSERDA) appear before a joint public hearing of the Senate and Assembly to testify and answer questions related to the ZEC program;
- Concurs with the Executive proposal for the continuation of the assessment on gas and electric corporations for NYSEERDA's research, development, and demonstration program, but rejects the Executive proposal to shift Department of Agriculture and Markets operating costs to NYSEERDA;
- Adds new language to establish the State Office of the Utility Consumer Advocate to represent the interests of residential utility customers. The utility consumer advocate shall

be appointed by the Governor to a term of six years, upon the advice and consent of the Senate; and

- Adds new language to establish a utility intervenor reimbursement for eligible participants to a proceeding, which is a complaint, investigation, rulemaking, or other formal proceeding before the Public Service Commission relating to public utilities that distribute and deliver gas, electricity, or steam within this state and having annual revenues in excess of \$200 million.

Environmental Conservation

Accepts Proposed \$2 Billion for Water Infrastructure

The Assembly accepts the Executive's \$2 billion water infrastructure proposal but modifies and itemizes the various project spending lines, including: \$1.15 billion for traditional EFC infrastructure projects; \$200 million for NYC large infrastructure projects; \$138 million for lead service line replacement; \$110 million for inter-municipal projects; \$110 million for source water protection; \$60 million for drinking water contamination response (plus an additional \$10 million for emergency response); and \$50 million for septic and cesspool upgrades, among other spending lines.

Accepts Proposed \$300 Million for the EPF

The Assembly accepts the Executive's \$300 million Environmental Protection Fund proposal but modifies programmatic funding. Such modifications include: increasing open space funding by \$7 million to \$40 million (16-17 enacted level); increasing the environmental justice and invasive species lines by \$2 million each; and reducing the State land stewardship line by \$7.5 million. The Assembly creates new sub-allocations within various spending lines for programs such as: \$3 million Southern Pine Beetle eradication; \$2 million paint stewardship; \$2 million zero emission vehicles, and \$1 million for green jobs training in EJ communities, among others.

Modifies the Executive's Proposed \$23 Million RGGI Sweep

The Assembly reprograms the \$23 million that the Executive proposed to sweep from RGGI proceeds to the general fund. This \$23 million would instead be used for direct grants for community solar electric projects in low-to-moderate income and environmental justice communities.

Reduces Environmental Capital Appropriations

The Assembly reduces capital appropriations for the Department of Environmental Conservation by \$51.2 million (\$21.2 million for rejecting the transfer an oil spill account from state operations to capital, and a \$30 million reduction –from \$70 million proposed- for NY Works funding). This reduction is offset by a new \$3 million appropriation to help dry cleaners and nail salons comply with new regulations pertaining to air permits.

Water Quality and Water Infrastructure Funding

The Assembly modifies the Executive's proposal related to the Clean Water Infrastructure Act of 2017 by prioritizing funding for lead drinking water line replacement in areas with high lead levels in children; establishing an inter-municipal water infrastructure grants program to incentivize cooperation for water infrastructure improvements; prioritizing hardship communities by providing State funding for up to 75 percent of project costs; authorizing the remediation of drinking water contamination as well as certain closed, illegal, or abandoned waste disposal sites, and requiring DEC to author and implement a State remedial plan for such sites.

New York State Environmental Justice Act

The Assembly includes Senator Parker's bill, S.2709, which would enact the New York State Environmental Justice Act. This Act calls for all State entities, programs and policies pertaining to environmental quality to provide meaningful involvement for all people and to review program implementation to meet the needs of low-income and minority communities. The bill also establishes an environmental justice task-force that would create an action plan for environmental justice communities. The One-House further includes provisions for environmental justice grants.

New York State Climate and Community Protection Act

The Assembly includes Senator Savino's 2016 "New York State Climate and Community Protection Act" (S.8005/Englebright A.10342 -Passed Assembly 96-43). This Act requires New York State to achieve a zero-carbon economy by 2050, with specific provisions including: the establishment of a climate action council (stand-alone provision, S.2429) carried by Senator Parker); requirements for greenhouse gas reporting and limits that achieve 0% of 1990 emissions by 2050; the establishment of a disadvantaged communities working group; requirements for job and labor standards and worker protections with respect to the implementation of the Act; and the requirement that applicants for major regulatory permits demonstrate the consideration of climate risks.

Food Waste and Food Scraps Recycling

The Assembly modifies the Executive's proposal, decreasing the distance from organics recyclers that would require entities to recycle their food waste from 50 miles to 15 miles.

State Matching Funds for Waterfront Revitalization

The Assembly modifies the Executive's proposal to increase the State's share of Local Waterfront Revitalization project funding, increasing it to 75 percent only for Environmental Justice communities. In addition, the Assembly increases the State's share of landfill closure gas management projects from 50 to 75 percent.

Miscellaneous

- The Assembly rejects the Executive's proposal to create a companion account to the State

Oil Spill Fund to cover capital costs associated with DEC program administration similar to the administrative process of the State Superfund program.

- The Assembly modifies the Executive's proposal to enumerate the climate change mitigation and adaptation account within the EPF and to redefine the nature by which increased bottle bill revenues are deposited into the EPF. The Assembly also makes technical and clarifying changes to the bottle bill deposits, but maintains the increased level of deposits at \$23 million (from \$15 million) plus all revenues in excess of \$122.2 million.
- The Assembly proposes an extension of certain pesticide registration fees and application review provisions from July 1, 2017 to July 1, 2020.
- The Assembly includes Assemblyperson Peoples-Stokes' bill A.2242 that establishes a paint stewardship program that would require producers of architectural paint to administer or collectively create an organization to manage post consumer paint including: the collection, transport and reuse or recycling of that paint. Senator O'Mara carries a similar bill (S.881), that has passed the Senate unanimously the last two years.

Ethics & Campaign Finance Reform

The Assembly includes language in its budget report rejecting the Executive's "Good Government and Ethics Reform" stand-alone Article VII bill. That omnibus bill was introduced on January 23, 2017 (S2010) in the Senate. In its place, the Assembly included four separate standalone election law proposals within the PPGG Article VII bill pertaining to the following issues: (1) Early voting; (2) Closure of the LLC loophole; (3) Online voter registration methods; and (4) Prohibiting housekeeping campaign accounts from being used for certain expenses.

Early Voting

The Assembly adds language to create a system of early voting in the state. The early voting period would commence eight days before any election and end two days before the election. There would have to be at least one early voting center in each county, with additional locations for every 50,000 registered voters, up to a total of seven locations. Polls would have to be open at least eight hours between 7 a.m. and 8 p.m. On weekends, polls would have to be open for at least five hours, between 9 a.m. and 6 p.m. This proposal is similar to a bill Senator Stewart-Cousins sponsors.

Closing the LLC Loophole

The Assembly adds language subjecting Limited Liability Companies ("LLCs") to the same \$5,000 contribution limit as corporations. The proposal also requires all LLCs to identify members or owners, and attribute all contributions on a pro rata basis to each members' ownership interest. LLC's would also have to file paperwork with the State Board of Elections on an annual basis identifying owners and any contributions made thereof. This proposal is similar to a bill Senator Squadron sponsors.

Online Voter Registration

The Assembly adds a new proposal entitled the “Voter Enfranchisement Modernization Act of 2017”. The proposal enacts a system of online automatic voter registration, to be administered by the State Board of Elections (“SBOE”). In addition, the bill significantly expands voter registration for anyone seeking services through certain governmental agencies, as so designated by the SBOE. Any information collected at a designated agency would have to be transmitted to the SBOE through a new online interface. Any integrated voter registration application information would then be sent through this interface to the SBOE. Required information would only have to be provided once on any forms. Voters who do not wish to be enrolled would have to affirmatively decline by checking a box. Any information collected pertaining to citizenship could not be retained, used, or shared. Several options are also built in for the collection of a signature from anyone who inadvertently leaves that section incomplete.

The proposal also requires DOCCS to provide personal voter registration forms to anyone discharged from prison after serving a maximum sentence of imprisonment, as well as following parole. That information would have to be integrated into any release documents presented and signed following release. Anyone who had their voter registration canceled due to conviction for a felony would have to be automatically reinstated upon becoming eligible again.

“Soft Money” Housekeeping Account Reforms

The Assembly adds new language to make it clear that funds in “soft money” housekeeping accounts cannot be transferred or contributed to another campaign account, unless used for non-candidate expenditures. It would also be illegal to use housekeeping funds to pay for any political communication that includes or references the name or likeness of any clearly identified candidate or elected official.

General Government

Audit and Control

The Assembly proposes an increase of \$31.9 million over the Executive’s Budget, which provides a total All Funds allocation of \$364.61 million.

- The Assembly proposes a State Operations appropriation of \$13.55 million to support additional investment and customer service staff for the Common Retirement Fund, which would be paid out of the resources of such fund.
- The Assembly proposes an \$18.37 Capital Projects appropriation for agency needs including equipment, software, and other services.

Department of Financial Services

The Assembly provides an All Funds appropriation of \$413 million, an increase of \$100,000 from the Executive’s proposed budget.

- The Assembly restores \$100,000 to the Aid to Localities budget for the purposes of

extending the Entertainment Worker Demonstration Program for one year.

DFS Ability to Enforce and Regulate

- Modifies the Governor's proposal related to licensure of student loan services by removing language that would permit DFS to: bring civil actions, require fingerprinting, exempt certain entities from licensure, and to regulate government entities that service student loans;
- Modifies the Executive's proposal to increase the fine from \$1,000 to \$10,000 per offense for violations of the Insurance Law and the Banking Law;
- Rejects the Governor's proposal to provide DFS the authority to order a domestic insurer into an administrative supervision proceeding if the Superintendent determines certain conditions exist;
- Rejects the Executive's proposal to authorize enforcement of Insurance, Banking, and Financial Services Law against unlicensed individuals or businesses, including bringing a civil action;
- Rejects the Governor's proposal to provide DFS with the authority to disqualify an individual operating under a DFS license if the Superintendent finds that the individual has committed a disqualifying event;
- Rejects the Executive's proposal to require nonprofit organizations that facilitate lending circles to register with DFS; and
- Rejects the Governor's proposal to grant DFS regulatory authority over any online lenders doing business in New York State.

Office of General Services

The Assembly decreases the Executive's All Funds appropriation by \$12.5 million, which provides a total agency appropriation of \$1.3 billion.

- The Assembly reduces the office space optimization Capital Projects appropriation by \$12.5 million; and
- The Assembly provides new language in the Capital Projects budget to ensure that only clean burning fuel is used by the cogeneration plant proposed in the Executive's Budget.

Department of State

The Assembly increases the Executive's All Funds appropriation by \$3 million, which provides a total appropriation of \$147.1 million.

- The Assembly adds a State Operations appropriation of \$1 million for the creation of a public intervenor for energy related regulatory matters;
- The Assembly restores \$500,000 in the State Operations budget for the Women's Suffrage Commemoration Commission;
- The Assembly provides a \$350,000 State Operations appropriation for the establishment of a new State Utility Consumer Advocate; and
- The Assembly restores \$505,000 to the State Operations budget for the Public utility Law Project (PULP).

Health

Department of Health

The Assembly proposes \$2.5 billion in All Funds support for State Operations, a decrease of \$985.11 from the Executive Budget. This decrease is attributed to the rejection of the Executive's proposed two-year appropriation for the Medical Assistance Administration program.

The Assembly proposes \$75.4 billion in All Funds support for Aid to Localities, a net decrease of \$68.7 billion from the Executive Budget -largely reflective of providing one year funding authorization rather than the Executive's two. Highlights of other proposed changes are as follows:

- Provides \$525,000 for HIV education, prevention, outreach, legal, and supportive services to high risk groups;
- Provides \$525,000 for community based organizations that operate in a neighborhood with high concentration of at risk populations to provide HIV education prevention outreach and legal programs;
- \$11 million to reject the proposed reduction for General Public Health Works Program funding for New York City;
- \$24.6 million to reject the Executive's proposal to consolidate 39 public health programs into four funding pools;
- \$17.2 million to reject the deferral of salary increases for the period April 1, 2016 through March 31, 2017 for direct care workers;
- \$3 million for cost of living adjustments for direct care workers;
- \$750,000 for family planning services;
- \$750,000 for Consumer Assistance – Independent health Insurance Consumer Assistance Designee Community Service Society of New York for Community Health Advocates Statewide Consortium;
- \$2.15 million for various public health initiatives;
- \$14.63 million to reject the essential plan cost sharing proposal;
- \$4.6 million to provide an increase in State Supplemental program payments for individuals residing in adult homes, enriched housing programs, and schools for the developmentally disabled; and
- \$500,000 for diversity in medicine program.

The Assembly also provides a \$20 million contingency appropriation for family planning services and Planned Parenthood affiliates in the event of federal funding cuts.

The Assembly also reduces the Medical Assistance Administration Program by \$1.41 billion and rejects the two-year appropriation for Medicaid spending. Under the Medical Assistance (Medicaid) Program, the Assembly One-House Budget reduces funding for this program by \$66 billion. Highlights of these changes are as follows:

- \$66.11 billion reduction is attributed to the rejection of two-year appropriations;
 - \$59 million from the delay in repaying federal liabilities over a two-year period;

- \$30 million from savings as a result of avoidable hospitalizations as a result of DSRIP; and
- \$12.5 million from the Mental Hygiene Stabilization fund.

These reductions are offset by increases to Medicaid spending as follows:

- \$10 million to reject the proposal to reduce emergency department reimbursement for certain low acuity services;
- \$11 million to reject the elimination of nursing home bed hold payments;
- \$12.8 million to reject the elimination of spousal refusal and the limitation of managed long term care (MLTC) eligibility to enrollees who require nursing home level of care;
- \$12.5 million for managed care services;
- \$30 million for pharmacy services, as follows:
 - \$13.9 million to reject the elimination of prescriber prevails under Medicaid Fee for Service;
 - \$6.3 million to reject the elimination of prescriber prevails under Medicaid managed care;
 - \$6.3 million to reject the elimination of coverage for over-the-counter drugs and to increase co-payments amounts for these drugs;
 - \$450,000 to reject the establishment of a collaborative comprehensive medication management program.
- \$500,000 to reject in-sourcing office of health insurance program contractual workers into the State workforce; and
- \$12.5 million for the enhanced safety net hospital program.

The Assembly also rejects language authorizing appropriation changes without legislative oversight in the event Federal dollars are reduced.

The Assembly proposes \$1 billion in Capital funding, which includes a \$350.5 million increase over the Executive Budget. This increase is attributed to an increase of \$200 million for the Health Care Facility Transformation Program, \$500,000 for renovations at St. Albans Home, and \$150 million for a life sciences laboratory public health initiatives. The total \$700 million in funding for the Health Care Facility Transformation Program would be allocated as follows:

- \$125 million for community based providers;
- \$50 million for Montefiore Medical Center; and
- \$525 million for essential health care services.

Office of Medicaid Inspector General

The Assembly concurs with the Executive recommendation of \$50 million in All Funds support for State Operations.

Justice Center for the Protection of People with Special Needs

The Assembly concurs with the Executive recommendation of \$53.9 million in All Funds support for State Operations.

The Assembly concurs with the Executive recommendation of \$649,000 in Aid to Localities funding.

Increased Cost-Sharing For Essential Plan Enrollees

The Assembly rejects the Executive's proposal to increase premiums for enrollees of the Essential Plan whose incomes are between 138% and 200% of the Federal Poverty Level and index future premium increases to the rate of inflation.

Pharmaceutical Price Controls

The Assembly accepts, with modifications, several of the Executive's proposals related to pharmaceutical price controls within the Medicaid program, including to:

- Authorize the Drug Utilization Review Board to set a benchmark price for high priced drugs and require rebates and surcharges for the amount over the benchmark price, but modifies the provision to require the Attorney General to certify the benchmark price and to ensure that pharmacies will not be responsible for the surcharge;
- Reduce the CPI penalty threshold for price increases for generic drugs from 300% to 75% year-over-year increases;
- Require prior authorization for a refill of controlled substances; and
- Regulates Pharmacy Benefit Managers (PBM's), and adds language to establish a fiduciary duty of the PBM to the health insurance plan.

The Assembly rejects the pharmaceutical related provision that limits coverage and increases co-pays for over-the-counter drugs.

Fighting the Opioid Epidemic

The Assembly rejects several of the Executive's proposal to modify the Medicaid program to combat the Opioid epidemic in New York including:

- Restricting prescriber prevails; and
- Allowing physicians to establish a collaborative comprehensive management program with pharmacists.

The Assembly accepts the following provisions related to combatting the Opioid epidemic:

- Make the inappropriate prescribing of opioids a practice that could kick a provider out of the Medicaid program; and
- Align Medicaid prescription refills with New York Controlled Substance law.

Medicaid Global Cap

The Assembly rejects the Executive's proposal to extend the Medicaid Global Cap for a year and removes language that would allow the Director of Budget to make changes to the Cap as a result of federal Medicaid funding changes.

Cost Shifts to New York City

The Assembly rejects the Executive's proposal to reduce reimbursements to New York City for the General Public Health Works Program from 36% to 29% and the proposal to reduce New York City's administrative Medicaid payment by \$50 million if New York City fails to increase Medicaid billing for school supportive health services by \$100 million.

Healthcare Facility Transformation Program

The Assembly accepts the Executive's proposal to provide \$500 million in capital funding for essential health care providers to transform and expand access to health services. The Assembly adds an additional \$200 million (total of \$700 million) and increases the share of this money that must go to community-based providers from \$30 million to \$125 million.

Water Contaminant Testing

The Assembly accepts and modifies the Executive's proposal to require public water systems to test drinking water for contaminants every three years and to require all private residential wells to be tested for contaminants as a condition of sale of the property. The Assembly further specifies which factors the Commissioner of Health needs to consider when determining the contaminants to be tested for.

Miscellaneous Provisions

- Accepts the Executive's proposal to reform and streamline reimbursement procedures for Early Intervention services;
- Accepts the three year extension of the Health Care Reform Act (HCRA) ;
- Rejects long term care proposals that limit managed long term care enrollees to those who need a nursing home level of care, eliminate spousal refusal, and eliminate nursing home bed hold payments;
- Rejects managed long term care transportation proposals regarding the transfer of management of MLTC transportation services to the state transportation manager, elimination of the supplemental payments to rural transportation and emergency medical transportation;
- Rejects the Executive's proposal to create a Health Care Regulation Management Team;
- The Assembly adds the following new provisions:
 - Extends the Physician's Excess Medical Malpractice Program through June 30, 2018;
 - Decriminalizes the possession of syringes and removes syringes from definition of "drug paraphernalia;"
 - Continue the Managed Care carve-out for school based health centers;
 - Other long term care provisions including the certification of fiscal intermediaries requiring wage parity for CDPAP, and extending the benchmark rate for nursing homes for five years;
 - Requires the Commissioner of Health to notify the Legislature when changing a rate or premium adjustment for Managed Long Term Care Plans;

- Provides additional Medicaid payments to Enhanced Safety Net Hospitals; and
- Extends the Entertainment Worker Demonstration program for one year

Higher Education

Opportunity Programs

The Assembly restores and expands funding for educational opportunity programs at SUNY, CUNY, and Private Colleges and Universities. Notable increases include:

- Additional \$1 million to the Joseph Murphy Institute for overall funding of \$4.2 million;
- Additional \$10.7 million for EOP for overall funding of \$37.5 million;
- Additional \$9.4 million for SEEK for overall funding of \$32.8 million; and
- Restored \$2.5 million for ASAP at CUNY Community Colleges.

Community Colleges

The Assembly increases community college base aid by \$100, from \$2,697 to \$2,797 per full-time-equivalent student. This results in a \$6.5 million CUNY funding increase, for a total of \$234.7 million, and \$12.9 million SUNY increase, for a total of \$454.7 million.

Tuition Assistance Program

The Assembly accepts certain provisions of the Excelsior Scholarship such as allowing students to receive free tuition, but only requires 15 credits for 6 of 8 semesters as long as the student maintains above 12 credits for all 8 semesters.

The Assembly proposes an increase in maximum TAP award to \$5,500 for the 2017-18 Academic Year. This maximum award would be phased in to \$6,500 over the following four years.

The Assembly accepts the Executive's recommendation of \$1.09 billion for TAP and provides an additional \$69.3 million for the increased TAP awards, as well as an additional \$14 million for the Excelsior Scholarship.

The Assembly also accepts the DREAM Act, which allows undocumented students to receive tuition assistance from the State. The Assembly adds language to create the DREAM Fund. This private scholarship fund would provide additional support for undocumented students.

Rational Tuition

The Assembly reduces the allowable tuition increase for SUNY and CUNY to \$200 dollars. This is a reduction from the Executive's proposal, which would allow increases of \$250 dollars. This reduction would result in \$13.9 million less tuition revenue for SUNY and \$7.6 less for CUNY.

Capital Projects

The Assembly rejects and reallocates \$90.5 million from the \$181.2 million CUNY university-wide capital maintenance fund to provide additional funding for individual campuses. The Assembly rejects and reallocates \$198 million from the SUNY university-wide fund and uses this money to provide additional funding to individual campuses. In addition to lining out the university wide appropriation, the Assembly provides an additional \$150 million to SUNY and \$100 million for CUNY for expansion projects.

Article VII

The Assembly makes the following modifications to the proposed Excelsior Program: (1) allowing students to take two semesters at 12 credits; (2) accommodating special needs students; (3) resetting the tuition at SUNY and CUNY that Excelsior pays every four years to keep up with tuition growth; (4) only counting two-thirds of student's Pell grant against the Excelsior award; and (5) raising the maximum income level to qualify for Excelsior to \$150,000, in the fourth year of the program.

DREAM Act

The Assembly proposal includes the DREAM Fund in place of the Executive's DREAM Act. The DREAM Fund would be administered by a newly created DREAM Fund Commission, in order to provide private scholarships to college-bound students who are the children of immigrants.

Exorbitant Tuition Rates

The Assembly rejects the Executive's proposal to prohibit students from using TAP awards at institutions where annual tuition and mandatory fee increases exceed the three-year average of the higher education price index or \$500, whichever is greater.

SUNY/CUNY Tuition Increase

The Assembly modifies the Executive's proposal to allow SUNY and CUNY to continue increasing the New York resident tuition rate by allowing SUNY to increase tuition up to \$200 a year for the next five years through Academic Year (AY) 2021-22. The Assembly proposal also provides an enhanced maintenance of effort (MOE) provision, which would provide State support for mandatory cost increases.

CUNY Foundation Resources

The Assembly rejects the Executive's proposal to require CUNY foundations to fund tuition assistance initiatives for students, using 10 percent of their annual revenue, and removes a related \$35 million appropriation. Instead, the Assembly requires both SUNY and CUNY affiliated foundations to examine their missions and, to the extent practical and legal, support programs and services to provide additional benefit to students.

TAP Awards

The Assembly increases the maximum TAP award by \$335, bringing the maximum TAP award to \$5,500. Under the Assembly proposal, the maximum TAP award would be increased to \$6,500 over the next four years.

State Inspector General

The Assembly rejects the Executive's proposal to allow the State Inspector General to oversee implementation and enforcement of financial control policies at SUNY and CUNY, and their affiliated nonprofit organizations and foundations. The Assembly also rejects the proposal to expand the State Inspector General's jurisdiction to include CUNY and SUNY affiliated nonprofit organizations and foundations. The Assembly proposal would instead require these organizations to adopt financial control policies and to report annually on their finances and activities. The proposal would also require that SUNY, CUNY, and each affiliated organization appoint compliance officers to provide oversight and monitoring of these policies.

Transfer Students

The Assembly requires CUNY and SUNY to examine the availability of opportunity programs for students receiving support under these programs and transfer from a community college to a senior college.

Student Debt Refinance

The Assembly requires the Higher Education Services Corporation (HESC) and the Dormitory Authority (DASNY) to develop a plan to refinance student debt for New York State residents that have been out of college for ten years or more. The Assembly provides a refundable student loan tax credit based on the federal interest deduction for education loans.

Part-Time TAP Eligibility

The Assembly eliminates the requirement for students attending community colleges to earn at least 12 credits in two consecutive semesters before becoming eligible to receive Part-Time TAP.

Online Resources

The Assembly requires SUNY and CUNY to undertake actions to provide and encourage the use of electronic and online students resources, to the greatest extent practicable.

NYS Firearm Violence Research Institute

The Assembly establishes a New York State Firearm Violence Research Institute within SUNY to advise the governor and legislature on matters relating to firearm violence in New York State. The Institute would identify needs for and sponsor firearm violence research.

Housing, Construction and Community Development

The Assembly provides an All Funds appropriation of \$807.1 million for the Division of Housing and Community Renewal, an increase of \$2 million over the Executive Proposal.

Tenant Protection Unit

The Assembly provide \$6.5 million for the Tenant Protection Unit, an increase of \$2 million in State Operations funding over the Executive proposal.

The Assembly reprograms the Executive's proposal for a \$2.6 billion five-year, affordable and supportive housing program. These changes in Capital Projects are outlined below:

Supported Housing

\$1 billion to construct 6,000 units of supportive housing, the same amount as in the Executive proposal.

NYCHA

\$500 million for capital repairs at the New York City Housing Authority (NYCHA), a \$400 million increase over the Executive proposal. The Assembly provides these funds directly to NYCHA and removes language that would delay the obligation of this funding.

Multifamily New Construction Program

\$476 million for the Multifamily New Construction Program, a \$125 million decrease from the Executive proposal.

Senior Housing

\$125 million for a Senior Housing Program, which is unchanged from the Executive proposal. The Assembly directs 75% of funding to seniors who earn up to 60% of Area Median Income (AMI).

Public Housing Outside of New York City

\$125 million for public housing authorities outside New York City, which is unchanged from the Executive proposal. The Assembly provides tenant protections for projects funded through the Federal Rental Assistance Demonstration (RAD) program.

Mitchell-Lama

\$100 million for Mitchell-Lama Preservation Programs, same as in the Executive proposal;

Housing Capital Projects Programs

- \$77 million for a Multi-family Preservation Program, a \$100 million decrease from the Executive proposal;
- \$50 million for the capital costs of housing for the developmentally disabled, which was excluded from the Executive proposal;
- \$41.48 million for Homeownership Programs, which is unchanged from the Executive proposal;
- \$32.5 million for the Small Buildings Program, a \$30 million decrease from the Executive proposal;
- \$13 million for a Manufactured Homes Program, which is unchanged from the Executive proposal; and
- \$10 million for the Main Street Program, which is unchanged from the Executive proposal.

The Assembly takes the following Capital Project actions:

- The Assembly eliminates funding for the Rural and Urban Community Investment Fund and Middle Income Housing Program; and
- The Assembly provides \$10 million for the New York State Community Restoration Fund, including \$5 million for New York City Housing Preservation & Development.

Mortgage Insurance Fund Utilization

The Assembly recommends the following Mortgage Insurance Fund Appropriation Utilization:

- \$23 million for the Rural Rental Assistance Program;
- \$41 million for Mitchell-Lama rehabilitation;
- \$11.3 million for the Neighborhood Preservation Program;
- \$4.7 million for the Rural Preservation Program;
- \$27.3 million for the Rural and Urban Community Investment Fund;
- \$21 million for the Low Income Housing Trust Fund;
- \$2 million for Homes for Working Families;
- \$6.5 million for Supportive Housing, Solutions to End Homelessness or operational support for AIDS housing program;
- \$1 million for Naturally Occurring Retirement Communities;
- \$1 million Neighborhood Naturally Occurring Communities;
- \$1.2 million for NYCHA Resident Watch Program; and
- \$10 million for Foreclosure Prevention Services.

Affordable NY Housing Program (421a)

The Assembly rejects the Affordable NY housing program (421a) proposal. The Executive Budget revives the Rent Act of 2015 421-a real property tax abatement program, now called the Affordable New York Housing program, enacts the Memorandum of Understanding agreed to by real estate developers and construction labor unions on construction wages reforms for new residential construction with at least 300 rental units located within new Enhanced Affordability Areas (below 96th Street in Manhattan and the waterfront areas in Brooklyn and Queens), and implements other reforms.

Elder Rental Assistance Program

The Assembly creates the Elder Rental Assistance Program, which provides rental assistance to older adults who are paying more than 30% of their monthly income toward their rent. To be eligible, an older adult and their family would have a total income that does not exceed 80% of the area median income. The amount of rental assistance would be calculated as the difference between the senior's rent payable, or maximum rent set by the agency, and 30% of the senior's monthly income.

In order to fund this program, the legislation imposes a new tax on the transfer of residential real property for consideration greater than two million dollars. The additional tax would apply only to the value in excess of two million dollars.

Reverse Mortgage Products Settlement Conferences

The Assembly accepts the Executive's proposal to protect consumers utilizing reverse mortgage products from foreclosure by requiring that homeowners have a settlement conference. The proposal amends current law by adding loans secured by a reverse mortgage to the definition of home loans that require heightened protection from foreclosure proceedings. Under this proposal, reverse mortgage holders would have the same protections as traditional home loan holders, including mandatory settlement conferences that provide an opportunity to reach a resolution and avoid foreclosure.

Human Services

New York State Office for the Aging (SOFA)

Community Services for the Elderly (CSE) Program

The CSE program provides non-medical community-based services to frail, low-income seniors helping them to remain at home. The Assembly proposes the following actions related to CSE:

- Provides \$2 million in increased support for the CSE grant program and waives the associated local match requirement;
- Rejects the consolidation of \$1.12 million transportation funding into the CSE program and restores discrete appropriations for this purpose; and
- Includes language to waive the local matching requirements for at least \$3.5 million in base CSE program funding.

Naturally Occurring Retirement Communities (NORCs) and Neighborhood NORCs (NNORCs)

NORCs and NNORCs are multi-age housing developments or neighborhoods that were not originally built for seniors, but are now home to a significant number of older persons. Supportive services programs in NORCs and NNORCs aim to maximize and support the successful aging in place of older residents.

- The Assembly restores \$700,000 and provides \$1.3 million in additional funding.

Cost of Living Adjustment (COLA)

The Assembly restores funding for the human services COLA across multiple agencies, including a restoration of \$1.6 million for aging programs. The Assembly also restores \$2 million in funding for the prior-year direct care worker COLA.

NY Connects

NY Connects is a locally based "No Wrong Door" system that provides one stop access to free, objective, comprehensive information and assistance for people of all ages needing long-term services and supports.

The Assembly provides discrete funding for the full value the NY Connects program within the Medicaid program in the Department of Health (DOH) to ensure that funding for the program is continued when federal funding expires.

Program Restorations

The Assembly restores \$86,000 for the Foundation for Senior Citizen Home Sharing and Respite, and \$31,500 for the New York Statewide Senior Action Council, Inc. for the patients' right hotline and advocacy project.

Lifespan

The Lifespan program helps older adults and caregivers take on the challenges and opportunities of longer life. Lifespan is a source of unbiased information, guidance and more than 30 services and advocacy for older adults and caregivers. Lifespan also provides training and education for allied professionals and the community.

The Assembly allocates \$2 million in Federal funding in the Office of Victims Services (OVS) to Lifespan of Greater Rochester, Inc. to support the sustainability and expansion of Enhanced Multi-disciplinary Teams.

Office of Children and Family Services (OCFS)

Human Services Call Center

The Assembly reduces the appropriation for the Human Services Call Center by \$4.2 million, and includes a \$3.9 million increase related to 11 FTEs and additional equipment for the call center.

Foster Care Block Grant

The Assembly restores \$39 million to Local Social Service Districts, in relation to the Foster Care Block Grant maintenance payments for youth in care. The Assembly restores \$23 million of Foster Care Block Grant funds that support tuition payments in New York City.

Committee on Special Education Out of State Placements

The Assembly restores \$18.9 million to New York City for room and board costs associated with the Committee on Special Education out of state placements for a total of \$40.9 million.

Title XX

The Assembly restores Title XX funding of \$27 million to its original discretionary purposes for Local Social Service Districts by removing the mandate to use such funds for child care only.

Child Care Slots

The Assembly provides an additional \$13 million General Funds to support new child care slots in OCFS, and increases Temporary Assistance to Needy Families (TANF) support for child care by \$15.7 million.

Advantage Afterschool Program

The Assembly restores \$5 million for the Advantage Afterschool program.

Cost of Living Adjustment

The Assembly restores \$4.3 million in funds for services and expenses related to the Cost of Living Adjustment.

Kinship Care

The Assembly provides a \$1.9 million restoration for Kinship Care and a restoration of \$100,000 to support the Kinship Navigator.

Additional Program Restorations

The Assembly provides \$7.9 million in additional restorations including the following programs that were eliminated by the Executive:

- Safe Harbour - \$3 million;
- Settlement Houses - \$2.45 million;
- Youth Development Program - \$1.7 million; and
- Child Protective Caseload Reduction - \$758,000.

Capital Projects

- The Assembly provides \$10 million to fund capital needs including deferred maintenance and improvements at foster care agencies.
- The Assembly provides an additional \$5 million for a total of \$115 million for capital improvements to local detention facilities associated with raising the age at juvenile

jurisdiction.

Office of Temporary and Disability Assistance (OTDA)

Home Stability Support (HSS) Program

The Assembly provides \$30 million to establish first year the HSS program, to provide housing supplements for 14,000 public assistance recipient households who are homeless or at risk of becoming homeless. The Assembly also provides \$10 million to be used as advance payment to counties to support HSS.

Temporary Assistance for Needy Families (TANF) Program

The TANF program is designed to help needy families achieve self-sufficiency. The state receives block grant money to design and operate programs that accomplish the purpose of the program.

<i>Program</i>	<i>16-17 Enacted Budget (thousands)</i>	<i>17-18 Executive Proposal (thousands)</i>	<i>17-18 Assembly Proposal (thousands)</i>
ACCESS - Welfare-to-Careers	\$800	\$0	\$800
Advanced Technology Training and Information Networking (ATTAIN)	\$4,000	\$0	\$4,000
Career Pathways	\$2,850	\$0	\$2,850
Centro of Oneida	\$25	\$0	\$25
Child Care CUNY	\$141	\$0	\$141
Child Care Demonstration Projects (UPS- Capital Region- Oneida)	\$2,676	\$0	\$2,676
Child Care Demonstration Projects (NYC- Liberty Zone-Brooklyn, Queens, Bronx, Monroe)	\$6,236	\$0	\$6,236
Child Care Subsidies	\$403,127	\$369,327	\$385,012
Child Care SUNY	\$193	\$0	\$193
Flexible Fund for Family Services	\$964,000	\$964,000	\$964,000
Non-residential Domestic Violence	\$3,000	\$3,000	\$3,000
Nurse Family Partnership	\$0	\$3,000	\$3,000
Preventive Services- Intensive case management services for children at risk of entering foster care due to family substance use	\$1,570	\$0	\$1,570

Rochester-Genesee Transportation Authority	\$82	\$0	\$82
Strengthen Families through Stronger Fathers	\$200	\$0	\$200
Summer Youth Employment Program	\$31,000	\$36,000	\$36,000
Wage Subsidy	\$475	\$0	\$475
Wheels for Work	\$144	\$0	\$144
Total TANF Initiatives	\$1,420,519	\$1,375,327	\$1,410,404

Refugee Resettlement

The Assembly provides \$4 million for refugee resettlement agencies statewide.

Disability Advocacy Program (DAP)

DAP provides legal representation for individuals whose federal disability benefits have been denied or may be discontinued. The Assembly restores an additional \$1.5 million for the DAP consistent with the SFY 2016-17 funding level.

Lottery Recoupment

The Assembly restores \$1 million to reject the Executive proposal that would authorize the State to recoup lottery winnings from current and former recipients of public assistance.

Home Energy Assistance Program (HEAP)

The Assembly modifies the HEAP appropriation language to allow unspent funding from prior years to be used for weatherization.

Emergency Homeless

The Assembly modifies the Emergency Homeless appropriation language to provide that funding shall be awarded to a provider with demonstrated experience.

Article VII

Child Welfare Proposals

The Assembly accepts the Governor’s proposal to extend the Child Welfare Financing Reform Act to 2022. However, the Assembly rejects the Governor’s proposal to alter the funding structure for residential placement of children with special needs, under the direction of the Committee on Special Education. The proposed funding change would eliminate the State’s share and shift the entire cost to the City of New York.

The Assembly agrees with the Governor in terms of modifying the definition of “abused child”

under the Family Court Act to include human and/or sex trafficking, to conform to federal law.

The Assembly accepts the Governor's proposal authorizing municipalities to establish plans for runaway and homeless youth (RHY) by permitting youths age 14 and older to stay in crisis shelters for up to 60 days, instead of the current allowable thirty days, with three modifications. The Assembly has added language that will allow youths under the age of sixteen to be served in a transitional independent living program. In addition, the Assembly rejects language that outlines what qualifies as an "exigent circumstance request" granting an additional length of stay. Lastly, the Assembly inserts language directing OCFS to provide information and guidance to both crisis services and youth who may be re-entering foster care.

The Assembly accepts the Governor's proposal authorizing the Department of Health to license voluntary foster care agencies health facilities for limited health-related services.

Public Assistance

The Assembly rejects the Executive's proposal authorizing the State to intercept all lottery winnings over \$600, up to the amount of public assistance received, given to public assistance recipients during the last ten years. Projected to generate \$3.1 million in State revenue, this proposal increases the interception of lottery winnings from 50% of winnings to a full 100%.

The Assembly accepts the Executive's proposed increase for SSI recipients. Proposed increases range from \$1- \$3 per month, dependent upon the type of care received. Additionally, the Assembly inserts language authorizing increases in monthly amounts for individuals receiving enhanced residential care, starting in Jan 2017. The base level for an individual is \$1,429 and \$2,858 for a couple. For Jan. 2018 and beyond, \$1,549 is provided for an individual and \$3,098 for a couple.

The Assembly concurs with the Executive's proposal to require two background checks for employees, consultants, assistants and volunteers of publicly funded emergency shelters. The background checks will be required for individuals who have the potential for regular and substantial contact with individuals cared for by the shelters.

Child Care

The Assembly proposes language that would authorize local social services districts to offer a work exemption for public assistance recipients (for up to one year) who currently receive childcare subsidies for their children. This option would be available in the event the local district cannot serve all eligible families. The legislature would also be required to submit an annual report identifying the counties that have discontinued or restored funding and the number and age of children who could not be served. This language borrows heavily from Senator Avella's legislation (S.1938).

The Assembly also proposes languages mandating that local social services districts include high school education, GED certification, or four-year college coursework as available vocational educational training activities for public assistance recipients. Additionally, the Assembly

proposes that homework required by the educational institution shall count as satisfaction of the participant's work activity requirements. A5188 (Titus).

Preventing Homelessness

The Assembly proposes the creation of a new program called the "Home Stability Support Program" which will provide housing supplements for 14,000 public assistance recipient households who are homeless or at risk of facing eviction. Additionally, local social services districts are to provide a full fuel supplement as well to assist with the cost of heat. The Assembly has provided \$30 million to fund the first year of the program, and also provides \$10 million to be used as advance payment to counties to support HSS.

Cost of Living Adjustment

The Assembly rejects the proposed deferral of human services cost of living adjustment (COLA) for one year starting April 2017 through March 2018.

Labor and Workforce

General State Charges

The Assembly provides an All Funds appropriation of \$4 billion for general State charges, which includes a \$14.7 million increase over the Executive's proposal. The Assembly rejects the Executive's proposal to eliminate reimbursement of the Income Related Monthly Adjustment Amount (IRMAA) and institute a freeze in Medicare Part B premium support, and restores \$5.4 million. The Assembly also rejects the Executive's proposal to implement differential healthcare premiums based on years of service, and restores \$3.4 million.

The Assembly rejects the Executive's proposal to require the rate of interest paid upon any judgement or accrued claim be calculated at a rate equal to the weekly average one year constant maturity rate Treasury yield, up to a maximum of nine percent, and restores \$6 million to offset this rejection.

Wage Theft and Workers' Rights

The Assembly accepts the Executive's proposals to crack down on wage theft, and goes further in several ways. Beside enforcement remedies for DOL and remedies against out-of-state LLCs, the Assembly includes language that encompasses S.579/A.628 (Peralta/Rosenthal), the so-called "SWEAT" Bill. This legislation would establish a wage-lien to prevent an employer from liquidating assets and terminating the business in order to avoid paying a wage theft judgment. This legislation has historically been supported by members of the Senate Democratic Conference.

The Assembly modifies the Executive's proposed part-time unemployment insurance program and increases the allowable part-time wages before a UI 25% deduction for each day of work from 40% to 50% of the weekly award (i.e., from approximately \$165 per week to \$210 per week).

Public Employees

The Assembly rejects the proposal to create an Administrative Hearings Unit and a proposal that would cut State retiree healthcare and allow OITS flexible hiring authority.

The Assembly adds a new provision to require a cost-benefit analysis for a consulting contract worth more than \$750,000 per year let by the State to determine if in-sourcing the work to the public sector would be more cost-efficient for the services required. Any consulting work that would cost more than 50 State jobs would be held until state employees had an opportunity to work through a collective bargaining unit to lower public costs to be less than 10% greater than the outsourced contract costs.

Miscellaneous

- The Assembly adds a new provision requiring projects that receive an award from various economic development sources, such as the ESDC, SUNY/CUNY 2020, Buffalo Billion, or tax exempt IDA projects worth more than \$150,000 in tax exemptions to be deemed public works, and subject to prevailing wage.
- The Assembly modifies the proposed expansion of the Urban Youth/New York Youth Jobs Tax Credit program. The Assembly proposes a five year extension of \$40 million per year (\$25 million within residency and \$15 million out of residency), and an additional \$15 million for a newly created program supporting tax credits for apprenticeships (the Empire State Apprenticeship Tax Credit program).
- The Assembly rejects most of the Governor's proposed reforms to the State Insurance Fund but modifies one section on audits to create a \$5-\$10,000 penalty and, in rare cases, a Class E felony for an employer who willfully fails to furnish records or falsifies records as part of a lawful audit, in lieu of the Governor's proposal to kick such an employer off of SIF insurance coverage.
- The Assembly includes a new provision in the TEDE bill that would create a labor and job standards program for jobs implementing climate and community protection act work. Among other things, this language would ensure that projects with at least \$100,000 in State aid or worth \$10 million or more would include prevailing wages, labor peace provisions, apprenticeship utilization, and other worker protections.
- The Assembly adds a new Strategic Workforce Initiative. This program would identify areas experiencing shortages in skilled workforce, and support education programs that help fill the employment and training needs of employers, including connecting youth workers and unemployed individuals to such job opportunities.

Local Government

School Tax Relief (STAR)

The Assembly accepts the Executive proposal to convert the New York City Personal Income Tax (PIT) Rate Reduction Benefit to a New York State PIT Credit, and accepts with technical modifications the Executive proposal to authorize municipalities to accept partial payment of real property taxes. The Assembly rejects Executive language capping the STAR Exemption at

2017-18 level, making the Income Verification Program mandatory, and relaxing STAR Credit secrecy rules, and assessing co-ops for the STAR Credit. The Assembly also limits the STAR Credit to 2016 only, and reopens the STAR Exemption Program to new homeowners.

Aid to Localities

The Assembly rejects Executive language that subjects Base Level Grant funding to possible reductions if receipts are less than the amount assumed in the 2017-18 Financial Plan, and makes it contingent on passage of a 2017 Chapter Law creating the County-wide Shared Services Property Tax Savings Plans. The Assembly also rejects Executive language subjecting reappropriations for awards under the Local Government Performance and Efficiency Program to possible reductions if receipts are less than the amount assumed in the 2017-18 Financial Plan.

The Assembly denies the Executive Budget's \$35 million appropriation for the continuation of Citizen Empowerment Tax Credits and Citizens Reorganization Empowerment Grants, and \$4 million appropriation for the continuation of Local Government Efficiency Grants.

The Assembly restores and makes permanent \$2 million in per capita aid to villages, and adds \$62.7 million to the Executive's proposed \$715 million in Base Level Grant funding, including \$12.5 million to the City of Albany, and \$50 million in increased aid to all municipalities. The Assembly accepts the Executive's recommendation of \$28.9 for Aid to Municipalities with Video Lottery Gaming Facilities, \$2.25 million in Miscellaneous Financial Assistance to Madison County, and \$217,300 in Small Government Assistance to Essex, Franklin and Hamilton Counties.

County-Wide Shared Services Aid Linkage

The Assembly rejects the Executive's proposal for County-wide Shared Services Property Tax Savings Plans, and adds language authorizing the increase AIM Base Level Grant funding to all municipalities by \$50 million, and language permanently fixing Per Capita Village Aid at \$2 million.

Partial Property Tax Payments

The Assembly accepts the Executive's proposal to allow taxpayers to make partial property tax payments. Under current law, real property taxpayers generally cannot make partial payments on their general property taxes, nor their school property taxes. This proposed change authorizes municipalities to enact a local law or resolution for the collection and acceptance of partial payments for general and school property taxes, unless the governing body of the municipality or the governing body of the school district pass a resolution prohibiting partial payments, or limits the conditions for partial payments. Under such circumstances, partial payments would be accepted in accordance with the conditions of the resolution.

Market Rate Interest Rates on Court Judgments

The Assembly rejects the Executive's proposal for lower, market rate interest rates on court

judgments and accrued claims paid by the State, municipal corporations and certain public corporations and housing authorities. The Executive Budget proposal amends the General Municipal Law, the Public Housing Law and the State Finance Law to provide that the interest rate on court judgments and accrued claims against the state, municipal corporations, certain public corporations and housing authorities would be determined by the market-based rate of interest (the weekly average one year constant maturity Treasury yield). Currently, the interest rate on judgments and accrued claims is 9%. The market-based interest rate hovers around 1%.

County-Wide Shared Services Property Tax Savings Plan

The Assembly rejects the Executive's proposal for a county-wide shared services property tax savings plan. The proposal amends the Municipal Home Rule Law to require county officials to develop localized plans to find the property tax savings that could be achieved by coordinating and elimination duplicative services and proposing coordinated services to enhance purchasing power. The plans would be put to the voters in a referendum in the November 2017 general election to decide whether to adopt them. The plan would be prepared by the county's Chief Executive Official, such as the County Executive or the County Manager.

The plans would be due to each county's legislative body by August 1, 2017, to review the plan within 45 days. If the plan is not approved by the voters the county government would prepare a new plan for the following year. Aid and incentives for municipalities (AIM) payments would be contingent on the enactment of this shared services legislation in the SFY 2017-2018 Budget.

Mental Health

Office of Alcoholism and Substance Abuse Services

The Assembly concurs with the Executive's recommendation and provides \$121.16 million in All Funds support for State Operations.

The Assembly provides \$539.38 million in All Funds support for Aid to Localities, an increase of \$35.19 million over the Executive recommendation. This increase is attributed to the following:

- \$3.2 million to reject the deferment of the Human Services .08% Cost of Living Adjustment;
- \$2 million to restore Substance Abuse Prevention and Intervention Specialist (SAPIS) in New York City through the Department of Education; and
- \$30 million for heroin, opiate abuse services, including expansion of treatment, recovery support programs, and peer support programs.

The Assembly provides \$78 million in Capital funding for OASAS, an increase of \$10 million over the Executive recommendation. This increase in funding is to support residential bed and opioid treatment program development.

Office of Mental Health

The Assembly provides \$2.3 billion in All Funds support for State Operations, an increase of \$2.15 million over the Executive recommendation. This increase is attributed to a provided \$2.15 million for the continuation of hospital-based restoration units.

The Assembly provides \$1.47 billion in All Funds support for Aid to Localities funding, an increase of \$10 million over the Executive recommendation. Details of the funding increase are as follows:

- \$9.85 million to reject the deferment of the Human Services .08% Cost of Living Adjustment; and
- \$1 million for Crisis Intervention services and diversion programs.

The Assembly provides \$384.5 million in Capital funding, \$10 million increase over the Executive recommendation. This increase is directed to Children's Behavioral Health Services.

Office for People with Developmental Disabilities

The Assembly includes \$2.15 billion in All Funds support for State Operations, an increase of \$500,000 over the Executive recommendation. This increase is for the continuation of OPWDD omnibus reporting and panel responsibilities.

The Assembly includes \$2.32 billion in All Funds Support for Aid to Localities funding, an increase of \$64 million over the Executive recommendation. This increase is attributed to the following:

- \$45 million to support increases in salaries for direct care staff, and direct care professionals, other support staff, front line supervisors and program staff;
- \$18.4 million to reject the deferment of the Human Services .08% Cost of Living Adjustment; and
- \$600,000 to support the operation of the Institute for Basic Research.

The Assembly concurs with the Executive recommendation of \$86 million in Capital funding.

Jail-Based Restoration To Competency

The Assembly rejects the Executive's proposal to authorize the creation of mental health pods within local jails to restore felony defendants deemed incompetent to stand trial to competency.

Human Services Providers

The Assembly rejects the Executive's proposal to defer the human services cost of living adjustment of 0.8% for one year.

The Assembly adds the following provisions:

- Requires a report by OPWDD on the progress of meeting the housing needs of people with developmental disabilities;

- Prohibits the merger of Western New York Children’s Psychiatric Center with another healthcare facility and require the center to be maintained as a separate and distinct entity;
- Requires agencies where 25% or more of its workforce accrues overtime to report to the legislature and maintain and fill FTEs; and
- Requires that when OMH is seeking to transfer any inpatient services from a State-operated facility to another facility the agency must ensure quality patient care is maintained, reinvest any savings into community-based services, and cannot reduce staff due to the transfer.

Parks and Cultural Affairs

State Park System Infrastructure Upgrades

The Assembly accepts the Executive’s \$120 million NY Works capital appropriation for State Park infrastructure improvements. This proposal was rejected by the Senate.

Funding for the Empire State Trail

The Assembly provides \$20 million for the Empire State Trail, a \$180 million reduction from the Executive’s proposal. Funding is split as follows: \$10 million Hudson River Valley Greenway Communities Council (Exec = \$123 million), and \$10 million NYPA (Exec = \$77 million). The Senate rejected all Trail funding.

Shift of State Reimbursement for Navigation Law Enforcement to the EPF

The Assembly adds \$2 million to OPRHP state operations by rejecting the transfer of local navigation law enforcement to the EPF.

Proposed Arts and Culture Funding

The Assembly accepts the Executive’s ATL proposal of \$42.5 million for the NYS Council on the Arts. The Assembly also accepts the Executive’s proposal of a new \$10 million initiative for downtown arts and cultural development through the UDC.

ORDA Capital Funding

The Assembly accepts the Executive’s proposal of \$38 million for the Olympic Regional Development Authority to expand offerings at its managed ski resorts in the Adirondack and Catskill Parks.

Statutory Removal of the Chairman of SAC Salary

The Assembly One-House accepts the Executive’s proposal to remove the chairman of the State Athletic Commission from the list of positions with the statutory salary of \$101,600.

Public Protection

Department of Corrections and Community Supervision

Maximum Security Visitation Schedule: The Assembly restores \$2.6 million in State Operations funding for the 7-day visitation period for maximum-security prisons. The Executive had eliminated 39 FTEs by reducing the number of days that visitors would be allowed at maximum security correctional facilities from seven to three days.

Division of Criminal Justice Services

Bail and Pre-trial Detention: The Assembly rejects \$300,000 in State Operations funding to develop a plan to create and implement a risk assessment tool to be used by judges as part of pre-trial release determinations.

Raise the Age of Criminal Jurisdiction: The Assembly provides an additional \$10 million in Aid to Localities funding to local probation departments in order to support the adjustment and diversion services needed in preparation for Raising the Age of Juvenile Jurisdiction.

SNUG: The Assembly provides \$4.8 million in funding for the SNUG program, the same amount of funding as in the Executive proposal. However, it modifies the appropriation language by specifically restoring programs in Bronx County, Richmond County, New York County, Kings County, Queens County and the City of Poughkeepsie.

Legal Assistance Fund: The Assembly restores \$2.83 million in Legal Assistance Fund (LSAF) allocations for civil and criminal legal service grants and modifies the Executive's proposal by reprogramming \$1.37 in proposed LSAF funds to support additional civil or criminal legal services.

Westchester Policing Program: Restores \$1.98 Million for Westchester Policing Program.

Other Assembly Restorations: The Assembly takes the following funding actions for Aid to Localities programs:

- Adds \$300,000 to restore an allocation of the Federal Byrne Justice Assistance Grant;
- Provides \$2.8 million to restore the various Executive across the board reductions except the above restoration of Westchester policing;
- Restores \$1 million in support for immigrant legal services;
- Restores the \$1 million Legislative add for the Defenders Association, bringing them back to full funding;
- Restores the \$250,000 cut in Prisoner's Legal Services, and adds an additional \$500,000 bringing total funding for the program to \$2.95 million;
- Provides an additional \$703,000 to support ATI programming; and
- Restores \$609,000 for domestic violence related civil and criminal legal programming.

Division of Homeland and Security and Emergency Services

Emergency Preparedness and Response Training: The Assembly denies \$3 million in State Operations funding to support a number of new training programs for local first responders related to emergency preparedness and response, including: active shooter exercises at the State Preparedness Training Center.

Interoperable Communications: The Assembly reprograms \$15 million in unallocated interoperability funds and provides these funds to support grants to counties for the development and implementation of the Next Generation 911 services. In addition, the Assembly establishes a new \$100 million capital grants program to assist counties with the development and implementation of Next Generation 911 services.

Personnel Transfer from DHS to OGS

The Assembly accepts the Executive's proposal regarding the transfer of Human Resources personnel from Division of Homeland Security to the Office of General Services to work in the Business Services Center. The 2017-2018 Executive Budget authorizes the transfer of certain human resource employees.

Judicial Commissions

The Assembly adds \$100,000 to the Commission on Judicial Conduct.

State Takeover Office of Indigent Legal Services

The Assembly rejects the Executive's proposal to allow the Division of the Budget to takeover the Office of Indigent Legal Services. As a consequence of this rejection, the Assembly restores 44.8 million for State Operations.

Division of Military and Naval Affairs

The Assembly takes the following actions in Capital Projects funding:

- Reduces by \$5 million to \$15 million for improvement/maintenance of State Armories; and
- Reduces the proposed expanded deployment of the National Guard at NYC bridges and Tunnels by \$170 million. The Assembly funds \$33 million for the Joint Task Force Empire Shield for one year.

Division of State Police

The Assembly rejects the Executive's proposal to provide \$41 million in new support for the operation of a permanent State Police Troop NYC. This proposal supported the deployment of 150 State Troopers providing additional security at airports and conducting counter-terror exercises at nine bridges and tunnels operated by the Metropolitan Transportation Authority.

Office of Victims Services

The Assembly allocates \$2 million in the existing Federal Funding appropriation in Aid to Localities for Lifespan of Greater Rochester, Inc. to support the sustainability and expansion of Enhanced Multi-Disciplinary Teams.

Raise the Age

The Assembly rejects the Executive's Raise the Age proposal, and instead proposes language that is almost identical to A.4876 (Lentol)/S.4157 (Montgomery), which passed 86-46 in the Assembly in February 2017. This legislation would initiate the vast majority of cases against 16- and 17-year-olds in Family Court, and would initiate only a small number of high-level violent felonies in a specially created Youth Part of the criminal court. This legislation would also ensure that teenagers are not housed in adult jails and correctional facilities, and would require the State to reimburse all expenses incurred by counties and localities in implementing the legislation.

Sentencing Reform

The Assembly accepts the Executive's proposal to shift some release determinations from the Board of Parole to the Department of Corrections and Community Supervision. The Assembly rejects the Executive's proposal to eliminate indeterminate sentencing for most non-violent felonies. The Assembly modifies the Executive's proposal for reduction of post-release supervision, and establishes that defendants convicted of sex offenses, homicide, hate crimes, and terrorism are not eligible for a reduction of post-release supervision under this provision.

The Assembly also expands the Executive's proposal to add eligible programs for Limited Time Credit Allowances, and adds that those who complete 60 college semester credits, or any Associate's, Bachelor's, or Master's degree is eligible for a reduction in sentence.

Recording of Interrogations and Admissibility of Photo Arrays

The Assembly expands the Executive's proposal that interrogations of suspects in high-level felonies be recorded when conducted in certain facilities. The Assembly proposes that all interrogations of crime suspects be recorded in those facilities, regardless of the level of offense. The Assembly also establishes procedures for the administration of photo arrays, where the Executive's proposal directed the Division of Criminal Justice Services to devise and promulgate best practices for photo arrays.

Public Defender Services

The Assembly bill rejects the Executive's reimbursement plan for public defender services, and instead adopts a plan similar to last year's bill A.1903 (Fahy)/S.8113 (DeFrancisco), which passed unanimously in both houses before being vetoed. The Assembly's proposal would gradually shift the level of reimbursement for these services to the State beginning on April 1, 2018, and ending with 100% reimbursement on April 1, 2024. The Assembly's proposal would

also establish procedures for improving the quality of public defender services. The Assembly accepts the proposed raise in attorney registration fees and further increases the proposed raise in criminal background check fees, but rejects the proposed raise in driver's license suspension lift fees. The Assembly also proposes shifting approval for bar association indigent legal services programs from the Office of Court Administration to the Office of Indigent Legal Services.

Speedy Trial Reform

The Assembly adds language that mirrors S.1998-A (Squadron). This bill would allow courts to determine if the prosecution is actually ready for trial. It would also require courts to declare on the record whether each adjournment is excludable from speedy trial time, and to inform defendants of their speedy trial rights on the record. Further, it would require prosecutors to support with facts any declaration of un-readiness following a declaration of readiness, and require the court to approve the People's un-readiness. The bill would also prohibit adjournments due to court congestion from being excluded from speedy trial time.

Charitable Bail Organizations

The Assembly adds language that reduces the cost of a certificate for a charitable bail organization, increases the maximum amount of cash a charitable bail organization may deposit on behalf of a defendant, expands the offenses for which a charitable bail organization may post bail, and allows charitable bail organizations to post bail in multiple counties. This language mirrors S.4776/Rivera.

Miscellaneous Provisions

- Includes language that would bar DOCCS from reducing visitation hours at maximum security prisons;
- Accepts the Executive's proposal to decriminalize public possession of small amounts of marijuana, and adds language that would seal some marijuana convictions;
- Rejects the Executive's proposed set of expanded Identity Theft and Computer Tampering crimes;
- Accepts the Executive's proposed Hate Crimes Task Force;
- Adds language that explicitly states that assigned counsel for criminal appeals are authorized to prepare motions to vacate a judgment or vacate a sentence; and
- Accepts the Executive's proposals regarding Victims' Services awards.

Racing, Gaming & Wagering

Equine Drug Testing

The Assembly rejects the Executive's proposal to shift costs for equine drug testing. Regulatory costs for Gaming Commission operations are funded via assessments on the industry. This proposal continues that trend by assessing costs associated with equine steroid and drug testing from the state onto the racing industry itself. Enactment of this proposal would result in approximately \$4.5 million in savings to the state.

Charitable Gaming Laws

The Assembly modifies the Executive's proposal to update the State's charitable gaming laws. The Assembly rejects completely consolidating all charitable gaming laws into the Racing, Pari-Mutual Wagering and Breeding law. It does, however, relax criminal history background checks and expand the list of who may conduct charitable gaming to volunteer ambulance workers. Bell jar single prize limits are increased to \$1,000, as well as other single prize limits. Bingo aggregate prize limits are also increased from \$1,000 to \$5,000 for a single prize, and up to \$15,000 for any one bingo occasion, in the aggregate.

NYRA Privatization

The Assembly modifies the Executive's proposal to allow NYRA to return to private control. This modification is similar to that proposed by the Senate. In addition, the Assembly modifies the Executive's proposal to authorize a reduction in the number of winter race dates at Aqueduct, subject to agreement with the respective horsemen and breeders associations and approval of the Gaming Commission. The Senate rejected this part of the Executive proposal. The Assembly and Senate both rejected the Executive proposal to permit NYRA to run nighttime races up to 11 p.m. at Belmont racetrack. The Assembly and Senate also removed the additional financial oversight controls to the state Franchise Oversight Board ("FOB"), in the event NYRA fails to operate at a profit or materially deviates from its adopted financial plan.

The new, private NYRA Board would have fifteen members. Composition of the Board is modified from the Executive proposal. Members would be appointed as follows:

- One Member by the Temporary President of the Senate;
- One member by the Assembly Speaker;
- Two by the governor;
- The CEO of NYRA;
- One on behalf of the thoroughbred breeders association;
- One on behalf of the thoroughbred horsemen's association; and
- Eight, elected by the Executive committee of the NYRA reorganization board. At least one of which would have to be a full-time resident of Saratoga, Nassau, and Queens Counties. Members would serve 3- year terms.

Assembly Adds

Jockey Compensation Insurance Fund

The Assembly adds a new Part GGG pertaining to the Jockey Compensation Insurance Fund ("JCIF"). This language is almost identical to that proposed in Part EEE of the Senate one-house revenue bill.

This proposal alters the statutory requirements for whom the jockey compensation insurance fund must provide insurance to. Specifically, the proposal allows the fund to cover licensed employees of licensed trainers or owners, subject to approval by the Gaming Commission. The fund would also be able to elect, with the approval of the Gaming Commission, to secure

coverage through some form of self-insurance. Under current law, licensed employees of licensed trainers, such as hot walkers and exercise riders, are covered by the workers compensation policy of the trainers for whom they work. Last year, the Governor vetoed a proposal very similar to this bill (S5541B). According to the veto, the bill would allow insurance companies to administer claims without receiving approval from the Worker's Compensation Board. In addition, the bill contained no penalty provisions if the JICF decided to eliminate coverage for any of the new employees that would be covered. Ultimately these flaws led the Governor to conclude that the bill would not help control workers' compensation costs and could even decrease protections.

Resorts World and Nassau OTB Revenue Sharing For VLTs

The Assembly adds a new Part HHH to address issues that have been raised pertaining to the siting and placement of VLTs at Resorts World in conjunction with Nassau Off-Track Betting. The proposal requires Resorts World to site an additional 400 VLTs on the premises for Nassau OTB. In addition, Resorts World would be required to maintain at 2015 levels, the amount of education aid from VLTs at Aqueduct, as adjusted going forward by the consumer price index. Purse payments, as well as breeding and development payments would also have to be maintained at 2015 levels. The bill also provides for a marketing allowance payment for hosting VLTs on behalf of Nassau OTB at Resorts World.

Revenue and Taxes

Denials of Executive Proposals

The Assembly rejects the following revenue items proposed by the Executive:

- Establishing the Life Sciences Tax Credit Program;
- Extending the current high-income personal income tax surcharge;
- Requiring tax compliance for new State employees;
- Requiring a new regulation regarding the amount of untaxed cigarettes to seize a vehicle;
- Requiring tax compliance for medical practitioners; and
- Extending jeopardy assessment provisions to the cigarette and tobacco tax.

New Items Added by Assembly

- Establishing four new NY State personal income tax brackets with the highest at 10.32% for incomes over \$100 million;
- Reducing the corporate tax rate for small business and increase the small business deduction for personal income taxpayers;
- Doubling the Investment Tax Credit Research and Development (R&D) Component;
- Doubling to 6% the Excelsior Jobs Program's R&D Credit Cap;
- Enhancing the Earned Income Tax Credit (EITC) from 30% to 35% of the Federal Credit.
- Proposing a five-year non-refundable tax credit for new or retrofitted principal residences, which are designed for accessible and adaptive housing;
- Proposing the creation of two credits to incentivize music and digital gaming production in the State;

- Proposing a NYC Elder Rental Assistance Program to help low-income seniors whose rent is more than 30% of their income. This Program would be funded by a 2.5% additional tax on the transfer of residential property when the transfer involves properties valued at \$2 million or more;
- Establishing a Farmers Food Donation Tax Credit Program for farmers who donate food-to-food banks or emergency food programs;
- Establishing a refundable tax credit for student's loan interest based on the Federal interest deduction for education loans; and
- Accessing capital for small rural businesses via a non-refundable tax credit for investors who allow their capital to be invested in small rural businesses.

Modifies Executive Proposals

- Instead of a permanent extension, extends the warrantless wage garnishment program for two years; and
- Increasing the rate of taxation on vapor inhalation products from 10 cents per fluid milliliter to 40 cents per fluid milliliter.

Accepting Executive Proposals

- Allowing the partial payment of local property taxes if agreed to by the locality;
- Extending existing oil and gas fees in Real Property Tax Law;
- Extending the Empire State Film Production Credit Program to 2022;
- Reforming the Investment Tax Credit Program;
- Extending the Alternative Fuels and Electric Vehicle Recharging Property Credit;
- Permanently extending the charitable income deduction limitation for high-income taxpayers;
- Enhancing the existing Child and Dependent Care Tax Credit Program;
- Allowing warrantless bank account data matching;
- Requiring S-Corporations to conform to Federal taxation treatment at the State level;
- Closing the cooperative housing tax loophole that benefits non-residents;
- Closing the non-resident asset sale loophole that benefits non-residents;
- Modernizing the collection of sales taxes via the Internet by requiring marketplace providers to act as sales tax vendors;
- Clarifying the application of sales taxes on the distribution of electricity. Sales tax would be due on the delivery - only if delivered by the provider;
- Extending the public safety surcharge to pre-paid telecommunication services and devices. In addition, localities would have the option of applying the surcharge also;
- Changing the method of taxation of cigars from a percentage of the wholesale price to a tax of 45 cents per cigar; and
- Closing the existing Real Estate Tax Transfer tax loophole that allows individuals to avoid paying the additional 1% tax on properties valued at \$1 million or more ("Mansion Tax").

Alcohol Oriented Revenue Proposals

- The Assembly rejects the Executive proposal to establish “Taste-NY” permits. The proposal authorizes the issuance of *up to ten* special licenses for the sale of alcoholic beverages at retail for consumption off-premises to those individuals with a written agreement with Agriculture and Markets to operate a “Taste NY” store; and
- The Senate rejects the Executive’s proposal to create a new motion picture alcohol permit. A new retail on-premises license for consumption would be created to allow for on-premise alcoholic beverage sales in licensed motion picture theaters, under specific conditions.

Transportation and Public Authorities

CHIPS

The Assembly provides an additional \$50 million for Consolidated Highway Improvement Program funding, bring the total to \$488 million.

Non-MTA Capital

The Assembly provides an additional \$30 million for non-MTA downstate and upstate transit capital projects. The Assembly includes \$11.8 million for upstate transit capital aid and \$18.1 million for downstate transit capital aid. This brings the total non-MTA transit capital appropriation for the year to roughly \$115 million.

New York Works

The Assembly provides \$1.54 billion for the New York Works program, a reduction of \$65 million and repurposes this money to provide capital funds for the MTA to hold it harmless from the Executive’s reduced General Fund transfer offsetting MTA payroll tax exemptions. The Executive appropriated an additional \$270 million for New York Works in the 30-day Amendments.

The budget also amends the appropriations language, specifically identifying projects to fund within existing appropriations. These projects include: up to \$15 million to transform State Route 787 in the City of Cohoes into a boulevard; up to \$4 million to improve diesel train emissions standards (including \$3 million for LIRR trains); \$1 million for the City of Rochester for an alternatives analysis of the Inner Loop North Transformation Project; and funding for road salt management projects.

Engineering Reallocation

The Assembly reallocates \$6.4 million in appropriations for design and construction expenditures from consultant engineers to support state workforce engineers instead.

Verrazano Narrows Bridge Vehicle Rebate

The Assembly provides an additional \$1.65 million for costs associated with increasing the Verrazano Narrows Bridge residential rebate program, to provide additional 12-cent rebate for Staten Island residents related to the MTA's biennial toll increases for bridges and tunnels.

Mass Transit Operating Aid

The Assembly provides \$6 million in Aid to Localities appropriations to the Department of Transportation for transit operating assistance. The Assembly includes \$201.7 million for upstate transit operating assistance, a \$3 million increase. The Assembly includes \$306.5 million for non-MTA downstate transit systems, an increase of \$3 million.

Downstate non-MTA system increases:

- \$33,300 for Rockland County
- \$324,600 for Staten Island Ferry
- \$544,800 for Westchester County
- \$658,900 for Nassau County
- \$256,300 for Suffolk County
- \$867,400 for NYC DOT
- \$314,700 for Formula Aid

Upstate Transit System increases:

- \$539,400 for CDTA
- \$492,400 for CNYRTA
- \$597,900 for RGRTA
- \$776,600 for NFTA
- \$593,700 for Formula Aid

Design-Build

The Assembly rejects the Executive's proposal to expand and extend design-build.

Miscellaneous

- Modifies the proposal to increase the divisible load permit cap for motor carriers by eliminating the penalty modifications and removing the provision authorizing DOT to change the cap administratively;
- Rejects the Executive's proposal to empower the Public Transportation Safety Board to withhold transit operating assistance funds for failure to comply with PTSB orders;
- Rejects the Executive's toll enforcement proposal;
- Accepts the Executive's motor vehicle title fee increases;
- Rejects the Executive's omnibus motorist safety legislation and urges discussion outside of the Budget; and
- Rejects the Executive's proposal to authorize DOT to enter into shared services agreements with NYPA and the Canal Corporation to maintain the canal system.

Metropolitan Transportation Authority

The Assembly provides \$65 million in capital appropriations to offset the Executive's reduced funding to offset revenue losses incurred by the MTA from payroll tax changes from 2011.

Transit Sweeps & Transfers Language

The Assembly accepts the Executive's proposed \$121.5 million sweep from downstate transit funds and the reduction \$65 million of MTA assistance committed since 2011, but it seeks to offset the latter by providing \$65 million in additional capital funds from New York Works appropriations. The Executive added \$270 million to New York Works with no additional explanation.

Policy Adds

The Assembly adds a repeal of the definition of "transportation purpose" that was added to the 2016 Enacted Budget. The Budget proposal was opposed by the City of New York and many local parks groups and community advocates. An identical bill was vetoed in 2016 (S.8037 of 2016).

The Assembly adds a prohibition of ornamental roadway lighting on Triborough Authority bridges and tunnels, in response to the "New York Crossings Project" proposed in the State of the State.

The Assembly adds a directive to the MTA to produce an alternatives analysis for construction of a light rail system on Staten Island's West Shore by June 30, 2017.

The Assembly adds a directive to the MTA to implement a toll rebate plan for the Cross Bay Veterans Memorial Bridge in Queens for School District 27 employees and students/parents.

Department of Motor Vehicles

The Assembly provides \$3 million to counties for STOP-DWI and ignition interlock programs.

Transportation Network Companies

The Assembly rejects the legislation providing special authorization for transportation network companies to operate.

NYC Traffic Adjudication Sweep

The Assembly rejects the Executive's transfer of \$3 million of moving violation revenues from New York City to the General Fund.

Alternative Procurements

The Assembly rejects the Executive's proposal permitting DOH to partner with DASNY to use alternative delivery methods on hospital consolidation projects like the Wadsworth Laboratories.

The Assembly rejects the Executive's proposal to permanently extend DASNY's authority to enter into design and construction management agreements with DEC and ORPHP.

Port Authority

The Assembly rejects the Executive's proposal to create another inspector general to oversee New York-specific Port Authority projects.

Veterans

The Assembly takes the following funding actions for Aid to Localities programs:

- Adds \$1 million in funding to support expenses of volunteer mentors of Veterans Courts may also be used to provide peer support, recruit, train volunteer mentors connecting Veterans with support services;
- Specifies that congressionally chartered Veterans organizations shall receive \$250 upon assignment of a local legislative body to perform such burial; and
- Provides \$675,000 in a lump sum appropriation for various local initiatives.

Veterans' Treatment Courts

The Assembly Majority accepts the Executive proposal to enhance services provided through veterans treatment courts and broaden the availability of those courts and modifies to allow funding to support mentor recruitment and to remove the requirement of district attorney consent to move the case to specialized courts. The 2017-2018 Executive Budget authorizes local criminal courts to share the same veterans' treatment court located within the same county or an adjoining county. To the extent practicable, this proposal would authorize the establishment of as many veteran treatment courts as may be necessary to fulfill the purposes of drug courts.

Additionally, felony and misdemeanor cases pending in local criminal court may be removed to another local criminal court in the same or adjoining county that has a veterans' treatment court part. This proposal would also funding for peer-to-peer veteran mentoring services.