

FY 2019 NEW YORK STATE EXECUTIVE BUDGET

**EDUCATION, LABOR AND FAMILY ASSISTANCE
ARTICLE VII LEGISLATION**

MEMORANDUM IN SUPPORT

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MEMORANDUM IN SUPPORT

A BUDGET BILL submitted by the Governor in
Accordance with Article VII of the Constitution

AN ACT to amend the education law, in relation to contracts for excellence and the apportionment of public moneys; to amend the education law, in relation to the reporting of teacher diversity; to amend the education law, in relation to teaching tolerance; to amend the education law, in relation to reporting requirements of school level funding; to amend the education law, in relation to charter school tuition and facility aid for charter schools; to amend the education law, in relation to supplemental public excess cost aid; to amend the education law, in relation to total foundation aid; to amend the education law, in relation to building aid; to amend the education law, in relation to full day kindergarten aid; to amend the education law, in relation to academic enhancement aid; to amend the education law, in relation to high tax aid; to amend the education law, in relation to universal pre-kindergarten aid; to amend the education law, in relation to the statewide universal full-day pre-kindergarten program; to amend the education law, in relation to state aid adjustments; to amend the education law, in relation to the teachers of tomorrow teacher recruitment and retention program; to amend the education law, in relation to class sizes for special classes containing certain students with disabilities; to amend the education law, in relation to summer programs for students with disabilities; to amend chapter 756 of the laws of 1992, relating to funding a program for work force education conducted by the consortium for worker education in New York city, in relation to reimbursements for the 2018-2019 school year; to amend chapter 756 of the laws of 1992, relating to funding a program for work force education conducted by the consortium

for worker education in New York city, in relation to withholding a portion of employment preparation education aid and in relation to the effectiveness thereof; to amend the education law, in relation to class sizes for special classes containing certain students with disabilities; to amend chapter 82 of the laws of 1995, amending the education law and certain other laws relating to state aid to school districts and the appropriation of funds for the support of government, in relation to the effectiveness thereof; to amend the education law, in relation to authorizing the granting of waivers for certain duties owed by school districts to children with handicapping conditions; to amend chapter 89 of the laws of 2016, relating to supplementary funding for dedicated programs for public school students in the East Ramapo central school district, in relation to the effectiveness thereof; to amend chapter 147 of the laws of 2001, amending the education law relating to conditional appointment of school district, charter school or BOCES employees, in relation to the effectiveness thereof; to amend chapter 169 of the laws of 1994, relating to certain provisions related to the 1994-95 state operations, aid to localities, capital projects and debt service budgets, in relation to the expiration of certain provisions; to amend chapter 425 of the laws of 2002, amending the education law relating to the provision of supplemental educational services, attendance at a safe public school and the suspension of pupils who bring a firearm to or possess a firearm at a school, in relation to the effectiveness thereof; to amend chapter 101 of the laws of 2003, amending the education law relating to implementation of the No Child Left Behind Act of 2001, in relation to the effectiveness thereof; to amend chapter 56 of the laws of 2014, amending the education law relating to providing that standardized test scores shall not be included on a student's permanent

record, in relation to the expiration of certain provisions; to amend the education law, in relation to requiring the commissioner of education to include certain information in the official score report of all students; relating to school bus driver training; relating to special apportionment for salary expenses and public pension accruals; relating to suballocations of appropriations; relating to the city school district of the city of Rochester; relating to total foundation aid for the purpose of the development, maintenance or expansion of certain magnet schools or magnet school programs for the 2017-2018 school year; and relating to the support of public libraries (Part A); to amend the education law and chapter 537 of the laws of 1976, relating to paid, free and reduced price breakfast for eligible pupils in certain school districts, in relation prohibiting lunch shaming and to school breakfast and lunch programs (Part B); to amend the education law, in relation to authorizing school bus stop cameras; and to amend the vehicle and traffic law, in relation to owner liability for operator illegally overtaking or passing a school bus and increasing fines for passing a stopped school bus (Part C); to amend the education law, in relation to participation in recovery high school programs (Part D); to amend the education law, in relation to eligibility requirements and conditions governing general awards, academic performance awards and student loans; eligibility requirements for assistance under the higher education opportunity programs and the collegiate science and technology entry program; the definition of "resident"; financial aid opportunities for students of the state university of New York, the city university of New York and community colleges; and the program requirements for the New York state college choice tuition savings program; and to repeal subdivision 3 of section 661 of the education law relating thereto (Part E); to amend the education law, the business

corporation law, the partnership law and the limited liability company law, in relation to certified public accountants (Part F); to amend chapter 57 of the laws of 2012 amending the social services law and the family court act relating to establishing a juvenile justice services close to home initiative, and amending the social services law, the family court act and the executive law relating to juvenile delinquents, in relation to extending the close to home (CTH) initiative and juvenile justice reforms an additional five years; and to repeal certain provisions of paragraph (a) of subdivision 8 of section 404 of the social services law relating to CTH funding and reimbursement (Part G); in relation to authorizing the closure of the Ella McQueen reception center for boys and girls (Part H); to amend part G of chapter 57 of the laws of 2013, amending the executive law and the social services law relating to consolidating the youth development and delinquency prevention program and the special delinquency prevention program, in relation to extending such provisions (Part I); to amend part K of chapter 57 of the laws of 2012, amending the education law, relating to authorizing the board of cooperative educational services to enter into contracts with the commissioner of children and family services to provide certain services, in relation to the effectiveness thereof (Part J); to amend the public authorities law, in relation to adding the office of children and family services to the list of entities to whom the dormitory authority of the state of New York (DASNY) is authorized to provide capital design and construction services (Part K); to amend the social services law, in relation to increasing the standards of monthly need for aged, blind and disabled persons living in the community (Part L); to amend the social services law, in relation to a rental subsidy for public assistance recipients living with HIV/AIDS (Part M); to utilize reserves in the mortgage insurance fund for various housing

purposes (Part N); and to amend chapter 85 of the laws of 2017, relating to creating the Lake Ontario-St. Lawrence Seaway flood recovery and International Joint Commission Plan 2014 mitigation grant program, in relation to utilizing reserves in the mortgage insurance fund for various housing purposes (Part O)

PURPOSE:

This bill contains provisions needed to implement the Education, Labor and Family Assistance portions of the FY 2019 Executive Budget.

This memorandum describes Parts A through O of the bill which are described wholly within the parts listed below.

Part A – Amend Education Law and make other changes necessary to authorize School Aid and implement education-related programs in the Executive Budget.

Purpose:

This contains various provisions necessary for implementation of the education portion of the 2018-19 Executive Budget.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

Public education in New York represents a significant commitment of State and local resources. With total spending levels exceeding \$65 billion, New Yorkers have maintained the highest per-pupil spending levels in the nation – even during difficult financial times. Not only is education the largest area of State spending, it is also the largest component of local property taxes. This substantial investment reflects New York State’s long-standing commitment to providing opportunity for all students.

This bill includes measures to authorize School Aid along with other changes necessary to implement education-related programs in the Executive Budget. Significant provisions include:

- **Largest Ever State Support for Schools.** The FY 2019 Executive Budget recommends a year-over-year increase of \$769 million (3 percent) in direct aid to school districts for a total of \$26.4 billion for the 2018-19 school year. This represents the highest level of State support to schools in New York’s history.

With this increase, School Aid would have grown by \$6.8 billion, or 35 percent, since 2011-12.

- **Foundation Aid and Community Schools.** The FY 2019 Executive Budget recommends a Foundation Aid increase of \$338 million, including an additional \$50 million for Community Schools, bringing the total investment in Community Schools to \$200 million. The Community Schools increase is targeted to school districts with failing and persistently failing schools as well as districts with significant growth in English language learners and homeless pupils. Additionally, the Executive Budget would increase the minimum Community Schools set-aside amount from \$10,000 to \$75,000.
- **Charter Schools.** The FY 2019 Executive Budget proposes to clarify the expenditures to be included in the calculation of rental assistance for new and expanding charter schools located in privately owned space in New York City.
- **School-Level Funding Plan for High-Need Districts.** The FY 2019 Executive Budget would require large school districts which rely heavily on State aid to submit school-level funding plans to the State Education Department and the Division of the Budget for approval. The Big 5 city school districts would be required to begin reporting this data in 2018-19, and 10 other districts with nine or more individual schools that receive more than half of their revenue in the form of State aid would be required to do so the following year. Such districts would also be required to make this information publicly available on their website. These school districts would not be eligible to receive their annual School Aid increase until an approvable plan is submitted.
- **Full-Day Kindergarten Conversion Aid.** The FY 2019 Executive Budget would provide additional funding to encourage school districts to offer full-day kindergarten programs. School districts implementing full-day kindergarten in 2018-19 would be eligible for additional aid in 2019-20 equal to 50 percent of the district's 2018-19 Full-day Kindergarten Conversion Aid.
- **Summer School Special Education.** The FY 2019 Executive Budget proposes to more closely align State reimbursement to school districts for summer school special education tuition costs with the wealth-equalized aid ratio used to reimburse school districts for similar programs operated during the school year. This change would conform reimbursement for summer school special education tuition costs with the more equitable wealth adjusted financing structure of the State's School Aid funding system. Summer school special education transportation and maintenance costs would continue to be funded by the State at current rates.
- **Expense-Based Aids.** The FY 2019 Executive Budget proposes to control growth in major expense-based aid categories (i.e., Building, Transportation, and BOCES Aids) to 2 percent beginning in the 2019-20 school year. This change

would encourage school districts to control these expenses and would provide additional State resources to support Foundation Aid increases.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2019 Executive Budget.

Effective Date:

This bill would take effect April 1, 2018, except that selected provisions would take effect immediately or on other specified dates.

Part B – The Executive Budget proposes legislation for several new initiatives to provide students with increased access to healthy, locally sourced meals.

Purpose:

This bill would ban school lunch shaming practices, mandate Breakfast After the Bell programs in schools with more than 70% of students eligible for free and reduced-price meals, and increase State reimbursement for schools that purchase locally-sourced foods.

Summary of Provisions and Statement in Support:

New York State's School Lunch and Breakfast Program assists in providing free and reduced-price school breakfast and lunch meals to approximately 3 million students in nearly 6,000 schools across the State. This bill would authorize several new initiatives to provide students with increased access to healthy, locally sourced meals.

Ban Lunch Shaming. This bill would ban all forms of lunch shaming for students who have unpaid meal charges and/or cannot pay at the point of service, and would require schools that do not currently offer universal free meals to their students to develop plans that:

- Ensure students who have unpaid meal charges are not shamed, and receive the same meal as other students;
- Provide an explanation of how staff will be trained to carry out the school's plan/policies, and how parents and guardians will be provided with assistance in establishing eligibility for free or reduced-price meals for their children;
- Establish procedures to notify a student's family when their child's school meal account balance is low;
- Provide an explanation of policies designed to decrease student distress or embarrassment;

- Explain the school's unpaid meal charge policy;
- Establish procedures to support families' enrollment in free or reduced-price meal programs for their children, which includes providing a meal application and instructions in their native language at the beginning of the school year; and
- Ensure that homeless, foster, and migrant students receive free meals, as required by Federal law.

Schools would be required to submit the plan to the Commissioner of Education by July 1, 2018, or 60 days after enactment, and adopt and publicly post the plan after submission.

Require Breakfast "After the Bell." To improve access to breakfast for the State's poorest students, beginning with the 2018-19 school year, public schools with more than 70 percent of students eligible for free or reduced-price lunch would be required to provide breakfast after the school day has begun.

Schools would be required to develop a breakfast model in consultation with teachers, parents, students and members of the community, which could include breakfast in the classroom, grab-and-go breakfast or breakfast in the cafeteria.

The legislation also would require the State Education Department to develop guidelines for the implementation of these programs, provide technical assistance, and report on schools participating in Breakfast After the Bell programs.

Increase the Use of Farm-Fresh, Locally Grown Foods at School. To incentivize school districts to use more local farm-fresh products, this bill would increase the reimbursement schools receive for lunches from the current \$0.06 per meal to \$0.25 per meal for any school that purchases at least 30 percent of its food from New York farmers and growers, beginning with the 2019-20 school year.

The legislation would require the State Education Department, in cooperation with the Department of Agriculture and Markets, to develop an application for school districts seeking reimbursement and to annually report on the program. Schools would be required to apply annually for this funding and submit documentation demonstrating they meet the 30 percent threshold required for additional State funding.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2019 Executive Budget.

Effective Date:

This bill would take effect immediately.

Part C – Amend the education law, in relation to authorizing school bus stop cameras; and to amend the vehicle and traffic law, in relation to increasing fines for passing a stopped school bus.

Purpose:

This bill would authorize school districts to enter into agreements with third parties to install or operate school bus stop-arm cameras, and increases the fines for passing a stopped school bus.

Summary of Provisions and Statement in Support:

In New York, approximately 2.3 million students ride school buses to and from school every year. To ensure students can safely enter and exit school buses, State law prohibits a driver from passing a stopped school bus.

Despite this prohibition, when the State implemented on Operation Safe Stop in April 2017, over 1,000 people were ticketed on a single day for violating this law. As part of a targeted effort to end these violations and increase student safety on and around school buses, this bill would do the following:

Authorize School Districts to enter into contracts for school bus stop-arm cameras. School districts would be authorized enter into third-party contracts for the installation, operation and maintenance of school bus stop arm cameras, which would be able to automatically record the license plate of any vehicle illegally passing a school bus. The owner of the vehicle would be responsible and be required to pay a penalty.

Costs associated with such cameras would not be considered a transportation expense reimbursable by State aid; instead, the school district would be entitled to receive the fines associated with violations captured by the cameras.

This bill would also require school districts that enter into such contracts to submit data on the results of the program to the Governor, the Temporary President of the Senate, and the speaker of the Assembly.

Increase Fines for Passing a Stopped Bus. To further decrease the number of vehicles illegally passing stopped school buses, this bill would increase the fines for such a violation from \$250-\$400 to \$500-\$750 for a first offense, from \$600-\$750 to \$1,000-\$1,250 for a second offense, and from \$750-\$1,000 to \$1,250-\$1,500 for a third offense.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2019 Executive Budget.

Effective Date:

This bill would take effect immediately.

Part D – Amend the Education Law to authorize non-component school districts, including the Big Five City School Districts, to participate in Recovery High School programs operated by Boards of Cooperative Educational Services.

Purpose:

This bill would authorize non-component school districts, including the Big Five City School Districts, to participate in Recovery High School programs operated by Boards of Cooperative Educational Services (BOCES).

Summary of Provisions and Statement in Support:

This bill would authorize a BOCES to enter into a Memorandum of Understanding (MOU) with a non-component school district, including the Big Five City School Districts, to participate in a recovery high school program operated by the BOCES, for a period of no more than five years. The agreement between the BOCES and the non-component school district may include a charge for administration and capital expenses, in addition to program costs. This bill would authorize these costs to be reimbursed through BOCES Aid.

A Recovery High School is an alternative, multi-service high school program for adolescents with a diagnosed substance use disorder. These programs provide a safe, sober and supportive environment where a young person in recovery can develop the necessary skills and strengths needed for personal, academic, vocational and community success.

Research has shown that after treatment for a substance use disorder, approximately 70 percent of students who return to high school relapse within six months to a year. When implemented as a pilot program in other states, recovery high school programs have proven to be an effective model to help youth in recovery stay healthy and graduate.

BOCES are already authorized to operate recovery school programs for their member or component school districts; however, this legislation is needed to authorize provision of these services to students in non-component school districts, including the Big Five City School Districts.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2019 Executive Budget.

Effective Date:

This bill would take effect immediately.

Part E – Enact the New York State DREAM Act.

Purpose:

This bill would enact the New York State DREAM Act to support the advancement of undocumented immigrant students by making them eligible to receive State financial assistance for college.

Summary of Provisions and Statement in Support:

The New York State DREAM Act would amend Education Law to make students without lawful immigration status eligible for the Excelsior Scholarship, the Tuition Assistance Program, the Enhanced Tuition Award, and other State financial assistance programs offered to college students who are New York State residents.

To become eligible for State financial assistance, a student without lawful immigration status would need to have lived continuously in New York State while attending high school or a high school general equivalency program in the State, and apply for admission at a college in New York within five years of receiving a high school or high school equivalency diploma. The bill would also make conforming changes to the laws governing resident tuition policy at the State University of New York and the City University of New York.

The DREAM Act will support the advancement of undocumented immigrant students and continue New York State's tradition of welcoming immigrants and honoring their contribution to our culture and economy.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2019 Executive Budget.

Effective Date:

This bill would take effect 90 days after the issuance of regulations and the development of an application form by the Higher Education Services Corporation, or 90 days after becoming law, whichever occurs later.

Part F – Allow public accounting firms to have minority ownership by individuals who are not Certified Public Accountants.

Purpose:

This bill would authorize public accounting firms to incorporate in New York State with minority ownership by individuals who are not Certified Public Accountants.

Summary of Provisions and Statement in Support:

This bill would allow public accounting firms to incorporate in New York State with minority ownership by individuals who are not Certified Public Accountants, provided the words "Certified Public Accountant" or the abbreviation "CPA" is excluded from the firm's name.

In today's rapidly evolving economy, accounting firms endeavor to provide a variety of services to their clients and to do so often requires the skills of individuals who are not Certified Public Accountants such as actuaries, industry experts, information technology professionals and valuation specialists. By allowing non-CPA professionals to become minority owners of public accounting firms, this bill would modernize New York's incorporation laws and better enable accounting firms in the State to provide the services their clients have come to expect.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2019 Executive Budget.

Effective Date:

This bill would take effect immediately.

Part G – Reauthorize Close to Home.

Purpose:

This bill would extend the Close to Home (CTH) initiative that was enacted in 2012 for an additional five years and repeal the provisions related to State funding and reimbursement.

Summary of Provisions and Statement in Support:

The Close to Home initiative authorizes New York City's Administration for Children's Services to provide juvenile justice services, including residential placement services, to youth adjudicated in the court system as juvenile delinquents. Prior to CTH, such youth were typically placed in state-operated Office of Children and Family Services (OCFS) programs or facilities hundreds of miles away from their homes. This initiative removes geographic barriers to family visitation and allows youth to stay connected to their communities.

This bill would extend the CTH initiative, which will currently expire on March 31, 2018, for an additional five years. In addition, the bill would repeal provisions authorizing

State reimbursement to New York City for CTH costs. The new funding structure reflects a rebalancing of overall State and City fiscal arrangements.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2019 Executive Budget because the Financial Plan assumes \$31 million in savings related to the elimination of State reimbursement to NYC for the CTH program. Additionally, failure to reauthorize CTH would require NYC youth to be served in OCFS facilities at an estimated cost of \$50 million in SFY 2019 and \$195M on a full annual basis.

Effective Date:

This bill would take effect immediately and be deemed to have been in full force and effect on March 31, 2018.

Part H – Authorize Closure of Ella McQueen Reception Center.

Purpose:

This bill would authorize the Office of Children and Family Services (OCFS) to close the Ella McQueen Reception Center (the “Reception Center”).

Summary of Provisions and Statement in Support:

The Reception Center, located in Brooklyn, NY, currently serves as an initial point of entry for all non-secure and limited secure juvenile delinquents placed with OCFS. Staff at the Reception Center conduct initial health, dental, mental health, and educational assessments of the youth. Following assessment, youth are transferred to an OCFS facility.

The Reception Center operates significantly below capacity. Although it has a potential maximum capacity of more than 50 beds, on average during the last three months of 2017, only 7 youth were receiving reception services at the Reception Center each day. With the closure of the Reception Center, OCFS will instead provide initial assessments during the youth’s orientation at his or her placement facility. This will minimize the number of times a youth must transfer locations at the beginning of his or her placement.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2019 Executive Budget. The Financial Plan assumes \$5.4 million in savings in FY 2019 and \$7.1 million in subsequent years.

Effective Date:

This bill would take effect immediately.

Part I – Extend the Youth Development Program.

Purpose:

This bill would extend for three years the laws that established the Youth Development Program.

Summary of Provisions and Statement in Support:

This bill would extend for three years the legislation enacted in 2013 that reformed delinquency prevention funding administered by the Office of Children and Family Services (OCFS). The reforms combined the Youth Delinquency Prevention Program (YDDP) and the Special Delinquency Prevention Program (SDPP) into a new Youth Development Program (YDP) with streamlined administration and increased program flexibility. The legislation that created the YDP (Part G of Chapter 57 of the Laws of 2013) is scheduled to sunset December 31, 2018, unless extended.

Under the YDP, each municipality (counties and the City of New York) submits a comprehensive plan for approval by OCFS specifying how the municipality will meet its youth development needs and the projected performance outcomes of programs and services funded under the plan. Presently, YDP funding supports a variety of locally approved programs including, but not limited to, afterschool programs, Youth Bureaus, and various other services that help prevent juvenile delinquency and foster positive youth development.

Municipalities benefit from streamlined funding and local reporting processes under YDP, while also having an improved ability to fund services based on evolving local need instead of historical practices. This bill is necessary to extend the YDP and prevent a return to the prior program and funding structure.

Budget Implications:

The FY 2019 Executive Budget provides \$14,121,700 to support the Youth Development Program. Enactment of this bill is necessary to implement the recommended funding for the Youth Development Program.

Effective Date:

This bill would take effect immediately.

Part J – Extend OCFS' Authority to Contract with BOCES.

Purpose:

This bill would extend for three years the authority of the Office of Children and Family Services (OCFS) to contract with Boards of Cooperative Educational Services (BOCES) to provide certain educational services to youth in OCFS juvenile justice facilities.

Summary of Provisions and Statement in Support:

This legislation would extend, for three years, authority for OCFS to contract with BOCES to provide certain educational services to youth in OCFS juvenile justice facilities. Educational Law § 3202, among other things, requires that OCFS provide for the educational needs of the youth in its custody. Over the past several years, various amendments to Education Law have expanded the ability of OCFS to contract with BOCES to provide special education, career, and technical education services to youth in OCFS juvenile justice facilities. Most recently, in 2015 (Part J of Chapter 57 of the Laws of 2015), OCFS was authorized to contract with BOCES to provide music, art, and foreign language services, and the overall authority for OCFS to contract with BOCES was extended until June 30, 2018.

Youth placed in OCFS facilities have a myriad of different educational needs. OCFS has worked collaboratively with the State Education Department (SED) to improve the educational experiences and outcomes of youth in OCFS' facilities. Extending OCFS' ability to contract with BOCES is an important tool for achieving that goal.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2019 Executive Budget because without the ability to contract with BOCES, OCFS would need to hire additional full-time staff at an increased cost to meet the educational needs of youth in its custody.

Effective Date:

This bill would take effect immediately.

Part K – Authorize DASNY to provide capital construction services to OCFS.

Purpose:

This bill would add the Office of Children and Family Services (OCFS) to the list of entities to whom the Dormitory Authority of the State of New York (DASNY) is authorized to provide capital design and construction services.

Summary of Provisions and Statement in Support:

This bill would authorize DASNY to provide capital design and construction services to OCFS. Under current law, only the Office of General Services (OGS) is authorized to provide capital design and construction services to OCFS. OCFS operates a youth

facility system comprised of buildings across the state, many of which are old and require regular capital improvements/maintenance to remain functional and safe. Giving OCFS the option to use both OGS and DASNY for capital design and construction services will provide the agency with increased flexibility to manage and implement critical projects in the most cost efficient manner.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2019 Executive Budget as it provides OCFS with increased flexibility to help ensure that funding for youth facility capital projects is spent in the most effective and cost efficient manner.

Effective Date:

This bill would take effect immediately.

Part L – Authorize the pass-through of any Federal Supplemental Security Income Cost of Living Adjustment.

Purpose:

This bill would authorize Federal Supplemental Security Income (SSI) benefits to be increased in 2019 by the percentage of any SSI Cost of Living Adjustment (COLA).

Summary of Provisions and Statement in Support:

Sections 131-o and 209 of the Social Services Law establish specific amounts for the monthly Personal Needs Allowance (PNA) and the monthly SSI standard of need (the maximum combined Federal and State benefit) for recipients in various living arrangements. This bill would amend those sections of law to set forth the actual 2018 PNA amounts and the standard of need for eligibility and payment of additional State payments. It also authorizes those amounts to be automatically increased in 2019 by the percentage of any Federal SSI COLA which becomes effective within the first half of calendar year 2019.

Budget Implications:

If the pass-through of the Federal SSI COLA is not enacted in the FY 2019 budget, there will be no statutory authority to provide SSI recipients with the full amount of any Federal increase plus a State supplement at the current level. The State supplements would be automatically reduced to reflect the current standards of need set forth in the SSL.

Effective Date:

This bill would take effect December 31, 2018.

Part M – Authorize a Rental Subsidy for Public Assistance Recipients Living with HIV/AIDS in Rest of State (ROS) counties.

Purpose:

This bill would amend Section 131-a of the Social Services to enable Rest of State (ROS) counties to opt-in to restrict the client contribution to thirty percent of their unearned and/or earned income toward shelter costs, or to establish a ROS program should offsetting savings be available from Medicaid services.

Summary of Provisions and Statement in Support:

An estimated 4,700 individuals are living with medically diagnosed HIV infection in Rest of State counties on a fixed governmental income. These individuals receive Social Security Income (SSI), Social Security Disability Income (SSDI), Veteran's Benefits or public assistance benefits and typically contribute over fifty percent of their total income toward shelter costs.

By limiting the amount of income that an individual contributes towards their shelter costs to thirty percent of their total income, this bill would allow such individuals to retain more of their income for other essential non-shelter needs. It would also allow local districts to opt-in to the rent cap provision.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2019 Executive Budget.

Effective Date:

This bill would take effect 90 days from enactment.

Part N – Authorize Mortgage Insurance Fund Utilization

Purpose:

This bill would provide for the utilization of \$44 million in excess Mortgage Insurance Fund (MIF) reserves.

Summary of Provisions and Statement in Support:

The MIF, a fund of the State of New York Mortgage Agency (SONYMA), was created in 1978 to insure mortgage loans for projects that would not otherwise be able to obtain mortgage insurance, thereby encouraging the commercial and public investment of mortgage capital and increasing the supply of affordable housing in New York State.

The SONYMA statute requires excess revenues from the MIF, after expenses and the required reserves, to be returned to the State following SONYMA Board approval. The MIF has been previously used to support new housing development and to provide relief for budgetary deficits; in the FY 2018 Budget, \$155 million was used for various housing assistance, capital programs, and municipal relief.

The MIF is currently projected to have over \$44 million in reserves through FY 2018 that can be accessed without negatively impacting the Fund's credit rating. As set forth in Sections 1-4 of the bill, these funds would be utilized in the following manner:

- Rural Rental Assistance Program (\$23.6 million): supports rental subsidies for low-income elderly and family tenants residing in federally-funded multifamily projects in rural areas of the State;
- Neighborhood and Rural Preservation Programs (\$12.0 million): supports community-based housing corporations across the State that provide various housing related services for low- and moderate-income populations; and
- Homeless Housing Programs (\$8.3 million): supports the OTDA consolidated homeless programs, which include: the New York State Supportive Housing Program, the Solutions to End Homelessness Program, and the Operational Support for AIDS Housing program.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2019 Executive Budget, which assumes MIF revenue for the aforementioned programs.

Effective Date:

This bill would take effective immediately.

Part O – Provide funding flexibility between Lake Ontario Flood Relief Programs

Purpose:

This bill would provide flexibility in funding between the three programs authorized to provide flood relief to the Lake Ontario region.

Summary of Provisions and Statement in Support:

Following the flooding of Lake Ontario in the Spring of 2017, Governor Cuomo signed legislation providing \$45 million in funding for flood relief efforts for three programs--a commercial program for small businesses and rental properties, a residential program

for homeowners, and a municipal program for local governments. Each of the three programs is capped at \$15 million.

This bill would amend the language to allow for flexibility between the three programs-- funds not spent in one program would be allowed to be used in another program as necessary. Additional funding necessary to meet overall program needs will be provided from other available State resources.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2019 Executive Budget to ensure flexibility in funding options for all three Lake Ontario programs.

Effective Date:

This bill would take effect immediately.

The provisions of this act shall take effect immediately, provided, however, that the applicable effective date of each part of this act shall be as specifically set forth in the last section of such part.