

STAFF REPORT
ON THE SFY 2008-09
SENATE BUDGET

As Prepared by the Senate Finance Committee



Senator Joseph L. Bruno
President Pro Tem & Majority Leader

Senator Owen H. Johnson
Chairman, Finance Committee

March 18, 2008

Senate Finance Committee

Owen H. Johnson
Chairman

Majority Members

Caesar Trunzo

Serphin R. Maltese

Dale M. Volker

Kemp Hannon

Frank Padavan

William J. Larkin, Jr.

Kenneth P. LaValle

John A. DeFrancisco

Dean G. Skelos

Michael F. Nozzolio

James L. Seward

Mary Lou Rath

Stephen M. Saland

Vincent L. Leibell

Hugh T. Farley

George D. Maziarz

Thomas W. Libous

Carl L. Marcellino



STAFF REPORT ON THE SFY 2008-09 SENATE BUDGET

As Prepared by the Senate Finance Committee

Jeffrey Lovell

Secretary to the Finance Committee,
Special Advisor to the Majority Leader

Robert F. Mujica

Managing Director of Budget & Fiscal Analysis,
Deputy Secretary to the Finance Committee

David J. Natoli
Assistant to the Secretary

Peter S. Applebee
Deputy Director of Budget & Fiscal Analysis

Thomas P. Havel
Assistant Director

Michael Paoli
Assistant Director

Richard C. Mereday

Lauren E. King*

Mary C. Arzoumanian

David K. King

Mary D. Clark

Lilian Kelly

Shawn M. MacKinnon

Gerard Zabala

Jacqueline Y. Donaldson

Kevin Bronner

Heather Mowat

Nicole Fosco

Steven A. Taylor

Megan Baldwin

Maria A. LoGiudice

Eugene Sit

Ade Somide

Mark Nachbar

Peter C. Drao

**Publication Editor*

TABLE OF CONTENTS

- Executive to Senate Budget Reconciliation 1
- Summary of Select Avails 2
- Summary of Proposed General Fund Changes 3
- Senate Restorations of Proposed Cost Shifts to Local Governments
and Property Tax Relief 4
- Education Funding for the Senate Budget 8
- Health Funding for the Senate Budget 9
- Higher Education Funding for the Senate Budget 10
- Tax, Fee and Other Revenue Summary 11
- Revenue Comparison 12
- Assembly Tax Proposals 14
- Rejected Executive Fees 15
- Detail of Proposed Adds and Cuts - *Senate / Assembly Comparison* 19
- Public Protection and General Government 36
- Legislature and Judiciary 49
- Debt Service 50
- Education, Labor and Family Assistance 51
- Health and Mental Hygiene 64
- Transportation, Economic Development and Environmental Conservation 72
- Revenue 88

Executive to Senate Budget Reconciliation
(millions of dollars)

	All Funds	State Funds	General Fund
Executive Budget	\$ 124,253	\$ 87,842	\$ 56,384
Total GF Changes	\$ 1,463	\$ 1,463	\$ 1,463
Property Tax Relief Restoration	\$ 279	\$ 279	\$ 279
Total GF Cuts	\$ (874)	\$ (874)	\$ (874)
GF Reestimates	\$ (381)	\$ (381)	\$ (381)
OTGF Adds	\$ 1	\$ 1	\$ -
OTGF Cuts	\$ (578)	\$ (578)	\$ -
SRF Impact Adds.	\$ 233	\$ -	\$ -
SRF Impact Cuts.	\$ (98)	\$ -	\$ -
SRF Impact Fraud	\$ (164)	\$ -	\$ -
SRF Impact Reestimate	\$ (107)	\$ -	\$ -
Senate Budget Total	\$ 124,027	\$ 87,753	\$ 56,871
Executive Budget Total	\$ 124,253	\$ 87,842	\$ 56,384
Difference	\$ (226)	\$ (89)	\$ 487
Difference Not Including Property Tax Rebates	\$ (505)	\$ (368)	\$ 208

**Comparison of Disbursements
(billions of dollars)**

	<u>SFY 07-08 Estimated*</u>	<u>Executive</u>	<u>SFY 08-09 Senate**</u>	<u>Assembly</u>
General Fund	\$53,586	\$56,384	\$56,871	\$57,080
State Funds	\$82,717	\$87,842	\$87,753	\$88,620
All Funds	\$118,304	\$124,253	\$124,027	\$124,842

* NYS Financial Plan Projections Executive Budget Supplemented for 21-Day Changes, SFY 2008-09 through 2011-12

**Comparison of Growth Rates
SFY 2008-09**

	<u>Executive</u>	<u>Senate</u>	<u>Assembly</u>
State Funds	6.20%	6.09%	7.14%
All Funds	5.03%	4.84%	5.53%

** Senate Figure Includes \$279M to restore Property Tax Rebates Cut By the Executive

SUMMARY OF SELECT AVAILS

SFY 2008-09

(millions of dollars)

<u>Item</u>	<u>Amount</u>
Spending Close Out (07-08 & 08-09)	\$ 160
Voluntary Tax Compliance Initiative	\$ 250
Reestimate Prior Year Revenue Actions	\$ 250
Fund Balances / Sweeps	\$ 429
Unclaimed Abandoned Property	\$ 275
Cigarette Tax Collections	\$ 160
Health Conversions	\$ 150
Income Tax Reserve Reestimate	\$ 250
Surplus Property	\$ 150
Lottery	\$ 200
Tax Audit Reestimate	\$ 175

TOTAL NEW AVAILS \$ 2,449

**REJECTED EXECUTIVE PROPOSED
TAXES AND FEES \$ (1,276)**

**RESTORATION OF STAR PROPERTY
TAX RELIEF \$ (319)**

GENERAL FUND ADDITIONS \$ (208)

Total Additional Reserve \$ 645

SUMMARY OF PROPOSED GENERAL FUND CHANGES
Including Reductions and Reestimates
(millions of dollars)

Conference Committee	Changes		Net Total	
Education	\$ 389	\$ (17)	\$ 372	
Higher Education	\$ 50	\$ (1)	\$ 49	
Health / Medicaid	\$ 482	\$ (143)	\$ 339	
Housing, Agriculture, Environment	\$ 21	\$ (13)	\$ 8	
Transportation	\$ 121	\$ (111)	\$ 10	
Human Services	\$ 96	\$ (55)	\$ 42	
Mental Hygiene	\$ 12	\$ -	\$ 12	
Public Protection	\$ 74	\$ (158)	\$ (84)	
General Government	\$ 202	\$ (40)	\$ 162	
Economic Development	\$ 16	\$ (38)	\$ (23)	
Restoration - STAR - Property Tax Relief	\$ 279	\$ -	\$ 279	
All Agencies Management Efficiencies	\$ -	\$ (300)	\$ (300)	
Spending Reestimates	\$ -	\$ (381)	\$ (381)	
TOTAL			\$ 487	

SENATE RESTORATION OF PROPOSED COST SHIFTS TO LOCAL GOVERNMENTS AND PROPERTY TAX RELIEF

The Senate rejected a series of budget cuts and cost shifts proposed by the Executive which would have increased school and municipal real property taxes in the upcoming year. In total the Senate rejected proposed cuts and cost shifts which would have increase property taxes by **over \$595 million** for 2008-09. They include reduced funding for STAR, a freeze in property tax rebate checks, reduced state funding for public assistance and the elimination of state funding for local detention centers. The attached chart provides a county by county breakdown for items one through four listed below. The Executive did not provide county by county data regarding the proposed preschool handicapped cost shift (item 5).

1. STAR and Rebate Checks (+\$319 million): The Executive budget proposed to freeze non-senior rebate checks at 2007 levels rather than funding the promised \$169 million increase. The Senate fully funds the rebate program and the associated \$40 million New York City Personal Income Tax credit enhancement. Also, the Executive proposed to reduce the traditional STAR exemption program by \$110 million by allowing STAR exemptions to decline by double the current maximum allowable change. The Senate fully restored this cuts.

2. Local Youth Detention Centers (+\$35 million): The Executive proposed to eliminate state support for the administration and operation of county run youth detention facilities. Previously the State paid 50 percent of the costs of these centers. The Senate fully restored this cost shift.

3. Public Assistance (+\$24 million): The Executive proposed to change the funding for TANF and Safety Net cases from a 50/50 split with counties to a 48 percent State / 52 percent county share. The Senate restores half of this proposed reduction for a cost savings of \$24 million to counties.

4. Aid to Municipalities (+\$171 million): The Executive did not fully fund the promised local aid program to New York City, which was underfunded by \$164 million. The Senate restores this cut. Also, the Senate provides \$7.1 million in additional Aid to municipalities which have been previously received less aid per capita than similar municipalities.

5. Preschool Handicapped Cost Shift (+\$46 million): The Executive proposed to shift the state share relating to the evaluation of preschool handicapped children and the administration of the Committee on Preschool Special Education to school districts. The Senate rejected this cost shift.

**SENATE RESTORATIONS OF PROPOSED
COST SHIFTS TO LOCAL GOVERNMENTS
AND PROPERTY TAX RELIEF**

County	LOCAL AID
Albany	\$7,431,117
Allegany	\$785,667
Broome	\$5,444,249
Cattaraugus	\$1,479,856
Cayuga	\$1,350,792
Chautauqua	\$1,987,846
Chemung	\$1,352,928
Chenango	\$1,126,641
Clinton	\$1,635,741
Columbia	\$1,261,355
Cortland	\$1,043,497
Delaware	\$811,935
Dutchess	\$6,815,571
Erie	\$13,629,898
Essex	\$546,776
Franklin	\$834,093
Fulton	\$1,157,894
Genesee	\$1,157,340
Greene	\$1,070,611
Hamilton	\$52,158
Herkimer	\$1,413,139
Jefferson	\$1,312,675
Lewis	\$425,388
Livingston	\$854,632
Madison	\$1,554,732
Monroe	\$18,194,410
Montgomery	\$1,222,982
Nassau	\$46,351,014
Niagara	\$3,994,150
Oneida	\$4,986,114
Onondaga	\$9,997,751
Ontario	\$1,908,830
Orange	\$9,240,589
Orleans	\$660,009
Oswego	\$2,697,136
Otsego	\$1,240,117
Putnam	\$4,059,654
Rensselaer	\$3,925,804
Rockland	\$10,469,823
St. Lawrence	\$1,839,891
Saratoga	\$4,998,130
Schenectady	\$3,823,100
Schoharie	\$1,226,582
Schuyler	\$378,781
Seneca	\$644,683
Steuben	\$1,618,837
Suffolk	\$39,650,989
Sullivan	\$1,839,931
Tioga	\$1,150,545
Tompkins	\$1,911,330
Ulster	\$4,205,205
Warren	\$1,416,300
Washington	\$1,457,123
Wayne	\$1,608,234
Westchester	\$47,619,819
Wyoming	\$401,826
Yates	\$349,164
New York	\$257,377,431
TOTAL	\$549,002,815
Prek Handicapped Cost Shift	\$46,000,000
Grand Total	\$595,002,815

Proposed Typical Rebates Non-Seniors First Income Bracket

COUNTY	Executive Proposal	Senate Proposal
ALBANY	\$373	\$435
ALLEGANY	\$379	\$442
BROOME	\$466	\$544
CATTARAUGUS	\$318	\$371
CAYUGA	\$376	\$439
CHAUTAUQUA	\$368	\$430
CHEMUNG	\$388	\$453
CHENANGO	\$383	\$447
CLINTON	\$371	\$433
COLUMBIA	\$323	\$377
CORTLAND	\$370	\$432
DELAWARE	\$304	\$354
DUTCHESS	\$424	\$495
ERIE	\$316	\$368
ESSEX	\$260	\$304
FRANKLIN	\$302	\$352
FULTON	\$346	\$403
GENESEE	\$450	\$525
GREENE	\$345	\$403
HAMILTON	\$152	\$178
HERKIMER	\$363	\$424
JEFFERSON	\$242	\$283
LEWIS	\$271	\$316
LIVINGSTON	\$382	\$446
MADISON	\$395	\$461
MONROE	\$403	\$470
MONTGOMERY	\$436	\$509
NASSAU	\$587	\$685
NIAGARA	\$404	\$472
ONEIDA	\$424	\$494
ONONDAGA	\$418	\$488
ONTARIO	\$382	\$445
ORANGE	\$479	\$559
ORLEANS	\$448	\$523
OSWEGO	\$425	\$496
OTSEGO	\$353	\$412
PUTNAM	\$676	\$788
RENSSELAER	\$416	\$485
ROCKLAND	\$712	\$831
ST. LAWRENCE	\$365	\$426
SARATOGA	\$384	\$448
SCHENECTADY	\$442	\$516
SCHOHARIE	\$395	\$461
SCHUYLER	\$337	\$393
SENECA	\$426	\$497
STEUBEN	\$336	\$392
SULLIVAN	\$418	\$488
SUFFOLK	\$572	\$668
TIOGA	\$385	\$449
TOMPKINS	\$377	\$440
ULSTER	\$411	\$480
WARREN	\$322	\$375
WASHINGTON	\$407	\$475
WAYNE	\$423	\$494
WESTCHESTER	\$1,094	\$1,276
WYOMING	\$338	\$395
YATES	\$266	\$311
NYC	\$127	\$148

Note: Counties in Bold are in "downstate" and must have incomes under \$120,000 the other counties must have under \$90,000 in household income.

Additional AIM Included In Senate One-House

AIM Increase Above Executive Proposal

County	Municipality	
Albany	C. Albany	\$675,433
Genesee	C. Batavia	\$95,518
Cortland	C. Cortland	\$110,101
Chautauqua	C. Dunkirk	\$84,405
Warren	C. Glens Falls	\$87,664
Tompkins	C. Ithaca	\$142,400
Ulster	C. Kingston	\$167,425
Niagara	C. Lockport	\$141,995
Saratoga	C. Mechanicville	\$35,028
Orange	C. Middletown	\$147,605
Westchester	C. Mt. Vernon	\$390,350
Niagara	C. N. Tonawanda	\$229,245
St Lawrence	C. Ogdensburg	\$89,924
Monroe	C. Rochester	\$4,468,602
Oneida	C. Sherrill	\$20,330
Albany	C. Watervliet	\$66,017
Oswego	C. Fulton	\$85,617
Jefferson	T. Le Ray	\$1,292
Niagara	T. Lockport	\$3,877
Orange	T. Monroe	\$2,838
Rockland	T. Ramapo	\$23,310
Chautauqua	V. Fredonia	\$4,863
Erie	V. Hamburg	\$5,599
Rockland	V. Haverstraw	\$4,781
Nassau	V. Hempstead	\$35,281
Orange	V. Kiryas Joel	\$1,321
	New York City	\$163,900,000
	TOTAL	\$171,020,822

Education Funding For Senate Budget

(millions of dollars)

General Support For Public Schools	Fiscal Year	School Year
Computerized Aids	\$205.10	\$541.00
Post Executive Budget State Aid Claims	\$106.00	na
GSPS Subtotal	\$311.10	\$541.00
Other Adds		
Teacher Centers	\$1.40	\$2.00
Libraries	\$5.00	\$5.00
Independent Living Centers	\$1.50	\$1.50
Adult Literacy Education	\$1.00	\$2.00
Pre-School Special Education Cost Shift Rejection	\$46.00	\$46.00
Other	\$33.49	\$35.23
Adds Subtotal	\$88.39	\$91.73
Cuts		
After School Programming	(\$10.00)	(\$10.00)
Student Mentor Program	(\$1.00)	(\$1.00)
Healthy Schools	(\$5.00)	(\$9.00)
Nursing Program (Higher Education)	(\$1.00)	(\$1.00)
Bilingual Education Grants	(\$1.40)	(\$2.00)
Cuts Subtotal	(\$18.40)	(\$22.00)
Total	\$381.09	\$610.73

Health

Pharmacy	
Medicaid: AWP - 17% for brand name drugs	16,500,000
EPIC: AWP - 17% for brand name drugs	3,500,000
Subtotal	20,000,000
Hospitals	
Discontinue Public Hospital Worker Retention funding	12,000,000
Rebasing hospitals using 2005 cost reports	41,000,000
Graduate Medical Education (GME) redistribution	11,000,000
Reduce trend factor for hospitals by 35%	14,000,000
Subtotal	78,000,000
Nursing Homes / LTC	
NH Rebasing - prior years funding	85,000,000
CHHA administration and other savings	7,000,000
CHHA eliminating 10 percent corridor in excess of a mean and freezing the base year at 2005	13,000,000
CTHHCP administrative savings	5,000,000
Reduce trend Factor for nursing home by 35%	11,000,000
Reduce Home Care trend factor by 35%	3,000,000
Reduce Personal Care Trend Factor by 35%	3,000,000
Subtotal	127,000,000
HCRA	
Covered Lives Assessment	190,000,000
	190,000,000
Other	
Finance Newborn Screening Program, Cervical Cancer, Lead Poisoning, Immunizations, and Obesity from Insurance Industry Assessment	37,000,000
Emergency Transportation	3,000,000
Transportation Broker	10,000,000
DOH Program adds	17,000,000
Subtotal	67,000,000
Subtotal Restorations	482,000,000
Total Offsets	(142,600,000)
TOTAL	339,400,000

Higher Education Funding For Senate Budget

(millions of dollars)

CUNY	Fiscal Year	School Year
CUNY Senior College Operating Funding	\$12.55	\$16.74
CUNY Community College Base Aid	\$2.33	\$3.11
CUNY Subtotal	\$14.88	\$19.85
SUNY		
SUNY Operating Funding	\$23.90	\$34.20
Small Business Development Centers	\$0.50	\$0.50
Cooperative Extension Program	\$0.50	\$0.50
SUNY Community College Base Aid	\$6.24	\$8.35
Community College with Low Enrollment	\$1.00	\$1.00
SUNY Subtotal	\$32.14	\$44.55
SED HIGHER ED		
BUNDY Aid	\$2.57	\$3.67
High Needs Nursing Program	(\$1.00)	(\$1.00)
SUNY Subtotal	\$1.57	\$2.67
Total	\$48.59	\$67.07

Taxes, Fees and Other Revenue Summary

SFY 2008-09 Senate Proposal

(thousands of dollars)

Tax, Fee and Other Revenue Rejections Summary

	SFY 2008-09	Full Annual Impact
Total Fee Rejections	\$433,415	\$585,940
Tax and Other Revenue Increase Rejections	\$823,500	\$915,900
Restoration of STAR Property Tax Relief	\$319,000	\$120,000
Grand Total Rejections	\$1,575,915	\$1,621,840

* Note Grand Total of rejected tax and fee increases do not total \$1.7 billion on a full annual basis due in part to Executive 21 day amendment re-estimates, rounding and the inability of the Senate to effect administrative fee increases.

Rejected Fee Summary

	SFY 2008-10	Full Annual Impact
Rejected General Fund Fee Total	\$10,750	\$22,750
Rejected Special Revenue and Capital Fund Fee Total	\$422,665	\$563,190
Rejected Fee Total	\$433,415	\$585,940

Executive Administrative Fee Summary

	SFY 2008-10	Full Annual Impact
Executive Administrative Fee Total	\$12,425	\$12,950

Other Revenues Summary

	SFY 2008-10	Full Annual Impact
Special Revenue and Capital Fund Revenues Total	\$65,147	\$22,820
Other Revenue Sources	\$100,000	\$0
Other Revenue Total	\$165,147	\$22,820

Executive Revenue Increase Comparison

SFY 2008-09 Executive Budget
(thousands of dollars)

Executive Tax Increases

	Executive Budget	Senate Budget	Assembly Budget
LLC Minimum Partner Fee, Minimum Corporate Tax Increase	\$99,000	REJECT	\$66,000
New York Residency Definition Change	\$0	REJECT	\$0
Gain from Sale of Partnerships	\$0	REJECT	\$0
Make the Reporting of Tax Shelters Permanent	\$0	REJECT	\$0
Credit Card Company Nexus	\$95,000	REJECT	\$75,000
Eliminate the Use of Real Estate Investment Trusts to Shelter Income	\$0	REJECT	REJECT
Conforming HMOs Taxation	\$167,000	REJECT	\$167,000
Remove Capital Base Cap and Lower Rate	\$98,000	REJECT	REJECT
Decouple from Federal QPAI Regulations	\$56,000	REJECT	\$56,000
Repeal Sales Tax Bad Debt Provisions	\$7,000	REJECT	REJECT
Limit Tax Exemptions for Sales by Non-Profits (Internet Sales)	\$7,500	REJECT	\$7,500
Tax Out-of-State Planes and Vehicles	\$4,000	REJECT	\$4,000
Vendor Registration Fee	\$12,200	REJECT	REJECT
Conform Tax Treatment of Little Cigars	\$3,600	REJECT	\$3,600
Create New Definition for Flavored Malt Beverages and Increase Tax	\$15,000	REJECT	REJECT
New Tax on Illegal Drugs	\$13,000	REJECT	REJECT
Simplify Taxation of Motor Fuel	\$13,200	\$0	REJECT
Sales Tax Nexus of Internet Retailers	\$47,000	REJECT	\$47,000
Tax Increase Total	\$637,500	\$0	\$426,100

Other Executive Revenue Raisers

Modify Prepayment Requirements	\$95,000	REJECT	\$95,000
Voluntary Disclosure and Compliance Creating New Penalties	\$50,000	REJECT	\$0
Change Procedures and Penalties for Tax Fraud Cases	\$5,000	REJECT	\$0
Expiration of ITC for Financial Services	\$35,000	REJECT	REJECT
Reject License/Reader Enforcement Changes	\$7,500	REJECT	REJECT
T&F e-filing Modify for Specific Taxes (Amended by Senate and Assembly)	\$6,300	\$6,300	\$6,300
Unlawful to Sell Unstamped Cigarettes. (Amended by Senate)	\$5,000	\$5,000	REJECT
Offset Tax Debts, Child Support and Other Debts Against STAR Rebates	\$15,000	\$15,000	\$15,000
Extend Quick Draw, Eliminate Restrictions (Senate and Assembly Only Extend the Sunset)	\$36,000	\$0	\$0
Other Tax Revenue Increases Total	\$254,800	\$26,300	\$116,300

Other Revenue Items

Extend MTA Surcharge	\$0	\$0	\$0
Restore NYC Sales Tax at Four Percent	\$0	\$0	\$0
Extend Seven Day Liquor Sales	\$0	\$0	\$0
BrownFields (D)	\$0	REJECT	REJECT
BrownFields (E)	\$0	REJECT	REJECT
Other Revenue Items Total	\$0	\$0	\$0

Executive Tax Revenue Reductions

(thousands of dollars)

	Executive Budget	Senate Budget	Assembly Budget
Amended Film Credit	(\$5,000)	(\$5,000)	(\$5,000)
Bioheat Credit	\$0	\$0	\$0
Handicapped Accessible Taxis Credit	\$0	\$0	\$0
Low Income Housing Credit	(\$4,000)	(\$4,000)	(\$4,000)
Extend the Power for Jobs Program for One Year (Current Law)	(\$15,000)	(\$15,000)	(\$15,000)
Repeal Section 180 Tax and Amend Section 181 Tax (Senate Amends)	(\$23,000)	\$0	REJECT
Revenue Reductions Total	(\$47,000)	(\$24,000)	(\$24,000)

New Assembly Tax Proposals

SFY 2008-09

(thousands of dollars)

Assembly Tax Increases

	Executive Position	Senate Position	Assembly Budget
PERSONAL INCOME TAX INCREASE	-----	REJECT	\$1,500,000

Assembly Tax Revenue Reductions

Historic Structure Credit Expansion	-----	Amend	(\$35,000)
-------------------------------------	-------	-------	------------

Rejected Executive Fees

SFY 2008-09 Senate Proposal

(thousands of dollars)

Rejected General Fund Fees

Fee	Effective Date	Current Fee	Proposed Fee	Last Changed	SFY 2008-09	Full Annual Impact
Agriculture and Markets						
Increase Food Safety Penalties	4/1/2008	\$300 and \$600	\$1,000 and \$2,000	1990	\$1,200	\$1,200
Civil Service						
Reimbursement for NYC Plan Review	8/1/2008	N/A	N/A	N/A	\$550	\$550
Insurance						
Violation of Insurance Law	4/1/2008	\$500	\$10,000	1966	\$90	\$90
Failure to File Annual Statement	4/1/2008	\$250	\$500	1979	\$5	\$5
Failure to Respond to Special Report	4/1/2008	\$500	\$1,000	1997	\$5	\$5
Failure to Comply with Reporting Requirements of the Financial Security Act	4/1/2008	\$500	\$1,000	1998	\$5	\$5
Doing Insurance Business Without a License	4/1/2008	\$1,000	\$10,000	1970	\$90	\$90
Violation of Section 1222	4/1/2008	N/A	\$10,000	N/A	\$90	\$90
Violation of Insurance Law Article 15	4/1/2008	\$500	\$1,000	1969	\$1	\$1
Doing Business as Agent, Broker, Adjuster or Reinsurance Intermediary without a License	4/1/2008	\$5,000	\$10,000	1976	\$90	\$90
Act as Agent for Unauthorized Insurer	4/1/2008	\$500	\$10,000	1939	\$90	\$90
Penalty in Lieu of Revocation of License Issued Under Article 21	4/1/2008	\$500	\$5,000	1958	\$20	\$20
Violation of Article 23, Prior Approval not Required	4/1/2008	\$1,000	\$5,000	1975	\$20	\$20
Violation of Article 23, Prior Approval Required	4/1/2008	\$25	\$100	1939	\$1	\$1
Violation of Article 2324	4/1/2008	\$500	\$1,000	1939	\$4	\$4
Unfair Methods of Competition, Power of the Superintendent	4/1/2008	\$500	\$1,000	1997	\$4	\$4
Violation of Prompt Pay	4/1/2008	\$500	\$1,000	1997	\$4	\$4
Failure to Comply with Workers' Compensation Law	4/1/2008	\$2,500	\$10,000	1944	\$90	\$90
Violation of Holocaust Insurance Act	4/1/2008	\$1,000	\$2,000	1998	\$5	\$5
Violation of Section 3216	4/1/2008	\$100	\$5,000	1951	\$20	\$20
Violation of Section 3224	4/1/2008	N/A	\$1,000	N/A	\$5	\$5

Rejected Executive Fees

Fee	Effective Date	Current Fee	Proposed Fee	Last Changed	SFY 2008-09	Full Annual Impact
Insurance						
Inspection and Coverage of Physical Damage for Private Passenger Auto	4/1/2008	\$500	\$5,000	1984	\$20	\$20
Gap Insurance, Failure to Notify Lessee or Debtor	4/1/2008	\$500	\$1,000	1995	\$5	\$5
Violation of Section 4224	4/1/2008	N/A	\$5,000	N/A	\$20	\$20
Violation of Section 4228	4/1/2008	\$1,000	\$10,000	1997	\$90	\$90
Violation of Section 4241	4/1/2008	\$1,000	\$5,000	1952	\$20	\$20
Willful Failure to Comply with Article 44	4/1/2008	\$2,500	\$10,000	1956	\$90	\$90
Failure to File per Section 4504	4/1/2008	\$500	\$10,000	1961	\$90	\$90
Violation of Section 4228	4/1/2008	\$1,000	\$2,000	1997	\$5	\$5
Soliciting Membership in Unauthorized Societies	4/1/2008	\$100	\$1,000	1939	\$5	\$5
False Statements Filed with MVAIC	4/1/2008	\$500	\$1,000	1958	\$5	\$5
Violation of Section 6409	4/1/2008	\$1,000	\$2,000	1975	\$5	\$5
Alternate Penalty that can be Leveled Under Section 7711	4/1/2008	\$100	\$1,000	1985	\$5	\$5
Failure to Comply with Reporting Requirements or Payments Listed in Section 9109b	4/1/2008	\$100	\$500	1968	\$1	\$1
Office of General Services						
Contract/Vendor Service Fee	4/1/2008	0	0.5% of invoice value	N/A	\$8,000	\$20,000
General Fund Fee Rejections Total					\$10,750	\$22,750

Rejected Executive Fees						
Fee	Effective Date	Current Fee	Proposed Fee	Last Changed	SFY 2008-09	Full Annual Impact
Rejected Special Revenue and Capital Fund Fees						
Division of Budget						
Include IDA's in Cost Recovery Billings	4/1/2008	N/A	N/A	N/A	\$5,000	\$5,000
Division of Military and Naval Affairs						
Power Plant Assessment	4/1/2008	N/A	N/A	N/A	\$11,700	\$11,700
Department of Health						
Increase Covered Lives Assessment on Insurers from \$850 million to \$990 million	4/1/2008	N/A	N/A	N/A	\$190,000	\$190,000
Department of Environmental Conservation						
Increase Operating Permit Program	4/1/2008	\$45	\$80	1999	\$19,000	\$19,000
Expand Bottle Bill to Cover Additional Beverage Containers	4/1/2008	N/A	N/A	N/A	\$25,000	\$100,000
Department of Labor						
SERB Arbitration Fee	10/1/2008	\$0	\$1,500	N/A	\$225	\$450
Office of Real Property Tax Services						
Real Property Transfer Fee	4/1/2008	\$50 Co-op, \$75 Residential, \$165 Commercial	Banded, \$75-\$400 Residential, \$165-\$575 Commercial	2005	\$21,500	\$31,500
Department of Transportation						
Motor Vehicle Law Enforcement and Highway Safety Fee	7/1/2008	\$0	\$1,500	N/A	\$96,800	\$129,000
Deposit for Contractors Plans	7/2/2008	\$0	\$10	N/A	\$40	\$40
State Police Department						
Motor Vehicle Law Enforcement Fee Changed to Motor Vehicle Law Enforcement and Highway Safety Fee	7/1/2008	\$5	\$10	2003	\$48,400	\$64,500
Office for Technology						
Close Prepaid Wireless Loophole	4/1/2008	N/A	N/A	N/A	\$5,000	\$12,000
Rejected Special Revenue Fee Total					\$422,665	\$563,190

Executive Administrative Fee Increases						
Fee	Effective Date	Current Fee	Proposed Fee	Last Changed	SFY 2008-09	Full Annual Impact
General Fund						
Department of Taxation and Finance						
Eliminate NYC Fringe/Indirect Waiver	4/1/2008	N/A	N/A	N/A	\$10,025	\$10,025
Special Revenue Funds						
Energy Research and Development Agency						
Increase ERDA Assessment	4/1/2008	N/A	N/A	2007	\$2,400	\$2,400
State Education Department						
Increase State Records Center Storage Fee	4/1/2009	Various	\$3	1987	\$0	\$525
Executive Administrative Fee Total					\$12,425	\$12,950

Other Special Revenue and Capital Fund Revenues						
Division of Budget						
Raise Cost Recovery Cap to \$50 million	4/1/2008	N/A	N/A	2003	\$10,000	\$10,000
Department of Health						
Increases Fines Dedicated to Patient Safety	4/1/2008	Up to \$2000	Up to \$10,000	1990	\$500	\$550
CLEP Specialist Certification Program	4/1/2008	N/A	N/A	N/A	\$420	\$420
CLEP Waived Testing Limited Laboratory Registration Program	4/1/2008	N/A	\$200	N/A	\$400	\$400
Department of Motor Vehicles						
Western Hemisphere Travel Initiative	9/1/2008	\$0	\$20	N/A	\$52,527	\$10,150
Department of Taxation and Finance						
Federal/Other State Refund Offsets		\$0	\$22		\$1,300	\$1,300
Other Special Revenue Total					\$65,147	\$22,820

Other Revenue Sources						
Housing and Community Renewal						
SONYMA Excess Balance	4/1/2008	N/A	N/A	N/A	\$100,000	\$0

Senate / Assembly Comparison



SFY 2008-09 COMPARISON OF PROPOSED ADDS AND CUTS
(actual dollars)

Agency	Description	General Government		Senate		Assembly	
		Adds	Cuts	Adds	Cuts		
ABC	Reject Proposed Increase in Funding		(318,000)				
Banking	Foreclosure Prevention Program					180,000,000	
Budget	Eliminate Statewide Financial Management System Program						(40,000,000)
Budget	Programmatic reduction to reflect the elimination of funding for the Law Revision Commission through DOB.		(150,000)				
Budget	Reduce funding for the Financial Management System project by half.		(20,000,000)				
Budget	Reject funding through the Division for the costs of a financial services contract to evaluate privatization of the Lottery.		(2,000,000)				
CPB	Reduce Proposed Personal Service Increase		(105,000)				
Elections	Add Federal Funding for Poll Worker Training & Voter Education Related to Use of Disability Accessible Ballot Marking Devices					705,000	
Elections	Reject contractual services funding increase.		(400,000)				
Elections	Reject supplies increase.		(100,000)				
Elections	Reject travel costs increase.		(20,000)				
ERDA	POCR funds					45,000	
ERDA	Renewable Portfolio Standard Money, Moved to On-Budget Status					68,210,000	
ERDA	Systems benefit charges, Moved to On-Budget Status					185,400,000	
ERDA	Workforce solar panel installation training, from unappropriated 18-a funds					2,000,000	
GORR	Eliminate entire office		(3,600,000)				
IG	Eliminate the office and transfer functions to the AG		(100,000)				
IG	Eliminate the office and transfer functions to the AG		(7,100,000)				
Insurance	Cervical Cancer Vaccine, move back to General Fund		(5,000,000)				
Insurance	Childhood Lead Poisoning Primary Prevention Program, move back to General Fund		(5,500,000)				
Insurance	Childhood Obesity Program, move back to General Fund		(1,800,000)				
Insurance	Reduce proposed personal service increase		(1,200,000)				(3,000,000)
Insurance	Enhanced Newborn Screening Program, move back to General Fund		(11,300,000)				
Insurance	Immunization Program, move back to General Fund		(8,000,000)				
Insurance	Lead Poisoning Prevention Program, move back to General Fund		(4,000,000)				
Insurance	Lead Prevention Program, move back to General Fund		(720,000)				
Law	Transfer IG functions to AG, offset by corresponding reduction in IG	100,000					
Law	Transfer IG functions to AG, offset by corresponding reduction in IG	7,100,000					
Local Gov	Discretionary funding for the Efficiency Grant Program		(5,000,000)				(10,000,000)
Local Gov	Real Property Tax Administration	21,800,000					
Local Gov	Real Property Tax Administration Fee Denial		(21,500,000)				
Local Gov	Restoration of AIM and Enhance Equity Adjustment	171,065,000				163,944,668	
Local Gov	Town of Hempstead Belmont Community Reinvestment Trust	5,000,000					
Local Gov	Two newly incorporated villages in Orange County omitted by the Executive	48,925					
OFT	Eliminate Funding for Access to Affordable Broadband						(5,000,000)
OFT	Eliminate Internal Service Funding Enabling the CIO to Centrally Procure State Technology Purchases						(50,000,000)
OFT	Reject additional funding for construction of the Consolidated State Data Center and Interim Data Center Space (PAYGO capital).		(11,000,000)				
OFT	Reject funding for Universal Broadband Access Infrastructure (PAYGO capital).		(10,000,000)				(10,000,000)
OGS	Add Capital Funding for Improvements to Hearing Room C in the LOB					2,121,000	
OGS	Provide funding for continued renovation of Hearing Room B	990,000				1,442,000	
OGS	Provide funding for renovation of Hearing Room A and Other Senate Public Meeting Rooms.	1,100,000					
OSC	Indigent Legal Services Funds					7,500,000	(40,000,000)
Public Integrity	Eliminate Expansion		(150,000)				

SFY 2008-09 COMPARISON OF PROPOSED ADDS AND CUTS
(actual dollars)

Agency	Description	General Government		Senate		Assembly	
		Adds	Cuts	Adds	Cuts	Adds	Cuts
Public Integrity	Reject costs to move the Commission's Offices		(650,000)				
Racing	Racing Reform Program (Senate cut, Assembly retains Exec. Recommendation)					1,000,000	
State	Add Funding for Civil Legal Services for the Poor					4,241,911	
State	Add Funding for the Public Utility Law Project					505,000	
State	Reject Increased Personal Service and Fringe Benefit Spending		(640,000)				
State	Reject contractual services funding increase in the Administration Program.		(217,000)				
State	Reject Creation of the Office of Indigent Services		(3,000,000)				(3,000,000)
Tax and Finance	Administrative Reduction		(1,402,000)				
Tax and Finance	Administrative Reduction		(1,298,000)				

Agency	Description	Senate		Assembly	
		Adds	Cuts	Adds	Cuts
CVB	CVB, State Ops, deny w/o prejudice		(7,009,000)		
DCJS	Catholic Family Center of Rochester	250,000			
DCJS	Civil legal services funding, Assembly programs, no approp in budget			3,000,000	
DCJS	COPS CARE Safety Means Abduction Registration and Training SMART program	300,000			
DCJS	Crime Laboratories, deny w/o prejudice		(2,000,000)		(2,000,000)
DCJS	Deny funding related to new Re-Entry Task Forces in Onondaga, Niagara, and Dutchess County		(800,000)		
DCJS	Deny funding transferred from Parole for Re-Entry Task Forces		(2,000,000)		
DCJS	Domestic Violence Legal Services, grants to not-for-profits			609,000	
DCJS	Dutchess County Sheriff Department Law Enforcement	100,000			
DCJS	Education Assistance Corporation (EAC)	617,000			
DCJS	Edward Byrne Justice Asssitance Grant, deny w/o prejudice		(2,400,000)		(2,400,000)
DCJS	Edward Byrne Justice Asssitance Grant, deny w/o prejudice		(9,600,000)		(9,600,000)
DCJS	Erie County District Attorney (Comprehensive Assault Abuse Rape (CAAR) Program)	75,000			
DCJS	Finger Lakes Law Enforcement Initiative	500,000			
DCJS	Indigent Parolees (including Wyoming County)	580,000			
DCJS	Innovative treatment for repeat DWI offenders	1,400,000			
DCJS	Mercy College Westchester County Bachelor of Science Degree in "Corporate and Homeland Security"	100,000			
DCJS	NADAP	100,000			
DCJS	Nassau County District Attorney Medicaid Fraud Unit	750,000			
DCJS	New York Association for New Americans (NYANA)	200,000			
DCJS	NYCPD - Mobile AEDs	2,500,000			
DCJS	Onondaga County Law Enforcement Technology	184,000			
DCJS	Onondaga County Project PROUD	50,000			
DCJS	Operation Impact, add			8,551,000	
DCJS	Operation Impact, deny w/o prejudice		(8,551,000)		
DCJS	Reduce appropriation under the Crimes Against Revenue Account		(3,500,000)		
DCJS	Schenectady County Homeland Security Consortium	550,000			
DCJS	Southern Tier Regional Drug Task Force	300,000			
DCJS	Village of Brewster Police Department	100,000			
DCJS	Westchester County District Attorney Youth Violence Gang Intervention Program	200,000			
DCPA	Alternatives to Incarceration			3,000,000	
DMNA	Deny partial funding for expansion of New York Alert System		(2,700,000)		
DMNA	Maritime Security Patrol Boats	500,000			
DOCS	Correctional Officer Equipment	1,900,000			
DOCS	Deny Art VII to expand medical parole				
DOCS	Deny closure of the three minimum security camps: Camp Pharsalia; Camp Gabriels; and Camp at Mt. McGregor, and deny closure of Hudson medium security correctional facility	10,700,000			
DOCS	Deny expansion of the Family Reunion Center		(200,000)		
DOCS	Deny funding associated with opening of three additional transitional service Re-Entry Units (nine FTEs)		(450,000)		
DOCS	Deny funding related to Food Production Center offering local jails cook/chill products		(18,500,000)		
DOCS	Deny funding related to expansion of re-entry		(1,200,000)		
DOCS	Deny proposal to establish a parole violator facility		(250,000)		
DOCS	Facilitated Enrollment for Medicaid, Pursuant to a Later Chapter (PTAC)			200,000	
DOCS	Maintenance Undistributed		(10,000,000)		
DPCA	Deny funding for risk assessment instrument to help local probation departments related to Re-Entry expansion plan.		(200,000)		

Agency	Description	Public Protection		Senate		Assembly	
		Adds	Cuts	Adds	Cuts	Adds	Cuts
DPCA	Deny increase associated with Re-Entry Coordinator; Edgecombe Correctional Facility; and Re-Entry Units						(600,000)
DPCA	Pilot Program for Global Positioning System (GPS) tracking of sex offenders (Westchester County and Onondaga County)	1,000,000					
IOLA	Deny funding to assist in the administration and distribution of grants						(184,000)
IOLA	Reduce proposed 300% increase for Civil Legal Services And Direct Funds to services for Child Abuse, Sexual Assault, and Domestic Violence (\$25 million)						(18,800,000)
Judiciary	Judicial Pay Raise						(105,500,000)
POLICE	Addition of new class of Troopers	5,600,000					
POLICE	Deny Increase in Motor Vehicle Law Enforcement Fee from \$5.00 to \$20.00 (of which the increase of \$5.00 would go to St. Police)	48,400,000					
POLICE	Pilot Program for use of Pistol Cameras by the St. Police	250,000					
SWN	Deny costs to inspect new systems operations centers						(3,235,000)
SWN	Deny expansion of SWN project						(325,000)
SWN	Reject all new funding for the SWN project, excluding potential funding for contract payment.						(36,500,000)

Agency	Description	Human Services		Senate		Assembly	
		Adds	Cuts	Adds	Cuts	Adds	Cuts
Aging	Adult Day Demonstration, delay implementation		(500,000)				
Aging	Alzheimers Advisory Coordinating Council	225,000					
Aging	Caregiver Support/Resource Centers, delay implementation		(475,000)				
Aging	Crimes Against Seniors (TRIAD Programs)	500,000					
Aging	Distinguished Chairs in Geriatrics	1,000,000					
Aging	Elder Abuse	-				500,000	
Aging	End of Life Care Initiatives	200,000					
Aging	Geriatric In-Home Medical Care Initiatives	1,000,000					
Aging	NY NORC Health Indicators Project	90,000					
Aging	Regrant Program	100,000					
Aging	Senior Assigned Counsel	250,000					
Aging	Targeted EISEP for the Elderly, delay implementation		(1,500,000)				
Aging	Transportation Operating Expenses	1,000,000					
Labor	ATU Programs-Albany, Syracuse, Rochester, Buffalo	400,000					
Labor	Chamber of Commerce on the job training	1,000,000					
Labor	Consortium for Workers Education Workforce Dev.	455,000					
Labor	Consortium for Workers Education Workplace Literacy	200,000					
Labor	Displaced Homemakers	2,650,000				5,300,000	
Labor	Domestic Violence-Cornell U.of Labor-w NYS AFL CIO	125,000					
Labor	For the Good, Inc.	150,000					
Labor	Formula for Occupational Clinic	1,750,000					
Labor	Greater Olean Chamber of Commerce, OJT	100,000					
Labor	IBEW Training Programs	100,000					
Labor	Joseph S. Murphy Institute for Worker Ed. & Labor Studies	175,000					
Labor	NYS AFL CIO workforce Dev Institute Upstate	995,000					
Labor	NYS AFL CIO workforce development Upstate & LI 3 year prog.	5,000,000					
Labor	NYS AFLCIO Cornell Leadership Institute	150,000					
Labor	NYS AFLCIO Workforce Development Institute Employee Assistance	225,000					
Labor	Plumbers/Steam Fitters Local 112 Workforce Programs	50,000					
Labor	Plumbers/Steam Fitters Local 773 Workforce Programs	100,000					
Labor	Progress Rochester Inc.	300,000					
Labor	Reject \$750 arbitration fee to both parties	225,000					
Labor	Reject per diem rate of \$350 from full annual salary for SERB board members	154,000					
Labor	Rochester Summer Youth	300,000					
Labor	Systems Cut		(5,000,000)				
Labor	Systems Cut		(7,000,000)				
Labor	UAW American Axle/Perry Ice Cream Workforce Training	1,000,000					
Labor	Utica Dislocated Worker Assistance Center	200,000				682,000	
Labor	Western NY council on Occupational Safety & Health	250,000					
Labor	Worker Training Initiatives	2,600,000					
OCFS	2-1-1	3,150,000					
OCFS	NPS reductions		(4,370,000)				
OCFS	Auburn Youth Detention	374,000					
OCFS	Boys & Girls Club	1,000,000					
OCFS	Bridges to Health		(8,600,000)				
OCFS	Camp Brace Youth Detention Facility	410,000					
OCFS	CCR&R	808,000					
OCFS	CHAMP	500,000					
OCFS	Child Advocacy Center (Child advocates, CPS, State police, etc)	1,500,000					
OCFS	Closure of Secure Facilities, reestimate		(4,000,000)				
OCFS	Committee on Special Education		(2,900,000)				
OCFS	CONNECTIONS System Support		(4,400,000)				
OCFS	CPS Staff to client ratios- Child Welfare Workload supervisory staff increases					4,700,000	

Agency	Description	Senate		Assembly	
		Adds	Cuts	Adds	Cuts
OCFS	CPS Technology Demonstration	500,000		1,000,000	
OCFS	CPS Worker Caseload Reduction	5,000,000		5,000,000	
OCFS	Family preservation	-		5,300,000	
OCFS	Great Valley Youth Detention Facility	374,000			
OCFS	Heartshare	125,000			
OCFS	Home Visiting	7,000,000			
OCFS	Administration program, nps reductions		(1,000,000)		
OCFS	NY/NY III		(65,000)		
OCFS	Systems support reduction		(500,000)		
OCFS	Recidivism Study	100,000			
OCFS	Settlement House program			1,373,000	
OCFS	Veterans outreach program			250,000	
OCFS	YDDP	500,000			
OCFS	Youth Detention	35,400,000		35,400,000	
OTDA	NPS reductions		(5,929,000)		
OTDA	HIV Welfare to Work Program		(1,400,000)		
OTDA	LAF Incentive Fund		(11,400,000)		
OTDA	Partial Restoration of Public Assistance Shift to local governments	20,250,000		20,250,000	
OTDA	Social Services Districts Methodology Enhancements		(5,200,000)		
OTDA	Two parent families savings (counties) @ 50% cut	3,750,000			
OTDA	Utica Food Bank	150,000			
OTDA	Veterans' Reintegration program			250,000	
OTDA	Welfare-to-work case mgmt system		(2,600,000)		
SERB	Arbitration Fee Denial	250,000			
Veterans	Injured Veterans Service Dogs	200,000			
Veterans	Veterans Outreach Center	250,000			

Agency	Description	Senate		Assembly	
		Adds	Cuts	Adds	Cuts
OASAS	Institute for Professional Development in the Addictions	50,000			
OASAS	North Country Behavioral Network, Inc. (N. Country Prevention)	175,000			
OASAS	NPS Reduction - supplies and materials				(1,985,000)
OASAS	NYS Compulsive Gambling Treatment and Education	700,000			
OASAS	Southern Tier Prevention Program	150,000			
OASAS	Western NY Alcohol and Substance Treatment	275,000			
OASAS	YES Safe Choice for Kids/Lourdes Hospital	350,000			
OMH	Big Brothers/Big Sisters Mentoring Program of Rockland County	100,000			
OMH	Childrens Mental Health Scholarship	250,000			
OMH	Farm Net	300,000			
OMH	Geriatric Mental Health	500,000		2,500,000	
OMH	Health Care Enhancements	1,000,000			
OMH	Hospital Audiences	200,000			
OMH	Housing Waiting list	100,000			
OMH	Mental Health Association - Orange County	80,000			
OMH	Mental Health Association - Rockland County	160,000			
OMH	NASW-NYS Veteran's Mental Health Training	250,000			
OMH	Nathan Kline Institute Reductions	1,000,000			
OMH	Nathan Kline Institute - New Lab Equipment	1,000,000			
OMH	Nonpersonal service reductions		(2,620,000)		
OMH	North Country Children's Mental Health	200,000			
OMH	NYPI Research Funding			500,000	
OMH	Occupations Inc.	100,000			
OMH	Part G Of S6808-A, eliminates specialized mental health outpatient services (fee denial, \$3M)			3,000,000	
OMH	Reimbursement for children's day treatment	350,000			
OMH	Relief Resources	300,000			
OMRDD	Achieve (formerly Broome-Tioga ARC)	100,000			
OMRDD	After School and Weekend Autism Program	500,000			
OMRDD	Camp Ann	150,000			
OMRDD	Camp Venture	200,000			
OMRDD	Camp Wildwood	100,000			
OMRDD	Cerebral Palsy and Handicapped Children's Association	250,000			
OMRDD	Cerebral Palsy Association - Jened Recreational	150,000			
OMRDD	Chenango ARC	35,000			
OMRDD	Epilepsy Foundation - Rochester, Syracuse and Binghamton	25,000			
OMRDD	Epilepsy Foundation of Southern NY	150,000			
OMRDD	Epilepsy Foundation of Western NY	50,000			
OMRDD	Family & Children Sevices of Capital Region Inc.	200,000			
OMRDD	Handicapped Children's Association of Southern NY	40,000			
OMRDD	Nonpersonal service reduction		(2,380,000)		
OMRDD	NPS Reduction - supplies and materials				(17,650,000)
OMRDD	Restore \$5 million cut by Exec.	4,700,000		4,700,000	
OMRDD	Rockland County Association of Learning Disabled	100,000			

Agency	Description	Medicaid / Health		Senate		Assembly	
		Adds	Cuts	Adds	Cuts	Adds	Cuts
DOH	CHHA administration and other savings	7,000,000					
DOH	CHHA eliminating 10 percent corridor in excess of a mean and freezing the base year at 2005	13,000,000					
DOH	Counseling services for EPIC					1,000,000	
DOH	Covered Lives Assessment	190,000,000					
DOH	CTHHCP administrative savings	5,000,000					
DOH	Delay implementation of hospital based outpatient reinvestments						(45,600,000)
DOH	Delay the implementation of the Detoxification rate adjustment					33,800,000	
DOH	Delay the rebasing of hospitals using 2005 cost reports					27,400,000	
DOH	Denial of hospital based ambulatory care reinvestment				(60,000,000)		
DOH	Department of Health nonpersonal service reduction				(10,900,000)		
DOH	Discontinue Public Hospital Worker Retention funding	12,000,000					
DOH	DOH Program adds	17,000,000					
DOH	Early Intervention COLA					3,200,000	
DOH	Emergency Transportation	3,000,000					
DOH	EPIC- Additional Increase in the Dispensing Fee prescription drugs					2,000,000	
DOH	EPIC- Reject prior authorization					15,400,000	
DOH	EPIC, denial of dispensing fee increase for generics / brand on PDP				(2,000,000)		
DOH	EPIC: AWP - 17% for brand name drugs	3,500,000				1,500,000	
DOH	Family Planning					675,000	
DOH	Finance Newborn Screening Program, Cervical Cancer, Lead Poisoning, Immunizations, and Obesity from Insurance Industry Assessment	37,000,000					
DOH	Graduate Medical Education (GME) redistribution	11,000,000					
DOH	Health Facilities Restructuring Pool						(20,000,000)
DOH	Health Information Technology for diagnostic and treatment centers					4,912,000	
DOH	Increase the dispensing fee for Medicaid prescription drugs					9,000,000	
DOH	Lower co-pay for brand name drugs on PDP				(4,000,000)		
DOH	MA, denial of dispensing fee increase for generics / brand on PDP				(9,000,000)		
DOH	Medicaid: AWP - 17% for brand name drugs	16,500,000					
DOH	NH Rebasing - prior years funding	85,000,000					
DOH	Other Medicaid savings				(21,000,000)		
DOH	Partially restore Certified home health agencies and long term home health care programs					18,000,000	
DOH	Partially restore pharmaceutical reimbursement reductions					7,500,000	
DOH	Prenatal Care services					1,000,000	
DOH	Provide mental health services under the Child Health Plus Program					900,000	
DOH	Provide mental health services under the Family health plus program					1,900,000	
DOH	Rebasing hospitals using 2005 cost reports	41,000,000					
DOH	Reduce Home Care trend factor by 35%	3,000,000					
DOH	Reduce Personal Care Trend Factor by 35%	3,000,000					
DOH	Reduce trend factor for hospitals by 35%	14,000,000					
DOH	Reduce trend Factor for nursing home by 35%	11,000,000					
DOH	Reject Anti Depressants on the PDP/CDRP					5,000,000	
DOH	Reject the Clinical Labatory Fees					-	(820,000)
DOH	Reject the increase in co-pay for Child Health Plus Program					12,000,000	
DOH	Reject the personal care demonstration program for New York City					6,000,000	
DOH	Reject utilization controls for mental health programs					5,000,000	
DOH	Restore 65 percent of the trend factor reductions for Managed long term care plans					2,400,000	
DOH	Restore Worker recruitment and retention funding for Diagnostic and treatment centers					400,000	
DOH	Restore Worker recruitment and retention funding for non public hospitals					19,800,000	
DOH	Restore the Early Intervention COLA (Medicaid)					16,700,000	

Agency	Description	Senate		Assembly	
		Adds	Cuts	Adds	Cuts
DOH	Savings associated with rejecting HMO tax		(19,000,000)		
DOH	School Based Health Centers			675,000	
DOH	Sexuality Related Program			1,373,300	
DOH	Sexuality Related Program for Domestic Violence programs			375,000	
DOH	Specialty program for high cost drugs		(16,000,000)		
DOH	Statewide Network of Occupational Health Clinics			4,000,000	
DOH	Transportation Broker	10,000,000			
DOH	Worker recruitment and retention funding for public hospitals			12,000,000	
OMIG	Medicaid Inspector General		(700,000)		

Agency	Description	Education		Senate		Assembly	
		Adds	Cuts	Adds	Cuts	Adds	Cuts
Education	Adult literacy	1,000,000				1,000,000	
Education	Afterschool Programs				(10,000,000)		
Education	Council for the Humanities	225,000					
Education	CWE						
Education	Education Grants	30,000,000					
Education	Healthy Schools				(5,000,000)		
Education	Hudson Magnet	200,000					
Education	Independent Living Centers	1,500,000				1,500,000	
Education	Kingston Magnet School	245,000					
Education	Library	5,000,000				5,000,000	
Education	Love Sam	67,500					
Education	Missing Children Prevention Program	500,000					
Education	Museum Education Program	500,000					
Education	Nursing Program (Higher Ed)				(1,000,000)		
Education	NYC Academic Grant						(125,220,000)
Education	NYS Center For Rural Schools	250,000					
Education	NYS Historical Association	90,000					
Education	Office of School Personnel Review and Accountability	1,100,000				1,100,000	
Education	Poughkeepsie Magnet School	140,000					
Education	Pre-school Special Education Cap on Costs						(20,000,000)
Education	Preschool Special Education Cost Shift Rejection	46,000,000				42,000,000	
Education	ProStart School to work	100,000					
Education	Public Television and Radio	250,000					
Education	Rural Education Advisory Council	87,500					
Education	School Aid	309,100,000				293,209,000	
Education	Shoreham Wading River School District	1,274,355					
Education	STAR Increases in Rebate Program					229,000,000	
Education	Student Mentoring				(1,000,000)		
Education	SUNY CARD (autism)	250,000					
Education	Teacher Centers	1,400,000					
Education	Teacher Turnover					2,000,000	
Education	Tech Valley HS	125,000					
Education	Tech Valley teacher Externship	67,500					
Education	Transferring Success	125,000					
Education	Ulster BOCES	125,000					
Education	Workplace Literacy	327,500					
Education	World Science Festival	50,000					
STAR	STAR Exemption Floor restoration	110,000,000					
STAR	STAR NYC PIT Credit - PIT Intercept	-					
STAR	STAR Rebate Restoration	169,000,000					

Agency	Description	Higher Education		Senate		Assembly	
		Adds	Cuts	Adds	Cuts	Adds	Cuts
CUNY	College Discovery					41,965	
CUNY	High Needs Nursing Program					750,000	
CUNY	Joseph Murphy Institute					500,000	
CUNY	Restore CUNY Senior College Reductions	12,555,750				33,600,000	
CUNY	SEEK					489,030	
CUNY	Senior Colleges Operating					20,175,000	
CUNY CC	CUNY's Restore Base Aid @ \$50 per FTE	2,336,250					
HESC	TAP					9,424,000	
High Ed	State Aid for Nursing Programs				(900,000)		
High Ed.	BUNDY Aid	3,676,000					
SED	Higher Ed, HEOP					1,037,000	
SED	Higher Ed, Liberty partnerships Program					538,000	
SUNY	EOP					839,511	
SUNY	EOP Expansion					2,500,000	
SUNY	High Needs Nursing Program					1,000,000	
SUNY	Office of Diversity and Equity					200,000	
SUNY	Office of Diversity and Equity - Minority Faculty Lines					4,700,000	
SUNY	Restore Cornell Cooperative Extension	500,000				6,105,400	
SUNY	Restore Legislative Add - Small Business Development Center	500,000					
SUNY	Restore Reductions in Operating Budget	34,230,000				16,318,372	
SUNY	Sportsmanship Institute					(750,000)	
SUNY CC	Restore Low Enrollment Aid for Community Colleges	1,000,000					
SUNY CC	SUNY's Restore Base Aid @ \$50 per FTE	6,244,275					

Agency	Description	Economic Development			
		Senate		Assembly	
		Adds	Cuts	Adds	Cuts
DED	Adirondack North Country Association	300,000			
DED	Administrative - Contractual		(1,223,000)		
DED	Administrative - Travel		(85,000)		
DED	GORR, Office move to Department of Economic Development	1,920,000			
DED	Griffiss Local development (shared)	150,000			
DED	International Business		(2,300,000)		
DED	Local Empire Zone Administration	2,300,000		2,300,000	
DED	Operations expansion		(1,500,000)		
DED	Upstate Business Marketing		(3,500,000)		
NYSTAR	CEN Institute for Manufacturing Excellence	500,000			
NYSTAR	Community College Curric. Revitalization	1,000,000			
NYSTAR	Excell Partners	750,000			
NYSTAR	Excell Partners (2 new service areas)	2,000,000			
NYSTAR	NY BioInvestigator Program	1,000,000			
NYSTAR	Supercomputer Consortium Operations		(4,000,000)		(4,000,000)
UDC	UDC - Community Development Financial Institution (CDFI)			1,525,000	
UDC	COE Operations (6 centers @ \$1 mill)		(1,075,000)		(7,075,000)
UDC	Economic Development Fund		(11,500,000)		(11,500,000)
UDC	Economic Development Initiatives	2,500,000			
UDC	Entrepreneurial Assistance Program		(500,000)	1,300,000	
UDC	Griffiss Airforce Base redevelopment (shared)	1,400,000			
UDC	Hudson Valley EDC	500,000			
UDC	Luther Forest Operating Support	1,000,000			
UDC	MDA Community Events Fund	400,000			
UDC	MDA of Central NY Essential	400,000			
UDC	Niagara Falls airport redevelopment	100,000			
UDC	NYC Industrial Retention Net	150,000			
UDC	Operations expansion		(4,100,000)		(1,500,000)
UDC	Plattsburgh air force base redevelopment	1,000,000			
UDC	Seneca Army Depot redevelopment	1,000,000			
UDC	Stewart International Airport	100,000			
UDC	Syracuse Chambers Revolving Loan Fund	200,000			
UDC	Upstate tooling & contract manufacturing	250,000			
UDC	Urban and Community Development		(3,473,000)		
UDC	Venture Capital Program		(5,000,000)		

Agency	Description	Transportation		Senate		Assembly	
		Adds	Cuts	Adds	Cuts	Adds	Cuts
Motor Vehicles	DMV administration equipment		(200,000)				
Motor Vehicles	DMV administration supplies and materials		(100,000)				
Motor Vehicles	DMV contractual services		(700,000)				
Motor Vehicles	DMV County Clerk Machines	1,500,000					
Motor Vehicles	Transfer of DMV operating expenses to GF		(36,000,000)				
Motor Vehicles	Transfer of DMV operating expenses from SRO	36,000,000					
Transportation	Additional fee on traffic moving violations into DHBTF (\$8 million)						(8,000,000)
Transportation	Bridge Program		(84,532,000)				(97,000,000)
Transportation	DOT CHIPS capital add of \$9.4 million, bonded, Assembly adds \$60M bonded, \$5M is debt service					5,000,000	
Transportation	HELP vehicles Binghamton, Utica, Syracuse		(600,000)				
Transportation	Passenger/Freight Transportation Admin indirect costs		(9,000)				
Transportation	Passenger/Freight Transportation Admin supplies		(198,000)				
Transportation	DOT Reject elimination return of contractors deposit	40,000				40,000	
Transportation	DOT Seaway Trail	300,000					
Transportation	DOT Transit Aid CDTA	4,000,000					
Transportation	DOT Transit Aid Rochester (RGRTA)	4,000,000				3,000,000	
Transportation	High speed rail	2,000,000					
Transportation	Reject insurance fee					97,000,000	
Transportation	Reject transfer of GF to DHBTF / Remaining after moving expenses off DHBTF				(110,000,000)		
Transportation	Transfer of DOT snow and ice expenses to GF		(74,000,000)				
Transportation	Transfer of DOT snow and ice expenses from SRO	74,000,000					

Agency	Description	Senate		Assembly	
		Adds	Cuts	Adds	Cuts
Agriculture	Agribusiness Industry Cluster Development	250,000			
Agriculture	Agritourism	1,000,000			
Agriculture	Center for Dairy Excellence	500,000			
Agriculture	Cornell Chautauqua County Rabies	150,000			
Agriculture	Deer Fencing Matching Grant Program	500,000			
Agriculture	Farm Viability Institute	4,500,000			
Agriculture	Hudson Valley Fruit Lab	85,000			
Agriculture	Maple Producers Association	185,000			
Agriculture	Marketing NYS Wines	2,000,000			
Agriculture	Miscellaneous agriculture initiatives	-		2,000,000	
Agriculture	North Country Agriculture	400,000			
Agriculture	NY Agricultural Land Trust Revolving Loan Fund	30,000			
Agriculture	NY Beef Producers Bull Testing	16,000			
Agriculture	NY Beef Producers Heifer Development	14,000			
Agriculture	NYS Apple Growers Association	250,000			
Agriculture	NYS Seafood Council	100,000			
Agriculture	Penalty Denial	-			
Agriculture	Phytophthora Research (Cornell)	200,000			
Agriculture	Plum Pox Virus Eradication	500,000			
Agriculture	Restore 21 Positions (Food Inspectors)	1,200,000		1,200,000	
Agriculture	Tractor Rollover Protection Program	100,000			
Agriculture	Turfgrass Environmental Steward	175,000			
Agriculture	Wildlife Rabies Program - Long Island	350,000			
Agriculture	Wine Marketing in NYC	250,000			
DEC	Adirondack Watershed Institute	500,000			
DEC	Brownfields Program		(10,000,000)		
DEC	Champlain Watershed Coalition	400,000			
DEC	Children's Environmental Health Center			400,000	
DEC	Climate Change Office			35,000,000	
DEC	Commissions - restore funding for water commissions	707,280			
DEC	Community Integrated Pest Management (IPM)	400,000			
DEC	Delaware River Flood Control	250,000			
DEC	Environmental Protection Fund add			15,000,000	
DEC	Essex and Hamilton County waste management				(450,000)
DEC	Finger Lakes Institute	750,000			
DEC	Flood Mitigation Study - Village of Larchmont	100,000			
DEC	Geological Study for Oxycoal facility at Jamestown BPU	400,000			
DEC	Greenwood Lake Bi-State Commission	300,000			
DEC	Marine-Disease Pathology Consortium	1,500,000		1,200,000	
DEC	NPS Cuts				(396,000)
DEC	Peconic Estuary	200,000			
DEC	Road Salt Alternative Use Study in the Adirondacks	200,000			
DEC	Sea Grant Institute			250,000	
DEC	Long Island - South Shore Feasibility Study	200,000			
DEC	Town of North Elba Promotion	155,250			
DEC	Trudeau Institute	250,000			
DHCR	Affordable Housing Program			40,000,000	
DHCR	Home Ownership Economic Stabilization Program for Long Island (HELP)	390,000			
DHCR	Homeless Housing Assistance (new)			30,000,000	
DHCR	Homes For Working Families			20,000,000	
DHCR	Housing Opportunities For The Elderly			4,000,000	
DHCR	Low Income Housing Trust Fund			65,000,000	
DHCR	Neighborhood Preservation Program			3,272,500	

Agency	Environment / Housing / Agriculture Description	Senate		Assembly	
		Adds	Cuts	Adds	Cuts
DHCR	NYC Housing Authority - Create Tenant Pilot Program			1,200,000	
DHCR	Public Housing Modernization Program			25,000,000	
DHCR	Create Rural Area Revitalization Program			8,000,000	
DHCR	Rural Community Revitalization Program	400,000			
DHCR	Rural Preservation Program	1,628,000		1,628,000	
DHCR	New Urban Initiatives			8,000,000	
Parks	Camp Cass Reductions		(2,500,000)		
Parks	French and Indian War Commission	200,000			
Parks	Mohawk Valley Heritage Corridor	300,000			
Parks	NPS Cuts Across Board				(369,500)
Misc	State Equipment Financing		(2,000,000)		

FACT SHEETS



PUBLIC PROTECTION AND GENERAL GOVERNMENT S.6800B & S.6806B

Division of Alcoholic Beverage Control

The Senate modifies the Executive's recommendation by eliminating a proposed funding increase of \$318,000. Therefore, the Senate recommends All Funds appropriations of \$17.2 million, an increase of \$200,000 or 1.2 percent from SFY 2007-08 levels.

Article VII Proposal:

- The Senate proposes legislation authorizing the State Liquor Authority to issue a temporary retail permit to applicants with a pending license.

Department of Audit and Control

The Senate concurs with the Executive's recommendation of \$358.7 million to support the activities of the Comptroller, an increase of \$5.2 million or 1.5 percent from SFY 2007-08 levels. The Senate supports additional funding for state investigations and investigators of school district activities.

Division of the Budget

The Senate modifies the Executive's recommendation as follows:

- Reduce the Budget Division Program by \$150,000 to reflect the elimination of funding for the Law Revision Commission through the Division. The Commission will now be funded through the Department of State.
- Reject contractual services funding of \$2 million for a financial services contract to evaluate the Executive's proposed privatization of the New York State Lottery.
- Reduce funding for the multi-year Financial Management System project by \$20 million.

Therefore, the Senate recommends All Funds appropriations of \$77.1 million for the Division, a decrease of \$22.1 million or 29.4 percent from SFY 2007-08 levels.

Capital Defenders Office

The Senate concurs with the Executive's All Funds recommendation of \$326,000, a decrease of \$932,000 or 71 percent from SFY 2007-08 levels.

Department of Civil Service

The Senate concurs with the Executive's All Funds recommendation of \$68 million, an increase of \$3.4 million or 5.3 percent from SFY 2007-08 levels.

Article VII Proposals:

- The Senate rejects the Executive's proposal to authorize the Department of Civil Service to recover costs associated with administering civil service exams from the New York City Department of Citywide Administrative Services. This action provides \$550,000 in fiscal relief to New York City.
- The Senate accepts the Executive's proposal authorizing the president of Civil Service to create a 60 day amnesty period for New York State health insurance policy holders to voluntarily terminate coverage for ineligible dependents without subsection to disciplinary actions.
- The Senate advances legislation to provide a dedicated fund for occupational safety and health training and education and the occupational health clinic program, as well as indexing future increases pursuant to a revised formula under workers compensation law.

Consumer Protection Board

The Senate modifies the Executive's recommendation by rejecting two new full time equivalent positions for a savings of \$105,000. Therefore, the Senate recommends All Funds appropriations of \$4.9 million, an increase of \$555,000 or 12.5 percent from SFY 2007-08 levels.

State Commission of Correction

The Senate concurs with the Executive's All Funds recommendation of \$2.8 million, an increase of \$162,000 or six percent from SFY 2007-08 levels.

Department of Correctional Services

The Senate concurs with the Executive's All Funds recommendation of \$3 billion, an increase of \$67 million or two percent from SFY 2007-08 levels, with the following modifications:

- The Senate includes \$1.9 million for the purchase of additional correctional officer equipment.
- The Senate rejects the Executive's recommendation to close three correctional facility camps and one medium security correctional facility and instead restores \$10.7 million for the full and continued operations of Camp Pharsalia located in Chenango County (\$1.8 million); the Camp at Mount McGregor located in Saratoga County (\$2.8 million); Camp Gabriels located

in Franklin County (\$1.1 million); and the Hudson correctional facility, a medium security facility located in Columbia County (\$5 million).

- The Senate rejects the Executive's expansion of new Re-Entry initiatives totaling \$2.1 million as follows: \$1.2 million related to an increase of applications to assist with Re-Entry efforts; \$450,000 in funding associated with the opening of three additional transitional service Re-Entry Units; \$250,000 related to the establishment of a parole violator facility at Edgecombe Correctional Facility; and \$200,000 related to the Executive's proposed expansion of the Family Reunion Center Program.
- The Senate further rejects the Executive's proposed increase of \$18.5 million in Special Revenue Operations funding attributable to DOCS offering local jails cook/chill products from the Food Production Center at the Oneida Correctional Facility. It is unknown at this time how many local jails would actually request cook/chill products from DOCS.

Article VII Proposals:

- The Senate rejects the Executive's proposal to expand the Medical Parole statute. The Executive proposed a savings of \$5.4 million, however, the Executive has not provided analysis on how that figure was determined. Also, the Executive has not indicated the number of inmates that would be released under this proposal.
- The Senate proposes new language which modifies section 97-a and 97-b of the Correction Law by extending the notification of prison closure from one to two years, and requires an adaptive reuse plan be announced concurrently with notification of a prison closure. These provisions are effective retroactive to January 1, 2008.

Crime Victims Board

The Senate concurs with the Executive's All Funds recommendation of \$77.6 million an increase of \$1.6 million or two percent from SFY 2007-08 levels, with the following modification:

- The Senate modifies the Executive's recommendation by striking, without prejudice, total appropriations of \$7 million in State Operations funding. The Senate supports funding for the Crime Victims Board, however, the Senate requests that this program be funded through the General Fund.

Division of Criminal Justice Services

The Senate concurs with the Executive's All Funds recommendation of \$231 million, a decrease of \$13 million or five percent from SFY 2007-08 levels, with the following modifications:

- The Senate modifies the Executive's recommendation by striking, without prejudice, the Federal Edward Byrne Justice Assistance Grant (JAG) appropriation. Alternatively, the Senate requests that the JAG program be split between the Executive, Senate and Assembly

as in previous years. In addition, the Senate recommends that \$2 million for crime laboratories be restored to the General Fund.

- The Senate recommends striking, without prejudice Operation IMPACT funding of \$8.5 million. The Senate supports funding for this program, however, the Senate requests this program be funded through the General Fund.
- The Senate rejects \$800,000 in new funding for local Re-Entry Task Forces, as well as \$2 million in funding transferred from the Division of Parole for related purposes.
- The Senate restores \$1.5 million for the District Attorney Retention and Recruitment Program which the Executive lumped into Aid to Prosecution funding under the Legal Services Assistance Account.
- The Senate reduces funding for the Crimes Against Revenue Program by \$3.5 million.

The Senate restores funding for the following programs:

• Indigent Parolee Program (including Wyoming County)	\$580,000
• Finger Lakes Law Enforcement	\$500,000
• Education and Assistance Corporation	\$617,000
• Onondaga County Law Enforcement Technology	\$184,000
• Erie County District Attorney (Comprehensive Assault Abuse Rape Program)	\$75,000
• Catholic Family Center of Rochester	\$250,000
• Mercy College of Science Degree in Corporate and Homeland Security	\$100,000
• For services and expenses of CopsCare and Safety Means Abduction Registration and Training S.M.A.R.T Program	\$300,000
• New York Association for New Americans (NYANA)	\$200,000
• Homeland Security Consortium at Schenectady County Community College	\$550,000
• Dutchess County Sheriff Department Law Enforcement	\$100,000
• Nassau County District Attorney Medicaid Fraud Unit	\$750,000
• Westchester County District Attorney Youth Violence Gang Intervention Program	\$200,000
• Southern Tier Regional Drug Task Force	\$300,000

Additional funding is provided for the following programs:

• Onondaga County Project PROUD	\$50,000
• Village of Brewster Police Department	\$100,000
• NADAP	\$100,000
• Mobile Defibrillators for NYCPD	\$2.5 million
• Innovative Treatment for Repeat DWI Offenders	\$1.4 million

Article VII Proposals:

- The Senate amends the Executive's proposal for the creation of a new Witness Protection Program by eliminating the provision requiring the potential to provide a local match.
- The Senate denies the Executive's proposal to expand the uses of the Criminal Justice Improvement Account (CJIA).

State Board of Elections

The Senate modifies the Executive's recommendation by rejecting programmatic funding increases for contractual services, supplies and travel for a net savings of \$520,000. Therefore, the Senate recommends All Funds appropriations of \$21.8 million, a decrease of \$16 million or 42.4 percent from SFY 2007-08 levels.

Office of Employee Relations

The Senate concurs with the Executive's All Funds recommendation of \$7.1 million, an increase of \$325,000 or 4.7 percent from SFY 2007-08 levels.

Executive Chamber

The Senate concurs with the Executive's All Funds recommendation of \$20.7 million, unchanged from SFY 2007-08.

Office of the Lieutenant Governor

The Senate concurs with the Executive's recommendation of \$1.38 million, unchanged from SFY 2007-08.

Office of General Services

The Senate modifies the Executive's recommendation as follows:

- Add \$1.1 million for renovation of Hearing Room A and other Senate public meeting rooms.
- Add \$990,000 for continued renovation of Hearing Room B in the Legislative Office Building.

Therefore, the Senate recommends All Funds appropriations of \$498.6 million for the Office, an increase of \$12.4 million or 2.6 percent from SFY 2007-08 levels.

Article VII Proposals:

- The Senate accepts the Executive's proposal requiring the Empire State Plaza Arts Commission to establish a program for the promotion, preservation and enhancement of the State's American art collection displayed at the Empire State Plaza. This proposal would allow the Commission to solicit gifts, grants or loans of artwork for the collection. An appropriation of \$500,000 is included to permit expenditure of any gifts or grants received.
- The Senate rejects the Executive's proposal to modernize the Executive Mansion Trust. This proposal increases the number of voting members on the Trust from five to fifteen, eliminates the Chair of the New York Historical Society as an ex officio board member, provides staggered terms for board members, and empowers the Trust to solicit donations.
- The Senate rejects the Executive's proposal to add a new section 163-c to State Finance Law requiring contractors to include a **0.5 percent surcharge on the purchase price charged to all State and local entities utilizing centralized procurement contracts**. The Executive Budget projected this proposal would generate revenue in the amount of \$8 million in SFY 2008-09. The Senate also rejects the Executive's proposal to make the provisions of the Procurement Stewardship Act permanent and increase the membership of the State Procurement Council by six, adding the Office of Court Administration and the State's Chief Information Officer as permanent members and four gubernatorial appointments. Instead, the Senate recommends extending the Procurement Stewardship Act for five years. Lastly, the Senate accepts the Executive's proposal to enhance the role of the State Procurement Council by creating a statewide forum to adopt future procurement reforms.

Office of Homeland Security

The Senate concurs with the Executive's All Funds recommendation of \$373 million, a decrease of \$9.3 million or two percent from SFY 2007-08 levels.

Office of the State Inspector General

The Senate recommends eliminating the Office of the State Inspector General and transferring the powers and duties of the Office to the Department of Law under the supervision of the Attorney General. Funding for the Office, in the amount of \$7.2 million, will also be transferred to the Department of Law.

Interest of Lawyer Account

The Senate concurs with the Executive's All Funds recommendation of \$72 million, an increase of \$50 million or 230 percent from SFY 2007-08 levels, with the following modifications:

- The Senate denies funding of \$184,000 associated with the administration and distribution of an expected increase in grants.

- The Senate proposes a cash reduction of \$18.8 million anticipated from a projected increase in interest rates.

Article VII Proposal:

- The Senate rejects the Executive's proposal to modify the duties and responsibilities of the IOLA Board regarding oversight of lawyer escrow accounts and the provision of civil legal services. Instead, the Senate recommends a portion of the funding (\$25 million) be used for child abuse, sexual assault and domestic violence prevention services, as well as changing the distribution of funds.

Temporary State Commission of Investigation

The Senate concurs with the Executive's All Funds recommendation of \$3.9 million, an increase of \$47,000 or one percent from SFY 2007-08 levels.

Article VII Proposal:

- The Senate amends the Executive's proposal to provide that any investigations, files, documents and records not completed by the termination date of the Commission be transferred to the Attorney General's Office.

Judicial Commission

The Senate concurs with the Executive's recommendation of \$5.2 million, an increase of \$398,000 or 8.2 percent over 2007-08 SFY levels.

Department of Law

The Senate modifies the Executive's recommendation by increasing total appropriations by \$7.2 million to reflect the Department's assumption of all powers and duties of the Office of the State Inspector General. The Senate also recommends amendments to the Project Sunlight request. Therefore, the Senate recommends All Funds appropriations of \$256.8 million for the Department, an increase of \$16.8 million or seven percent from SFY 2007-08 levels.

Division of Military Naval Affairs

The Senate includes \$500,000 for the purchase of additional Maritime Patrol Security Boats and reduces the Executive's appropriation for the New York Alert account by \$2.7 million. Alternately, the Senate recommends total appropriations of \$125 million, a decrease of \$395 million or 75.8 percent from SFY 2007-08 levels. The significant decrease reflects the elimination of nonrecurring federal and state disaster funding.

Article VII Proposal:

- The Senate denies the Executive's proposal to require nuclear power plant owners to pay the costs of security provided by the State Militia. (\$11.7 million)

Division of Parole

The Senate concurs with the Executive's All Funds recommendation of \$226 million, an increase of \$2 million or one percent from SFY 2007-08 levels, with the following modification:

- The Senate rejects funding of \$600,000 associated with various activities of the Division.

Office for the Prevention of Domestic Violence

The Senate concurs with the Executive's All Funds recommendation of \$3.6 million, an increase of \$7,000 or 0.3 percent from SFY 2007-08 levels.

Division of Probation and Correctional Alternatives

The Senate concurs with the Executive's All Funds recommendation of \$80.3 million, an increase of \$6.5 million or nine percent from SFY 2007-08 levels, with the following modifications:

- The Senate restores \$1 million in funding for a Pilot Project for Global Positioning System (GPS) tracking of sex offenders in Westchester and Onondaga Counties.
- The Senate rejects \$200,000 in funding for a risk assessment instrument to help local probation departments assess needs of probationers, make referrals and evaluate outcomes related to the Executive's Re-Entry expansion plan.

Public Employment Relations Board

The Senate concurs with the Executive's All Funds recommendation of \$4.3 million, an increase of \$155,000 or 3.7 percent from SFY 2007-08 levels.

Commission on Public Integrity

The Senate modifies the Executive's proposal by reducing increased funding by \$800,000 for total appropriations of \$4.9 million in SFY 2008-09, an overall increase of 0.7 percent from SFY 2007-08 levels.

Office of Real Property Services

The Senate concurs with the Executive's recommendation of a \$66.9 million, an increase of \$1.3 million from SFY 2007-08 levels.

- The Senate rejects the Executive's proposal for targeted increases in Real Property Transfer fees scheduled to raise \$21.5 million, and backfills this funding with General Fund support.

Article VII Proposals:

- The Senate accepts the Executive's proposal to charge a fee for a copy of a tax map in Suffolk County.
- The Senate rejects the Executive's proposal to eliminate compensation for special district commissioners.
- The Senate rejects the Executive's proposal to provide financial incentives for local governments to work toward commonality of real property assessment services and tax collections.
- The Senate rejects the Executive's proposal to eliminate elected property tax assessors and school district collectors, and impose uniform tax assessor certification standards.

Division of State Police

The Senate concurs with the Executive's All Funds recommendation of \$668 million, a decrease of \$66.8 million or nine percent from SFY 2007-08 levels, with the following modifications:

- The Senate rejects the Executive's proposal to redeploy 92 State Troopers assigned as School Resource Officers to assist in crime reduction efforts as part of Operation IMPACT. Instead, the Senate adds funding of \$5.6 million for a new class of troopers.
- The Senate restores \$48.4 million in General Fund support from the denial of the Executive's Article VII proposal to increase the Motor Vehicle Law Enforcement Fee from \$5.00 to \$20.00 for an increase of \$15.00.
- The Senate adds funding of \$250,000 for the purchase of and training for pistol cameras to be used by the Mobile Response Team.

Article VII Proposals:

- The Senate rejects the Executive's proposal to increase the Motor Vehicle Law Enforcement Fee of \$5.00 to \$20.00 for a \$15.00 increase, and makes the fee and other related programs that would otherwise expire in 2008 permanent. Instead, the Senate recommends extending the current fee of \$5.00 and other related programs for one year only.

- The Senate adds new language to amend section 223 of the Executive Law to require the Superintendent of the State Police to provide a School Resource Officer at each location in which a School Resource Officer was provided at any time during the period of September 1, 2007 through and including January 31, 2008.

Office for Technology

The Senate modifies the Executive's recommendation as follows:

- Reject new Statewide Wireless Network capital spending of approximately \$36.5 million for subscriber equipment, Systems Operations Centers development and land acquisition.
- Reject new capital spending of \$11 million for interim data center space. While the Senate appreciates the need for increased space, the solution to this problem - construction of a Consolidated State Data Center – and funding for such construction was proposed and adopted by the Legislature in SFY 2006-07. Therefore, the Senate recommends site selection and commencement of construction on the Data Center in SFY 2008-09, rather than additional expenditure on temporary space.
- Reject new capital funding of \$10 million for Universal Broadband Access Infrastructure. While the Senate strongly advocates efforts to encourage broadband deployment in rural and underserved areas, a more detailed plan for capital expenditure is needed from the Office at this time.
- Reject increased funding of \$3.2 million for the Office of General Services to conduct inspections of newly constructed System Operations Centers. This rejection is in line with the Senate's denial of new funding for further development of Systems Operations Centers.
- Reject additional funding of \$325,000 for the Statewide Wireless Network (SWN) Office to perform county outreach and education related to the SWN project.

Therefore, the Senate recommends All Funds appropriations of \$370.3 million, an increase of \$51.9 million or 16.3 percent from SFY 2007-08 levels. The Senate's funding recommendation is 17 percent less than the Executive Budget recommendation for the Office.

Article VII Proposal:

- The Senate rejects the Executive's proposal to impose a wireless surcharge on all prepaid cellular phones. The Executive Budget included \$5 million in additional revenue generated from the wireless surcharge to all prepaid cellular phones in SFY 2008-09. Further, the Senate rejects the proposal to consolidate subdivisions of the County Law regarding authorization to levy a surcharge; and to amend the County Law to conform permissible uses of wireless surcharge revenues by cities and counties.

Division of Veterans' Affairs

The Senate modifies the Executive's recommendation by adding \$250,000 for the Monroe Veterans' Outreach Center and \$200,000 for injured veterans' service dogs.

Workers' Compensation Board

The Senate concurs with the Executive's recommendation of \$201.8 million, an increase of \$11 million or five percent from SFY 2007-08 levels.

General State Charges

The Senate concurs with the Executive's All Fund recommendation of \$1.88 billion, a decrease of \$1.4 billion or 44.2 percent from SFY 2007-08 levels.

Local Government Assistance

The Senate concurs with the Executive's recommendation of a \$56 million increase for revenue sharing through the Aid and Incentives to Municipalities (AIM) program, including Phase I of Aid to New York City and provision of an additional \$50 million targeted to fiscally distressed municipalities.

- Municipalities that receive less per capita aid than comparable peer municipalities are eligible to receive additional funds by an equity adjustment formula to correct variations in aid by the provision of additional funds of nearly \$6 million.
- Provide AIM funding to recently incorporated villages in Orange County which were omitted in the Executive Budget.
- Most municipalities qualifying for at least a five percent increase shall again be required to meet AIM fiscal accountability requirements, including new for SFY 2008-09, the public release of web-based budgetary information and independent financial audits.
- The Senate accepts the Executive's proposal to establish a \$25 million Local Government Efficiency Program to study, make recommendations and assign financial awards to local governments for efficiency and consolidation of services.
- The Senate restores \$163.9 million in Aid and Incentives to Municipalities funding to New York City over the Executive's Budget proposal.
- The Senate provides \$5 million in support to the Town of Hempstead Belmont Community Reinvestment Trust.

- The Senate amends the Executive's recommendation for the Aid and Incentives to Municipalities program by providing an additional \$7.1 million for an equity adjustment factor for financially distressed municipalities. The City of Rochester would receive an additional \$4.4 million, for a total equity adjustment increase of \$7.1 million.

Article VII Proposals:

- The Senate accepts the Executive's recommendation to provide Mandate Relief by implementing Procurement Reform.
- The Senate rejects the Executive's proposed increase of \$5 million for the Local Government Efficiency Program and rejects the ability to shift funding amounts between different government agencies.
- The Senate rejects the Executive's proposal to increase revenue opportunities by Local Governments through the Red Light Demonstration Program; increase mortgage recording fees; and increase the Gross Receipt Tax on cellular telephone service.
- The Senate rejects the Executive's proposal to enact the recommendations of the Commission on Local Government Efficiency and Competitiveness and alternatively defers acceptance and/or rejection of the initial recommendations until the Commission has issued its final report on April 15, 2008.
- The Senate rejects the Executive's proposal to provide Mandate Relief to local governments through Wick's Law reforms, mandating collateral source considerations and setting interest rates on civil judgments.
- The Senate amends the Executive's proposal with respect to the reduction of host community aid for municipalities hosting video lottery gaming, by rejecting such reductions and further including host community funding for the municipalities surrounding Belmont Racetrack.
- The Senate accepts the Executive's proposal to enhance the powers of the New York State Financial Control Board.

Debt Article VII Proposals

- The Senate rejects the Executive's proposal to allow any authorized issuer to issue Personal Income Tax revenue debt.
- The Senate rejects the Executive's proposal to statutorily ban the securitization of state aid.
- The Senate amends the Executive's proposal to extend the provisions for the refunding of variable rate debt permanently and limits the extension to one year.

- The Senate accepts the Executive's proposal to consolidate all the State's bond caps into one section of law.
- The Senate amends the Executive's proposal to permanently provide for the reimbursement of capital spending with bond proceeds and limits these provisions to one year.
- The Senate accepts the Executive's proposal to allow real property improvements to be financed with short term bond proceeds.

LEGISLATURE AND JUDICIARY

S.6801A

Legislature

The Senate concurs with the Executive's recommendation.

Judiciary

The Senate modifies the Executive's recommendation by reducing funding for retroactive judicial pay raises by \$105.5 million. The total funding for the Judiciary will decrease \$10.9 million or 4.5 percent for SFY 2008-09.

Article VII Proposals:

- The Senate modifies the Executive's proposal to implement judicial pay raises retroactive to January 1, 2008 instead of April 1, 2006 as proposed by the Executive.
- The Senate also proposes creation of a Commission on Judicial Compensation to serve as a mechanism for future pay raises.

DEBT SERVICE S.6802B

The Debt Service Budget bill would meet all the existing legal requirements for the payment of State debt service obligations during SFY 2008-2009. The bill contains all of the Executive's recommended appropriation levels for these purposes.

- **Total cash expenditures for debt service are estimated at \$4.696 billion** for SFY 2008-09, an increase of \$346 million or 7.9 percent from estimated SFY 2007-08 spending.
- Contains **appropriation authority totaling \$9.527 billion** for the payment of interest and principal on general obligation bonds, contractual and lease obligation payments of the State and for certain State entities.
- **Total appropriations for SFY 2008-2009 are increased by \$225 million or 2.4 percent** over available SFY 2007-2008 appropriations.
- **Appropriations for General Fund supported debt service total \$3.512 billion.** This represents an increase of \$84 million or 2.5 percent from SFY 2007-08 appropriation levels. Payments on General Obligation bonds and transfers from the General Fund to support lease-purchase and contractual obligation payments for bonds issued by State public authorities to support the capital program are included in these appropriations.
- **Appropriations from Other Funds (non-General Fund) total \$1.733 billion.** This represents an increase of \$97 million or 5.9 percent from SFY 2007-08 appropriation levels. Payments from debt service funds supported by specific revenues (such as the Dedicated Highway Trust Fund) are included in these appropriations. This includes a reappropriation from the Debt Reduction Reserve Fund of \$229 million to either defease outstanding bonds or for hard dollar capital spending that was not used in the 2007-08 fiscal year.
- **Contingent appropriations total \$4.282 billion.** This represents an increase of \$44 million or 1.0 percent from SFY 2008-09 appropriation levels. These appropriations include the payment of debt service on the State's variable rate bonds at a maximum projected interest rate of up to 18 percent and payments for interest rate exchange agreements should the existing agreements be terminated. These appropriations also include the payment of debt service on the tobacco settlement bonds.

**EDUCATION, LABOR AND FAMILY ASSISTANCE
S.6803B & S.6807B**

Council on the Arts

The Senate concurs with the Executive's All Funds recommendation of \$60.7 million, a decrease of \$2.2 million or 3.6 percent from SFY 2007-08 levels.

City University of New York

The Senate modifies the Executive's recommendation by restoring funding for the following:

- State Operating Assistance for CUNY Senior Colleges \$12.5 million
- Community College Base Aid of \$50 per FTE Student \$2.34 million

Capital Plan: The Senate strikes, without prejudice, \$1.699 billion in capital appropriations which were not itemized, pending agreement on the specific projects to be funded with the appropriations. The non-itemized appropriations denied are as follows:

- Critical Maintenance – Senior Colleges \$284.2 million
- Strategic Initiative – Senior Colleges \$960 million
- Project Administration Cost and Emergency \$195 million
- Critical Maintenance/Strategic Initiative - Community Colleges \$250 million
- Administration Cost and Emergency - Community Colleges \$10.5 million

Article VII Proposals:

- The Senate denies the Executive's proposal to increase regulatory flexibility for SUNY and CUNY, including authorization for SUNY and CUNY trustees to relocate programs and sell surplus properties as a means to achieve efficiencies.
- The Senate denies the Executive's proposal to establish a University Capital Projects Review Board that would approve capital projects to be funded under the new CUNY five-year capital plan.

State Education Department

The Senate Majority school aid package builds upon the Executive school aid proposal for 2008-09 by adding \$381 million on a state fiscal year basis. **The Senate Majority school aid package attempts to keep the promise on education aid increasing overall school aid to \$21.5 billion, a \$2 billion increase (or ten percent) over 2007-08 spending levels.** Computerized aids are increased by \$1.9 billion over 2007-08 levels representing the largest school aid increase in the

history of New York State. This substantial infusion of education dollars will both meet the needs of school children and property tax payers and provide school districts with a fair, transparent and predictable aid program that properly balances the needs of students and taxpayers across the **entire** State. The Senate Majority modifies the Executive's education funding proposal as follows:

Foundation Aid (+\$47.4 million): The Senate Majority significantly improves the distribution of the Governor's Foundation aid by rejecting several of the Executive's proposals. This includes rejecting the Executive's proposal to reduce the minimum increase a school district can receive to two percent from three. In addition, the Senate Majority rejects the Executive changes in the state sharing ratio and returns to the enacted aid ratios from 2007-08. Aid ratios are enhanced for high need and high tax districts.

BOCES Aid (+\$78 million): The Senate rejects the Executive's reductions in BOCES aid for the 2008-09 school year. In addition, the alternative aid ratio is rejected and present law is fully funded.

Public Excess Cost Aid (Special Education) (+\$26.2 million): The Senate Majority rejects the Executive's proposal to eliminate this aid which provides supplementary funds for needy special education children, and restores funding to 2007-08 recipients.

High Tax Aid (+\$114.9 million): The Senate Majority expands the Executive's proposal by providing a 100 percent save-harmless so no school district will receive less in High Tax aid than they received in 2007-08. In addition, the Senate Majority establishes a regional cost factor as well as the inclusion of the foundation state sharing ratio in the calculation of aid.

Building Aid (-\$1.9 million): The Senate Majority accepts the Executive's present law funding proposal. In addition, the Senate rejects the Executive's proposed elimination of building aid ratio choice, and the Executive's proposal to offset New York City academic achievement grants with any future building aid claims in New York City.

Transportation Aid (+\$16 million): The Senate Majority accepts the Executive's proposal for reimbursement of school district transportation expenses.

Universal Pre-Kindergarten (+\$0 million): The Senate Majority accepts the Executive's proposed funding level for Universal Pre-K with several modifications:

- School districts who want to expand or create a new Pre-K program, but for various reasons determine they cannot opt in, can apply to the Commissioner of Education for a waiver to utilize the funds for K-3 programs that the Commissioner deems appropriate.
- School districts shall be reimbursed for the creation or expansion of Pre-K programs in the 2008-09 State Fiscal Year to reflect utilization levels.

Instructional Materials (-\$1.2 million): The Senate accepts the Executive's proposal on instructional materials with one modification:

- Authorize school districts to purchase electronic subscriptions within textbook aid.

Educational Improvement Grants (+\$118.9 million): The Senate Majority increases the amount for New York City and rejects the Executive's late aid claim offset proposal.

Contract for Excellence: The Senate Majority modifies the Executive's Contract for Excellence proposal. Currently, there is no official school district accountability designation from the Commissioner of Education for 2006-07, which makes evaluation of the Executive's proposal nearly impossible. The Executive has yet to produce a list of school districts subject to the Contract for Excellence based on either current law or the proposed changes. The Senate Majority recommends the following modifications in relation to Contracts for Excellence:

- School districts who were subject to the contract requirements in 2007-08, which has a school that was in either corrective action or restructuring status in 2006-07, and which receive an increase of either \$15 million or 10 percent over 2007-08 shall be subject to the provisions of the Contract for Excellence.
- Any school district which no longer has a school in corrective action or restructuring status in the current year shall not be subject to the Contract for Excellence. Also, adds to the menu of expenditure options programs focused on students with limited English proficiency as well as afterschool programming.
- The Senate rejects the Executive's proposal to require school districts to submit a Contract for Excellence update for two years following the year in which the contract is first filed.
- Authorize Yonkers, Rochester, Buffalo, and Syracuse to reduce city contributions to education if a commensurate reduction in county sales tax revenues is provided to the City.

Preschool Special Education Cap and Cost Shift (+\$46 million): The Senate rejects the Executive's proposal to transfer certain costs of preschool special education administrative and evaluation costs to school districts and local taxpayers.

STAR Program:

The SFY 2008-09 Executive Budget recommends \$354 million of reductions to the Middle Class STAR Tax relief program in four areas.

1. The Senate accepts the Executive's recommendation to authorize the Department of Taxation and Finance to offset owed tax and other debts against STAR Rebates Savings, worth \$15 million. (Part Q)
2. The Senate accepts the Executive's recommendation to eliminate the New York City Personal Income Tax (PIT) component of the STAR Rebate credit for individuals earning more than \$250,000 annually, worth \$20 million. (Part R)
3. The Senate rejects the Executive's proposal for a one year delay of the already scheduled increase for the Basic Middle Class STAR Rebate for families, worth \$169 million, and \$40 million for the New York City PIT credit enhancement, the total combined value for SFY 2008-09 is \$209 million. (Part S)
4. The Senate rejects the Executive's proposal to reduce the STAR floor on exemption reductions from five percent to ten percent, worth \$110 million. (Part W)

5. The Senate supports additional measures for immediate and long term property tax relief for taxpayers.

New Initiatives (-\$11 million): The Senate **rejects** the following new initiatives within the Executive's budget proposal:

After School Funding: A new \$10 million appropriation is eliminated intended for children in high need low performing schools.

Student Mentoring: \$1 million for student mentoring is rejected.

Other Legislative Actions (+\$8 million):

Public Libraries: The Senate restores \$5 million for libraries, bringing the total amount for library aid to \$102.2 million.

Independent Living Centers (ILCs): The Senate restores funds for three new independent living centers in Putnam, Herkimer, and Sullivan Counties, as well as \$500,000 for cost adjustments in current centers (+\$1.5 million) eliminated by the Executive.

Center For Autism and Related Disabilities: The Senate restores \$500,000 for this program which was omitted from the Executive Budget.

Adult Literacy Education: The Senate restores \$2 million in proposed reductions for this program.

The Senate restores the following programs which were either eliminated or reduced in the proposed Executive Budget:

Missing Children Prevention (+\$1 million)

Rural Education Advisory Council (+\$175,000)

New York State Historical Association (+\$180,000)

Office of School Personnel Review and Accountability (+\$1.1 million)

The Love Science and Math Program (+\$125,000)

The Tech Valley Teacher Externship program (+\$125,000)

Poughkeepsie Magnet Program (+\$200,000)

Hudson City Magnet Program (+\$400,000)

Council For the Humanities (+\$450,000)

ProStart (+\$200,000)

Transferring Success (+\$250,000)

Tech Valley High School (+\$250,000)

New Initiatives/Funding Adds:

The Senate funds the following new/existing programs:

Teacher Centers (+\$2 million)

New York State Center for Rural Schools (+\$500,000)

Fiscal Stabilization Grants (Shoreham Wading River Central School District +\$1.2 million)

Extraordinary Property Value Impact Grants (+\$3.8 million).

Mandate Relief:

The Senate recommends language that includes mandate relief proposals for school districts:

No Unfunded Mandates: This section prohibits the enactment of any mandate whose fiscal implication is in excess of \$10,000 to a municipality or in excess of \$1 million in aggregate without full State funding.

The Paperwork Reduction Act: This section is intended to streamline planning and reporting requirements placed on school districts and Boards of Cooperative Educational Services (BOCES) by reducing duplication and burdensome separate reporting systems. The bill gives the Commissioner of Education the responsibility to reduce the paperwork burden on schools, conforms State planning and reporting requirements to Federal requirements, and defines the purposes of school district planning and reporting.

No Mandate can be applied during a fiscal year on school districts: This section will allow for proper planning and budget making at the local level.

Late Claim Filings: The Senate proposes to adjust projected year aid estimates by including claims that are submitted after November 15th of the current school year, similar to the way building aid is currently reimbursed. This action will eliminate the fluctuation of aid estimates in the current school year which creates fiscal plan problems for the State and alters enacted school aid agreements.

Tenure Determinations:

These provisions modify the tenure determination provisions enacted in the 2007-08 SFY Budget. It provides that new Regents regulations regarding minimum standards for tenure apply to all teaching staff hired after July 1, 2008. Local districts retain their authority to make all tenure determinations. It also provides that the process for evaluating a candidate shall be conducted consistent with the Regents' rules and regulations on this matter. The existing statute provides that the Regents regulations include an evaluation of the teacher including the use student performance data, peer review, and assessment of a teacher's performance by a supervisor. The school principal when appropriate will continue to have the ability to determine the teacher's assessment and when appropriate will consult with other supervisory personnel in the school.

State Education Department - Higher Education Program

The Senate provides an additional \$3.6 million for the unrestricted aid for independent colleges and universities (BUNDY) aid.

The Senate strikes, without prejudice, an appropriation of \$1 million for high needs nursing programs at New York State’s independent colleges and universities. The Executive’s appropriation language distorts the intent of this program, which was a Senate initiative from last year. The Senate recommends full restoration of this program in conformance with the language enacted in 2007.

The Senate includes language modifying eligibility criteria for receiving grants under the State’s aid for high needs nursing programs at independent colleges and universities to include institutions offering online nursing degree programs via the Internet.

Office of Children and Family Services

The Senate concurs with the Executive's recommendations with the following modifications:

- The Senate restores funding for the following programs:

NYS Alliance of Boys & Girls Club	\$1 million
Statewide 211 Health & Human Services Info & Referrals	\$3.15 million
Child Abuse Medical Provider Network (CHAMP)	\$500,000
Youth Development and Delinquency Program (YDDP)	\$500,000
Caseload Reduction	\$5 million
CPS Technology	\$500,000
Child Advocacy Center	\$1.5 million
Heartshare Program	\$125,000
CCR&R	\$808,000

- The Senate adds \$7 million in funding for the Home Visiting program.
- The Senate reduces funding for various programs totaling \$11.5 million and for nonpersonal services costs totaling \$5.3 million.
- The Senate denies increases in Systems Support Programs in the amount of \$4.4 million.
- The Senate denies the Executive’s proposal to bond \$17.1 million for the initial phase of the modernization of the CONNECTIONS infrastructure.

Article VII Proposals:

- The Senate denies the Executive’s proposal to eliminate state reimbursement for the administration and operation of local detention facilities. In line with this rejection, the Senate restores \$35.4 million.

- The Senate advances legislation to extend the CPS Technology demonstration project. In line with this proposal, the Senate restores \$500,000 to continue fifty percent of the cost of the demonstration project.
- In order to provide a system of accountability, the Senate advances legislation to create the Office of the Child Advocate. The purpose of the Office is to protect and promote the legal rights of youth under the jurisdiction of the Office of Children and Family Services (OCFS). The Advocate will assist in providing oversight of children and will handle and investigate complaints.
- The Senate advances legislation to recommend that OCFS conduct a comprehensive assessment of the recommendations from the Child Welfare Workload Study for CPS, Foster Care and Preventative services workers, established pursuant to Chapter 53 of the Laws of 2006. Such report shall include a comparison by each social service district of the current staff to client ratios to the recommendations and or projection of the time frames and the State costs associated with districts moving towards these recommendations by 2009.
- The Senate advances legislation to prohibit the closure and transfer of any youth or employees at the Great Valley residential center, the Auburn residential center and the Brace residential center. The Senate requires OCFS to undertake all necessary steps to convert the Great Valley residential center from a non-secure facility to a limited secure facility, while maintaining the Auburn residential center and the Brace residential center as non-secure facilities. Additionally, the Senate requires that OCFS conduct a study on the effectiveness of the juvenile justice system by examining the recidivism rates in residential and community based programs. The Senate provides \$100,000 in order to conduct the study.
- The Senate advances legislation to modify the existing statute governing notification of the closure of youth facilities by changing the closure notification period from twelve months to twenty-four months. Further, the legislation requires OCFS to provide an adaptive reuse plan for any facility slated for closure at the time of the notification.
- The Senate amends the Executive's proposal to establish performance reporting requirements for certain programs determined by the Commissioners of OCFS and the Office of Temporary and Disability Assistance (OTDA) to include stakeholders in the determination of which programs to select and which criteria to utilize.
- The Senate advances legislation requiring OCFS, in collaboration with OTDA, to submit a report related to good cause refusal in cooperating with any regulation and/or directive requiring low income custodial parents to actively seek child support or show good cause as a condition of eligibility for a child care subsidy.
- The Senate advances legislation repealing the Council on Children and Families. The legislation provides for the transfer of all duties and functions of the Out-of-State Placement Committee to the State Education Department. Further, the legislation transfers all duties and functions of the Restraint and Crisis Intervention Technique Committee to the Office of Mental Health.

Office of Temporary and Disability Assistance

The Senate concurs with the Executive's recommendation with the following modifications:

- Restore \$150,000 for the Utica Food Bank.
- Reduce spending, without prejudice, for various programs totaling \$20.6 million and reduce nonpersonal services costs totaling \$5.9 million.
- The Senate denies the Executive's proposal to redirect \$7.5 million in local savings generated by moving two-parent families from Temporary Assistance for Needy Families (TANF) support to Safety Net support. In line with this rejection, the Senate restores fifty percent of the funding for a total of \$3.75 million.
- The Senate denies without prejudice the Executive's proposal for the TANF surplus of \$1.82 billion. The Senate urges the Executive to work with the Legislature to ensure that the most appropriate programs, including but not limited to child care, summer youth employment, transportation, the flexible fund for family services and legislative initiatives which were eliminated by the Executive, all programs which help move individuals to self-sufficiency, receive proper allocations.

Article VII Proposals:

- The Senate denies the Executive's proposal to modify the public assistance costs shares between the State and counties, by increasing the local share for TANF and Safety Net cases by two percent. In line with this modification, the Senate restores \$20.2 million.
- The Senate denies the Executive's proposal to authorize OTDA to access the Department of Taxation and Finance's Wage Reporting System (WRS) for information on former public assistance recipients to better assess the effectiveness of training programs.
- The Senate amends the Executive's proposal to establish performance reporting requirements for certain programs determined by the Commissioners of OCFS and OTDA to include stakeholders in the determination of which programs to select and which criteria to utilize.

Higher Education Services Corporation

The Senate concurs with the Executive's recommendation with the following modifications:

Article VII Proposals:

The Senate denies the Executive's proposal authorizing the State Education Department to enter into a Memorandum of Understanding with the State Attorney General in relation to the implementation costs of the Student Lending, Accountability, Transparency and Enforcement Act.

The Senate **accepts** the Executive's proposals to:

- Raise veterans' tuition awards to the level of the full-time tuition rate at SUNY.
- Extend awards for the Regents Health Care and Regents Professional Opportunity scholarships for one year.
- Authorize the Department of Taxation and Finance to share information on borrowers in default on student loans with the Higher Education Services Corporation.
- Deny TAP to students in default on any government education student loan.

In addition, the Senate recommends statutory changes that would:

- Establish the Student Tuition Relief Initiative for Valued Education (STRIVE) to provide significant relief to New York families to pay for tuition and fees for students who attend a college or university in New York State and whose family's annual net taxable income is less than \$150,000. Also, the program would limit the student's contribution for any remaining cost of tuition and fees to ten percent of their annual net taxable income. Students in the STRIVE program must participate in 20 hours of community service annually and maintain a minimum grade point average of 2.0 during their first and second years and of 2.5 during their third and fourth years. In order to encourage graduates to stay in New York State, STRIVE awards are converted to loans if graduates do not reside in New York State for five years after leaving college. The Higher Education Services Corporation would administer the program and would have the ability to access information from the Department of Taxation and Finance in order to verify residency requirements after students graduate.
- Extend the benefit of the part-time tuition assistance program to students attending for-profit colleges with degree granting authority who currently participate in the regular TAP awards.

Division of Human Rights

The Senate concurs with the Executive's All Funds recommendation of \$17 million, an increase of \$2.1 million or 11.2 percent from SFY 2007-08 levels.

Department of Labor

The Senate restores \$6.2 million for the following workforce training initiatives:

- | | |
|--|---------------|
| • Displaced Homemaker Program | \$2.6 million |
| • Rochester Summer of Youth | \$300,000 |
| • Consortium for Workers Education Workforce Development | \$455,000 |
| • For the Good, Inc. | \$150,000 |
| • UAW American Axle/UAW Perry's Ice Cream Workforce Training | \$1 million |
| • Consortium for Workers Education Workplace Literacy | \$200,000 |

- NYS AFL-CIO Workforce Development Institute Upstate \$995,000
- Utica Dislocated Worker Assistance Center \$200,000
- Western New York Council on Occupational Safety & Health \$250,000

The Senate includes additional funding totaling \$12 million for worker training, education, apprenticeship programs and other labor initiatives. Also, the Senate reduces Systems UI Modernization funding by \$12 million.

Article VII Proposals:

- The Senate denies the Executive’s proposal to assess a \$750 SERB arbitration fee for both parties. Currently, services are provided free of charge.
- The Senate denies the Executive’s proposal to change the compensation for SERB Board members from a full annual salary to a per diem rate of \$350.
- The Senate advances language to provide dedicated funding for occupational safety and health training and education and the occupational health clinic program fund, as well as indexing of future increases pursuant to a revised formula under workers compensation law.

State University of New York (SUNY)

The Senate modifies the Executive's recommendation by restoring and providing funding for the following:

- State Operating Assistance for SUNY State-operated campuses \$23.96 million
- Small Business Development Centers \$500,000
- Cornell Cooperative Extension Program \$500,000
- Community College Base Aid of \$50 per FTE Student \$6.24 million
- Operating Assistance for Community Colleges with Low Enrollment \$1 million
- Additional Program Enhancements

Capital Plan: The Senate strikes, without prejudice, \$2.7 billion in capital appropriations which were not itemized, pending agreement on the specific projects to be funded with the appropriations. The non-itemized appropriations denied are as follows:

- Critical Maintenance - State-operated and statutory campuses \$550 million
- Strategic Initiative - State-operated and statutory campuses \$1.612 billion
- Greening of SUNY - State-operated and statutory campuses \$75 million
- Critical Maintenance/Strategic Initiative - Community Colleges \$470 million

The Senate **accepts** the following capital appropriations as proposed by the Executive:

- \$573 million for the SUNY Residence Hall Program. The SUNY Residence Hall Capital program is self-financed from dormitory revenues.

- \$450 million for the three SUNY Hospitals – Stony Brook: \$150 million; Brooklyn: \$150 million; Syracuse; \$150 million. The Hospital capital program is self-financed with patient and other hospital revenues.
- \$55.6 million in capital appropriations for the following SUNY community colleges projects:

SUNY COMMUNITY COLLEGES

	<u>TOTAL SHARE</u>	<u>50% SHARE</u>
Itemized Appropriation Total =	111,189,000	55,594,500
<i>Adirondack Community College</i>		
Regional Higher Education Center	556,000	278,000
<i>Broome Community College</i>		
Technology Building	10,000,000	5,000,000
<i>Corning Community College</i>		
Renovations & Revitalization Phase II	13,091,000	6,545,500
Alterations & Additions to Goff Road Facility	1,434,000	717,000
<i>Fashion Institute of Technology</i>		
Toy Design & Performing Arts Facility	300,000	150,000
<i>Finger Lakes Community College</i>		
Auditorium & Performing Arts facility	16,000,000	8,000,000
<i>Fulton-Montgomery Community College</i>		
Upgrades to Waste Water Treatment Plant	422,000	211,000
<i>Herkimer County Community College</i>		
Library Additions & Renovations	50,000	25,000
<i>Hudson Valley Community College</i>		
New Parking Structure	15,600,000	7,800,000
<i>Jamestown Community College</i>		
Facilities Master Plan Update	140,000	70,000
<i>Monroe Community College</i>		
Field House	12,900,000	6,450,000
ATEC/Building 9, Phase I	12,000,000	6,000,000
<i>Nassau Community College</i>		
Road & Parking Paving	4,000,000	2,000,000
Window Replacement	1,200,000	600,000

<i>Suffolk County Community College</i>		
Fire Sprinkler Infrastructure	74,000	37,000
Reconstruction of Central Plaza	750,000	375,000
 <i>Sullivan County Community College</i>		
Renovations for Instructional Programs	250,000	125,000
Center for Advanced Science & Technology	15,000,000	7,500,000
 <i>Ulster Community College</i>		
Update Facilities Master Plan Phase I	840,000	420,000
 <i>Westchester Community College</i>		
Air Conditioning & CFC	244,000	122,000
Administration Building Renovations	220,000	110,000
Physical Education Field Improvements	2,866,000	1,433,000
Physical Education Building Renovations (Design)	362,000	181,000
Health Science Building Renovations	188,000	94,000
Technology Improvements	2,702,000	1,351,000
Itemized Appropriation Total	111,189,000	55,594,500

Article VII Proposals:

The Senate denies the Executive's proposals to:

- Increase regulatory flexibility for SUNY and CUNY, including authorization for SUNY and CUNY trustees to relocate programs and sell surplus properties as a means to achieve efficiencies.
- Establish a University Capital Projects Review Board that would approve capital projects to be funded under the new SUNY five-year capital plan.

The Senate advances language that would require all **colleges and universities in New York to develop a comprehensive campus security plan** to: 1) establish a relationship with local law enforcement, emergency service and medical personnel; 2) provide to local law enforcement and emergency personnel a detailed mapping of all campus roads and facilities; and 3) conduct drills in conjunction with local law enforcement and emergency personnel with regard to the comprehensive campus security plan. The language also authorizes the State University and City University to develop and implement demonstration or pilot programs to test the effectiveness of various technologies to identify and respond to security threats in and around their campuses.

State University Construction Fund

The Senate concurs with the Executive's recommendation.

Office of the Welfare Inspector General

The Senate concurs with the Executive's All Funds recommendation of \$1.6 million, an increase of \$260,000 or 19.4 percent from SFY 2007-08 levels.

HEALTH AND MENTAL HYGIENE S.6804B & S.6808B

State Office for the Aging

The Senate concurs with the Executive's All Funds recommendation of \$250 million with the following amendments:

- Delay implementation of the Regional Caregivers for Excellence Program until January 1, 2009 and reduce funding by \$475,000.
- Delay implementation of the Targeted Expanded In-Home Services for the Elderly Program (EISEP) until January 1, 2009 and reduce funding by \$1.5 million.
- Delay implementation of the Enriched Social Adult Day Services demonstration project until January 1, 2009 and reduce funding by \$500,000.
- Provide \$225,000 in additional funding for the Alzheimer's Advisory Coordinating Council.
- Provide \$90,000 in additional funding for the New York Naturally Occurring Retirement Communities (NY NORC) Health Indicators Project.
- Provide \$1 million in additional funding for Geriatric Home Medical Care pilot programs.
- Provide \$1 million in additional funding for the establishment of distinguished chairs in geriatrics for the purpose of fostering and developing research, educational and training activities, and clinical services in gerontological sciences.
- Provide \$250,000 in additional funding for Senior Assigned Counsel.
- Provide \$200,000 in additional funding for End of Life Care initiative.
- Provide \$500,000 in additional funding for Triad Programs to combat crimes against seniors.
- Provide \$1 million in additional funding to local aging offices to assist with transportation operating expenses related to serving seniors.
- Provide \$100,000 in additional funding to establish the Regrant Program whereby the Office may contract with designated agencies to administer funding and technical assistance to programs and activities not indirectly funded by the Office.
- Provide for the establishment of data bank of individuals wishing to volunteer their services and provide for the development of training programs for such volunteers.

Developmental Disabilities Planning Council

The Senate concurs with the Executive's recommendation of \$4.5 million, unchanged from SFY 2007-08 levels.

Department of Health

The SFY 2008-09 Senate Budget includes a net restoration of \$83.1 million to the \$1.14 billion in Medicaid, Health Care Reform Act (HCRA) and Health reductions advanced by the Executive, including \$17 million in additional funding for Public Health Programs. The \$83.1 million in net restorations is a result of \$482 million in gross restorations offset by \$398.9 million in programmatic savings and spending re-estimates.

Public Health

The SFY 2008-09 Senate Budget includes \$17 million in funding for various Public Health initiatives. The SFY 2008-09 Senate Budget requires the Department of Health to achieve nonpersonal service efficiencies and includes a reduction of \$10.9 million.

Medicaid

The SFY 2008-09 Executive Budget proposes \$45.9 billion in All Funds support for Medicaid spending, including \$1.01 billion in cost saving measures for the Health and Medicaid program. The SFY 2008-09 Senate Budget includes \$465 million in gross restorations for the Medicaid program. The Senate also includes \$388 million in General Fund savings for the Medicaid program, including \$150 million from an increase in the Medicaid Fraud audit target, \$107 million from a lower re-estimate in Medicaid spending, and \$131 million for various programmatic savings.

Health Care Facilities

The SFY 2008-09 Executive Budget includes an **elaborate and complicated proposal with methodological changes** to a hospital reimbursement system that has been in place for more than 25 years. This proposal would update the methodology by which rates paid to hospitals for inpatient services are determined. This rebasing of hospitals would be implemented over a four year period, and would remove more than \$600 million in Medicaid funding from the hospital system. The SFY 2008-09 Executive Budget rebasing proposal, when fully implemented, would: eliminate hospital workforce funding; reduce funding for Graduate Medical Education (GME); eliminate provider rate appeals and wage adjustments; create new groupings of hospitals for reimbursement purposes; impose 100 percent group pricing; and change the base year from 1981 to 2005. These proposed actions would result in \$64 million in State savings. The Executive fails to provide detailed and accurate information on the impact that this rebasing proposal would have on facilities throughout New York State.

The SFY 2008-09 Executive Budget includes \$60 million in State funds to establish an Ambulatory Patient Group (APG) method of reimbursement for primary and ambulatory care provided by hospital based outpatient departments, emergency departments and clinics. As was the

case with the hospital rebasing proposal, the Executive fails to provide sufficient details on the impact this proposal would have on hospitals.

The SFY 2008-09 Executive Budget includes \$138 million in additional savings as follows: reduce the rates paid for inpatient detoxification services resulting in \$35 million in State savings; eliminate the specialty Medicaid rates paid to hospitals for psychiatric services for \$2 million in State savings; include measures aimed at improving the efficiency of utilization of hospital services for \$48 million in State savings; and realize savings from the implementation of the Berger recommendations for a State savings of \$53 million. The SFY 2008-09 Executive Budget would reduce the trend factor by 35 percent from 2.3 percent to 1.625 percent and require hospitals to partially absorb inflationary increases for State savings of \$28 million.

The SFY 2008-09 Executive Budget includes \$24 million in State funds for initiatives and rate increases which would improve access to primary care including: increasing the rates paid to physicians; increasing the rates paid to community based clinics; and providing funds for various primary care services such as extended and weekend hours at clinics.

The SFY 2008-09 Executive Budget redirects \$15.6 million in Graduate Medical Education (GME) funds for the "Doctors Across New York" program. Initiatives in this program include: ambulatory training for residency training in community based settings; the Physician Loan Repayment program; enhanced funding to community based centers to attract and retain physicians in rural and inner-city underserved communities; the Expanding Diversity in Medicine program; and increased funding for the Area Health Education Centers (AHEC).

The SFY 2008-09 Senate Budget would protect the quality of health care in New York State by ensuring that changes to the hospital reimbursement system are accomplished in an open and transparent process while seeking input from stakeholders and maintaining statutory oversight for hospital rate setting. The Senate denies the Executive's proposal without prejudice. The information that has been provided by the Executive is incomplete and does not factor in revised service intensity weights which went into effect January 1, 2008. The Senate Budget would require the Department of Health to conduct a comprehensive study of the hospital reimbursement system. This study would include a detailed review of the current hospital reimbursement system, alternative reimbursement methodologies, and the impact of these reimbursement systems on the provision of quality patient care, including primary and preventive care. Therefore the Senate Budget restores \$64 million in State funds for hospital inpatient services and denies without prejudice implementation of the APG method of payments for State savings of \$60 million.

The SFY 2008-09 Senate Budget restores 50 percent of the proposed trend factor reduction, restoring \$14 million in State funds. The SFY 2008-09 Senate Budget accepts \$94 million in State savings proposed by the Executive. The Senate Budget accepts the \$24 million in funding to improve access to primary care services. The Senate Budget amends the "Doctors Across New York program with regards to the Physician Loan Repayment program and modifies the terms included in the loan repayment program.

Long Term Care

The SFY 2008-09 Executive Budget includes \$160 million in reductions for long term care services, with \$117 million affecting nursing homes. The SFY 2008-09 Executive Budget **fails to**

honor the rebasing commitment made by the State as part of the SFY 2005-06 Enacted Budget, and by eliminating \$85 million in State funds for nursing homes. Other savings and reductions for nursing homes include: reduce the trend factor by 35 percent from 2.3 percent to 1.625 percent and require nursing homes to partially absorb inflationary increases for State savings of \$22 million; and realize savings from the implementation of the Berger recommendations for a State savings of \$10 million.

The SFY 2008-09 Executive Budget includes \$43 million in reductions for home care services including: reducing the allowable cost for reimbursement for administrative and general costs for certified home health agencies and the Long Term Home Health Care program; freezing the base year to 2005 for certified home health agencies; and establishing the personal care utilization demonstration program for New York City. The SFY 2008-09 Executive Budget also reduces the 2.3 percent trend factor to 1.625 percent and requires home care services to partially absorb inflationary increases and includes \$12 million in State savings.

The Senate recognizes these actions will compromise the quality of health care provided to nursing home patients. Therefore, in order to prevent the Executive from renegeing on his prior commitment, the SFY 2008-09 Senate Budget **restores \$85 million in State funds** for the rebasing transition funds. The SFY 2008-09 **Senate Budget also restores 50 percent of the proposed trend factor reductions** for nursing homes and home care services and includes \$34 million in State funds.

The Senate recognizes the importance of home care in allowing individuals to remain in the community with their families. As such, the SFY 2008-09 Senate Budget restores \$25 million in State funds and rejects the following proposals: reducing the allowable cost for reimbursement for administrative and general costs for certified home health agencies and the Long Term Home Health Care program; and freezing the base year to 2005 for certified home health agencies.

Pharmaceuticals

The SFY 2008-09 Executive Budget includes several amendments to the Preferred Drug Program (PDP) and Clinical Drug Review Program (CDRP) for pharmaceuticals. The changes proposed by the Executive include the following: authorize drugs classified as antidepressants to be included in the PDP and CDRP; authorize new classes of drugs to be included in the PDP and CDRP programs; and authorize drugs currently in the PDP program to be included in the CDRP program for prior authorizations. These changes would result in State savings of \$36 million.

The Executive Budget reduces reimbursement for prescription drugs to pharmacies participating in the Medicaid and Elderly Pharmaceutical Insurance Coverage (EPIC) programs. Under the Executive proposal, reimbursement for brand name drugs would be reduced from the Average Wholesale Price (AWP) minus 14 percent to AWP minus 17 percent. This reduction would result in State savings of \$40 million. The SFY 2008-09 Executive Budget also proposes to increase the dispensing fee paid to pharmacies for prescription drugs in both the Medicaid and EPIC programs by \$1.

The SFY 2008-09 Executive Budget includes various cost savings measures for pharmaceuticals including: establishing a medication therapy management program; establishing a physician pharmaceutical education program (academic detailing); establishing a drug utilization review program; increasing the 340B drug discount program; establishing controls on early refills of

prescription drugs; establishing a specialty pharmacy program for high cost drugs; and carving out prescription benefits from the Family Health Plus program. These pharmaceutical changes would result in State savings of \$45 million.

The SFY 2008-09 Executive Budget also proposes to establish the EPIC discount card for low income individuals. Effective April 1, 2009, individuals that meet current income guidelines would be eligible for the new discount card.

These reductions would severely impact access to prescription drugs. **Therefore the SFY 2008-09 Senate Budget includes \$20 million to mitigate the proposed reductions and restores 50 percent of the proposed AWP reimbursement reductions.** The Senate Budget rejects the proposed increase in dispensing fees for the Medicaid and EPIC programs. **The Senate Budget re-estimates the savings attributed to the specialty pharmacy program for high cost drugs and realizes an additional \$16 million in State savings.** The Senate Budget also amends the EPIC discount card program by focusing resources on the vulnerable population between ages 55 to 64.

Other Medicaid Proposals

The SFY 2008-09 Senate Budget **restores \$3 million** for the supplemental emergency transportation rate. The Senate Budget also **includes \$21 million in State savings** attributed to the improved coordination and review of available data systems. The Senate Budget also rejects the Executive's proposal to authorize the Department of Health to enter into contracts with Medical Transportation Brokers and restores \$10 million in State funds.

Health Insurance Coverage

The SFY 2008-09 Executive Budget imposes a new tax on certain health plans which will be directly passed on to consumers who will be forced to drop coverage, adding to the State's uninsured population. This tax will also further erode New York State's economic outlook by placing additional financial burdens on small businesses. The SFY 2008-09 Senate Budget **rejects the Executive's proposed health insurance tax.** Rejecting this tax on health insurance would result in lower State costs for the premium payments for the Medicaid, Child Health Plus, Family Health Plus and Healthy NY programs. **Therefore the Senate Budget includes \$19 million in State savings.**

Health Care Reform Act (HCRA)

The Senate amends the Executive's HCRA proposal as follows:

- Reject the \$190 million increase to the Covered Lives Assessment. The proposed 22 percent increase represents the single largest increase in the history of the tax. This tax is passed directly on to consumers and will increase premiums by \$110, which equates to \$605 in taxes for a health insurance policy to cover a family of four in New York City.
- Deny without prejudice for one year the potential implementation of the bad debt and charity care distribution and deny allowance for further analysis and for hospitals to collect additional data; and requiring the Commissioner of Health to report to the Legislature, and to provide that the new methodology will be promulgated by statute.

- Reject the proposal to move Child Health Plus rate approval from the Department of Insurance to the Department of Health.
- Reject the proposal to deem delinquent amounts on surcharges and the one percent hospital assessment to be final and not subject to further reconciliation once referred to the Office of the State Attorney General.
- Limit the authority of the Department of Health to charge assessments by regulation on debt issued by health care facilities to finance the cost of capital projects approved by the Commissioner of Health.
- Address medical malpractice reform.

Office of Medicaid Inspector General

The SFY 2008-09 Senate Budget modifies the Executive Budget and rejects funding for 75 new positions and realizes \$700,000 in State savings.

Office of Alcoholism and Substance Abuse Services

The Senate concurs with the Executive’s All Funds recommendation of \$775.6 million for the Office and restores \$1.7 million for local assistance programs, including:

North Country Prevention Program	\$175,000
Southern Tier Prevention Program	\$150,000
Western New York Alcohol and Substance Treatment	\$275,000
YES Safe Choices for Kids	\$350,000
Institute for Professional Development in the Addictions	\$50,000
Compulsive Gambling and Treatment Program	\$700,000

Article VII Proposals:

- The Senate accepts the Executive’s proposal which makes permanent the Office of Alcoholism and Substance Abuse Services responsibility for overseeing and funding compulsive gambling programs.
- The Senate amends the Executive’s Cost of Living Adjustment proposal by prohibiting management personnel from receiving an adjustment.

Office of Mental Health

The Senate amends the Executive's All Funds recommendation of \$3.7 billion and decreases such funding to reflect a \$2.6 million reduction in nonpersonal service support. In addition, the Senate provides funds for the following programs:

- \$1 million for Health Care Enhancements aimed at reducing health care expenditures of mental health workers.
- \$250,000 for the Children's Mental Health Scholarship Initiative
- \$100,000 for Office of Mental Health expenses related to the establishment of a housing waiting list for individuals with mental illness.
- \$250,000 for the Veterans Mental Health Training Initiative.
- \$1 million to support ten research positions at the Nathan Kline Institute and \$1 million for new lab equipment.
- \$200,000 for the North Country Children's Mental Health Initiative.
- \$500,000 to support the Geriatric Mental Health Program.
- \$100,000 for Big Brothers/Big Sisters Mentoring Program
- Restore local assistance programs including: \$300,000 for Farm Net; \$160,000 for Mental Health Association of Rockland County; \$80,000 for Mental Health Association of Orange County; \$200,000 for Hospital Audiences; \$100,000 for Occupations, Inc.; \$300,000 for Relief Resources; and \$350,000 for Children's Day Treatment.

Article VII Proposals:

- The Senate concurs with the Executive's proposal to extend the authorization of the Comprehensive Psychiatric Emergency Program (CPEP).
- The Senate denies the Executive's proposal to eliminate mental health outpatient services as specialized services under the Public Health Law.
- The Senate accepts the Executive's proposal to expand the definition of voluntary agency to include any entity receiving assistance from the Housing Finance Agency or the Division of Housing and Community Renewal for integrated housing projects.
- The Senate amends the Executive's Cost of Living Adjustment proposal by prohibiting management personnel from receiving an adjustment.

Office of Mental Retardation and Developmental Disabilities

The Senate restores \$5 million and rejects the Executive's proposal to alter mental hygiene reimbursement rates at OMRDD. In addition, the Senate amends the Executive's All Funds recommendation of \$4.4 billion and decreases such funding to reflect a \$2.3 million reduction in nonpersonal service support. The Senate provides additional funds for the following programs:

- \$100,000 for the Rockland County Association of Learning Disabled.
- \$500,000 for the After School and Weekend Autism Program.
- \$200,000 for Camp Venture.
- \$100,000 for Camp Wildwood.
- \$250,000 for the Cerebral Palsy and Handicapped Children's Association of Chemung County.
- Restores various local assistance programs including: \$150,000 for New York State Cerebral Palsy Camp Jened; \$50,000 for the Epilepsy Foundation of Western New York; \$150,000 for the Epilepsy Foundation of Southern New York; \$25,000 for the Epilepsy Foundation of Rochester, Syracuse and Binghamton; \$40,000 for the Handicapped Children's Association of Southern New York; \$35,000 for the Chenango ARC; \$100,000 for Achieve; \$200,000 for Families and Children Services, \$200,000; and \$150,000 for Camp Ann.

Article VII Proposal:

- The Senate amends the Executive's Cost of Living Adjustment proposal by prohibiting management personnel from receiving an adjustment.

Commission on Quality of Care and Advocacy for Persons with Disabilities

The Senate concurs with the Executive's All Funds recommendation of \$16.9 million.

**TRANSPORTATION, ECONOMIC DEVELOPMENT
AND ENVIRONMENTAL CONSERVATION
S.6805B & S.6809B**

Adirondack Park Agency

The Senate concurs with the Executive's recommendation of \$6.2 million, unchanged from SFY 2007-08.

Department of Agriculture and Markets

The Senate recommends \$190.7 million for the Department, an increase of \$8.6 million or 4.7 percent from SFY 2007-08 levels.

The Senate modifies the Executive's recommendations as follows:

- Accept the Executive's recommendation to establish funding for three new initiatives including \$450,000 for transitions to organic farming; \$300,000 to prevent the spread of the golden nematode (a potato pest); and \$20,000 for seed quality improvement.
- Accept the Executive's recommendation to increase funding for migrant worker child care by \$1.9 million to \$6.5 million; for Grow NY enterprises by \$1.2 million to \$2.4 million; and for Farm Net family assistance from \$300,000 to \$600,000.
- Accept the Executive's recommendation to increase funding for the Veterinary Diagnostic Laboratory by \$900,000 to \$2.9 million; and for the Geneva Experimental Station by \$100,000 to \$600,000.
- Accept the Executive's recommendation to increase funding for five disease eradication or prevention programs by \$589,000, including doubled funding levels for both Johnes Disease, and Honey Bee (Apiary) Inspection.
- Reject the Executive's proposal to consolidate the individual appropriations for three Cornell administered outreach and education programs (Agriculture in the Classroom, Future Farmers of America, Association of Agriculture Educators) into a single appropriation for the Cornell University Agricultural Outreach and Education program. The Senate recommends restoring the individual budget lines for these three programs.
- Accept the Executive's recommendation to establish six new positions in the following areas: economic development (2), contract audit (1), commodity specialist (1), and horticulture specialist (1).

The Senate recommends the following actions related to the Executive's capital spending recommendations as follows:

- Accept the Executive's recommendation to provide \$1.75 million for maintenance and improvements of facilities at the State Fairgrounds.
- Reject the Executive's proposal to provide \$2 million for developing private partnerships at the State Fairground because there is insufficient information to authorize this spending.

The Senate recommends restoring the following agricultural programs:

- \$1.2 million to restore 21 food inspector positions (see Article VII).
- \$2 million for marketing New York State wines.
- \$250,000 for New York City area wine marketing.
- \$400,000 for North Country Agriculture.
- \$350,000 for Cornell Wildlife Rabies Program - Long Island.
- \$200,000 for Phytophthora research.
- \$500,000 for Plum Pox virus eradication and indemnity.
- \$175,000 for the Turfgrass Environmental Stewardship Fund.
- \$100,000 for the Tractor Rollover Protection program.
- \$1 million for the New York Agriculture Tourism program.
- \$85,000 for the Hudson Valley Fruit Laboratory.
- \$185,000 for the Maple Syrup Association.
- \$100,000 for the New York Seafood Council.
- \$16,000 for the New York Beef Producers bull testing program.
- \$14,000 for the New York Beef Producers bull heifer development program.

The Senate recommends increasing funding for the following agricultural programs:

- \$750,000 for the New York State Apple Growers Association, an increase of \$250,000.
- \$5 million for the Farm Viability Institute, an increase of \$4.5 million.
- \$750,000 for the Center for Dairy Excellence, an increase of \$500,000.

The Senate recommends adding funding for the following agricultural programs:

- \$500,000 for a Long Island Deer Fencing matching grants program.
- \$150,000 for Cornell's Chautauqua County Rabies program.
- \$250,000 for cluster-based industry and agribusiness grants (Chapter 297 of 2007).
- \$30,000 for establishing a NY Agricultural Land Trust revolving loan fund.

Article VII Proposals:

- The Senate denies the Executive's proposal to allow the Department to implement a risk-based inspection program for retail food stores, instead of a minimum of annual inspection of all stores.

- The Senate denies the Executive's proposal to increase penalties for manufacturing, producing, selling or otherwise distributing, or storing any prohibited items or violating any order promulgated by the Department. Insuring a safe food supply is a Senate priority, however, the authority this legislation provides is too broad.

Banking Department

The Senate concurs with the Executive's recommendation of \$99.6 million, an increase of \$1.4 million or 1.5 percent from SFY 2007-08 levels.

Department of Economic Development

The Senate accepts the Executive's recommendations to maintain SFY 2007-08 funding levels for ongoing programs including: \$1 million for the Explore New York program; \$5.3 million for the local tourism grants program; \$200,000 each for two tourism information centers; and \$1.2 million for the Pollution Prevention program.

The Senate modifies the Executive's recommendations as follows:

- Reject the Executive's proposed \$ 1.3 million increase for administration, travel and contractual services.
- Reject the Executive's proposed \$2.3 million increase for the International Trade program, and maintain funding at the SFY 2007-08 level of \$1.2 million.
- Reject the Executive's proposal to provide \$1.5 million for 15 new full time equivalent positions.
- Accept the Executive's recommendation to increase funding for contractual services related to the I ♥ NY program by \$4 million to \$17 million.
- Reject, without prejudice, the Executive's recommendation to provide \$3.5 million for Upstate Business Marketing appropriated as a lump sum, and recommend legislation creating a business marketing matching grants program (see Article VII).

The Senate recommends restoring the following economic development programs:

- \$2.3 million for local Empire Zone administration for operating grants that shall only be awarded to empire zone boards that have met statutory reporting requirements.
- \$300,000 for the Adirondack North Country Association.
- \$150,000 for Griffiss Local Development Corporation.

The Senate recommends providing \$1.9 million in total funding for personal and non-personal service costs associated with transferring 20 non-exempt staff from the Governor's Office

of Regulatory Reform (GORR) to a new Permitting and Regulatory Division within the Department (also Article VII).

Article VII Proposals:

- The Senate recommends legislation creating a business marketing matching grants program.
- The Senate recommends legislation to provide oversight, planning and reporting related to the use of the I ♥ NY brand. The Senate recommends legislation to ensure the department of economic development meets the statutory intent of the reporting requirements of the statewide master plan for tourism and provides a full accounting and reporting of the expenditure of funds intended to promote tourism statewide.
- The Senate recommends legislation transferring functions of the Governor's Office of Regulatory Reform (GORR) to a new Permitting and Regulatory Division within the Department. This legislation will establish the Department of Economic Development as the "one-stop" point of entry for business assistance related to permitting, regulation and environmental compliance and realize efficiencies from consolidation and elimination of redundancies. The new Division will also administer the Shovel Ready site pre-permitting program and the Online Permitting and Licensing (OPAL) program.

New York State Energy Research and Development Authority (NYSERDA)

The Senate concurs with the Executive's recommendation of \$31.9 million, an increase of \$2.4 million from SFY 2007-08 levels.

Article VII Proposals:

- The Senate accepts the Executive's proposal for a \$913,000 transfer to the General Fund from unrestricted corporate funds.
- The Senate accepts the Executive's proposal to fund NYSERDA's on-budget research and development and energy analysis functions through assessments on intrastate gas and electric utilities.

Department of Environmental Conservation

The Senate modifies the Executive's recommendation to include funding for the following environmental initiatives:

- \$400,000 for the Cornell Community Integrated Pest Management Program.
- \$200,000 for the Peconic Estuary.
- \$707,280 for Environmental Commissions.
- \$155,250 for the Town of North Elba/ORDA Promotion.

- \$300,000 for the Greenwood Lake Bi-State Commission.
- \$ 250,000 for Delaware River Basin Flood Control.
- \$750,000 for the Finger Lakes Institute for Water Quality.
- \$400,000 for the Champlain Watershed Improvement Coalition .
- \$500,000 for the Adirondack Watershed Institute.
- \$250,000 for the Trudeau Institute in Saranac Lake.
- \$200,000 for a Road Salt Study in the Adirondacks.
- \$200,000 for a Staten Island South Shore Feasibility Study.
- \$100,000 for a Flood Mitigation Study - Village of Larchmont.
- \$1.5 million for the Marine Diseases Pathology Consortium.
- \$400,000 for BPU OxyCoal Plant at Jamestown.

Article VII Proposals:

The Senate recommends the following actions related to the Executive's proposals:

- Reject the expansion of the State Returnable Container Act (The Bottle Bill) to include non-carbonated beverages and to direct that the unclaimed deposits on beverage containers be returned to the State for deposit into the Environmental Protection Fund.
- Reject an increase of the maximum Title V facility per ton operating permit fee on regulated air contaminants from \$45 per ton to a maximum of \$80. This proposal is estimated to generate \$19 million in SFY 2008-09.

The Senate **accepts** the following Executive proposals:

- Authorization to make permanent the current time frames for review of pesticide product registration applications and the pesticide product registration fee.
- Increase the amount of the General Guarantee repayment to the Environmental Protection Fund (EPF) by \$125 million to \$447.1 million. This General Fund Guarantee is fully reimbursable to the EPF if funds are deemed insufficient to meet anticipated disbursements.

In addition, the Senate recognizes that the Office of Parks, Recreation and Historic Preservation, the Department of Environmental Conservation, the Department of State and the Environmental Facilities Corporation share many overlapping responsibilities. Therefore, the Senate proposes to transform the administration of these offices to ensure greater protection of the State's natural resources, achieve operating efficiencies, reduce duplication, consolidate services and provide increased access to responsive State agencies for the people of New York State. This reorganization will allow dedicated and talented professional, scientific and technical State employees to devote more time out in the field by removing bureaucratic overlap between agencies.

The Senate recommends creation of a Smart Growth program to provide grants for new projects.

Environmental Protection Fund (EPF)

The Senate modifies the Executive's recommendation for EPF funding as follows:

- Reject \$3 million for Environmental Justice Grants.
- Reject \$2 million for Solar initiatives.
- Reject \$4 million for the Pollution Prevention Institute.
- Reject \$125,000 for Masten House.
- Reject \$150,000 for the Niagara Greenway Commission.
- Reject \$500,000 for the Preservation League.
- Reject \$500,000 for NYS Parks and Trails.
- Reject \$3 million for the Hudson-Fulton-Champlain Commission.
- Reduce funding for the Land Trust Alliance by \$1 million.
- Provide \$450,000 for Breast Cancer Environmental Risk Factor Program.
- Provide \$2 million for the Beacon Institute.
- Provide \$1.5 million for Long Island Water Projects.
- Provide \$1.5 million for Riverfront Development.
- Provide \$1 million for Invasive Species Program.
- Provide \$490,000 for the Upper Susquehanna Coalition.
- Provide \$750,000 for the Belleayre Mountain Ski Center.
- Provide \$150,000 for a Waterchestnut Eradication Program.
- Provide \$1 million for the Westbrook Project at Lake George.

Article VII Proposals:

The Senate amends the Executive's Environmental Protection Fund (EPF) proposals as follows:

- Provide a statutory smart growth planning grants program. The program will provide assistance to municipalities wanting to develop a plan for a community vision, agricultural retention, farmland preservation, or transit oriented design planning.
- Amend the definition of municipality in the non-hazardous municipal landfill closure program to ensure that public higher education institutions partnered with municipalities are eligible for funding.
- Reject the creation of the following new categories in the EPF: environmental justice relating to air quality and solar energy training.

Environmental Facilities Corporation (EFC)

The Senate concurs with the Executive's All Funds recommendation of \$14.1 million. Further, the Senate proposes that the Agricultural Non-point Source category in the Environmental Protection Fund be amended to allow \$7 million to be used for the E-FARM program. In addition, the Senate supports the Corporation's utilization of \$7 million from the Financial Assistance to Business (FAB) Program for the purpose outlined in the Agricultural Non-point Source program.

Division of Housing and Community Renewal

The Senate modifies the Executive's recommendation of \$339 million for the Division to include reductions of \$1.38 million for state operations and restorations of funds for targeted housing programs.

- Reduce funds in nonpersonal service accounts and the Housing Development Fund Program.
- Restore \$2.4 million in funding to the Rural Preservation Program, the Home Ownership Economic Stabilization Program for Long Island, and the Rural Revitalization Program.

Article VII Proposals:

- The Senate accepts the Executive's proposal to provide an increase of \$4 million in Low Income Housing Tax Credits Program.
- The Senate rejects the Executive's proposal to authorize the Office of State Comptroller to intercept any State aid payments to New York City in the event of nonpayment of billings from the Division for the incurred costs of administering the Rent Regulation Program.

Insurance Department

The Senate recommends All Funds appropriations of \$302.5 million, including \$100 million and 12 new full time equivalent (FTE) positions for Timothy's Law. The Senate denies the Executive's proposed addition of 12 new FTEs for the "Partnership for Coverage" program and the Commission to Modernize the Regulation of Financial Services.

The Senate **rejects** the following suballocations and refers funding for such programs to the Department of Health:

- \$11.9 million for the Enhanced Newborn Screening Program.
- \$5 million for the Cervical Cancer Vaccine Program.
- \$4 million for the Lead Poisoning Prevention Program.
- \$5.5 million for the Childhood Lead Poisoning Primary Prevention Program.
- \$720,000 for the Lead Prevention Program.
- \$1.77 million for the Childhood Obesity Program.
- \$8 million for the Immunization Program.

Article VII Proposal:

- The Senate rejects the Executive's proposal to increase various civil penalties placed on insurers, agents and brokers for violations of Insurance Law and related regulations; to authorize the Superintendent of Insurance to cease and desist orders; and to increase the length of time that an insurer must wait to obtain a license after revocation. The Executive projects \$1 million in revenue will be generated from these fees.

Division of the Lottery

The Senate concurs with the Executive's recommendation of \$120.3 million, a decrease of \$12 million or nine percent from SFY 2007-08 levels.

Article VII Proposal:

- The Senate rejects the Executive's proposal to monetize the New York State Lottery to establish future funding for higher education programs.

Department of Motor Vehicles

The Senate modifies the Executive's recommendation by increasing appropriations by \$500,000. The Senate proposes total appropriations of \$362.4 million, an increase of \$23 million or 6.9 percent from SFY 2007-08 levels. Modifications include:

- Increase funding to the Federal Western Hemisphere Travel Initiative by including \$1.5 million for additional equipment in County Clerks' offices.
- Transfer \$36 million in Department of Motor Vehicles (DMV) expenses from the Dedicated Highway and Bridge Trust Fund (DHBTF) to the General Fund in order to provide greater capital funding in the future for transportation infrastructure.
- Reduce non-personal service appropriations for administration by \$1 million.

Article VII Proposals:

- The Senate accepts the Executive's proposal to bring New York State commercial driver license (CDL) law into compliance with the Federal Motor Carrier Safety Improvement Act.
- The Senate accepts the Executive's proposal to allow an additional \$20 fee for the issuance of optional Western Hemisphere Travel Initiative (WHTI)-compliant driver licenses and non-driver identification cards.
- The Senate rejects the Executive's proposal to transfer adjudication of traffic tickets in the City of Buffalo from the DMV to the City.

The Senate recommends adding new language for the following:

- Require that the DMV establish and maintain a web page promoting child safety and accident prevention, and distribute brochures with such information to car dealerships.
- Require that DMV operating expenses be moved from the Dedicated Highway and Bridge Trust Fund to the General Fund within five years.

Olympic Regional Development Authority

The Senate concurs with the Executive's recommendation of \$9 million, an increase of \$400,000 or 4.6 percent from SFY 2007-08 levels.

Office of Parks, Recreation and Historic Preservation

The Senate modifies the Executive's recommendation as follows:

- Reduce personal service funding by \$1.2 million to deny the addition of 20 new full time equivalent positions. In addition, a reduction of \$1.3 million is recommended to deny support for renovations at Camp Cass.
- Reject, without prejudice, the Executive's \$100 million Parks capital initiative so that specific projects may be lined out in the budget by region and purpose.
- Provide \$300,000 for the Mohawk Valley Heritage Corridor Planning Commission and \$200,000 for the French and Indian War Commemoration Commission.
- The Senate concurs with the Executive's proposal to transfer \$8,000,000 from the New York Power Authority to the Office of Parks, Recreation and Historic Preservation for the support of certain parks.
- The Senate recommends legislation to amend the Parks, Recreation and Historic Preservation Law in order to establish the Nissequogue River State Park.

Department of Public Service

The Senate concurs with the Executive's recommendation of \$80.4 million, an increase of \$1.9 million from SFY 2007-08 levels.

Article VII Proposals:

- The Senate concurs with the Executive's recommendation to authorize the expenditure of section 18-a utility assessments.
- The Senate amends the Executive's language on the Power for Jobs and Economic Development Power programs to accept a one year extender to July 1, 2009 and to accept a voluntary payment of \$25 million from the New York State Power Authority. However, the Senate rejects the proposed modifications to the existing programs and the creation of a new "off budget" long-term contract program funded by the New York State Power Authority since this proposal will not become effective in the coming fiscal year. The Senate remains totally committed to finding a long term solution to the high cost of power facing New York State companies.

- The Senate supports legislation to restrict the Public Service Commission's ability to hinder through additional regulations the development, deployment, and operations of voice over internet protocol.

State Racing and Wagering Board

The Senate concurs with the Executive's recommendation of \$25 million, an increase of \$250,000 or less than one percent from SFY 2007-08 levels.

Governor's Office of Regulatory Reform

The Senate recommends elimination of the Office as an independent entity for a savings of \$3.6 million. Alternately, the Senate recommends establishing the Division of Regulatory Reform in the Department of Economic Development and provides funding to support the transfer of 20 non-exempt staff from the Office of Regulatory Reform to the new Division.

Foundation for Science, Technology and Innovation (d.b.a. NYSTAR)

The Senate recommends \$52.8 million for NYSTAR, a decrease of \$7.7 million or 12.8 percent from SFY 2007-08 levels. The Senate modifies the Executive's recommendations as follows:

- Reject, without prejudice, the Executive's recommendation to provide \$4 million for the Supercomputer Consortium appropriated as a lump sum and recommend the creation of a Supercomputing Business Access Pilot Program (see Article VII).

The Senate recommends restoring the following economic development programs:

- \$1 million for the Community College Technology Training program to provide grants for curriculum revitalization to at least four colleges to be determined and appropriated in a sub-schedule.
- \$1 million for the New York BioInvestigator program (formerly the Watson Investigator Program).
- \$2.75 million for Excell Partners funded in prior years through UDC. The Senate recommends providing \$750,000, as in SFY 2007-08, to serve companies in Western New York and the Finger Lakes Region; \$1 million to serve companies in the Hudson River corridor; and \$1 million to serve companies in the Central New York region.
- \$500,000 for the CEN Institute for Excellence in Manufacturing which was funded in prior years through the Urban Development Corporation.

Article VII Proposal:

- The Senate recommends legislation establishing a Supercomputer Business Access Pilot Program to select and fund demonstration projects that connect New York based small businesses with high-performance computing resources.

Department of State

The Senate modifies the Executive's recommendation as follows:

- Reject increased funding of \$217,000 for contractual services in the Administration Program.
- Reject funding of \$640,000 to enforce existing licensing law.
- Reject the creation of the Office of Indigent Services in the Department's Local Government and Community Services Program and the transfer of \$3 million from the Legal Services Assistance Fund to support the new Office.

Therefore, the Senate recommends All Funds appropriations of \$153.3 million for the Department, a decrease of \$4.5 million or 2.9 percent from SFY 2007-08 levels.

Article VII Proposals:

- Reject the Executive's proposal to grant the Secretary of State permanent authority to charge increased fees for expedited handling of documents. Instead, the Senate recommends extending the Secretary's authority by one year.
- Reject the Executive's proposal to conform the State's Community Services Block Grant Program to the current federal law governing administration of the Federal Community Services Block Grant Program and distribution of associated Federal funds. Further, reject the proposal to make the new funding formula permanent. Alternately, the Senate recommends extending the existing funding formula by one year.
- Reject the Executive's proposal to establish a new Office of Indigent Defense Services in the Department of State. Also, reject the proposal to cap the funds available for distribution to counties from the Indigent Legal Services Fund at \$72 million in SFY 2008-09, with any excess balance held in escrow by the Comptroller to be disbursed to relevant indigent defense programs throughout the State as directed by the new Office. Accept the proposal which authorizes the Comptroller to make adjusted payments to counties in relation to their ability to meet Maintenance of Effort requirements.

Department of Taxation and Finance

The Senate recommends All Funds appropriations of \$443.3 million. The Senate reduces nonpersonal service spending by \$2.7 million.

The Senate modifies the Executive's proposal by including a contingent appropriation for \$6.5 million in the Division of Audit and Enforcement. The appropriation is contingent on the Department's enforcement of the Native American coupon law on cigarette and motor fuel tax collections.

Division of Tax Appeals

The Senate concurs with the Executive's recommendation of \$3.3 million, an increase of \$45,000 from SFY 2007-08 levels.

Thruway Authority

The Senate concurs with the Executive's recommendation of \$2 million in capital funding for the Canal System, unchanged from SFY 2007-08 levels.

Department of Transportation

The Senate modifies the Executive's recommendation by reducing appropriations by \$119 million. Alternately, the Senate recommends All Funds appropriations of \$7.6 billion, an increase of \$258 million or 3.5 percent over SFY 2007-08 levels. Modifications are as follows:

- The Senate restores CHIPS funding in the amount of \$9.4 million to bring the 2008-09 funding level in line with the 2007-08 level of \$312.5 million. The Senate amends the Executive's Article VII language in order to achieve the restoration of funds.
- The Senate rejects the Executive's proposed State and Local Bridge Preservation Program, in anticipation of \$100 million in new Federal bridge funding, and the submission of a new five-year transportation capital plan. The Senate rejects the Executive's Article VII language to establish the local portion of this program. The Senate reduces the Executive's \$140 million appropriation for the program by \$127 million, maintaining \$13 million to hire new bridge crews in anticipation of funding in the capital plan for a bridge preservation program.
- The Senate rejects the Executive's proposal to increase the annual fee charged on motor vehicle insurance policies from \$5 to \$20 per vehicle. Of the \$15 increase, \$10 would have been used to provide \$97 million in SFY 2008-09 funding for the State and Local Bridge Preservation Program.
- The Senate rejects the Executive's proposal to transfer up to \$155.5 million from the General Fund to the Dedicated Highway and Bridge Trust Fund (DHBTF) and only allows transfer of \$45.5 million.
- The Senate transfers \$74 million of Department of Transportation (DOT) operating expenses for snow and ice removal and highway maintenance from the Dedicated Highway and Bridge

Trust Fund (DHBTF) to the General Fund in order to provide greater capital funding in the future for transportation infrastructure.

- The Senate provides an additional \$4 million for transit operating assistance for the Rochester-Genesee Regional Transportation Authority (RGRTA), along with an additional \$4 million for transit operating assistance for the Capital District Transportation Authority.
- The Senate provides \$600,000 to expand the Highway Emergency Local Patrol (HELP) program to service the Syracuse, Binghamton, and Utica-Rome metropolitan areas.
- The Senate restores \$300,000 for the Seaway Trail.
- The Senate reduces nonpersonal service appropriations for administration in the Office of Passenger and Freight Transportation by \$207,000, limiting increases to three percent over SFY 2007-08.
- The Senate provides \$2 million for an express train service demonstration project pursuant to the recommendation of the Senate High Speed Rail Task Force.

Article VII Proposals:

The Senate **rejects** the following Executive proposals:

- Change reporting requirements in the Capital Program and Financing Plan (CPFP) for the Dedicated Highway and Bridge Trust Fund (DHBTF).
- Eliminate the return of the deposit for plans and specifications to the successful bidder on transportation capital projects.
- Create a Traffic Congestion Mitigation Fund for the Metropolitan Transportation Authority to receive moneys generated by New York City's congestion mitigation program. The Senate will consider this proposal when congestion mitigation legislation is introduced.

The Senate **amends** the following Executive proposals:

- Reject extending the Federal single audit provision permanently and extend for one year.
- Modify requiring transit systems to purchase buses through consortiums by allowing them to continue receiving the maximum State grant if use of such consortiums would result in financial hardship.
- Modify the Executive's proposal to hold harmless all local governments with respect to CHIPS aid when municipalities enter into shared services contracts for maintenance of transportation infrastructure.

The Senate recommends adding new language for the following:

- Require the Commissioner of Transportation, in consultation with other agencies, to provide a plan to separate the Canal Corporation from the Thruway Authority in order to avoid proposed toll increases.
- Require that DOT operating expenses for snow and ice removal and highway maintenance be moved from the DHBTF to the General Fund over five years.

New York State Urban Development Corporation

The Senate recommends \$60 million for UDC general fund obligations, a decrease of \$26 million or 33.6 percent from SFY 2007-08 levels. This amount excludes funding for capital projects. The Senate modifies the Executive's recommendations as follows:

- Reject the Executive's recommendation to increase funding for the Economic Development Fund (EDF) by \$11.5 million to \$51.5 million.
- Reject the Executive's recommendation to provide \$3.5 million for the Urban and Community Development program because reappropriation authority is sufficient for anticipated SFY 2008-09 commitments.
- Accept the Executive's recommendation to provide level funding at \$3.5 million for the Minority and Women Business Program.
- Reject the Executive's proposed \$4.1 million for Empire State Development (ESD) operations and administration because ESD is unable to articulate its organizational structure or detail its operating budget. The requested funding level represents an increase of \$1.5 million over the SFY 2007-08 levels.
- Accept the Executive's proposal to provide \$5 million in order to meet the terms of standing contracts, including \$1 million for the Krabbe Disease Center, \$1 million for the SUNY Index Center and \$3 million for professional football retention.
- Reject the Executive's recommendation to provide \$7.1 million, appropriated as a lump sum, for Center of Excellence (COE) operations and recommend moving the funding to NYSTAR and providing \$1 million each for the six currently designated COEs.
- Reject, without prejudice, the Executive's recommendation to provide \$5 million, appropriated as a lump sum, for Venture Capital.
- Reject the Executive's proposal to provide \$500,000 in additional funding for the Entrepreneurial Assistance Program (EAP).
- Accept the Executive's proposal to maintain \$1 million in funding for military base retention.

The Senate **restores** funding for the following economic development initiatives:

- \$250,000 for Upstate tooling and manufacturing.
- \$150,000 for the New York Industrial Retention Network.
- \$100,000 for the Niagara Falls Airport at the former air force base.
- \$1 million for Seneca Army Depot redevelopment.
- \$1 million for Plattsburgh Airforce redevelopment.
- \$1.4 million for Griffiss Airforce Base redevelopment.
- \$500,000 for the Hudson Valley Economic Development Corporation.
- \$100,000 for projects at Stewart International Airport.
- \$1 million in operating support for the Luther Forest Technology Campus.

The Senate **adds** funding for the following economic development initiatives:

- \$400,000 for the MDA Central NY Essential Initiative.
- \$200,000 for the MDA Community Events Fund.
- \$400,000 for the Syracuse Chamber Revolving Loan Fund.
- \$2.5 million for economic development initiatives to be determined and appropriated individually.

Article VII Proposal:

- The Senate modifies the Executive's proposal to make permanent ESDC's authority to grant loans by extending the authority for one year.
- The Senate rejects the Executive's proposal to authorize the sale of assets connected to the Javits Center and the Senate continues to support the expansion of the Javits Center.

Greenway Heritage Conservancy for the Hudson Valley

The Senate concurs with the Executive's recommendation of \$256,000.

Hudson River Valley Greenway Communities Council

The Senate concurs with the Executive's recommendation of \$608,000.

Metropolitan Transportation Authority

The Senate concurs with the Executive's recommendation of \$487 million in bond act capital funding. This \$135 million increase over SFY 2007-08 is the scheduled amount pursuant to the five year capital plan.

Northeastern Queens Nature and Historical Preserve Commission

The Senate concurs with the Executive's recommendation of \$120,000.

Racing Reform Program

The Senate rejects the Executive's recommendation of \$1 million.

Tribal State Compact Revenue

The Senate concurs with the Executive's recommendation of \$41.6 million, an increase of \$12.3 million or 42 percent from SFY 2007-08 levels.

State of New York Mortgage Authority (SONYMA)

- In view of opposition to the sale of land at the Javits Center and the unlikelihood that any funds associated with such sale will be available in the 2008-2009 Fiscal Year the Senate rejects the \$300 million contemplated by such sale and associated Housing Opportunity Fund.
- The Senate accepts the executive's proposal for the transfer of \$100 million in excess reserves from SONYMA Insurance Fund (MIF) and supports the commitment of an additional \$100 million to support statewide housing programs.

REVENUE

S.6810B

- The Senate rejects the Executive’s proposal to increase corporate minimum taxes and increase limited liability corporation (LLC) fees. (\$99 million)
- The Senate rejects the Executive’s proposal to change the residency definition for the purposes of personal income tax. (No Impact in SFY 2008-09)
- The Senate rejects the Executive’s proposal to tax the gain from the sale of real estate by non-resident partnerships. (No Impact in SFY 2008-09)
- The Senate rejects the Executive’s proposal to impose economic nexus on credit card companies that do a specified level of sales in the State. (\$95 million)
- The Senate rejects the Executive’s proposal to force out of state Real Estate Investment Trusts (REITS) and Regulated Investment Company (RICS) to combine report with New York based affiliates. (No Impact in SFY 2008-09)
- The Senate rejects the Executive’s proposal to change the taxation of HMOs to a premiums based tax. (\$167 million)
- The Senate rejects the Executive’s proposal to remove the capital base tax cap in the corporate franchise tax calculation. (\$98 million)
- The Senate rejects the Executive’s proposal to eliminate the pass through of the Federal Qualified Production Activities Income deduction.
- The Senate rejects the Executive’s proposal to repeal provisions allowing a sales tax deduction for bad debt by third party credit card lenders. (\$7 million)
- The Senate rejects the Executive’s proposal to limit sales tax exemptions for not-for-profit organizations. (\$7.5 million)
- The Senate rejects the Executive’s proposal to charge sales and use tax on planes and other vehicles used in New York State by out of state companies. (\$4 million)
- The Senate rejects the Executive’s proposal to impose a vendor registration fee. (\$12.2 million)
- The Senate rejects the Executive’s proposal to tax “little cigars” as cigarettes. (\$3.6 million)

- The Senate rejects the Executive's proposal to increase the tax on flavored malt beverages. (\$15 million)
- The Senate rejects the Executive's proposal to create a new tax on illegal drugs. (\$13 million)
- The Senate rejects the Executive's proposal to rebase the caps on Brownfield remediation and redevelopment credits. (No Impact in SFY 2008-09)
- The Senate rejects the Executive's proposal to force out of state internet retailers to collect and remit New York State sales tax if New York based websites advertise their site in return for commissions on sales. (\$47 million)
- The Senate rejects the Executive's proposal to increase the first quarter estimated payment by businesses from 25 to 30 percent of the prior year's liability. (\$95 million)
- The Senate rejects the Executive's proposal to create a permanent amnesty program, create stiffer criminal penalties for non payment of taxes and change the due process rules for tax crimes. (\$55 million)
- The Senate rejects the Executive's proposal to reduce the licensing fee on foreign corporations. (\$23 million)

Quick Draw Permanent: This part would make Quick Draw permanent.

Seven Day Sales: This part would make the seven day sales license permanent and remove related reporting requirements that are no longer necessary. The seven day alcohol sales provision is set to expire on May 15, 2008.

Unified Motor Fuel Tax: This part would combine the current motor fuel tax and the sales tax on motor fuels with the petroleum business tax into one tax, greatly easing tax complication and administrative burdens. This combined tax structure does not allow the first sixteen cents of the tax to be indexed, thereby retaining the current fixed rate nature of the motor fuel and sales taxes. This part would be revenue neutral.

Low Income Housing Credit: The State low income housing tax credit was first enacted in 2000. This part would increase the aggregate amount of State low-income housing tax credits available from \$16 million to \$20 million in SFY 2008-09. The State Low-Income Housing Tax Credits are taken for a period of ten years; hence, the increase results in an additional \$40 million in tax savings over ten years.

Recoupment of Intercept Charges: The Department of Taxation and Finance has reciprocal agreements with other states and the Federal government which allows the intercept of tax refunds from other states or the federal government to pay outstanding tax liabilities of New York. However, these other governmental entities charge a fee to the State for the costs associated with remitting the funds to New York. This part would recoup these charges from the negligent taxpayer, saving the State **\$1.3 million**.

Accessible Taxicab and Livery Service Vehicle Credit: This part would extend the existing credit for taxicabs and livery service vehicles that are accessible for individuals with disabilities for two more years until December 31, 2010.

MTA Surcharge Extension: This part would enact a four year extension of the 17 percent temporary tax surcharge imposed on the portion of the State's business taxes (Corporate Franchise, Corporation and Utilities, Bank and Insurance) allocated to the Metropolitan Commuter Transportation District. This tax is scheduled to sunset for taxable years ending on or before December 31, 2009.

Organization Tax Repeal: Currently, every corporation that issues stock is required to pay an organization tax on the par value of its shares. The tax is equal to 0.2 percent on the par value of shares that the corporation is authorized to issue, with a minimum tax of ten dollars. This part would repeal this tax and save New York's businesses **\$1 million**.

Empire State Film Production Tax Credit: This part would amend the current film credit to increase the percentage of qualified production costs allowed to be claimed from ten percent to 15 percent and the amount of production costs covered by the credit to nearly all costs associated with film production. The amount of unused credits that may be refundable would be increased from 50 percent to 100 percent per year. Additionally, the annual cap would be removed and the film credit for New York City would be decoupled from these amendments.

Alcohol Beverage Tax Enforcement Provision: This part would extend for two years the increased penalties and enhanced enforcement tools for more efficient collection of Alcoholic Beverage Taxes. The provisions are scheduled to expire on October 31, 2009.

Tax Shelter Provisions: This part would extend for two years the enforcement guidelines covering abusive tax shelters.

Mandate Certain Taxpayers to File Electronically: This part would mandate certain taxpayers to electronically file their tax returns. The taxpayer returns which will be mandated to be electronically filed are corporate income tax returns or extensions; estimated taxes for individuals; estimated payments remitted with requests for the extension to file an annual personal income tax return; sales taxpayers who file over telefile; and any extension payments made by check. This will result in the Tax Department saving **\$6.3 million** in administrative costs.

Cigarette Tax Enforcement Provision: This part would enforce the collection of taxes on the sales of tobacco products to non-Indians at Indian owned businesses by prohibiting tobacco manufacturers from selling these products to stamping agents who in turn are selling untaxed cigarettes to these businesses in violation of current law. This will increase revenues by approximately \$5 million annually starting in SFY 2008-09.

In addition, if the Commissioner of Taxation and Finance fails to enforce the Coupon Law to collect cigarette and motor fuel taxes on Native American reservations, this part would require the Commissioner to hold a monthly public meeting to notify the public why the Department did not enforce the law in the previous month; the amount of revenue not collected due to failure to enforce the law; the economic impact on New York State retailers; and when the Department expects the law to be implemented.

Bioheat Credit: In order to reduce New York's dependence on oil, the SFY 2006-07 Enacted Budget included a personal income tax credit for costs associated with the use of bioheat for residential space heating or hot water production. This credit was equal to one cent per percentage of biodiesel per gallon of bioheat, capped at twenty cents per gallon. However, this credit was only effective for one year. This proposal would reinstate the credit for four years, until 2012. This credit would save New York taxpayers **\$1 million**.

New York City Sales Tax: This part would authorize the City of New York to continue to permanently impose an additional one percent sales and use tax levy, maintaining the current local rate of four percent beyond August 1, 2008 when the MAC dedicated sales tax is scheduled to revert to a three percent New York City sales tax.

Authorization for Video Lottery Gaming: This part would provide for video lottery terminal gaming at Belmont Park and would provide for a local advisory board at Belmont Park to develop a plan for the revitalization of the area surrounding the Racetrack, and for host community aid.

Financial Services Investment Tax Credit: This part would extend the Investment Tax Credit for Financial Services Firms which is scheduled to sunset on October 1, 2008 for five more years, saving these companies, that are so essential to the New York State economy, **\$75 million** a year.

Empire Zone Extension: The Senate amends the Empire Zone Program by extending the sunset of the certification date and delaying the commencement of the benefit period for the wage tax credit for those companies who make new capital investments of at least \$750 million and meet a targeted job growth amount.

Veterans Property Tax Expansion: This permits veterans of the war on terrorism, including the hostilities in Afghanistan and Iraq, to apply for the real property tax exemptions currently offered to veterans of previous wars; and permit localities to accept late applications for such exemption, if the veteran was in active duty service to the armed forces on the taxable status date.

Management Efficiency Plan: After consultation with the heads of state agencies, divisions, boards, and commissions; the director of the budget shall prepare and implement a management efficiency plan to reduce the estimated level of state funds state operations disbursements for the 2008-09 state fiscal year by \$300 million from the amount proposed in the state fiscal year 2008-09 Executive Budget. Such management efficiency plan shall not propose layoffs of state employees and should to the extent practicable limit state funds state operations spending growth in state fiscal year 2008-09 to not more than three percent over state fiscal year 2007-08 disbursements. Such management efficiency plan shall be prepared by May 1, 2008 and immediately forwarded to the Temporary President of the Senate and the Speaker of the Assembly and the chairs of the Senate Finance Committee and the Assembly Ways and Means Committee.