

FINANCIAL PLAN OVERVIEW OF THE EXECUTIVE BUDGET SFY 2012-13

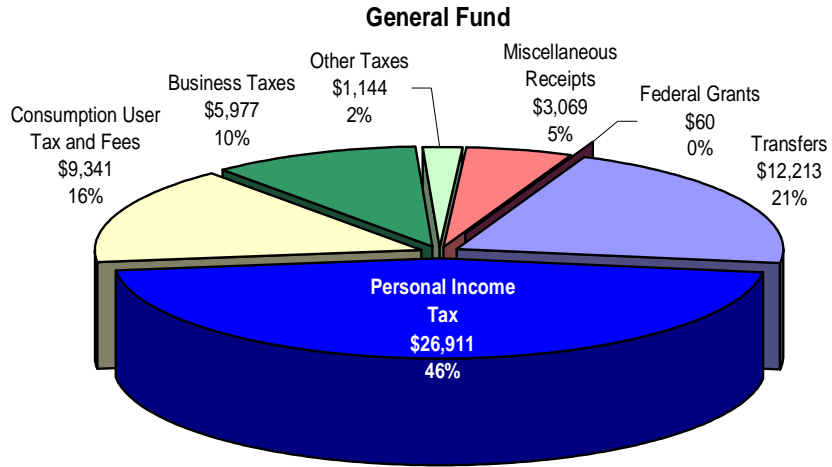
Overview of the Executive Budget

Table 1

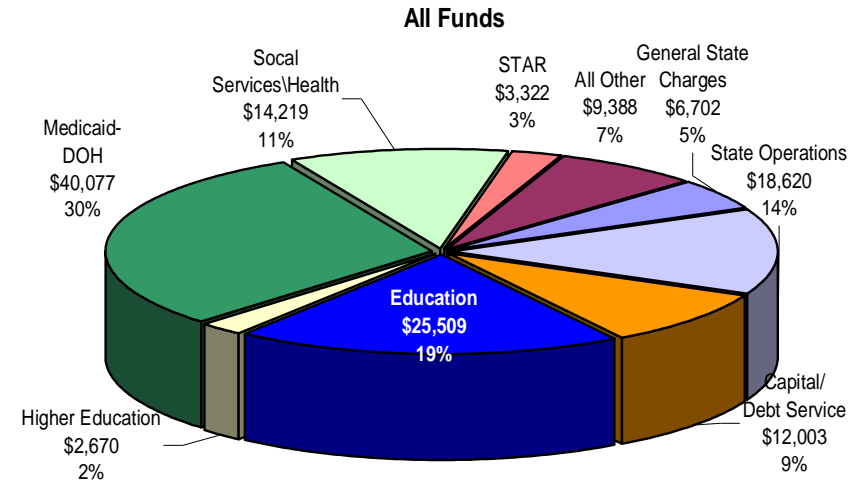
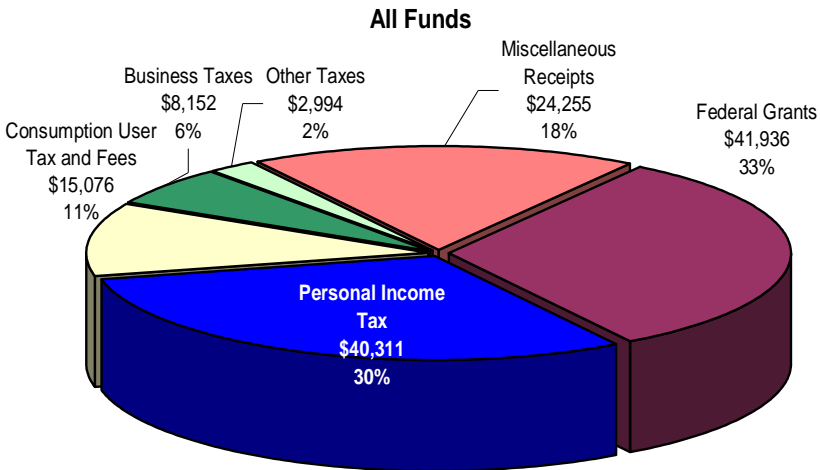
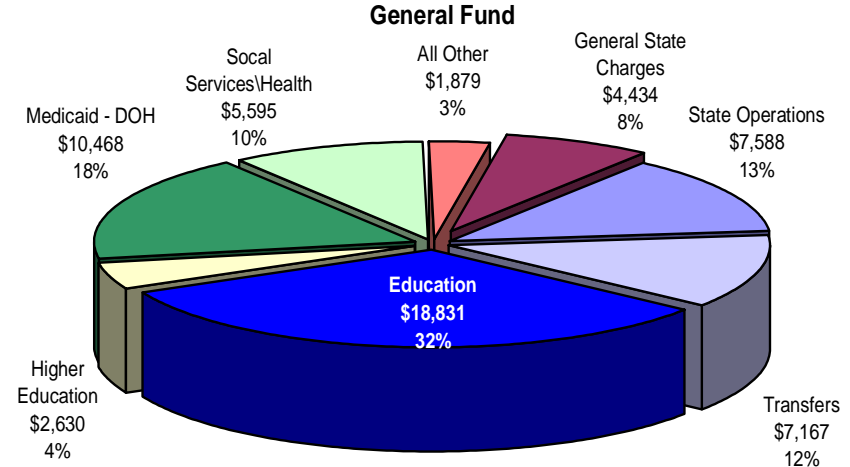
Size of Budget (\$ in Millions)				
	2011-12	2012-13	Difference	Percent
General Funds	\$56,915	\$58,592	\$1,677	2.9%
State Funds	\$93,288	\$94,795	\$1,507	1.6%
All Funds	\$132,735	\$132,510	(\$225)	(0.2%)

- **The Governor proposes an All Funds Budget of \$132.51 billion for State Fiscal Year (SFY) 2012-13:** The Executive proposal is \$225 million lower than the estimated \$132.74 billion in spending for SFY 2011-12 representing a decline of 0.2 percent. The All Funds Budget is the broadest measure of spending; accounting for state unrestricted and restricted funds as well as funds received from the federal government.
- **Federal government aid decreased by \$1.7 billion for SFY 2012-13 from \$39.45 billion to \$37.71 billion:** This decrease is primarily due to the loss of federal aid for child-care slots for working families, the mental hygiene system, and the phase-down of Federal-State Health Reform Partnership (F-SHRP).
- **For SFY 2012-13 the Governor proposes General Fund spending of \$58.59 billion:** The General Fund consists of unrestricted taxes and receipts, and spending on state operations and local governments not funded through dedicated revenues. The Executive proposal would increase General Fund spending by \$1.7 billion or 2.9 percent.
- **State Funds spending for SFY 2012-13 is projected to total \$94.8 billion:** State Funds spending consists of the General Fund plus Debt Service Funds, Capital Projects Funds and Other State Funds. This is an increase of 1.6 percent or \$1.5 billion higher than SFY 2011-12.
- **State Operating Funds is estimated to total \$88.7 billion, an increase of \$1.7 billion or two percent:** The State Operating Funds include all State spending in the General Funds, State Special Revenue Funds, Debt Service Funds except Capital Projects Funds and federal spending.

Where Receipts Come From



Where Disbursements Go



Note: Values are dollars in millions.

Sources: NYS Division of Budget, 2012-13 New York State Division of Budget; NYS Assembly Ways and Means Committee staff.

Figure 1

Table 2

EXECUTIVE BUDGET FINANCIAL PLAN			
2012-13			
(\$ in Millions)			
	Executive General Fund	Executive State Funds	Executive All Funds
OPENING BALANCE	1,675	3,959	3,869
RECEIPTS:			
Personal Income Tax	26,911	40,311	40,311
User Taxes and Fees	9,341	15,076	15,076
Business Taxes	5,977	8,152	8,152
Other Taxes	1,144	2,994	2,994
Total Taxes	<u>43,373</u>	<u>66,533</u>	<u>66,533</u>
Licenses, Fees, etc.	661	661	661
Abandoned Property	785	785	785
ABC License Fees	51	51	51
Motor Vehicle Fees	99	1,380	1,380
Reimbursements	202	202	202
Investment Income	10	10	10
Other Transactions	1,261	21,035	21,166
Total Miscellaneous Receipts	<u>3,069</u>	<u>24,124</u>	<u>24,255</u>
Federal Grants	60	145	41,936
PIT in Excess of Revenue Bond Debt Service	8,284		
Sales Tax in Excess of LGAC Debt Service	2,466		
Real Estate Taxes in Excess of CW/CA Debt Service	474		
All Other	989		
Total Transfers from Other Funds	<u>12,213</u>		
TOTAL RECEIPTS	<u>58,715</u>	<u>90,802</u>	<u>132,724</u>
DISBURSEMENTS:			
School Aid	16,949	20,002	22,845
Higher Education	2,630	2,662	2,670
All Other Education	1,882	1,890	2,664
STAR	0	3,322	3,322
Medicaid - DOH	10,468	15,859	40,077
Public Health	659	1,918	3,087
Mental Hygiene	1,867	3,574	3,733
Children and Families	1,581	1,582	2,517
Temporary & Disability Assistance	1,488	1,492	4,882
Transportation	98	4,398	4,438
Unrestricted Aid	776	776	776
All Other	1,005	2,828	4,174
Total Local Assistance Grants	<u>39,403</u>	<u>60,303</u>	<u>95,185</u>
Personal Service	5,729	11,965	12,566
Non-Personal Service	1,859	5,167	6,054
Total State Operations	<u>7,588</u>	<u>17,132</u>	<u>18,620</u>
General State Charges	4,434	6,388	6,702
Debt Service	1,610	6,149	6,149
Capital Projects	1,079	4,823	5,854
State Share Medicaid	2,903		
Other Purposes	1,575		
Total Transfers to Other Funds	<u>7,167</u>		
TOTAL DISBURSEMENTS	<u>58,592</u>	<u>94,795</u>	<u>132,510</u>
Other Financing Sources (uses):			
Transfers from Other Funds		27,880	27,572
Transfers to Other Funds		(23,660)	(27,581)
Bonds and Note proceeds		400	400
Net Financing Sources		<u>4,620</u>	<u>391</u>
Excess/(Deficiency) of Receipts over Disbursements	<u>123</u>	<u>627</u>	<u>605</u>
CLOSING BALANCE	<u>1,798</u>	<u>4,586</u>	<u>4,474</u>

Closing the SFY 2012-13 Executive Budget Gap

Table 3

Executive Budget General Fund Gap-Closing Plan for 2012-13 (\$ in Millions)	
	2012-13
Executive Budget Current Services GAP Estimate (before any actions)	(3,500)
Total Executive Budget Gap-Closing Actions	3,500
Spending Control	1,964
Agency Operation	1,141
Agencies	580
Independent Officials	255
Enterprise/Consolidations	109
Health Benefits Management	130
Fringe Benefits	67
Debt Management	140
New Initiatives/Investments	(73)
Local Medicaid Growth/Administrative Takeover	16
Agency Redesign-Enterprise Services	(43)
SSI Administration Takeover from Federal Government	(11)
Protection of Vulnerable Populations	(10)
Rural Rental Assistance	(6)
All Other	(19)
Local Assistance	756
COLAs/Trends	150
Mental Hygiene	172
Social Services/Housing	144
Public Health	105
All Other	185
Tax Reform	1,536
Tax Code Reform	1,931
MTA Payroll Tax Small Business Relief	(250)
New York Youth Works Tax Credit	(20)
Economic Development Initiatives	(32)
Inner-City Summer Youth Employment	(25)
Disaster Relief Package	(20)
Educational Opportunities	(11)
All Other	(12)
New Costs/Other	0
TANF Child Care Replacement	(93)
Mental Hygiene System Funding	0
Excess Pension Payment	0
All Other	93
Executive Budget Surplus/(Gap) Estimate	0

- **The Executive Proposal includes recommendations that are intended to close an estimated \$3.5 billion General Fund budget gap in SFY 2012-13:** The Executive has indicated that these actions are comprised of the following: \$2 billion in spending reductions and \$1.5 billion in net new resources from tax reform.

Executive Budget General Fund Gap Estimates

Table 4

OUT YEAR GENERAL FUND GAPS			
(\$ in Millions)			
	Executive Mid-Year	Before Action	Executive Proposal
2011-12	(350)	0	0
2012-13	(3,250)	(3,500)	0
2013-14	(3,274)	(3,624)	(715)
2014-15	(4,798)	(5,044)	(2,974)
2015-16	N/A	(4,246)	(3,721)

- **The Executive projections of the current out-year gaps confronting the state:** The out-year budget gaps have been revised to zero for SFY 2011-12 (due to receipts and disbursement revisions), \$3.5 billion for SFY 2012-13, \$3.6 billion for SFY 2013-14, \$5 billion for SFY 2014-15 and \$4.2 billion for SFY 2015-16.
- **The Executive Budget reduces the projected out-year gaps primarily with reductions in certain Local Assistance programs, and State Agency operations:** The proposed gap closing actions reduce the gaps to the following: zero gap in SFY 2012-13, \$715 million gap for SFY 2013-14, \$3 billion gap for SFY 2014-15 and \$3.7 billion in SFY 2015-16.

Table 5

Estimated General Fund Closing Balance		
(\$ in Millions)		
	2011-12	2012-13
Tax Stabilization Reserve Fund	1,031	1,031
Statutory Rainy Day Reserve Fund	275	275
Contingency Reserve Fund	21	21
Community Projects Fund	51	-
Reserved for Prior Year Labor Agreement	284	458
Reserved for Debt Reduction	13	13
Total	1,675	1,798

Fund Reserves

- **The Executive Budget anticipates \$1.8 billion in reserves at the end of the 2013 fiscal year:** The Executive General Fund closing balance maintains \$1 billion in the Tax Stabilization Reserve Fund, \$21 million in the Contingency Reserve Fund, \$275 million in the Rainy Day Reserve, \$458 million is reserved for labor agreements, and \$13 million is reserved for debt reduction. The Tax Stabilization Reserve Fund is a constitutionally restricted fund that can only be used in the event of a revenue shortfall or deficit during a fiscal year. The balance of \$1 billion in the Tax Stabilization Reserve Fund is 1.7 percent of the value of the General Fund.

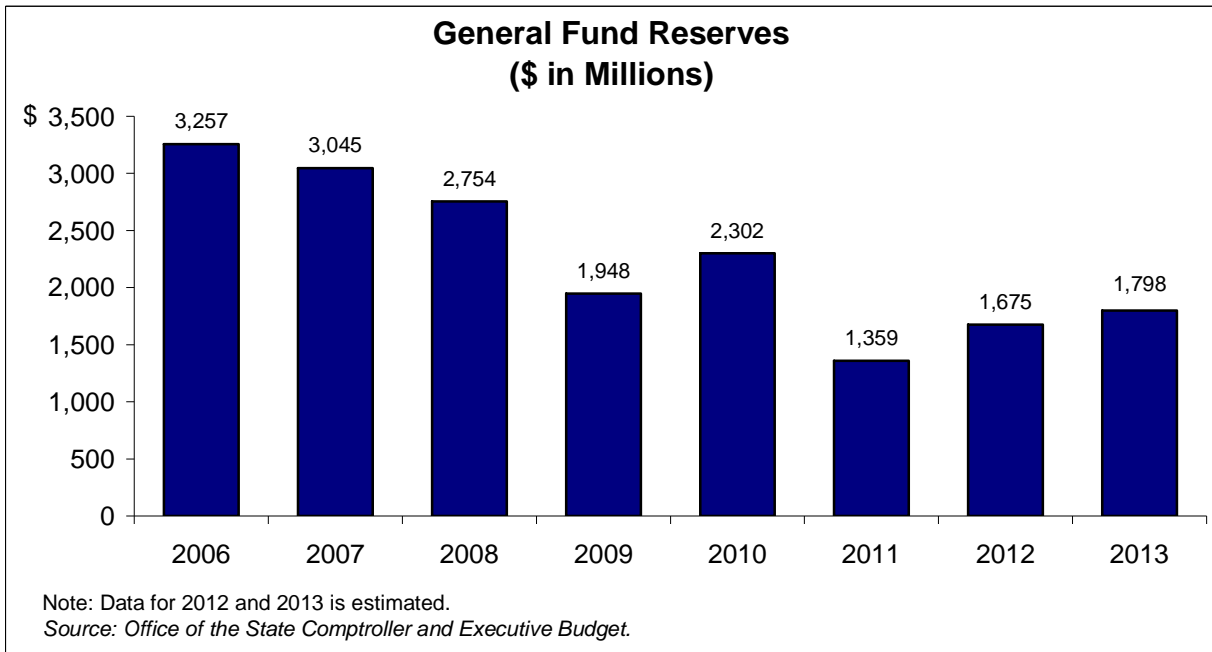


Figure 2

EDUCATION

Table 6

2012-13 Executive School Aid Proposal (\$ in Millions)	
2011-12 General Support for Public Schools	19,507
Expense Based Aids and Grant Programs	265
Gap Elimination Adjustment (GEA) Restoration	290
Subtotal: Year to Year General Support for Public Schools Increase	555
SY 2011-12 Performance Grants	50
SY 2012-13 Performance Grants	200
Year to Year Increase: General Support for Public Schools	805

Source: NYS Division of the Budget.

- **General Support for Public Schools:** The Executive proposes a year to year increase in General Support for Public Schools (GSPS) of \$805 million for the 2012-13 School Year (SY) or 4.1 percent (see Table 6). As a result of this increase, School Aid would rise from \$19.5 billion in SY 2011-12 to \$20.3 billion in SY 2012-13. Under the Executive proposal:

 - eligibility to receive increases in School Aid for the 2012-13 School Year would be contingent upon district compliance with a new teacher and principal professional evaluation process which must be implemented by January 17, 2013;
 - funding is continued at the 2011-12 level for Foundation Aid, High Tax Aid, and certain grants, while Universal Prekindergarten would be increased by \$1.06 million, to \$384.3 million; and
 - a two year appropriation is recommended that provides state support for State Fiscal Year (SFY) 2012-13 and SFY 2013-14 as well. The appropriation provides a \$711 million increase in School Aid for the 2013-14 SY, which is indexed to a projected 3.5 percent increase in personal income (see Figure 3).

- **Gap Elimination Adjustment (GEA) Restoration:** The Governor’s proposal includes \$290 million in additional funding which is targeted to high need school districts. This GEA restoration takes into account student poverty, district wealth, enrollment and the impact of the GEA reduction, and provides for an across the board restoration for all districts. High need school districts will receive 76 percent of the 2012-13 allocated increase. This restoration reduces the GEA reduction from \$2.56 billion to \$2.27 billion.

- **Expense Based Aids:** The Executive proposal allows reimbursable aids such as Building Aid, Transportation Aid, BOCES Aid and Instructional Materials Aids, to grow by \$265 million as reflected by data that is currently available. The proposal also freezes all school aid formulas for the 2011-12 and 2012-13 school years at either the Executive school aid run or the revised data, whichever is less.
- **Building Aid:** The Executive proposal would provide school districts the opportunity to regain eligibility for building aid in cases where districts missed the final cost report filing deadline. The loss of building aid would be limited to the period when the cost report was outstanding. Without this legislation, districts that fail to file a timely cost report would be ineligible for any State reimbursement.
- **Performance Grants:** The 2012-13 Executive Budget authorizes \$250 million in performance grants for the 2012-13 school year and an additional \$100 million in awards for 2013-14. The 2011-12 enacted Budget authorized two competitive grant programs, the School District Management Efficiency Program and the School District Performance Improvement Program, which have been reappropriated. Under the Governor’s plan:
 - \$50 million in grants appropriated in SFY 2011-12 would be paid during the 2012-13 school year, and an additional \$200 million in grants would be paid in the 2012-13 school year.

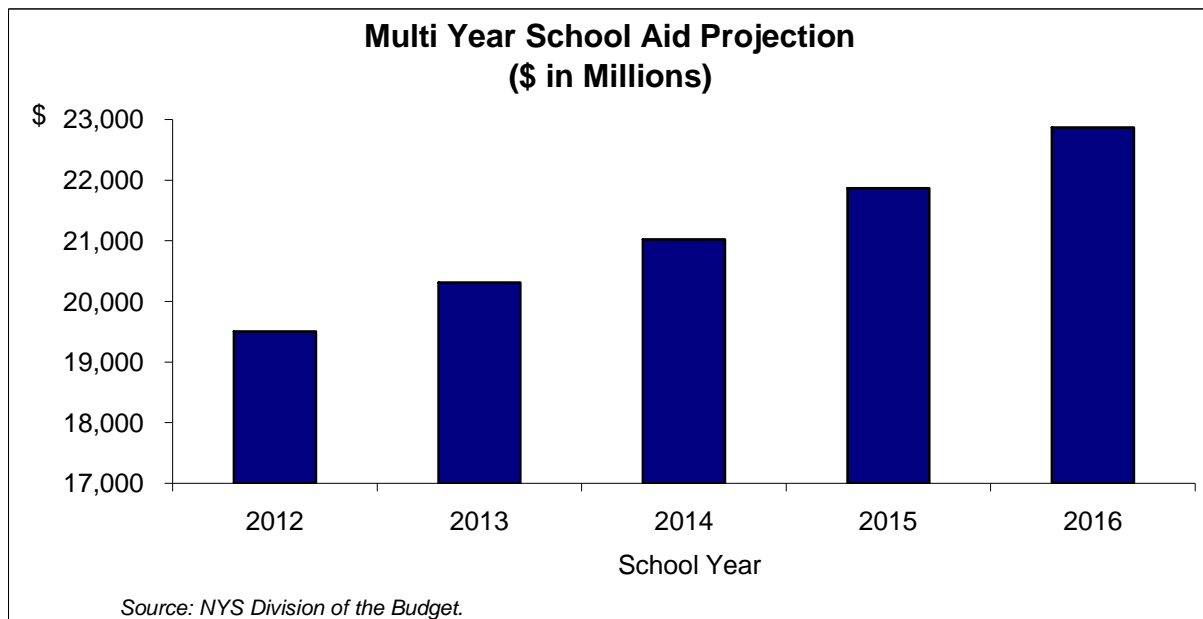


Figure 3

Special Education

- **Preschool Special Education (4410) Schools:** The State currently pays 59.5 percent and the counties pay 40.5 percent of costs associated with programs for disabled children ages three to five. The Executive proposes that all growth above the county share of SY 2011-12 costs would be paid equally by the State, school district and the county. Preliminary estimates indicate this proposal will result in a shift in costs to school districts of approximately \$5 million in SFY 2012-13. The program would increase by \$66.8 million in SY 2012-13, for total funding of \$936.7 million. In addition, the proposal would:
 - prohibit children from receiving services from a preschool special education provider if there is a “less than arms length” relationship between the provider and the child’s approved evaluator;
 - require justification when a distant provider is chosen over closer, suitable providers; and
 - increase the role of counties when providers request an exception to existing payment rates.
- **Schools for the Blind and Deaf:** The Executive proposal includes \$99.3 million to reimburse school districts for costs incurred during the 2011-12 school year, representing an increase of \$79 million over SFY 2011-12.
- **Summer School Special Education (4408) Schools:** The Executive proposal would increase support by \$30.4 million for programs serving significantly disabled youth attending summer programs, for a total of \$321.7 million.
- **School Bus and Equipment Purchases:** Under the Governor’s plan, school buses and related equipment would be purchased through the use of a state contract in order to receive state reimbursement, except in instances where the Commissioner determines that the district would be unable to provide appropriate transportation services with vehicles and equipment purchased under the state contract. School districts would also be required to obtain the Commissioner’s approval prior to purchasing school bus equipment in order to receive state transportation aid reimbursement.
- **Teacher Disciplinary Hearings:** The Executive proposal alters the arbitration process for tenured employees by:
 - allowing the Commissioner to set maximum rates paid to hearing officers;
 - limiting the number of study days claimed by hearing officers;

- eliminating the requirement for a stenographer or other recording mechanisms;
 - allowing for the disqualification of hearing officers who fail to comply with timeline requirements; and
 - requiring the employing board and the employees' bargaining unit or employee to share the costs of the hearing.
- **Maintain the Contracts for Excellence Program (C4E):** Under the Executive proposal, school districts that are required to submit a Contract for Excellence for the current school year would also be required to maintain funding on C4E programs during the 2012-13 SY at the same level as required for the 2011-12 SY, unless all schools in the district are in "good standing" academically.
 - **Executive Commission on Education:** The Governor has indicated that he will establish a new commission by Executive Order to focus on school accountability in both management and teaching.
 - **Other Education Programs:**
 - The Executive proposal eliminates \$20.4 million in funding for Teacher Resource and Computer Training Centers;
 - The Executive proposes funding for Nonpublic Schools at \$116.62 million, an increase of \$13.243 million;
 - The Executive proposal maintains funding of \$7 million for State assessments;
 - The Executive proposal also maintains funding of \$0.7 million for GED testing; and
 - The Executive proposal increases funding for the School Lunch and Breakfast program by \$0.6 million to \$33.7 million.

HEALTH

The SFY 2012-13 Executive Budget includes \$54.039 billion in All Funds support for the Medicaid program across all state agencies, representing a decrease of \$136 million or 0.3 percent from SFY 2011-12 spending levels. The Executive proposal assumes \$21.780 billion in State share spending for the Medicaid program, an increase of \$650 million or 3.1 percent from SFY 2011-12 levels (see Table 7).

Table 7

All State Agency Medicaid Expenditure Projections				
(\$ in Millions)				
	SFY 2011-12	SFY 2012-13	Yr-Yr Change	
			Amount	Percent
State Share	\$21,130	\$21,780	\$650	3.1%
Federal Share	\$24,424	\$24,218	(\$206)	(0.8%)
Local Share	\$8,621	\$8,040	(\$580)	(6.7%)
All Funds	\$54,175	\$54,039	(\$136)	(0.3%)

- Extension of the Medicaid Global Cap:** The Executive proposes the continuation of a Medicaid spending cap which limits growth in Department of Health (DOH) State Funds Medicaid spending to the 10 year rolling average of the Medical Consumer Price Index, currently estimated at 4 percent. DOH Medicaid expenditures are currently capped at \$15.32 billion in SFY 2011-12 and \$15.91 billion in SFY 2012-13. The Executive proposes to extend the global cap for one additional year and would cap SFY 2013-14 DOH Medicaid expenditures at \$16.59 billion (see Table 8). Authorization for DOH to reduce payment rates and benefits in the event that Medicaid expenditures exceed the global cap would be reauthorized.

Table 8

DOH Medicaid Global Cap Amounts	
(\$ in Millions)	
SFY 2011-12	15,326
SFY 2012-13	15,916
SFY 2013-14	16,590

- Medicaid Redesign Team (MRT) – Phase II Recommendations:** The Executive Budget continues \$3.3 billion in savings actions enacted in the SFY 2011-12 budget, including 78 discrete cost containment initiatives as recommended by the MRT; the elimination of scheduled Medicaid inflationary rate increases; and the implementation of a two percent across-the-board reduction in Medicaid rates. In addition, the Executive proposes a cost-neutral series of actions that were developed

through the MRT workgroup process, which includes new investments in health care delivery balanced by savings resulting from improvements in benefits design, more appropriate treatment modalities and the elimination of spousal refusal from Medicaid long term care eligibility determinations.

- State Assumption of Local Medicaid Expenditure Growth:** The Executive proposes that the State assume, at a rate of one percent per year, the current 3 percent annual growth in the local share of Medicaid. The annual growth rate in the Medicaid local share would be two percent in SFY 2013-14, one percent in SFY 2014-15, and would be eliminated in SFY 2015-16. The Executive proposal would save localities \$61.1 million in SFY 2013-14 and \$1.17 billion over the next five state fiscal years (see Table 9).

Table 9

Medicaid Takeover - Local Savings (\$ in Millions)	
SFY 2012-13	-
SFY 2013-14	61
SFY 2014-15	187
SFY 2015-16	370
SFY 2016-17	552
Five-Year Total	1,170

- State Assumption of Local Medicaid Administration:** The Executive proposes a phased-in takeover of local government administration of the Medicaid program, financed initially by a cap on local Medicaid administration expenditures at SFY 2011-12 levels. The first year of this proposal would result in a net State share reduction of \$8.5 million.
- New York Health Benefit Exchange:** The Executive proposes legislation to establish a New York Health Benefit Exchange as a public benefit corporation that will serve as a centralized marketplace for individuals and small businesses to purchase health insurance, in accordance with the federal Patient Protection and Affordable Care Act (PPACA).
- Roswell Park Cancer Institute:** The Executive proposes legislation that would require Roswell, as a condition of receiving State support, to expand its collaborations in the Buffalo region and to become financially and operationally independent from the State by March 31, 2014. In addition to Roswell's base State subsidy of \$77.6 million, the Executive proposes to make available \$25 million in prior-year HEAL NY capital funds.

- **Modify the Early Intervention (EI) Program:** The Executive proposes to require commercial health insurance carriers to include EI service providers in their networks; to establish a central fiscal intermediary for the EI program; and to reduce the local share of EI program costs.
- **Eliminate Cost of Living Adjustments (COLA):** The Executive proposes to eliminate the 3.6 percent annual human services COLA and maintain existing rates for programs supported by DOH. A new program would be established in State Fiscal Year (SFY) 2013-14 to provide reimbursement increases that are based on quality indicators and provider costs. Elimination of the COLA would reduce DOH and Office for the Aging expenditures by \$11.4 million.
- **Reduce Tobacco Control Funding:** The Executive proposal would reduce funding for the Tobacco Prevention and Control Program by \$5 million.
- **Aging Actions:** The Executive proposes to reduce funding for the Naturally Occurring Retirement Communities (NORC) program and the Neighborhood NORC program by \$460,000 and would discontinue \$115,000 in funding for Regional Caregivers Centers of Excellence Program.

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HIGHER EDUCATION

In SFY 2012-13 the Governor recommends an \$8 million increase for Higher Education.

Table 10

Executive Actions: Higher Education (\$ in Millions)	
	SFY 2012-13
CUNY Operating Budget	\$13
Community Colleges	(\$2)
Higher Education Services Corporation	(\$3)
Total	\$8

- **Support for SUNY/CUNY Operations:** The Executive recommends State operating support of \$968.6 million for State-operated campuses of the State University of New York (SUNY) and \$523.5 million for the Senior Colleges of the City University of New York (CUNY) in the 2012-13 Academic Year (AY).
- **Maintaining State Support for SUNY and CUNY Community Colleges:** The Executive recommends maintaining base aid for SUNY and CUNY Community Colleges at \$2,122 per full time equivalent (FTE) student. As a result, SFY or AY 2012-13 State support for SUNY Community Colleges stands at \$417.1 million and \$172.3 million for CUNY Community Colleges.
- **Tuition:** The Executive Budget recognizes the \$300 in-state tuition increase enacted by Chapter 260 of the Laws of 2011. In-state undergraduate tuition at SUNY is \$5,270 and at CUNY is \$5,130 for academic year 2011-12. The SUNY and CUNY Board of Trustees also raised tuition for graduate and out of state residents for the Fall 2011 semester. The Executive Budget includes \$113.2 million for SUNY and \$66.6 million for CUNY in additional spending authority to account for these tuition increases.
- **Continuing a General Fund Subsidy for SUNY Hospitals:** The Executive Budget continues a \$60 million General Fund subsidy for the operations of three SUNY teaching hospitals.
- **Tuition Assistance Program:** The Executive budget recommends \$930.6 million for the Tuition Assistance Program (TAP) for the 2012-13 Academic Year, representing a \$28.1 million SFY increase to the program due to increases in tuition. The Executive Budget does not include any programmatic changes to TAP.

- **Opportunity Programs:** During Special Session in December 2011, an additional \$9 million was provided to opportunity programs administered by SUNY, CUNY, and the State Education Department (SED). The Executive Budget maintains the additional funding for:
 - SUNY's Educational Opportunity Program (EOP) (\$21.1 million, which includes a continuation of the additional \$955,000 approved during December's Special Session);
 - CUNY's Search for Education, Elevation, and Knowledge (SEEK) (\$18.4 million, which includes a continuation of the additional \$1.0 million approved during December's Special Session); and
 - CUNY's College Discovery (\$883,390, which includes a continuation of the additional \$55,000 approved during December's Special Session)

Additional funding for the opportunity programs that are administered by SED are reappropriated in the Executive Budget, but new funding for these programs return to their enacted 2011-12 levels. The following opportunity programs are funded at pre-Special Session levels:

- the Higher Education Opportunity Program (HEOP) (\$20.8 million);
 - the Science and Technology Entry Program (STEP) (\$9.8 million);
 - the Collegiate Science and Technology Entry Program (CSTEP) (\$7.4 million); and
 - the Liberty Partnerships Program (\$10.8 million).
- **NYSUNY 2020:** The Executive proposal includes a \$215 million capital appropriation for the University at Buffalo to support the relocation and construction of a medical school and a biomedical sciences facility. Debt service for this project would be supported by non-State funds including parking fees, gifts, and Medical School program fees. The Executive budget also includes an additional \$184 million in capital for other projects associated with the NYSUNY 2020 program. This appropriation would be supported by gifts from private entities relating to NYSUNY 2020 projects and would include projects at Stony Brook and Buffalo. Reappropriation changes would allow funding from prior SUNY university-wide capital programs to be used for NYSUNY 2020 purposes as well.
 - **Other Higher Education Capital:** The Executive proposal continues its commitment to a five year critical maintenance investment of \$2.75 billion at SUNY and \$1.42 billion at CUNY, which was enacted in SFY 2008-09. In SFY 2012-13, the

Executive proposal appropriates \$550 million for critical maintenance projects at SUNY State-operated campuses and \$284.2 million for critical maintenance projects at CUNY Senior Colleges. The Executive proposal includes an additional \$87.0 million for projects at SUNY Community Colleges and \$26.7 million for CUNY Community Colleges to match local commitments. In addition, SUNY would receive \$45 million for residence hall rehabilitation, and CUNY is provided \$21 million to pay the Dormitory Authority for the state share for the administration of CUNY capital projects. The Executive also proposes to extend the New York Higher Education Capital Matching Grant Program to March 31, 2013.

- SUNY and CUNY Construction Fund:** The Executive proposal establishes capital appropriations to fund the State University Construction Fund (SUCF) and the City University Construction Fund (CUCF). Hard dollar capital funding will be used to pay for the capital projects of these agencies instead of bond proceeds. The Executive budget includes \$25.1 million for SUCF and \$16.0 million for CUCF.

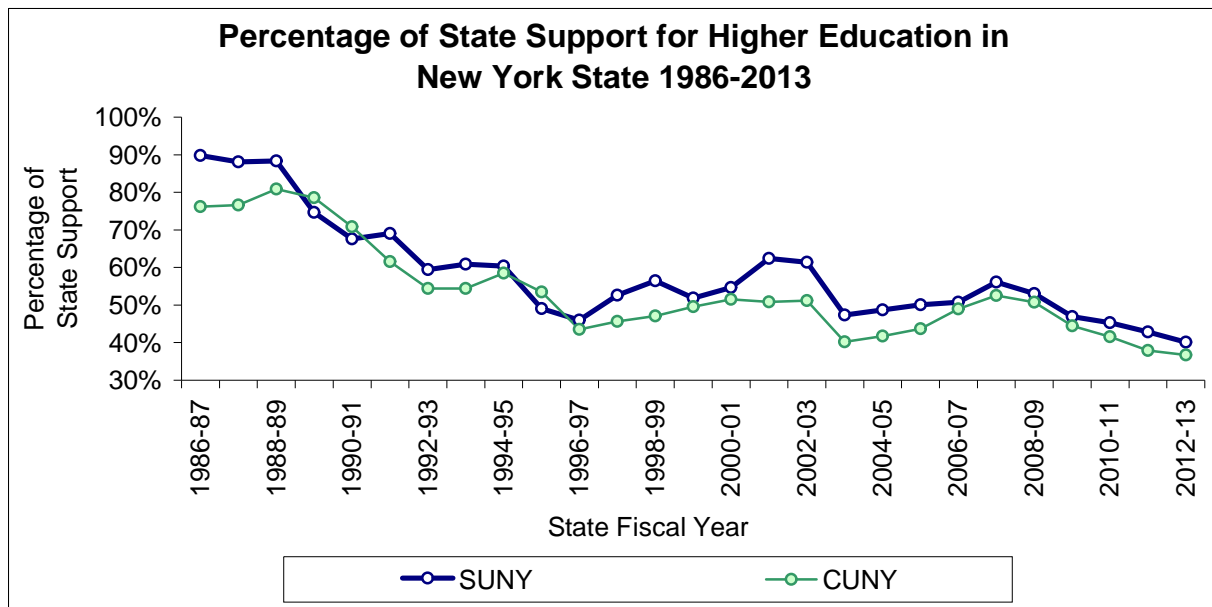


Figure 4

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HUMAN SERVICES

In SFY 2012-13, the Governor recommends a net increase of \$19 million across various Human Services agencies (see Table 11).

Table 11

Executive Budget Proposal - Human Services (\$ in Millions)	
Proposal	2012-13 Actions
Reform Juvenile Justice Services	12
Close/Downsize OCFS Facilities	(9)
Subtotal - Juvenile Justice Reforms	3
Offset Loss of Federal Funding for Child Care	93
Eliminate SFY 2012-13 Cost of Living Adjustments (COLAs) and Trends	(37)
Increase Funding for Nutrition Outreach and Education Program	1
Eliminate Support for Settlement Houses and Supplemental Child Welfare Funding	(1)
Take Over Administration of the State SSI Supplementation Program	11
Eliminate NYC Shelter Supplement Funding	(15)
Centralized 24 Hour Hotline for Reporting Abuse and Neglect Allegations	10
Phase in the Schedule Public Assistance Grant Increase	(6)
Streamline Administration of Child Support	(35)
Eliminate Funding for the Neighborhood and Rural Preservation Programs	(12)
Increase Funding for the Rural Rental Assistance Program	5
Establish Regional Human Services Public/Private Partnership Program	2
Subtotal - Human Services Proposals	16
Total	19

* Note: In addition to these proposed General Fund actions, the Executive Proposal would also eliminate \$9.4 million in Federal Temporary Assistance for Needy Families (TANF) funding for various Human Services programs that was provided in the SFY 2011-12 Enacted Budget. In addition, the Executive provides no new appropriations for \$39 million in TANF funded programs that were provided in Special Session legislation passed in December 2011 but does carry forward unspent funds related to such appropriations.

- **Juvenile Justice Reform (\$3 million in Net Investments):** The Executive proposes to reform juvenile justice services by:
 - placing New York City youth closer to home in facilities within New York City. Under this proposal, in SFY 2012-13 youth residing in non-secure settings would be placed into New York City administered facilities, and in SFY 2013-14, youth residing in limited-secure settings would be placed in New York City administered facilities. (SFY 2012-13 Investment: \$12 million); and

- reducing capacity of the State Office of Children and Family Services (OCFS) juvenile justice system by 324 beds to reflect the impact of the initiative to place New York City youth in facilities closer to home. (SFY 2012-13 Reductions: \$9 million).
- **Offset Loss of Funding for Child Care (SFY 2012-13 Investment: \$93 million):** The Executive Budget provides an additional \$93 million in General Fund support for child care subsidies to offset the loss of \$93 million federal TANF funding.
- **Eliminate Cost of Living Adjustments (COLAs) and Trend Factors (SFY 2012-13 Reductions: \$37 million):** The Executive proposes to eliminate the 3.6 percent COLA, as well as administrative trend factors that were scheduled to take effect in SFY 2012-13. A new program would be established in SFY 2013-14 that will award future reimbursement increases based on provider costs and an ability to meet specified performance outcomes.
- **Increase Funding for the Nutrition Outreach and Education Program (NOEP) (SFY 2012-13 Investment: \$1 million):** The Executive provides an additional \$1 million in funding for NOEP to increase enrollment in the Food Stamps program.
- **Eliminate Support for Settlement Houses and Supplemental Child Welfare Funding (SFY 2012-13 Reductions: \$1 million):** The Executive proposal eliminates State support for the settlement house program as well as State support to help local social services districts reduce the caseloads of child protective workers.
- **Take Over Administration of the State SSI Supplementation Program (SFY 2012-13 Investment: \$11 million):** The Executive proposal recommends a State assumption of administration of the supplemental benefit to the Federal Supplemental Security Income (SSI) benefit. The State currently pays the federal government to administer the benefit. The Executive proposal also provides funding for investment in new information technology systems and proposes additional employees within the Office of Temporary and Disability Assistance (OTDA) as well as short-term contracted employees for this purpose. When fully implemented, this action will generate \$90 million in savings annually.
- **Suspend New York City Shelter Supplement Funding (SFY 2012-13 Reductions: \$15 million):** The Executive proposes to eliminate \$15 million in funding for an initiative to prevent eviction and address homelessness in New York City that was first appropriated in the SFY 2011-12 enacted budget.
- **Centralized 24-Hour Hotline for Reporting Allegations of Abuse and Neglect (SFY 2012-13 Investment: \$10 million):** Pursuant to recommendations by the Governor's Special Advisor on Vulnerable Persons, the Executive proposes the

establishment of a centralized hotline for reporting allegations of abuse and neglect of children, the developmentally disabled, the elderly and other vulnerable persons.

- **Phase-in the Scheduled Public Assistance Grant Increase (SFY 2012-13 Reductions: \$6 million):** The Executive proposes to phase-in the remaining ten percent increase in the public assistance grant, scheduled to take effect July 1, 2012 with a five percent increase in July 2012 and another five percent increase in July 2013.
- **Streamline Administration of Child Support (SFY 2012-13 Reductions: \$35 million):** The Executive proposal would eliminate State support for the administrative costs associated with the child support enforcement program. Under this proposal, local social services districts would no longer receive State reimbursement for a portion of administrative costs incurred for enforcement activities and would instead retain the State share of child support payments previously collected on behalf of parents on public assistance.
- **Flexible Fund for Family Services (FFFS) Program:** The Executive proposal includes an additional \$13 million in TANF funding for the FFFS to assist local social services districts with administrative costs.
- **Eliminate Funding for the Neighborhood and Rural Preservation Programs (SFY 2012-13 Reductions: \$12 million):** The NPP serves 151 Neighborhood Preservation Companies and the RPP serves 62 Rural Preservation Companies. Both programs work to perform housing and community renewal activities across the State. The Executive proposes to eliminate these programs.
- **Increase Funding for the Rural Rental Assistance Program (RRAP) (SFY 2012-13 Investment: \$5 million):** RRAP provides State funded rental subsidies to approximately 4,700 low income occupants of rural housing projects financed by the Federal Department of Agriculture. The Executive proposes \$19.5 million to support such rental subsidies, an increase of \$5 million or three percent from SFY 2011-12. The cost of the program increases annually due to federally approved rent increases. The additional funding would continue the current number of rental units participating in the program.
- **Protection for Homeowners and Tenants:** The Executive proposal includes a new Foreclosure Relief Unit within the Department of Financial Services, which would provide counseling and mediation services to help New Yorkers avoid foreclosure. Additionally, the Executive proposes a new Tenant Protection Unit within the Division of Housing and Community Renewal to enforce landlord obligations and impose penalties for failure to comply with the State's rent laws.
- **Establish Regional Human Services Public/Private Partnership Pilot Programs (SFY 2012-13 Investment: \$2 million):** The Executive proposal includes funding for

the creation of a public/private partnership program designed to provide State resources to regional areas that can best leverage private funding for human services programs. Under this proposal, the State would provide up to 65 percent of funding in order to leverage private funding for the remaining 35 percent funding for innovative successful human services programs.

- **Office of New Americans:** The Executive proposes the transfer of six FTEs and \$3.34 million in funding from the Office of Temporary and Disability Assistance to the Department of State to support the Office for New Americans, which will provide services to legal permanent residents to facilitate participation in civic and economic life.
- **Temporary Assistance for Needy Families (TANF) Initiatives:** The Executive proposes the elimination of funding for various TANF programs (\$9.4 million), including:
 - \$3.4 million for child care demonstration projects, which provide child care subsidies for working families;
 - \$950,000 for the wage subsidy program, which provides employment subsidies for individuals who have been unable to find employment through conventional means;
 - \$600,000 for preventive services, which provides intensive case services to at-risk children and families;
 - \$546,000 for Displaced Homemakers, which provides support services for individuals who are primary caretakers in the home and who have experienced a loss of income;
 - \$510,000 for non-residential domestic violence screening programs, which provides case-management services to victims of domestic violence;
 - \$508,000 for supportive housing for families, which provides support services for formerly homeless or at risk families and young adults;
 - \$500,000 for advantage afterschool, which provide youth development opportunities to youth in the hours after school;
 - \$500,000 for settlement houses, which provides case management and supportive services for individuals in communities;
 - \$334,000 for Child Care SUNY/CUNY, which provides funding for child care subsidies at SUNY and CUNY institutions;

- \$250,000 for ACCESS – Welfare to Careers, which links educational opportunities to internships and job placements;
 - \$205,000 for the Supplemental Homeless Intervention Program, which provides case management services to prevent eviction and to secure housing;
 - \$200,000 for the fatherhood initiative, which promotes responsible fatherhood through healthy marriage activities, responsible parenting and enhanced economic stability;
 - \$176,000 for the emergency homeless program, which provides services to homeless individuals and families;
 - \$144,000 for the Wheels for Work program, which assists individuals in obtaining personal vehicles for employment related purposes;
 - \$112,000 for Community Solutions to Transportation, which provides transportation services individuals who are employed or participating in allowable employment activities;
 - \$102,000 for Bridge, which provides employment preparation services for individuals in conjunction with SUNY;
 - \$102,000 for a refugee resettlement program, which provides services for refugees to attain economic self-sufficiency;
 - \$98,000 for the disability advocacy program, which provides legal representation to individuals that have been denied or are in jeopardy of losing their benefits;
 - \$82,000 for the Rochester-Genesee Regional transportation authority, which provides a monthly bus pass to individuals to participate in work related activities;
 - \$51,000 for kinship care, which provides support to the caretaker relatives of minors; and
 - \$25,000 for Centro of Oneida, which provides gas cards and enhanced bus service for individuals working in Oneida County.
- **Special Session TANF Programs:** The Executive also provides no new funding for \$39 million in support for the following TANF funded programs that were appropriated in Special Session legislation passed in December 2011. The

Executive provides reappropriation authority for remaining unspent funds provided in the following amounts:

- \$25,000,000 for the summer youth employment program, which provides summer employment and education experience for youth;
 - \$7,000,000 for child care demonstration projects;
 - \$2,500,000 for the Career Pathways program, which provides job training and education to improve the economic prospects of low-income workers throughout the state;
 - \$2,500,000 in funding for Displaced Homemakers; and
 - \$2,000,000 for the ATTAIN program, which promotes digital parity, inclusion and access through technology training.
- **Title XX Funding:** The Executive maintains the existing financing structure for Federal Title XX funding, which provides that of New York State's total award, \$66 million will be provided to local districts for adult protective and domestic violence expenditures, and the remaining balance of the award will be allocated to local districts for discretionary Title XX eligible expenditures.

MENTAL HYGIENE

In SFY 2011-12, the Governor recommends \$209 million in reductions for the various Mental Hygiene Agencies (see Table 12).

Table 12

Executive Budget Proposal - Mental Hygiene	
(\$ in Millions)	
	SFY 2012-13
Eliminate Planned Cost of Living Adjustments (COLA) and Rate Increases	(102)
Office for People with Developmental Disability Reforms	(45)
Enhance Office of Mental Health (OMH) Collections and Audits	(39)
Other OMH Actions	(19)
Office of Alcoholism and Substance Abuse Services	(5)
Commission on Quality of Care and Advocacy for Persons with Disabilities Investments	1
Total Reduction	(209)

- **Eliminate Scheduled Cost of Living Adjustments (COLA) and Rate Increases (\$102 million in Reductions):** The Executive proposes to eliminate the scheduled 3.6 percent annual human services COLA and maintain existing rates for programs operating under the Office of Mental Health (OMH). A new program would be established in State Fiscal Year (SFY) 2013-14 to provide reimbursement increases that are based on quality indicators and provider costs.
- **Enhance OMH Collections and Audits (\$39 million in Reductions):** The Executive proposes to enhance audit collections through programmatic reviews of OMH providers and an expansion of efforts to recover State funds through enhanced financial review of not-for profit providers.
- **Office for People with Developmental Disability (OPWDD) Reforms (\$45 million in Reductions):** The Executive would reduce State administrative staff of OPWDD; transition individuals from institutional to community based care; reduce out-of-state placements; expand services at a lower rate than projected, and continue other reforms included in the SFY 2011-12 budget. In addition, the Executive proposes to make a variety of changes to improve quality of care at OPWDD State-operated and not-for-profit facilities, including increased hiring qualifications for State staff and improved provider audits and oversight. The Executive provides support for 2,300 new non-residential service program slots and 250 new community residential program slots. The Executive Budget provides funding to return all out-of-state placements to community residential options in New York.

- **Other OMH Actions (\$19 million in Reductions):** The Executive proposal would make reductions related to prioritizing of program reimbursement to focus on individual recovery and employment (\$9.4 million); converting certain residential units to lower-cost alternatives and providing regional per-bed payments for supported housing providers (\$10.6 million); making various changes to Sex Offender Management and Treatment Act (SOMTA) programs (\$6.2 million); and reducing agency administrative staffing levels and other administrative costs (\$10 million); The Executive proposal would reinvest \$17 million of these savings to create 1,000 new supported housing units for residents of nursing homes; 5,100 new supported housing beds to deal with emerging needs; and 3,400 new beds for the NY-NY III program.
- **OMH Facility Closures:** The Executive budget would permanently extend the authorization for the Commissioner of OMH to close, consolidate or merge state-operated OMH facilities without providing 12-months of notice and without reinvesting the savings from a closure in community based services. The Commissioner would be required to consider specific criteria when determining facility closures, and would be required to provide 30 days notification when closing a ward and 60 days notification prior to closing a facility. Also, the Executive proposes language that would eliminate Kingsboro Psychiatric Center from the statutory list of OMH facilities, upon such date determined by the Commissioner.
- **Office of Alcoholism and Substance Abuse Services (OASAS) Actions (\$5 million in Reductions):** The Executive proposes to implement a system-wide effort to achieve savings from a series of administrative actions, including a reduction in purchasing costs, a streamlining of IT applications, and a reduction in agency administrative staffing levels. In addition, the Executive includes funding for 25 new veteran's beds and 12 new residential treatment placements for women with children.
- **Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD) Investments (\$1 million):** The Executive proposal includes funding for five additional investigators to conduct broader investigations into systemic abuse and transfers the ombudsman program from OPWDD to CQCAPD to provide greater independence in its oversight functions.

PUBLIC PROTECTION

In SFY 2012-13, the Governor recommends \$91.8 million in reductions for the various public protection agencies.

Table 13

Components of Executive Public Protection Reductions (\$ in Millions)	
	SFY 2012-13
Division of Criminal Justice Services	(3.4)
Department of Corrections and Community Services	(81.5)
Division of Homeland Security and Emergency Services	1.6
Division of State Police	(6.1)
State Commission of Correction	(0.1)
Division of Military and Naval Affairs	(2.5)
Office of Victim Services	0.2
Total	(91.8)

Note: The Executive's proposed appropriation levels reflect large increases related to prior year liabilities in DOCCS and increased authority to expend federal disaster relief grants in DHSES.

- **All-Crimes DNA Database:** The Executive proposal would require all persons convicted of any Penal Law misdemeanor and any felony defined under New York state law to submit a sample to the DNA Databank. Under current law, the collection of DNA is limited to those convicted of any felony and certain misdemeanors defined in the Penal Law. This expansion would cost \$700,000 in SFY 2012-13, and would result in the collection of approximately 46,000 additional DNA samples annually.
- **Recovery from Hurricane Irene and Tropical Storm Lee:** The Executive estimates that the overall recovery costs of Hurricane Irene and Tropical Storm Lee would total \$1.5 billion. The federal government has committed to cover at least 75 percent of these costs, with recovery efforts to span several years. The Executive proposal includes a new appropriation of \$150 million to cover state share costs.
- **Combined Ballistic Identification System (CoBIS):** The Executive proposes to repeal the requirement that the State maintain its own independent digital database of the marking of gun casings registered in New York. Rather, the Executive proposes to invest in local labs so they can participate in the National Integrated Ballistics Information Network (NIBIN).
- **State Police Academy Classes:** The Executive proposal includes funding to hold two State Police Academy classes to hire 230 new recruits. These classes, the first in three years, are necessary to maintain current member strength at 4,458.

- **Statewide Interoperable Communications Grants:** The Executive proposes a continuation of a program to provide grants to support county efforts to consolidate public safety communications networks with the goal of facilitating communication between all emergency responders statewide. The Executive recently awarded \$20 million in grants to counties and will award a second round of grants totaling \$45 million in the coming months. The SFY 2012-13 budget proposal includes an additional \$75 million to support a third round of grants.

TRANSPORTATION

In State Fiscal Year (SFY) 2012-13, the Governor recommends \$1.16 billion in new capital funding and \$32.5 million in reductions for the Department of Transportation (DOT) and the Department of Motor Vehicles (DMV) (see Table 15).

Table 14

New York Works: Transportation Actions (\$ in Millions)	
	SFY 2012-13
Funding Source	
Federal Capital Projects Fund	916.8
Dedicated Highway and Bridge Trust Fund	232.0
Capital Projects Fund - Authority Bonds	15.0
Total	1,163.8
Purposes	
Transportation Projects, including the Pavement Preservation Program and repairs to 115 bridges	1,148.8
Peace Bridge Plaza	15.0
Total	1,163.8

Table 15

Executive Budget Proposal Transportation Reductions (\$ in Millions)	
	SFY 2012-13
Proposal	
DOT – Transportation Shared Services	(3.7)
DOT – Reduce Salt Cost and Usage	(3.6)
DOT – Implement Performance-Based Bus Inspection	(0.7)
DOT – Reduce Snow and Ice Contract Costs	(0.5)
DOT – Enhance Accident Damage Revenue Recovery/Consolidate SRO	(10.1)
DOT – Pay-as-you-go for Maintenance/Repair Activities	(7.5)
DOT – Fund State Match for Aviation Capital from Regional Aviation Fund	(1.5)
DMV - Contract Timing	(4.9)
Total	(32.5)

- **Continued Capital Funding:** The Executive Budget proposes to fund transportation Capital expenditures at \$4.6 billion in SFY 2012-13, representing a year to year increase of \$306 million. SFY 2012-13 capital expenditures include: \$187 million

for the Department of Motor Vehicles (DMV), \$1.8 million for the Thruway Authority (TA), \$333 million for the Metropolitan Transportation Authority (MTA), and \$4 billion for the Department of Transportation (DOT).

- **State Road and Bridge Capital Plan:** The Executive Budget proposes \$1.16 billion in new DOT capital appropriations (New York Works) for a total year to year increase in the DOT capital plan of \$1.1 billion (see Table 14). Components include \$212 million for bridge repairs, \$250 million for pavement preservation on 2,000 miles of state roads, and \$700 million to accelerate other, undeclared projects. The total SFY 2012-13 DOT Capital Plan appropriation is \$5.1 billion.
- **State Capital Funding for the MTA:** The Executive proposal would provide for the first installment of \$770 million in new state funding to support the final three years of the 2010-2014 MTA Capital Plan (\$150 million in SFY 2012-13). In addition to this commitment, the proposal includes a \$255 million transfer from the General Fund to fully offset MTA Mobility Tax revenue reductions resulting from actions taken during the December 2011 Special Legislative Session. The proposal also includes a \$7 billion increase to the MTA's debt cap, raising its debt ceiling to \$41.877 billion.
- **Continued Local Capital Construction Programs Funding:** The Executive proposal would continue authorization of \$363.1 million for the Consolidated Highway Improvement Program (CHIPS) and \$39.7 million for the Marchiselli program. This proposal would also extend for one year the eligibility of some short-use highway maintenance work for reimbursement from 10-year CHIPS bonds.
- **Other Actions:** The Executive proposal recommends \$32.5 million in reductions (\$27.6 million in DOT and \$4.9 million in DMV) that are expected to be achieved through programmatic and operational efficiencies. These actions include: a Transportation Shared Services initiative (\$3.7 million); a snow salt and ice management program (\$4.1 million total); Performance-Based Bus Inspections (\$0.7 million); and an Enhanced Accident Damage Revenue Recovery initiative (\$4.2 million net in SFY 2012-13).
- **Rail Program:** The Executive proposal includes an increase in rail spending of \$9.7 million, bringing the total to \$26.6 million.
- **Non-MTA Transit:** The Executive proposes \$261 million for non-MTA Transit operating assistance, an increase of \$18 million or 7.55 percent. All non-MTA transit systems received an increase. Non-MTA transit systems include: the Capital District Transportation Authority, the Central New York Regional Transportation Authority, the Rochester Genesee Regional Transportation Authority, and the Niagara Frontier Transportation Authority.

- **Transmission Tax Split:** The Executive recommends Article VII legislation that would redistribute Transmission Tax revenues. Currently the Dedicated Highway and Bridge Trust Fund (DHBTF) currently receives 20 percent (\$16 million) of these revenues while the Metropolitan Mass Transportation Operating Assistance (MMTOA) fund receives 80 percent (or \$65 million). A portion of MMTOA's Transmission Tax revenue is transferred to the Public Transportation Operating Assistance (PTOA) fund. This proposal would:
 - continue to direct 20 percent of the Transmission Tax to the DHBTF;
 - reduce MMTOA's percentage to 54 percent;
 - and direct 26 percent to PTOA in lieu of a transfer.

This change will increase the amount of Transmission Tax revenues received by PTOA from \$16.7 million to \$21.4 million.

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STATE OPERATIONS AND WORKFORCE

Many of the proposed State Operations appropriations contain language that would vest authority in the Director of the Budget to “interchange” entire appropriations. This language would allow appropriations identified for specific purposes in the Executive proposal to be redirected by the Budget Director for any other purpose permitted by the interchange language. The only constraint of the interchange language is that the Budget Director must believe that such interchange would “improve the efficiency and effectiveness of government”. In hundreds of separate items of appropriation, the Budget Director would be authorized to redirect billions of dollars of state spending.

In State Fiscal Year (SFY) 2012-13, the Executive proposes \$1.1 billion in State Operations and Workforce Reductions (see Table 16).

Table 16

Agency Operations Reductions (\$ in Millions)	
	SFY 2013 Reductions
Agencies	(580)
Independent Officials	(255)
Enterprise/Consolidations	(109)
Health Insurance Rate Renewal	(130)
Fringe Benefits	(67)
Total	(1,141)

- State Agencies:** The Executive Budget proposes \$580 million in savings related to State agencies. Specifically, the Executive anticipates savings in fringe benefit costs directly tied to salary levels, such as Social Security and pensions, as a result of the Executive State workforce that has declined from 125,787 full time equivalents (FTEs) in SFY 2010-11 to 121,868 FTEs in SFY 2011-12. In addition, a reconciliation of pension costs in SFY 2011 will lower the State's pension bill in SFY 2013 by \$77 million. Further savings are to be expected through operational efficiencies as agencies continue to redesign operations.
- Independent Officials:** The Executive Budget assumes \$255 million in savings from original financial plan projections by the Legislature, Judiciary, State Comptroller, and the Department of Law, which do not propose spending increases for SFY 2012-13.

- **Enterprise/Consolidations:** The Executive proposes to centralize and coordinate operations such as procurement, business services and IT across state agencies, which is estimated to result in a savings of \$100 million. Additionally, the Executive includes \$9 million in savings from rent reductions achieved through statewide office space consolidations.
- **Health Benefits Management:** State management of health benefits has controlled year-by-year growth in health insurance benefits spending to 2.6 percent, which is 10 percentage points lower than the 12.6 percent increase initially projected by the Executive. Additionally, there would be savings to the State related to increased employee share of health benefit costs pursuant to recently negotiated collective bargaining agreements. This measure would result in a savings of \$130 million in SFY 2012-13.
- **Fringe Benefits:** The Executive proposes to save \$67 million in fringe benefit costs by pre-paying pension obligations in SFY 2011-12 to avoid annual interest costs (\$30 million); increasing Federal Medicare Part D reimbursements through the conversion of the retiree drug coverage program to an Employer Group Waiver Plan (\$26.5 million); and by requiring employees of certain State public authorities to contribute toward the cost of Medicare Part B premium (\$10.5 million) reimbursement.
- **Workforce Summary:** The Executive proposes a State Workforce of 185,867 for SFY 2012-13. This represents a net increase of 70 FTE over SFY 2011-12, with 123 layoffs proposed in the Office of Children and Family Services (OCFS) due to facility closures (see Table 16).
- **Tier VI:** The Executive proposes to create a Tier VI retirement benefit for newly hired public employees. Under the proposal, the employee would have a choice between two options for a retirement plan upon employment.
 1. The Defined Benefit plan would include: an increase to the employees' contribution to the pension system from 3 percent to 4, 5, or 6 percent depending on salary; employees vesting after 12 years instead of 10 years; an increase in the retirement age from 62 years to 65 years or, according to special plans, upon 20 or 25 years of service; and decrease the pension multiplier from 2 percent to 1.67 percent for each year credited. In addition, member contributions would vary according to market conditions under a risk sharing plan proposed by the Executive.
 2. The Defined Contribution plan would include: a minimum employer contribution of 4 percent; a 3 percent employer match when the employee makes a contribution; no required employee contribution; and under this plan employee pension benefits would be vested after one year.

- **Mergers and Consolidations of State Agencies, and Elimination of Certain Boards and Commissions:** The Executive proposal includes legislation that would reform the operations of agencies, commissions and boards accordingly:
 - the Division of Lottery and the State Racing and Wagering Board would be merged into a new “New York State Gaming Commission”;
 - the Department of Civil Service and the Office of Employee Relations would be merged into a new “ Department of Workforce Management”;
 - the operations and management of the Belleayre Mountain ski center would be transferred from the Department of Environmental Conservation to the Olympic Regional Development Authority; and
 - eliminate or consolidate certain state boards and commissions.
- **Not for Profit Executive Compensation:** The Executive Budget includes legislation to limit State reimbursement to service providers for costs associated with administration and executive compensation. This proposal would require that by April 2015, no more than 15 percent of State payments for services rendered may be allocated to administrative purposes. In addition, the proposal would require that State funds may not support executive salaries in excess of \$199,000 annually.

Table 17

Workforce Impact Summary All Funds 2010-11 Through 2012-13									
	2010-11 Actuals (03/31/11)	Starting Estimate (03/31/12)	Layoffs*	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/13)
Major Agencies									
Children and Family Services, Office of	3,352	3,143	(123)	(466)	780	0	0	191	3,334
Corrections and Community Supervision, Department of	29,530	29,773	0	(1,899)	1,899	0	0	0	29,773
Education Department, State	2,735	2,672	0	(111)	204	0	0	93	2,765
Environmental Conservation, Department of	3,003	2,983	0	(52)	52	0	0	0	2,983
Financial Services, Department of	0	1,531	0	(52)	52	0	0	0	1,531
General Services, Office of	1,345	1,315	0	(60)	74	0	0	14	1,329
Health, Department of	4,995	5,000	0	(301)	421	0	0	120	5,120
Labor, Department of	3,953	3,753	0	(424)	197	0	0	(227)	3,526
Mental Health, Office of	15,727	15,327	0	(1,620)	1,620	0	0	0	15,327
Motor Vehicles, Department of	2,447	2,393	0	(52)	73	0	0	21	2,414
Parks, Recreation and Historic Preservation, Office of	1,800	1,748	0	(75)	63	0	0	(12)	1,736
Parole, Division of	1,863	0	0	0	0	0	0	0	0
People with Developmental Disabilities, Office for	21,221	20,718	0	(1,842)	1,728	0	0	(114)	20,604
State Police, Division of	5,435	5,220	0	(208)	208	0	0	0	5,220
Taxation and Finance, Department of	5,125	4,897	0	(194)	97	0	0	(97)	4,800
Temporary and Disability Assistance, Office of	2,159	2,225	0	(12)	59	0	(6)	41	2,266
Transportation, Department of	9,130	8,583	0	(304)	213	0	0	(91)	8,492
Workers' Compensation Board	1,364	1,380	0	(80)	71	0	0	(9)	1,371
Subtotal - Major Agencies	115,184	112,661	(123)	(7,752)	7,811	0	(6)	(70)	112,591
Minor Agencies	10,603	9,207	0	(591)	576	0	6	(9)	9,198
Subtotal - Subject to Direct Executive Control	125,787	121,868	(123)	(8,340)	8,387	0	0	(79)	121,789
University Systems									
City University of New York	12,844	12,747	0	0	0	0	0	0	12,747
State University Construction Fund	140	152	0	0	0	0	0	0	152
State University of New York	41,053	42,206	0	0	0	0	0	0	42,206
Subtotal - University Systems	54,037	55,105	0	0	0	0	0	0	55,105
Off-Budget Agencies									
Roswell Park Cancer Institute	2,025	2,025	0	(101)	101	0	0	0	2,025
Science, Technology and Innovation, NYS Foundation for	20	0	0	0	0	0	0	0	0
State Insurance Fund	2,545	2,536	0	(125)	125	0	0	0	2,536
Subtotal - Off-Budget Agencies	4,590	4,561	0	(226)	226	0	0	0	4,561
Independently Elected Agencies									
02000 - Audit & Control	2,444	2,516	0	0	98	0	0	98	2,614
03000 - Law	1,653	1,747	0	0	51	0	0	51	1,798
Subtotal - Independently Elected Agencies	4,097	4,263	0	0	149	0	0	149	4,412
Grand Total	188,511	185,797	(123)	(8,566)	8,762	0	0	70	185,867
* This table does not reflect layoffs that may be necessary in the absence of negotiated workforce savings.									

**Workforce Impact Summary
All Funds
2010-11 Through 2012-13**

	2010-11 Actuals (03/31/11)	Starting Estimate (03/31/12)	Layoffs*	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/13)
Minor Agencies									
Adirondack Park Agency	52	56	0	(2)	2	0	0	0	56
Aging, Office for the	119	114	0	(14)	14	0	0	0	114
Agriculture and Markets, Department of	508	495	0	(37)	30	0	0	(7)	488
Alcoholic Beverage Control, Division of	128	123	0	(2)	11	0	0	9	132
Alcoholism and Substance Abuse Services, Office of	842	822	0	(39)	30	0	0	(9)	813
Arts, Council on the	29	28	0	(1)	1	0	0	0	28
Banking Department	530	0	0	0	0	0	0	0	0
Budget, Division of the	313	307	0	(20)	30	0	0	10	317
Civil Service, Department of	432	416	0	(10)	2	0	0	(8)	408
Consumer Protection Board, State	21	0	0	0	0	0	0	0	0
Correction, Commission of	27	29	0	0	0	0	0	0	29
Criminal Justice Services, Division of	630	589	0	(52)	55	0	0	3	592
Deferred Compensation Board	4	4	0	0	0	0	0	0	4
Economic Development, Department of	133	143	0	(3)	18	0	0	15	158
Elections, State Board of	59	58	0	0	0	0	0	0	58
Employee Relations, Office of	42	41	0	0	13	0	0	13	54
Environmental Facilities Corporation	76	88	0	(98)	10	0	0	(88)	0
Executive Chamber	124	136	0	(24)	24	0	0	0	136
Financial Control Board, New York State	14	14	0	0	0	0	0	0	14
Higher Education Services Corporation, New York State	502	495	0	(25)	25	0	0	0	495
Homeland Security and Emergency Services, Division of	383	427	0	(20)	35	0	0	15	442
Housing and Community Renewal, Division of	749	745	0	(68)	82	0	0	14	759
Hudson River Valley Greenway Communities Council	1	1	0	0	0	0	0	0	1
Human Rights, Division of	194	188	0	(10)	0	0	0	(10)	178
Indigent Legal Services, Office of	1	10	0	0	0	0	0	0	10
Inspector General, Office of the	59	62	0	0	3	0	0	3	65
Insurance Department	899	0	0	0	0	0	0	0	0
Interest of Lawyer Account	8	8	0	0	0	0	0	0	8
Judicial Commissions	39	49	0	0	0	0	0	0	49
Labor Management Committees	77	79	0	0	0	0	0	0	79
Lieutenant Governor, Office of the	4	7	0	(1)	1	0	0	0	7
Lottery, Division of the	314	362	0	(15)	15	0	0	0	362
Medicaid Inspector General, Office of the	606	558	0	(52)	0	0	0	(52)	506
Military and Naval Affairs, Division of	410	433	0	(9)	9	0	0	0	433
Prevention of Domestic Violence, Office for	25	26	0	0	0	0	0	0	26
Public Employment Relations Board	34	33	0	0	0	0	0	0	33
Public Ethics, Joint Commission on	45	45	0	0	0	0	0	0	45
Public Service Department	510	508	0	(30)	46	0	0	16	524
Quality of Care and Advocacy for the Disabled	92	99	0	(1)	5	0	0	4	103
Racing and Wagering Board, State	102	105	0	(5)	5	0	0	0	105
Regulatory Reform, Governor's Office of	10	0	0	0	0	0	0	0	0
State, Department of	574	598	0	(14)	30	0	6	22	620
Statewide Financial System	88	136	0	(17)	26	0	0	9	145
Statewide Wireless Network	3	0	0	0	0	0	0	0	0
Tax Appeals, Division of	25	26	0	(1)	1	0	0	0	26
Technology, Office for	587	571	0	(14)	40	0	0	26	597
Veterans' Affairs, Division of	96	91	0	(5)	8	0	0	3	94
Victim Services, Office of	78	75	0	(2)	5	0	0	3	78
Welfare Inspector General, Office of	5	7	0	0	0	0	0	0	7
Subtotal - Minor Agencies	10,603	9,207	0	(591)	576	0	6	(9)	9,198

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ENVIRONMENT, AGRICULTURE AND ENERGY

In State Fiscal Year 2012-13, the Governor recommends \$8.1 million in General Fund reductions to the operational expenses of the various agencies and departments (see Table 18).

Table 18

Environment and Energy Reductions (\$ in Millions)	
	SFY 2012-13
Utilize Existing Office of Parks, Recreation and Historic Preservation Revenues for Operating Expenses	(5.0)
Reduce Funding for Farm Viability Institute	(0.8)
Utilize Existing Balances in the Conservation Fund for Environmental Conservation Officer Fish and Wildlife Activities	(2.3)
Total Reductions	(8.1)

- **New York Works Program:** The Executive proposal provides the Department of Environmental Conservation (DEC) with \$102 million in capital to advance flood control projects, and provides the Office of Parks, Recreation, and Historic Preservation (OPRHP) with \$94 million in capital to expedite rehabilitation and improvement needs of state parks and historic sites and ski facilities operated by the Olympic Regional Development Authority (ORDA).
- **Environmental Protection Fund:** The Executive proposes \$134 million for the Environmental Protection Fund (EPF), reflecting no change from the SFY 2011-12 funding level.
- **Utilize Existing OPRHP Revenues for Operating Expenses:** The Executive proposal includes a shift of \$5 million in operating expenses from the General Fund to the Parks Patron Services Account.
- **Utilize Existing DEC balances within the Conservation Fund:** The Executive proposes to shift \$2.3 million in expenses for 65 Environmental Conservation Officers from the General Fund to the Conservation Fund.
- **Reduce funding for the Farm Viability Institute:** The Executive proposal includes a funding level of \$400,000 for the Institute, a reduction of \$800,000 from the SFY 2011-12 level.

- **Authorize the Department of Health (DOH) to finance certain activities with revenues from an assessment on cable television companies:** The Executive Budget would authorize DOH to finance public service education activities with revenues generated from cable television assessments.

ECONOMIC DEVELOPMENT

In SFY 2012-13, the Governor recommends \$665 million in new appropriations for economic development capital initiatives under the state Department of Economic Development (DED) and the Empire State Development Corporation (ESDC) (see Table 19).

Table 19

New Capital Appropriations: Urban Development Corporation	
(\$ in Millions)	
	State Fiscal Year 2012-13
NY SUNY 2020 Challenge Grant Program	110
SUNY College for Nanoscale and Science Engineering	250
Aqueduct Racetrack	25
New York Works: Regional Economic Development Councils	130
New York Works: Economic Development Program	75
New York Works: Buffalo Regional Innovation Cluster	75
Total	665

- **Regional Economic Development Councils:** The Governor recommends \$130 million in new capital appropriations to support a second round of awards to be allocated through ten regional councils that were established last year. In addition, the Executive proposal would make available \$70 million in Excelsior tax credits to be allocated by the Councils on a competitive basis.
- **NYSUNY 2020 Challenge Grant Program:** The Governor proposes a total of \$110 million in capital funding under the Urban Development Corporation to continue support for economic development projects at SUNY University Centers (\$80 million), as well as a new \$30 million capital appropriation for the remaining SUNY campuses on a competitive basis.
- **Buffalo Regional Innovation Cluster:** The Governor provides \$75 million in capital and \$25 million in Excelsior tax credits as a first installment toward a \$1 billion multi-year benefit package that was recently announced by the Governor for the City of Buffalo. Under the Executive proposal, a second \$100 million in State resources would be provided in SFY 2013-14. The Western New York Regional Economic Development Council would be responsible for developing a plan to leverage these funds through public-private partnerships.
- **Additional capital investments:** The Executive proposal also includes discrete capital appropriations of \$250 million for the SUNY College for Nanoscale and

Science Engineering, \$75 million for unidentified projects under the New York Works Program, and \$25 million for renovations to gaming facilities at the Aqueduct racetrack.

Table 20

Executive Actions: Economic Development	
(\$ in Millions)	
	State Fiscal Year 2012-13
DED: MWBE Compliance and Monitoring	1.6
DED: I Love NY Program	(1.1)
DED: International Operations	(0.4)
DED: Manufacturing Extension Partnership Program	(3.1)
DED: Elimination of Various High Technology Programs	(3.5)
DED: Other Administrative Actions	1.1
ESDC: Removal of Two-Year Economic Development Appropriation	(62.4)
ESDC: Elimination of Various Legislative Programs	(6.5)
ESDC: Empire State Economic Development Fund	50.4
ESDC: Jobs Now Program	16.2
Total	(7.7)

- **Minority and Women Businesses Enterprises (MWBE):** The Executive proposal includes an additional \$1.6 million to support 15 new staff positions and a computerized monitoring and compliance system to enhance participation rates of MWBEs.
- **I Love NY:** The Executive proposal decreases support for the I Love NY marketing program by \$1.1 million, and provides \$2.5 million for this program in SFY 2012-13.
- **New support for various Economic Development initiatives:** The Executive Budget provides new support of \$50.4 million for undetermined economic development projects through the Economic Development Fund, as well as a new \$16.2 million appropriation for the Jobs Now Program.
- **Jacob K. Javits Convention Center/Aqueduct Development:** The Executive proposes legislation that would authorize the Convention Center Development Corporation, a subsidiary of the New York State Urban Development Corporation, to dispose of any real or personal property located at the Javits site. Future proceeds

from the sale of such property would be transferred into the General Fund. The Executive has called for the creation of a new convention center at the Aqueduct racetrack site in Queens, however, no funds or legislation is provided in the Executive proposal for this initiative.

- **International Trade:** The Executive proposal reduces support for programs and activities to promote international trade by \$380,000, reflecting the possible closure of trade offices.
- **Manufacturing Extension Partnership Program:** The Executive proposal decreases support for the Manufacturing Extension Partnership Program by \$3.1 million to bring appropriation levels in line with actual spending under the federal program.
- **Elimination of Support for High Technology Programs:** The Executive proposal eliminates appropriations for high technology programs at Columbia University, Cornell University, Rensselaer Polytechnic Institute, Stony Brook University, and the University at Albany totaling \$3.5 million.
- **Elimination of Various Legislative Initiatives:** The Executive proposal eliminates a total of \$6.5 million in appropriations for various legislative economic development initiatives.
- **Other Administrative Actions:** The Executive proposal includes a net increase of \$1.1 million for various administrative actions, related to the addition increased spending on MWBE compliance and monitoring, and an adjustment of appropriation levels to match prior year spending.

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LOCAL GOVERNMENTS

Table 21

Impact of the 2012-13 Executive Budget on Local Governments						
Local Fiscal Year Basis Ending in 2013						
(\$ in Millions)						
	Total	NYC	School Districts	Counties	Other Cities	Towns & Villages
School Aid	569.9	224.0	326.0	19.9	0.0	0.0
Human Services	2.2	(1.9)	0.0	4.1	0.0	0.0
Health	27.9	12.3	0.0	15.6	0.0	0.0
Revenue Actions	1.8	0.9	0.0	0.8	0.0	0.1
Municipal Aid*	28.0	0.0	0.0	0.0	28.0	0.0
Transportation	17.5	7.5	0.0	10.0	0.0	0.0
New Pension Tier VI	44.6	TBD	24.6	12.0	2.9	5.1
Subtotal	691.9	242.8	350.6	62.4	30.9	5.2
School District Performance Grants	250.0	TBD	TBD	0.0	0.0	0.0
Total	941.9	242.8	350.6	62.4	30.9	5.2

* Spin-up AIM aid to City of Rochester.

The Executive estimates a \$941.9 million state budget impact to local governments (see Table 21). The largest components of the impact on local governments are the increase of \$569.9 million in School Aid and an additional \$250 million in competitive performance grants.

Some significant actions of the Executive Budget affecting local governments are:

- **Local Medicaid Relief:** The Executive Budget proposes that the State would assume costs related to the growth in the local share of Medicaid expenses phased-in over three years, and would phase-in the state takeover of local Medicaid administration over a multi-year period, and provide that the local administration reimbursement would be capped at SFY 2011-12 levels (see Page 12).
- **Tier VI Pension Reform:** The Executive budget creates a new pension tier for new public employees which increases employee contributions, raises the retirement age, excludes overtime and other payments from the formula used to calculate final average salary for pension allowances and allows a defined contribution option available to employees (see page 32).
- **Modify the Early Intervention (EI) Program:** The Executive proposes to modify the EI program by requiring commercial health insurance to include EI service providers

in their networks, by establishing a central fiscal intermediary for the EI program, and by reducing the local share of EI program costs (see Page 12).

- **Modify the Preschool Special Education:** Provides for the growth in county costs associated with the Preschool Special Education Program to be shared equally by the State, school district and county. In addition, the legislation prohibits children from receiving services from a preschool special education provider if there is a “less than arms length” relationship between the provider and the child’s approved evaluator, unless specifically authorized by the Commissioner of Education. The legislation also requires the proximity of a provider to be considered when determining a child’s placement and a justification to be state when a provider which is more distant from a child’s home is chosen over another appropriate provide (see Page 9).

Municipal Aid

- **Aid & Incentives for Municipalities (AIM) - Local Aid:** The Executive Budget for State Fiscal Year (SFY) 2012-13 would provide \$715 million in AIM for cities, towns and villages, maintaining the same level of funding from the prior year. The Executive would authorize language to accelerate (Spin-up) \$28 million of AIM payments to the City of Rochester.
- **Aid & Incentives for Municipalities (AIM) – Local Government Efficiency Grants (LGEG):** The Executive proposes to provide \$4 million for LGEG. This grant program provides local governments with funding for costs associated with efficiency projects such as consolidation or shared services. The maximum grant award for a project would be \$200,000 per municipality or a total of \$1 million. Local matching funds of 10 percent of the total cost of the activities under the grant work plan would be required.
- **Aid & Incentives for Municipalities (AIM) – Programs Rewarding Local Government Consolidation and Performance Improvements - \$35 million.**
 - The Executive Budget recommends the implementation of Citizen Empowerment Tax Credits. Municipalities that would consolidate or dissolve would be provided with a bonus equal to 15 percent of the newly combined local government’s tax levy. At least 70 percent of that amount would be required to be used for direct relief to property tax payers.
 - The Executive Budget would establish the Citizens Reorganization Empowerment Grants. These grants would provide local governments up to \$100,000 to cover costs associated with studies, plans and implementation efforts related to local government reorganization measures.

- **Local Government Performance and Efficiency Program - \$40 million:** The Executive Budget would establish the Local Government Performance and Efficiency Program, which would provide one-time awards to local governments that have achieved efficiencies and performance improvements. These awards would be funded up to \$25 per capita and would be subject to a \$5 million cap.
- **Video Lottery Terminal (VLT) Municipal Aid:** The Executive Budget would maintain \$6.3 million in payments to eligible host municipalities. The City of Yonkers would continue to receive \$19.6 million in VLT aid funding, which is used to directly support its local school district.
- **Miscellaneous Financial Assistance and Small Government Assistance:** The Executive includes \$1.96 million in financial assistance to mitigate shortfalls in real property tax revenues resulting from non-payment of property taxes by the Oneida Indian Nation to the counties of Madison and Oneida. The Executive provides \$217,000 in Small Government Assistance to the counties of Essex, Franklin and Hamilton.
- **Payments in lieu of taxes (PILOTS):** The Executive would increase PILOTS to the City of Albany by \$7.85 million in SFY 2012-13 and reduce PILOTS by \$7.85 million in SFY 2032-33.

Table 22

2012-13 Executive Budget---Aid and Incentives for Municipalities Proposal			
Municipality	2011-12 AIM Enacted Budget	Proposed YTY Dollar Change from 2011-12	2012-13 Proposed AIM Funding
BUFFALO	161,285,233	0	161,285,233
YONKERS	108,215,479	0	108,215,479
ROCHESTER	88,234,464	0	88,234,464
SYRACUSE	71,758,584	0	71,758,584
NIAGARA FALLS	17,794,424	0	17,794,424
UTICA	16,110,473	0	16,110,473
ALBANY	12,607,823	0	12,607,823
TROY	12,279,463	0	12,279,463
SCHENECTADY	11,205,994	0	11,205,994
BINGHAMTON	9,249,457	0	9,249,457
ROME	9,083,340	0	9,083,340
MOUNT VERNON	7,155,691	0	7,155,691
NEW ROCHELLE	6,162,927	0	6,162,927
LACKAWANNA	6,309,821	0	6,309,821
WHITE PLAINS	5,463,256	0	5,463,256
AUBURN	4,982,093	0	4,982,093
WATERTOWN	4,703,208	0	4,703,208
JAMESTOWN	4,572,280	0	4,572,280
NEWBURGH	4,464,656	0	4,464,656
ELMIRA	4,578,801	0	4,578,801
POUGHKEEPSIE	4,248,021	0	4,248,021
NORTH TONAWANDA	4,335,111	0	4,335,111
LONG BEACH	3,152,704	0	3,152,704
KINGSTON	3,069,151	0	3,069,151
GLEN COVE	2,837,667	0	2,837,667
AMSTERDAM	2,866,670	0	2,866,670
MIDDLETOWN	2,705,826	0	2,705,826
COHOES	2,742,886	0	2,742,886
LOCKPORT	2,650,525	0	2,650,525
PLATTSBURGH	2,648,880	0	2,648,880
ITHACA	2,610,398	0	2,610,398
TONAWANDA	2,602,104	0	2,602,104
OSWEGO	2,451,698	0	2,451,698
GLOVERSVILLE	2,302,592	0	2,302,592
PEEKSKILL	2,219,384	0	2,219,384
OLEAN	2,239,826	0	2,239,826
ONEONTA	2,231,857	0	2,231,857
CORTLAND	2,018,330	0	2,018,330
GENEVA	1,942,613	0	1,942,613
BATAVIA	1,750,975	0	1,750,975
OGDENSBURG	1,708,659	0	1,708,659
SARATOGA SPRINGS	1,649,701	0	1,649,701
ONEIDA	1,700,877	0	1,700,877
FULTON	1,626,822	0	1,626,822
GLENS FALLS	1,607,009	0	1,607,009
DUNKIRK	1,575,527	0	1,575,527
BEACON	1,537,478	0	1,537,478
CORNING	1,499,556	0	1,499,556
HORNELL	1,497,788	0	1,497,788
HUDSON	1,456,991	0	1,456,991
PORT JERVIS	1,406,263	0	1,406,263
JOHNSTOWN	1,388,910	0	1,388,910
WATERVLIET	1,210,193	0	1,210,193
RYE	1,208,024	0	1,208,024
RENSSELAER	1,137,317	0	1,137,317
CANANDAIGUA	1,119,304	0	1,119,304
NORWICH	1,089,279	0	1,089,279
SALAMANCA	928,131	0	928,131
LITTLE FALLS	866,034	0	866,034
MECHANICVILLE	662,392	0	662,392
SHERRILL	372,689	0	372,689
Cities Total	647,093,629	0	647,093,629
TOWNS	47,709,257	74,523	47,783,780
VILLAGES	19,928,815	(74,523)	19,854,292
Total	714,731,701	0	714,731,701

CAPITAL PROGRAM AND FINANCING PLAN

Table 23

Capital Spending by Function 5-Year Plan (\$ in Thousands)						
Spending	2012-13	2013-14	2014-15	2015-16	2016-17	Total 5-Yr
Transportation	4,574,763	4,532,407	4,300,352	4,070,749	3,990,733	21,469,004
Other Higher Education/ Education Programs	2,036,526	1,795,607	1,858,031	1,803,984	1,585,786	\$9,079,934
Economic Development & Gov't. Oversight	628,807	778,591	779,811	608,513	273,009	3,068,731
Mental Hygiene	551,940	528,273	747,309	697,412	672,252	3,197,186
Parks and Environment	651,049	571,258	531,499	483,330	438,080	2,675,216
Health and Social Welfare	498,123	389,696	139,821	139,264	139,264	1,306,168
Public Protection	331,706	310,547	327,282	324,532	318,436	1,612,503
Education - EXCEL	100,000	100,000	92,172	-	-	292,172
General Government	62,613	59,309	69,883	69,883	69,883	331,571
Other	99,100	99,000	85,100	40,000	40,000	363,200
Total	9,534,627	9,164,688	8,931,260	8,237,667	7,527,443	43,395,685

The Five-Year Capital Plan

- **The Executive is proposing a \$43.4 billion Five-Year Capital Plan:** The new capital plan is \$2.5 billion or 6.2 percent over the Mid-year Capital Plan of SFY 2011-12. This new Five-Year Capital Plan reprioritizes and accelerates existing projects and implements the portion of the New York Works program.
 - The Executive's proposal of \$9.5 billion Capital Plan spending for SFY 2012-13 reflects a decrease of 2 percent, or \$191.8 million, from SFY 2011-12.
 - Increases in Capital projects spending for SFY 2012-13 include an increase in Transportation by seven percent or \$306 million, Education/Higher Education programs by nine percent or \$168 million, Mental Hygiene programs by eight percent or \$40 million and public protection by four percent or \$11 million.
 - Decreases in Capital projects spending in SFY 2012-13 include a decrease of \$443 million or 41 percent in Economic Development & Government Oversight, \$116 million or 15 percent in Parks and Environment, \$70 million or 12 percent in Health and Social Welfare, \$10 million or nine percent in Education-EXCEL programs, \$22 million or 26 percent in general government and \$56 million or 36 percent in the Other category.

Financing the Capital Plan for 2012-13

- **The Executive proposes to finance the Five-Year Capital program with a combination of pay as you go (PAYGO) funding and bonded resources:** The Capital Program for SFY 2012-13 of \$9.5 billion is proposed to be financed as follows:
 - \$2.6 billion or 26.9 percent in State PAYGO;
 - \$1.8 billion or 18.7 percent in Federal PAYGO;
 - \$0.4 billion or 4.2 percent in General Obligation; and,
 - \$4.7 billion or 50.2 percent in Public Authority bonding.

Table 24

New Capital Obligations 2012-13 Executive Budget (\$ in Thousands)	
	New Obligations
<u>New Capital Spending - Increases</u>	<u>\$3,031,813</u>
Accelerations: Primarily Transportation & Economic Development	\$1,639,813
MTA Capital Plan for 2010-2014 - State Contribution	\$770,000
SUNY 2020 Competitive Grants	\$110,000
SUNY 2020 Buffalo Plan	\$215,000
SUNY 2020 PAYGO Capital Commitments	\$184,000
SUNY Community Colleges w/ Sponsor Approval	\$87,000
CUNY Community Colleges w/ Sponsor Approval	\$26,000
<i>(1) Accelerations will result in appropriations and spending increasing in the early years and declining in later years</i>	

Capital Initiatives

- **The Executive proposes \$3 billion in new capital investment:**
 - The Executive proposal includes \$1.6 billion in accelerated spending for the New York Works program as follows:
 - \$917 million would be funded with Federal Aid; and

- \$723 million would be funded with State funds (see Table 25).
- An additional \$1.4 billion is earmarked for new capital investments in infrastructure and economic development which include the following:
 - \$770 million to the MTA to fund their revised MTA 2010-14 Capital Plan for core infrastructure improvements;
 - \$110 million of NYSUNY 2020 Competitive Grants;
 - \$215 million for NYSUNY 2020 to relocate the School of Medicine and Biomedical Sciences to the Buffalo Niagara Medical Campus;
 - \$184 million for NYSUNY 2020 projects at Buffalo and Stony Brook; and
 - \$113 million to the SUNY and CUNY Community Colleges.
- **The Executive's proposed 2012-13 Capital Plan increased spending by \$2.53 billion from the SFY 2011-12 Mid-year Plan as the addition of \$3 billion in new obligations were added over the Five-Year Plan.** These additions are offset by \$37.6 million in re-estimated Capital Spending of Mental Hygiene and other miscellaneous adjustments.

Table 25

New York Works Program SFY 2012-13 New Capital Obligations (\$ in Millions)			
Accelerated Capital Spending	State	Federal	Total State and Federal
<u>Department of Transportation</u>	<u>247.1</u>	<u>916.8</u>	<u>1,163.8</u>
General Maintenance	232.1	916.8	1,148.8
Peace Bridge	15.0		15.0
<u>Parks, Recreation and Historic Preservation</u>	<u>94.3</u>		<u>94.3</u>
Parks, Historic Place Preservation	89.3		89.3
ORDA	5.0		5.0
<u>Department of Environmental Conservation</u>	<u>101.7</u>		<u>101.7</u>
Flood Control	101.7		101.7
<u>Urban Development Corporation</u>	<u>280.0</u>		<u>280.0</u>
NY Works Economic Development Fund	75.0		75.0
Buffalo Innovation Cluster	75.0		75.0
Regional Councils, Broadband	130.0		130.0
<u>New Capital</u>	<u>723.1</u>	<u>916.8</u>	<u>1,639.8</u>

New York Works Program

The Executive proposes Capital Spending of \$1.6 billion which is part of the \$15 billion NY Works Program for roads and bridges, parks, dams and flood control projects, upgrading water systems and educational facilities and investing in energy efficient improvements to commercial and residential buildings.

- **\$1.2 billion for the Department of Transportation:** \$1.15 billion is allocated for general maintenance for the DOT Capital Plan (\$917 million will be Federal Aid) and \$15 million to support the completion of the Peace Bridge Plaza.
- **\$280 million for the Urban Development Corporation:** \$130 million for Regional Council Projects, \$75 million for NY Works new infrastructure and other Economic Development projects and \$75 million for Buffalo Regional Innovation Cluster activities.
- **\$102 million for the Department of Environmental Conservation:** To advance flood control, coastal erosion and critical dam safety projects.
- **\$94.3 million for Parks:** \$89.3 million for Capital rehabilitation and improvements in 48 state parks and historic sites and \$5 million for ski facilities operated by ORDA.

State Debt Outstanding

Table 26

Projected Debt Outstanding		
(\$ in Thousands)		
	SFY 2011-12	Projected SFY 2012-13
General Obligation	3,494,365	3,584,854
LGAC	3,118,923	2,874,738
PA Debt -Other Lease-Purchase & Contractual Obligation (Revenue Bonds)	46,730,145	48,436,931
Total State-supported Debt	53,343,433	54,896,523
Other State Obligations:		
Tobacco	2,689,805	2,370,095
All Other	944,919	857,182
Total State-related Debt	56,978,157	58,123,800

- State-supported debt includes debt paid by state resources and has a budgetary impact on the state financial plan. State-supported debt includes General Obligation debt, Local Government Assistance Corporation (LGAC), and other lease purchase and contractual obligations to public authorities and municipal governments from state appropriations from the personal income tax, sales tax and other taxes.

State Supported Debt

Table 27

New York State-Supported Debt Outstanding by Function 2012-13 (\$ in Thousands)		
Economic Development & Housing	5,449,366	9.93%
Environment	2,717,812	4.95%
Health & Mental Hygiene	5,190,907	9.46%
Transportation	16,051,409	29.24%
State Facilities & Equipment	6,004,942	10.94%
Education	16,607,350	30.25%
LGAC	2,874,738	5.24%
Total State-Supported	54,896,524	

- **State-supported debt outstanding will total \$54.9 billion an increase of \$1.5 billion over SFY 2011-12.** The amount of debt outstanding by function are as follows:
 - Economic Development and Housing programs totaling \$5.5 billion, a decrease of \$5.1 million or 0.09 percent;
 - Environment totaling \$2.7 billion, an increase of \$62 million or 2.4 percent;
 - Health and Mental Hygiene totaling \$5.2 billion, an increase of \$329 million or 6.8 percent;
 - Transportation totaling \$16.0 billion, an increase of \$427 million or 2.7 percent;
 - State Facilities and Equipment totaling \$6.0 billion, a decrease of \$89 million or 1.5 percent;
 - Education totaling \$16.6 billion, an increase of \$1.0 billion or 6.9 percent; and
 - LGAC with a total of \$2.9 billion, a decrease of \$244 million or 7.8 percent.

- **Transportation and Education, which make up 29 percent and 30 percent of debt outstanding, are the largest component of the State's obligations:** The remaining obligations by function of debt outstanding are: 11 percent in State Facilities and Equipment; 5.2 percent in LGAC; 9.5 percent in Health and Mental Hygiene; 5 percent in Environment; and 10 percent in Economic Development and Housing.

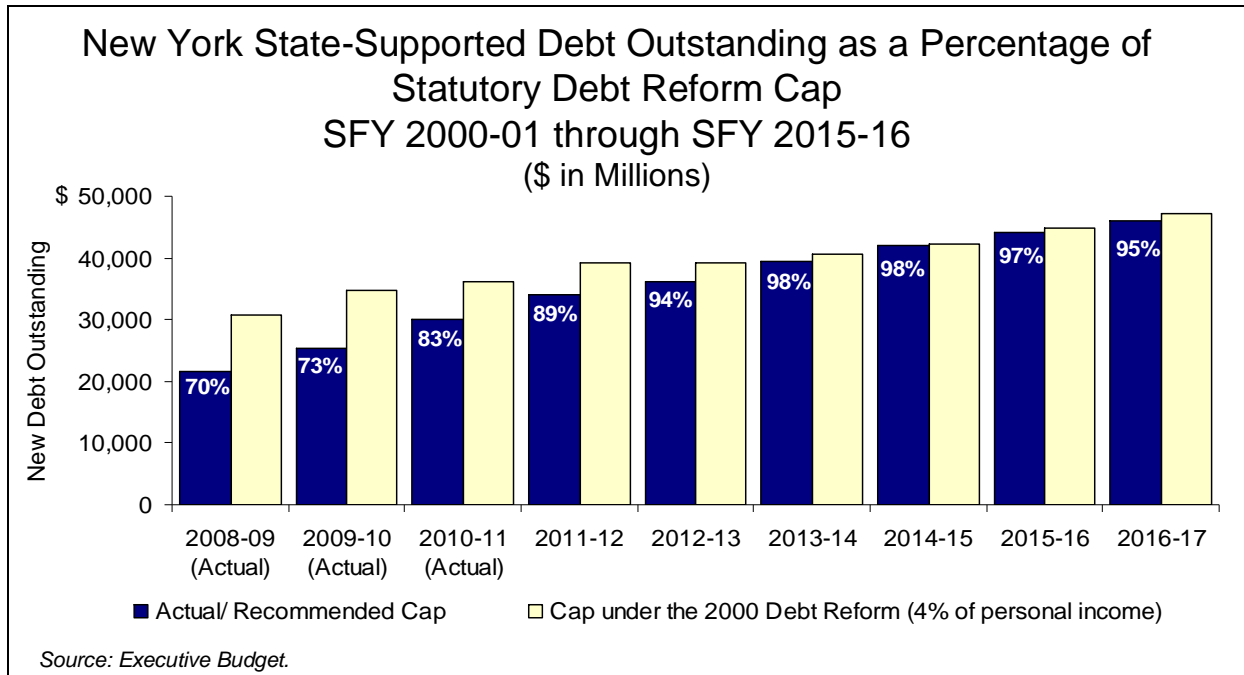


Figure 5

- **The state cap on the amount of new debt outstanding is limited to four percent of Personal Income:** The amount of debt outstanding projected under the statutory cap for SFY 2012-13 is 96.1 percent or \$1.2 billion below the statutory cap.
- **The Executive estimates \$317 million of available room under the cap for SFY 2013-14 and \$559 million in SFY 2014-15:** This estimate is the narrowest margin of room under the statutory cap the state has projected in recent history.

State-Related Debt

Table 28

State-related Debt Outstanding (Other State Debt Obligations in addition to State-supported) (\$ in Thousands)	
	SFY 2012-13
Contingent Contractual	
DASNY/MCFFA Secured Hospitals Prg.	481,660
Tobacco Settlement Financing Corp.	2,370,095
Moral Obligation	
HFA Moral Obligation Bonds	13,767
MCFFA Nursing Homes & Hospitals	1,560
State Guaranteed	
Job Development Authority (JDA)	15,435
State Funded	
MBBA Prior Year School Aid Claims	<u>344,760</u>
Total	3,227,277

- **The Executive defines State-related debt to include the following debt obligations in addition to State-supported debt:** Contingent Contractual Obligation (Tobacco Settlement Financing Corporation, DASNY/MCFFA Secured Hospital Program), Moral Obligation (Housing Finance Agency Moral Obligation Bonds, MCFFA Nursing Homes and Hospitals), State Guaranteed Debt (Job Development Authority) and State Funded Debt (MBAA Prior Year School Aid Claims).
 - State-related debt obligation in all areas are estimated to increase by \$1.15 billion or 2 percent from SFY 2011-12.
 - Contingent Contractual Obligations are agreements by the state to fund the debt service payments related to a bonded debt issuance only in the case that debt service payments can not be made.
 - Moral Obligation bonds are issued by an authority to finance a revenue-producing project. The debt is secured by project revenues with statutory provisions morally committing the state.
 - State Guaranteed debt is public authority debt that finances or guarantees loans which encourages economic development throughout the State and is limited to only \$750 million outstanding. Currently, State Guaranteed debt outstanding is \$15.4 million.

- State Funded debt was created to enable the state to purchase delinquent tax liens from NYS Municipalities through the Municipal Bond Bank Agency (MBBA). Currently, State Funded debt outstanding is \$345 million.

ECONOMIC FORECAST SUMMARY

The National Economy: The U.S. economy went through several setbacks in 2011. The Executive estimates that the economy grew 1.7 percent in 2011. As the economy is expected to face many headwinds going forward, including a slow global economy and financial market volatility, the Executive forecasts growth of 2.2 percent in Gross Domestic Product (GDP) for 2012.

Table 29

Executive Compared To Major Forecasters			
	Estimate	Forecast	Forecast
	2011	2012	2013
Real Gross Domestic Product (GDP)			
(2005 chained percent change)			
Division of the Budget	1.7	2.2	2.9
Blue Chip Consensus	1.7	2.2	NA
Moody's Economy.com	1.8	2.6	NA
Global Insight	1.8	2.0	2.4
Macroeconomic Advisers	1.8	2.3	3.0
Consumer Price Index (CPI)			
(percent change)			
Division of the Budget	3.2	1.8	2.1
Blue Chip Consensus	3.2	2.1	NA
Moody's Economy.com	3.2	2.1	NA
Global Insight	3.1	1.5	1.8
Macroeconomic Advisers	3.1	1.8	1.5
Unemployment Rate			
(percent)			
Division of the Budget	9.0	8.6	8.2
Blue Chip Consensus	9.0	8.8	NA
Moody's Economy.com	9.0	8.8	NA
Global Insight	9.0	8.8	8.6
Macroeconomic Advisers	9.0	8.9	8.7
<small>Note: Numbers are as reported in the Executive Budget 2012-13 released on January 17, 2012. Sources: New York State Division of the Budget, 2012-13 Executive Budget & Reform Plan, January 17, 2012; Blue Chip Economic Indicators, December 2011; Moody's Economy.com, Macro Forecast, December 2011; Macroeconomic Advisers, Economic Outlook, January 2012; Global Insight, U.S. Forecast Summary, January 2012.</small>			

- **Consumption:** The Executive forecasts real consumption spending to slow to 2.0 percent in 2012, following growth of 2.2 percent in 2011. According to the Division of the Budget, the slowdown in consumption spending in 2012 is due partly to households continuing to deleverage as well as rebalance their wealth after substantial losses.

- **Investment:** The Executive estimates that nonresidential investment spending grew by 8.8 percent in 2011, its largest gain since 2001. Gains in 2011 were driven by a resurgence in spending on structures and continued strength in spending on software and equipment. Nonresidential investment spending is forecast to grow 8.3 percent in 2012. Growth in business spending will be aided by low interest rates, easing credit markets, and improvements in domestic demand. The Executive forecasts residential investment spending to grow 6.2 percent in 2012.
- **Government Spending:** The Executive forecasts that overall government spending will fall by 1.1 percent in 2012 following a decline of 2.0 percent in 2011. In addition, the Executive projects that state and local government spending, adjusted for inflation, will decline another 1.6 percent in 2012 after falling 2.3 percent in 2011. According to the Executive, the multiyear declines in state and local government spending can be attributed to primary sources of revenues being constrained by falling home prices, a weak labor market, and turbulence in financial markets.
- **Employment:** Employment is expected to grow by 1.3 percent in 2012, following an estimated 1.0 percent gain in 2011. The Executive expects that the unemployment rate will average 8.6 percent in 2012 as labor market conditions improve and the labor force grows.
- **International Economy:** The Executive indicates that the European sovereign debt crisis poses significant risk to the national economy through U.S. banks' exposure to the euro-debt crisis and the possibility that recession in some European countries could spill over to the global economy. Slow growth in other areas of the world could also affect U.S. growth.
- **Inflation:** The Executive estimates inflation, as measured by the Consumer Price Index (CPI), grew 3.2 percent in 2011. The Executive forecasts that sluggish domestic and international growth in 2012 will moderate U.S. inflation to 1.8 percent.
- **Corporate Profits:** The Executive estimates corporate profits grew 7.9 percent in 2011, following growth of 32.2 percent in 2010. In 2011, growth slowed at financial firms as the industry struggled with both the euro-debt crisis and an evolving regulatory environment—these issues will continue to plague the sector in 2012. Profits at nonfinancial firms are estimated to have been strong in 2011, as a significant share of gains at large U.S. corporations came from overseas sources. As the global economy has cooled, foreign earnings are expected to weaken. Corporate profit growth is forecast to slow to 4.7 percent in 2012.

- Stock Market:** The Executive states that even a tough equity market has recently become more reflective of the fear surrounding the European sovereign debt crisis than of corporate earnings. In the long run, equity market price growth is expected to be consistent with growth in corporate earnings. With corporate earnings expected to be slow while interest rates are rising gradually, the Executive projects slow equity market growth in 2012 at 2.9 percent, after growing 11.4 percent in 2011.

The New York State Economy: The forecast contained in the Executive Budget indicates that the State recession ended in December 2009 and that the current recovery is proceeding at a stronger pace than the recovery following the 2001-2003 recession. The Executive forecasts payroll employment and wages in the State to improve in 2012. However, as the economy is expected to face many headwinds going forward, employment and wage growth in 2012 are forecast to be slower than in 2011.

Employment: According to the Executive, the State labor market enjoyed strong broad-based private sector growth in 2011. The Executive forecasts that New York State employment will grow 1.0 percent in 2012, slower than the nation’s employment growth of 1.3 percent (see Figure 6).

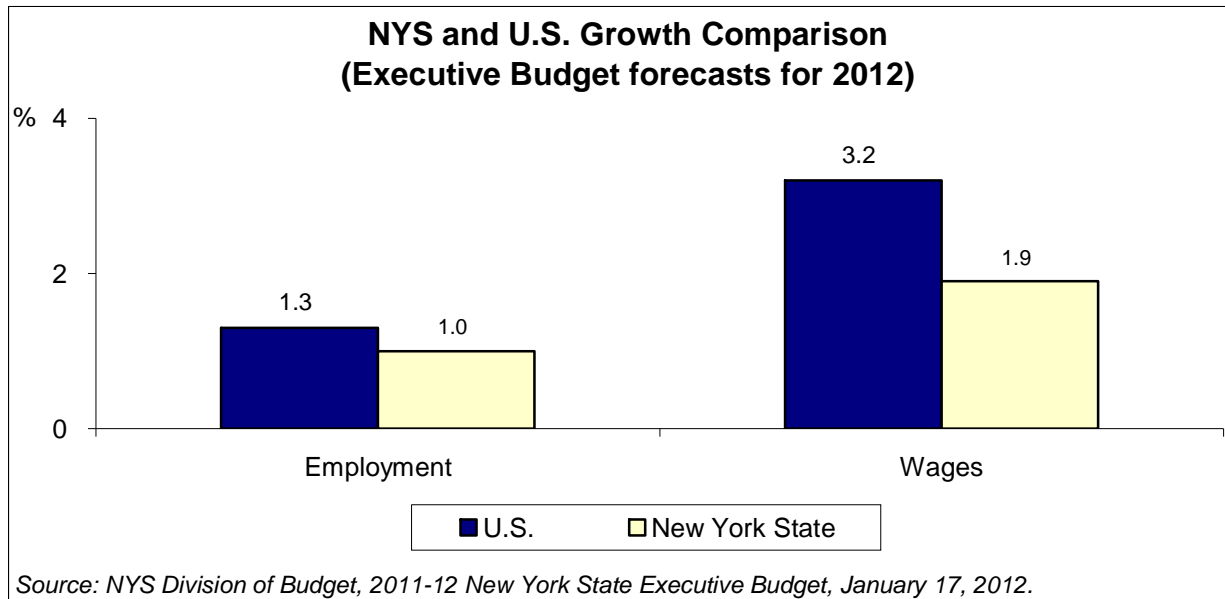


Figure 6

- Wages:** The Executive estimates that New York State wages grew 3.8 percent in 2011, while national wages grew 3.5 percent. The growth in State wages for 2011 was helped by bonus growth of almost 20 percent in the first quarter of 2011, due to improved conditions on Wall Street. The Executive forecasts that State wage

growth will slow to 1.9 percent in 2012 due to anticipated declines in finance and insurance bonuses.

- **Risks:** The Executive acknowledges several risks to the economic forecast presented in the budget. The Executive states that uncertainty surrounding the current environment, particularly the impact of European sovereign debt crisis on financial markets, slow growth in other areas of the world, and other volatile components such as home foreclosures, capital gains, bonuses, and energy prices present particular risk for the New York State outlook.

EXECUTIVE TAX REVENUE FORECAST

Table 30

Revenue Forecast Summary				
(\$ in Millions)				
	2010-11 Actual	2011-12 Mid-Year Executive	2011-12 Executive	Executive Difference from Executive Mid-Year
Personal Income Tax	36,210	38,884	38,664	(220)
User Taxes	14,206	14,603	14,719	116
Business Taxes	7,279	7,895	7,921	26
Other	3,175	3,121	3,228	107
Total	60,870	64,503	64,532	29

SFY 2011-12 Estimate

- **The Executive estimates that All Funds tax collection in State Fiscal Year (SFY) 2011-12 will total \$64.532 billion, an increase of 6.0 percent or \$3.662 billion.** The majority of the increase in revenues reflects the rebound in economic activity from the depths of the recession.
- **The Executive's current estimate is \$29 million higher than their Mid-Year Financial Plan Update released in November.** This increase in the Executive estimate for SFY 2011-12 is caused by a \$220 million decline in Personal Income Tax revenues, with offsetting increases in user, business and other taxes. The decline in Personal Income tax expectations would have been even more severe without the additional \$385 million provided by the reforms enacted in December.

Table 31

Revenue Forecast Summary					
(\$ in Millions)					
	2012-13 Mid-Year	2012-13 Executive	Change From 2011-12	Percent Growth	Executive Difference from Executive Mid-Year
Personal Income Tax	\$38,589	\$40,311	\$1,647	4.3	\$1,722
User Taxes	15,018	15,076	357	2.4	58
Business Taxes	8,392	8,152	231	2.0	(240)
Other	3,259	2,994	(234)	(7.2)	(265)
Total	\$65,258	\$66,533	\$2,001	3.1	\$1,275

- **All Funds tax receipts are expected to increase by \$2.001 billion, or 3.1 percent, to \$66.533 billion.** The increase in revenues can be primarily attributed to a rising economy coupled with the revenue increases proposed with this budget.
- **The Executive is depending on revenue actions that would increase total tax collections by \$1.536 billion in SFY 2012-13.** The majority of these revenues are attributable to reforms that were enacted in December of 2011. These reforms included a restructuring of the Personal Income Tax, which increased SFY 2012-13 revenues by \$1.93 billion. It also included reform of the MTA Payroll Tax that provided \$250 million in tax cuts for small businesses and other business tax credits that will lower collections by \$145 million. Proposals included in the SFY 2012-13 Executive Budget would increase revenues by \$25 million.

EXECUTIVE TAX REVENUE PROPOSALS

Table 32

Executive Revenue Actions				
(\$ in Millions)				
	2012-13	2013-14	2014-15	2015-16
Tax Compliance	11	29	29	29
Credit Extensions	(2)	(18)	(40)	(48)
Solar Energy Benefits	(2)	(5)	(5)	(5)
Tobacco/Other	18	24	24	24
Total	25	30	8	0

The Executive Budget contains a series of provisions that would improve tax compliance, extend certain tax credits that are set to expire, reform the taxation of cigars and loose tobacco products, and expand solar energy tax benefits. There are also a few technical amendments included in the Executive Budget Revenue Article VII.

Tax Compliance

- Prohibit banks from charging fees on levied bank accounts (\$5 million in SFY 2012-13, \$7 million in SFY 2013-14);
- Deny STAR exemptions to persons owing past-due tax liabilities (\$0 in SFY 2012-13, \$1 million in 2013-14);
- Expand the sales tax registration clearance process (\$1 million in SFY 2012-13, \$1 million in SFY 2013-14);
- Make permanent the tax modernization provisions, which include mandatory e-filing and e-payment for both preparers and taxpayers, to achieve full intended taxpayer compliance improvement (\$4 million in SFY 2012-13, \$16 million in SFY 2013-14); and
- Make permanent the Sales Tax Modernization provisions set to expire December 31, 2012 (\$1 million in SFY 2012-13, \$4 million in SFY 2013-14).

Credit Extensions

- Extend the Empire State commercial production credit for five years, through tax year 2016, for qualified costs associated with TV commercials produced in New York (\$0 in SFY 2012-13, \$7 million in 2013-14);

- Extend the bio-fuel production credit for seven additional years through tax year 2019 (\$0 in SFY 2012-13, \$0 in SFY 2013-14, \$10 million in SFY 2014-15);
- Provide the Commissioner of the Division of Housing and Community Renewal authorization to allocate an additional \$8 million annually in low income housing tax credits for five additional years (\$0 in SFY 2012-13, \$8 million in SFY 2013-14);
- Make permanent the enhanced Earned Income Tax Credit (EITC) for certain noncustodial parents who pay child support for a qualifying child with whom they do not reside (\$0 in SFY 2012-13, \$0 in SFY 2013-14, \$4 million in SFY 2014-15); and
- Extend for five years the full or partial tax exemptions on E85, CNG, hydrogen and B20 when purchased for use in a motor vehicle engine (\$2 million in SFY 2012-13, \$3 million in SFY 2013-14).

Solar Energy Benefits

- Extend residential solar equipment credit to leases (\$0 in SFY 2012-13, \$2 million in SFY 2013-14); and
- Expand the sales tax exemption on solar energy equipment to include commercial use (\$2 million in SFY 2012-13, \$3 million in SFY 2013-14).

Tobacco/Other

- Reform the tobacco products tax by equalizing the per-ounce rate on loose tobacco with cigarettes and levy the tax on cigars at the retail level (\$18 million in SFY 2012-13, \$24 million in SFY 2013-14);
- Extend certain pari-mutuel tax rates and authorization for account wagering for a period of one year (no fiscal impact);
- Redistribute the statewide collected transmission tax between the upstate and downstate transit accounts in an equitable manner and provide much needed funding to upstate transit systems (no fiscal impact); and
- Make technical amendments to the tax classification of diesel motor fuel (no fiscal impact).

Table 33

Total Tax Collections SFY 2011-12				
(\$ in Millions)				
	2010-11	2011-12		Percent
	Actual	Estimate	Change	Growth
Personal Income Tax	\$36,210	\$38,664	\$2,454	6.8%
Gross Receipts	44,002	45,891	1,889	4.3%
Withholding	31,240	31,197	(43)	(0.1%)
Estimated Payments	9,735	11,530	1,795	18.4%
Vouchers	7,386	7,985	599	8.1%
IT 370s	2,349	3,545	1,196	50.9%
Final Payments	1,964	2,125	161	8.2%
Delinquencies	1,063	1,039	(24)	(2.3%)
Total Refunds	7,792	7,227	(565)	(7.3%)
Collections	36,210	38,664	2,454	6.8%
User Taxes and Fees	14,206	14,719	513	3.6%
Sales and Use Tax	11,538	11,997	459	4.0%
Motor Fuel Tax	517	501	(16)	(3.1%)
Cigarette Tax	1,616	1,665	49	3.0%
Highway Use	129	134	5	3.9%
Alcoholic Beverage Tax	230	233	3	1.3%
Auto Rental Tax	95	104	9	9.5%
Taxi Surcharge	81	85	4	4.9%
Business Taxes	7,279	7,922	643	8.8%
Corporate Franchise	2,846	3,231	385	13.5%
Utility Tax	813	815	2	0.2%
Insurance Tax	1,351	1,413	62	4.6%
Bank Tax	1,179	1,374	195	16.5%
Petroleum Business Tax	1,090	1,089	(1)	(0.1%)
Other	3,175	3,228	53	1.7%
Estate and Gift	1,219	1,195	(24)	(2.0%)
Real Estate Transfer	580	620	40	6.9%
Pari Mutuel	16	16	0	0.0%
Other	1	1	0	29.4%
Payroll Tax	1,359	1,396	37	2.7%
Total All Funds Taxes	60,870	64,533	3,663	6.0%
All Funds Misc Receipts	23,148	23,832	684	3.0%
Federal Grants	49,303	43,942	(5,361)	(10.9%)
Total All Funds Receipts	\$133,321	\$132,307	(\$1,014)	(0.8%)

Table 34

Total Tax Collections SFY 2012-13				
(\$ in Millions)				
	2011-12	2012-13		Percent
	Estimate	Forecast	Change	Growth
Personal Income Tax	\$38,664	\$40,311	\$1,647	4.3%
Gross Receipts	45,891	48,117	2,226	4.9%
Withholding	31,197	32,598	1,401	4.5%
Estimated Payments	11,530	12,212	682	5.9%
Vouchers	7,985	8,879	894	11.2%
IT 370s	3,545	3,334	(212)	(6.0%)
Final Payments	2,125	2,203	78	3.7%
Delinquencies	1,039	1,104	65	6.3%
Total Refunds	7,227	7,806	579	8.0%
Collections	38,664	40,311	1,647	4.3%
User Taxes and Fees	14,719	15,076	357	2.4%
Sales and Use Tax	11,997	12,246	249	2.1%
Motor Fuel Tax	501	515	14	2.8%
Cigarette Tax	1,665	1,733	68	4.1%
Highway Use	134	147	13	9.7%
Alcoholic Beverage Tax	233	238	5	2.1%
Auto Rental Tax	104	109	5	4.8%
Taxi Surcharge	85	88	3	3.5%
Business Taxes	7,922	8,152	230	2.9%
Corporate Franchise	3,231	3,299	68	2.1%
Utility Tax	815	877	62	7.6%
Insurance Tax	1,413	1,463	50	3.5%
Bank Tax	1,374	1,351	(23)	(1.7%)
Petroleum Business Tax	1,089	1,162	73	6.7%
Other	3,228	2,994	(234)	(7.2%)
Estate and Gift	1,195	1,127	(68)	(5.7%)
Real Estate Transfer	620	690	70	11.3%
Pari Mutuel	16	16	0	0.0%
Other	1	1	0	0.0%
Payroll Tax	1,396	1,160	(236)	(16.9%)
Total All Funds Taxes	64,533	66,533	2,000	3.1%
All Funds Misc Receipts	23,832	24,255	423	1.8%
Federal Grants	43,942	41,936	(2,006)	(4.6%)
Total All Funds Receipts	\$132,307	\$132,724	\$417	0.3%

APPROPRIATION BUDGET BILL

A. 9050/S. 6250	State Operation Appropriation Bill
A. 9051/S. 6251	Legislature & Judiciary Budget Appropriation Bill
A. 9052/S. 6252	Debt Service Budget Appropriation Bill
A. 9053/S. 6253	Aid to Localities Budget Appropriation Bill
A. 9054/S. 6254	Capital Projects Budget Appropriation Bill
A. 9055/S. 6255	Public Protection and General Governments Article VII Bill
A. 9056/S. 6256	Health & Mental Hygiene Article VII Bill
A. 9057/S. 6257	Education, Labor and Family Assistance Article VII Bill
A. 9058/S. 6258	Transportation, Economic Development and Environmental Conservation Article VII Bill
A. 9059/S. 6259	Revenue Article VII Bill
A. 9060/S. 6260	Merger State Entities Article VII Bill

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NON-APROPRIATION BUDGET BILLS

Section 22 of the State Finance Law requires the Executive Budget to include a list of proposed legislation submitted pursuant to Article VII of the State Constitution. In addition to the major appropriation bills, the following Article VII bills have been submitted that set forth the policy initiatives contained in the Executive Budget.

A. 9055 - PUBLIC PROTECTION AND GENERAL GOVERNMENT

PART	DESCRIPTION	SUMMARY
A	Expand the list of offenses for which a DNA sample will be collected and entered into the State DNA Databank	This part would expand the list of offenses for which a DNA sample will be collected and entered into the State DNA Databank to include all felonies and all Penal Law misdemeanors. This part would also specify the government official responsible for collection of a DNA sample and, provide that when a defendant is not sentenced to imprisonment or probation, the court shall order the defendant to report to the office of the county sheriff to provide a sample.
B	Repeal the requirement for a pistol and revolver ballistic identification database, known as CoBIS	This part would repeal the requirement that the Division of State Police maintain the Combined Ballistic Identification System (CoBIS), an automated electronic databank containing data and other ballistic information relevant to the identification of shell casings and to the pistols or revolvers from which such casings were discharged. This part would also repeal the requirement that manufacturers include a ballistic sample with any pistol or revolver shipped into the state of New York and that firearms dealers submit such sample to the State Police for inclusion in CoBIS.
C	Trial date for a traffic violation	This part would provide that, in cases where a defendant has pled not guilty by mail to a violation of any provision of the tax law or the transportation law regulating traffic, or for a traffic infraction, the court must advise the defendant by first class mail of the initial appearance date and where the defendant requests a trial, the court must set a trial date for a date subsequent to the initial appearance.
D	Authorize court discretion in the duration of probation sentence	This part would grant the court the discretion to sentence defendants convicted of class A misdemeanors and unclassified misdemeanors to a probationary term of two or three years, rather than the currently required fixed term of three years. Additionally, this part would allow the court discretion to sentence defendants convicted of a felony to a four or five year probationary term rather than the currently required five years.

PART	DESCRIPTION	SUMMARY
		Finally, this part would authorize probation directors or deputy directors to issue detainer warrants for technical violations of probation when judges are not available.
E	Expand the authority of State judges to order the forfeiture of properties and proceeds at the time of sentencing	This part would establish a new criminal forfeiture mechanism in the Penal Law requiring the court to order the forfeiture of property derived from, or involved in, a criminal offense. The forfeiture proceeding would take place at the time of sentencing and would be mandatory for all offenses. This part would also allow any property subject to forfeiture to be seized by law enforcement in advance of forfeiture proceedings. Additionally, this part would allow civil forfeiture of property and proceeds in misdemeanor cases. This part would amend the revenue sharing formula for funds forfeited based on a criminal proceeding to increase the amount retained by a district attorney's office and reduce the amount received by the State.
F	Continue provisions relating to the disposition of certain monies recovered by county attorneys	This part would extend for one year the existing formula under which a district attorney in the City of New York is authorized to retain a portion of settlement monies recovered before the filing of an accusatory instrument.
G	Modify emergency response and disaster preparedness provisions	This part would amend provisions relating to emergency responses to disasters by the State pursuant to the Intrastate Mutual Aid Plan and coordinated disaster responses by the State and localities.
H	Tier VI	This part would establish a new Tier VI for new public employees hired on or after April 1, 2012.
I	Expand 2010 Medicare Part B changes	This part would extend current provisions allowing State employee and retiree contributions to NYSHIP to be adjusted for Medicare Part B to employees and retirees of public authorities.
J	Lapse aged State and local appropriations	This part would require all reappropriations, with the exception of reappropriations for capital projects and federal purposes, to lapse five years after the close of the fiscal year of the original appropriation.
K	Modify the payments in lieu of taxes (PILOT) schedule made by the State to the City of Albany	This part would increase the PILOT made by the State to the City of Albany by \$7.85 million for SFY 2012-2013 and decrease the PILOT made by the State to the City of Albany by \$7.85 million for SFY 2032-2033.
L	Modify statewide procurement procedures and practices	This part would modify procurement provisions contained in the State Finance Law and related statutes: amend the definitions of "lowest price" and "best value" for

PART	DESCRIPTION	SUMMARY
		<p>statewide procurements to authorize the use of either procurement method for purchases of commodities and services in certain circumstances; authorize the Office of General Services (OGS) to procure contracts as “centralized contracts” without a request by an agency and mandate that agencies procure services from a centralized contract if available unless the required service is offered by a preferred source; expand the ability of local governments and non-profit organizations to purchase from state contracts; exempt centralized contracts from pre-audit by the Office of the State Comptroller; and, expand the authority of OGS to purchase commodities and services through electronic bidding. In addition, this part would repeal provisions relating to the procurement of printing and public documents and would direct OGS to assume responsibility for centralized printing contracts and allow printing to be procured on the basis of lowest cost or best value. This part would also increase the dollar thresholds above which procurements are required to be advertised in the procurement newsletter and must be procured through competitive bidding, and would make the Procurement Stewardship Act permanent.</p>
M	<p>Increased flexibility for recruiting/hiring/promoting/transferring State employees</p>	<p>This part would enable the Department of Civil Service (DCS) to temporarily appoint, without an examination, highly skilled professional, scientific, technical or other employees with specialized skills into the State workforce. This part would also modify existing civil service requirements related to hiring, promoting, and transferring of State employees by allowing increased flexibility regarding who can take an “open promotion examination” and allowing DCS to certify the use of an interdepartmental promotion eligible list when it is in the best interest of the State.</p>
N	<p>Authorize transfers, temporary loans, and amendments to miscellaneous capital/debt provisions including bond caps</p>	<p>This part would provide the statutory authorization necessary for the administration of funds and accounts included in the SFY 2012-13 Financial Plan. Specifically, it would authorize temporary loans and the deposits of certain revenues to specific funds and accounts, authorize the transfer and deposits of funds to and across various accounts, extend various provisions of law related to capital projects, authorize modifications to various debt provisions, and modify various bond authorizations necessary to implement the budget.</p>
O	<p>Rename the Office for Technology</p>	<p>This part would change the name of the Office for Technology (OFT) to the Office of Information Technology Services.</p>

PART	DESCRIPTION	SUMMARY
P	Accelerate Aid and Incentives for Municipalities (AIM) funding payment to the City of Rochester	This part would provide the City of Rochester with an additional AIM payment in the City's 2012-2013 fiscal year.
Q	Metropolitan Transportation Authority (MTA) reimbursement of rebate program for E-Z Pass tolls paid on travel over the Cross Bay Veterans Memorial Bridge	This part would direct the State to reimburse the MTA for costs associated with establishing and implementing a rebate program for E-Z Pass tolls associated with the Cross Bay Veterans Memorial Bridge.

A. 9056 - HEALTH AND MENTAL HYGIENE

PART	DESCRIPTION	SUMMARY
A	Modify the Early Intervention (EI) program	This part would: transfer the responsibility of processing EI provider claims from counties to a fiscal intermediary; eliminate a municipality's authorization to contract with providers while monitoring service delivery; require EI evaluators and other service providers to participate in third party payor networks and require that such networks be adequate to meet the needs of program enrollees; allow the State to increase the aid percentage for EI services and eliminate the lag on payments of claims from counties; and require service coordinators to notify the Office for People With Developmental Disabilities (OPWDD) when a child may be eligible for OPWDD services.
B	Establish requirements for continued State funding of Roswell Park Cancer Institute	This part would require Roswell Park Cancer Institute to become operationally and fiscally independent from the Department of Health by March 31, 2014 in order to continue receiving Health Care Reform Act (HCRA) and Health Care Efficiency and Affordability Law for New Yorkers (HEAL-NY) funding.
C	Implement an Electronic Death Record Registration System	This part would require the Department of Health to design, implement, and maintain an Electronic Death Registration System for counties outside of the City of New York in order to update the State's system of filing and maintaining information and documents related to the registration of death occurrences.
D	Implement Medicaid Redesign Team recommendations	This part would implement Phase II recommendations made by the Medicaid Redesign Team work groups and modify certain other previously enacted provisions: expand Medicaid benefits to cover additional services; modify certain pharmacy provisions; make changes to the assisted living program; establish a Primary Care Service Corps Loan Repayment program; modify provisions regarding the Managed Care and Managed Long Term Care programs; eliminate spousal refusal; and make modifications to the Medicaid spending cap.
E	Establish the New York Health Benefit Exchange	This part would establish the New York Health Benefit Exchange as a public benefit corporation that would serve as the marketplace for the purchase and sale of health plans, in accordance with federal health care reform.
F	Reduce Medicaid growth for counties and implement a	This part would authorize a phased-in State assumption of the growth in the local share of Medicaid expenditures. The State would assume one percent of the three

PART	DESCRIPTION	SUMMARY
	phased-in takeover of Medicaid administration	percent in 2013, two percent in 2014, and the full three percent in 2015. This part would further authorize the Commissioner of Health to implement a phased-in State takeover of local Medicaid administration to be completed in 2018, and cap local government reimbursement for Medicaid administration costs at SFY 2011-12 levels.
G	Extend the authority for previously enacted Medicaid initiatives	This part would extend certain provisions of the Preferred Drug Program until June 15, 2019 and certain hospital rate adjustments for potentially preventable re-admissions and negative outcomes until March 31, 2013.
H	Repeal the Human Services Cost-of-Living Adjustment (COLA) and establishes standards for administrative costs for providers	This part would repeal the Human Services COLA and, instead, provide for annual adjustments based on actual costs, performance, and/or financial metrics. This part would also require state agencies to place limits on the State's reimbursement of provider's costs for administration and executive compensation.
I	Establish pilot programs for the "People First" 1115 Waiver	This part would authorize the Office for People With Developmental Disabilities (OPWDD) to enter into contracts for pilot programs related to the agency's 1115 Waiver application submitted to the Centers for Medicare and Medicaid Services (CMS) notwithstanding current competitive bidding and request for proposals issuance requirements.
J	Streamline the organizational structure of the Office for People With Developmental Disabilities (OPWDD)	<p>This part would remove all statutory references to existing Developmental Disabilities Services Offices (DDSOs) and instead require the Commissioner of OPWDD (at his or her discretion) to establish Developmental Disabilities Regional Offices to oversee the administration of supports and services provided in non-state operated programs and establish State Operations Offices to oversee the administration of supports and services provided in state operated programs. Directors of both the Developmental Disabilities Regional Offices and the State Operations Offices would be appointed by the Commissioner. This part would also transfer specific power and duties of existing DDSOs and respective DDSO directors to the new State Operations Offices, provided that the authority to appoint staff would be given to the Commissioner.</p> <p>Additionally, this part would require that the Commissioner, when making appointments for employment within OPWDD, take all reasonable and necessary steps to ensure that such appointee has not engaged in any act in violation of any</p>

PART	DESCRIPTION	SUMMARY
		law that could compromise the health and safety of individuals with developmental disabilities. Finally, this part would make conforming changes in statute to reflect the recent renaming of the agency to OPWDD as well as the renaming of the "Commission on Quality of Care for the Mentally Disabled" to the "Commission on Quality of Care and Advocacy of Persons with Developmental Disabilities."
K	Extend authorization for the Comprehensive Psychiatric Emergency Program (CPEP)	This part would extend for an additional four years the authority of the Commissioner of the Office of Mental Health (OMH) to administer operating certificates for CPEP until July 1, 2016.
L	Permit certain agencies to integrate health and behavioral health services	This part would authorize the Commissioners of the Department of Health (DOH), the Office of Mental Health (OMH), the Office for People With Developmental Disabilities (OPWDD), and the Office of Alcoholism and Substance Abuse Services (OASAS) to jointly establish requirements for providers who offer integrated delivery of services. This part would also provide for a mechanism for the Commissioners to waive certain duplicative regulations for such providers.
M	Establish a pilot program to restructure educational services for youth residing in Office of Mental Health (OMH) hospitals	This part would allow OMH to enter into an agreement with the State Education Department (SED) to provide educational services for children between the ages of 5 and 21 years old who reside in OMH hospitals. Educational programming would be provided by the school district or Board of Cooperative Educational Services (BOCES) where the hospital is located. Pilot programs for children in the City of New York would commence during the 2012-13 school year and all other districts would commence programs in the 2013-14 school year. Pilot programs would run through 2015 and OMH and SED would submit a report on their findings.
N	Create a joint Behavioral Health Advisory Council within Department of Mental Hygiene	This part would establish a Behavioral Health Advisory Council for the Office of Mental Health (OMH) and the Office of Alcoholism and Substance Abuse Services (OASAS), replacing existing councils in either agency and would consolidate the Statewide Comprehensive Plan (5.07 Plan) between OMH and OASAS.
O	Authorize Office of Mental Health (OMH) facility closures and consolidations	This part would authorize the closures of Kingsboro Psychiatric Center and Hudson River Psychiatric Center and would consolidate the Bronx Children's Psychiatric Center, Queens Children's Psychiatric Center, and Brooklyn Children's Center into the New York City Children's Center. This part would also permit OMH to close, consolidate, or make service reductions to state run facilities notwithstanding the

PART	DESCRIPTION	SUMMARY
P	<p>Modify Sex Offender Management and Treatment Act (SOMTA)</p>	<p>requirements of the Community Mental Health Support Workforce Reinvestment Act.</p> <p>This part would require that sex offenders facing civil commitment proceedings remain in the Department of Corrections and Community Services (DOCCS) custody, rather than in an Office of Mental Health (OMH) secure treatment facility, unless they have reached their maximum expiration of sentence date or have been released to parole. This part would also permit OMH to contract out for care and security services in SOMTA facilities confining sex offenders under civil commitment orders.</p> <p>This part would also provide that an offender confined under SOMTA must “meaningfully” participate in treatment; failure to do so would be a violation of the court order of confinement. Further, a sex offender who intentionally causes physical injury to another person at a treatment facility would be guilty of assault in the second degree, a class D felony.</p> <p>Additionally, this part would create procedural changes to the SOMTA, including authorizing the use of video teleconferencing during certain SOMTA proceedings, and providing for biennial, rather than annual, examinations of sex offenders and petitions for discharge of civilly committed sex offenders.</p> <p>Finally, this part would require that a sex offender under strict and intensive supervision and treatment who violates a material condition of supervision and treatment would have his or her parole revoked; if such violation was intentional the person would be guilty of a class E felony.</p>
Q	<p>Provide for outpatient capacity restoration in jails for felony defendants</p>	<p>This part would amend the Criminal Procedure Law to include certain local correctional facilities on the list of “appropriate institutions” in which a defendant determined to be an incapacitated person could be held. This part would also allow an incapacitated defendant committed to the jurisdiction of Office of Mental Health (OMH) or Office for People With Developmental Disabilities (OPWDD) to receive care or treatment on an outpatient basis. A felony defendant under outpatient treatment pursuant to a final order of observation could remain on bail.</p>
R	<p>Recover exempt income for</p>	<p>This part would permit OMH to recover Medicaid income that was paid in excess of</p>

PART	DESCRIPTION	SUMMARY
	Office of Mental Health (OMH) community residences and family based treatment programs	a provider's fiscal plan from community residences and family based treatment programs.

A. 9057 - EDUCATION, LABOR AND FAMILY ASSISTANCE

PART	DESCRIPTION	SUMMARY
A	Amend school aid	This part would: require school districts to fully implement new Annual Professional Performance Review standards and procedures in order to be eligible to receive increases in state school aid for the 2012-13 school year; continue the Contract for Excellence program for the 2012-13 school year; alter the calculation of payments to county vocational education and extension boards and limit time to submit a claim; authorize additional funding for competitive awards; create a gap elimination restoration; require school buses and equipment to be purchased from a centralized state contract; limit state aid adjustments; freeze school aid formulas at the lesser of the executive run or revised data; require commissioner approval for school bus equipment purchases; provide a window for validation of late final building project cost reports; maintain funding for Aid to Public Libraries; and extend various other provisions of Education Law.
B	Amend disciplinary procedures and penalties for tenured employees	This part would implement changes to the tenured teacher disciplinary procedures relating to costs, payment, hearing officer qualifications, recording requirements, and timeliness.
C	Supplemental Security Income (SSI) Cost of Living Adjustment pass-through	This part would allow for a federal Cost of Living Adjustment (COLA) increase in 2013 for individuals receiving SSI who reside in various living arrangements.
D	Phase-in of the Scheduled Public Assistance Grant Increase	This part would phase-in the final scheduled ten percent of the public assistance grant increase by authorizing a five percent increase in July 2012 and another five percent increase in July 2013.
E	State assumption of SSI Supplementation Program	This part would authorize the Office of Temporary and Disability Assistance (OTDA) to assume responsibility for administration and eligibility determinations for New York's SSI Supplementation Program.
F	Child Welfare Financing extension	This part would extend Child Welfare Financing until June 30, 2017. It provides for 62 percent open-ended State reimbursement to local social services districts for the non-federal portion of child protective, preventive after care, independent living and adoption administration and services, and continued funding for the Kinship Guardianship Assistance program out of the Foster Care Block Grant. This part would also make permanent 62 percent open-ended State reimbursement to local

PART	DESCRIPTION	SUMMARY
		social services districts for the non-Federal portion of adoption subsidies and allow the State Commission on Quality of Foster Care to sunset.
G	New York City (NYC) operation of facilities for juvenile delinquents	This part would authorize NYC to operate limited-secure and non-secure facilities for adjudicated juvenile delinquents, subject to a plan approved by the Office for Children and Family Services (OCFS) and the Director of the Budget. Upon approval of the plan, adjudicated NYC youth requiring limited-secure or non-secure care would be placed with, or transferred to, NYC-operated facilities. Upon the effective date of the approved plan, OCFS would be authorized, for one year, to close any of its facilities. Such closures would be authorized to take place upon 60 days notice of any service and staffing reductions. Currently, OCFS is required to provide a one-year notification of closures.
H	Extend the Higher Education Capital Matching Grant Program	This part would extend the Higher Education Capital Matching Grant Program until March 31, 2013.
I	Allow Cornell University to enter into memoranda of understanding (MOUs) with state agencies	This part would allow Cornell University, as a statutory college, to enter into MOUs with state agencies for the purposes of providing services and technical assistance rather than a contract pursuant to state finance law.
J	Amend preschool special education financing and evaluation and placement procedures	This part would: require school districts to share, equally with the county and state, the costs associated with increases in preschool special education funding; prohibit children from receiving services from a preschool special education provider if a “less than arms length” relationship exists between the provider and the child’s approved evaluator; and require consideration and justification regarding the proximity of an educational placement to the child’s home.

A. 9058 - TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION

PART	DESCRIPTION	SUMMARY
A	Provide the annual authorization for the Consolidated Highway Improvement Program (CHIPs) and Marchiselli Programs	This part would authorize \$363.097 million in capital for CHIPs and \$39.7 million for the Marchiselli Program for SFY 2012-13.
B	Consolidate the Accident Damage Recovery Account with the Dedicated Highway and Bridge Trust Fund	This part would require monies recovered by the Department of Transportation (DOT), which are currently deposited into a fund for the maintenance and repair of State highways known as the "Accident Damage Recovery Account", to instead be deposited to the Dedicated Highway and Bridge Trust Fund.
C	Amend bus inspection requirements	This part would modify the law requiring semi-annual inspections by the Department of Transportation (DOT) of certain vehicles carrying passengers by eliminating the six month requirement and clarifying that the inspection is required of vehicles "designed to carry" passengers.
D	Modify laws relating to commercial driver's licenses and permits, and commercial motor vehicles	This part would modify provisions of law relating to commercial driver's license (CDL) and learner's permit (CLP) applicants and holders for the purpose of further conforming State law to federal physical qualification rules, and would prohibit the operation of commercial motor vehicles by persons lacking required medical certification.
E	Metropolitan Transportation Authority (MTA), the New York City Transit Authority (NYCTA), and the Triborough Bridge and Tunnel Authority (TBTA) debt cap increase	This part would raise the bond issuance limit that the MTA and its subsidiaries may issue in connection to its 2010-2014 capital program plan by \$7 billion (from \$34.877 billion to \$41.877 billion).
F	Provide an additional retention rate for county clerks	This part would authorize county clerks to retain a percentage of revenue collected by the Department of Motor Vehicles for transactions conducted on the internet.
G	Modify laws relating to motor carrier safety requirements	This part would modify various provisions of law relating to safety, hours of service, and record keeping of commercial motor carriers, operators, and vehicles.

PART	DESCRIPTION	SUMMARY
H	Modify various fishing and hunting provisions	This part would remove certain tagging requirements, eliminate and/or extend existing licensing requirements, and authorize fees for the taking of ocean quahogs.
I	State oversight of Voice over Internet Protocol (VoIP) technology	This part would prohibit the Public Service Commission (PSC) and other State agencies from regulating rates or other terms of service related to VoIP service.
J	Modify the exemption for fees related to recycled hazardous waste	This part would expand the eligibility for the exemption of recycled hazardous waste from certain hazardous waste fees where a certain amount of waste is recycled.
K	Eliminate the requirement for State Operating Fund support of certain funds	This part would eliminate certain funding requirements for the Sewage Treatment Program Management and Administration Fund and the Drinking Water Program Management and Administration fund.
L	Additional seed testing entities	This part would eliminate the mandate that the New York State Agricultural Experiment Station be the exclusive seed testing entity, allow testing by the Department of Agriculture and Markets or a qualified laboratory, and require that when citizens submit seeds for testing, they must pay a fee that covers the full costs of the services provided, which would be deposited in a Special Revenue Fund to defray the costs of such services.
M	Expand fee for service authority of the Commissioner of Agriculture and Markets	This part would extend the Commissioner of Agriculture and Market's ability to enter into contracts to include services such as laboratory services and services relating to food safety, animal health, and invasive species control, and similar services relating to the duties of the Department of Agriculture and Markets. Existing law limits this authorization to laboratory services, requires that such contract be in the public interest, and requires that payment for the costs of the services be provided.
N	Redirect funds from Consumer Food Account and Commercial Feed Licensing Account	This part would redirect the proceeds of the Consumer Food Account and the Commercial Feed Licensing Account from the Special Revenue Funds to the General Fund. This part would also provide that food-processing license renewals would continue for two years from the date of issuance. Currently, the licenses are renewed biennially, and the month of renewal is determined by alphabetical order of the applicant's last name.
O	Authorize the State Comptroller to receive payment from New	This part would direct the State Comptroller to receive from the New York State Energy Research and Development Authority a payment of \$913,000 to be deposited

PART	DESCRIPTION	SUMMARY
	York State Energy Research and Development Authority	into the General Fund.
P	Authorize New York State Energy Research and Development Authority to receive revenue from the Department of Public Service	This part would extend for an additional year the 18-a assessment on gas and electric corporations at one cent per one thousand cubic feet of gas sold and .010 cent per kilowatt-hour of electricity sold by such utilities in their intrastate utility operations in calendar year 2010. Without this extension, the rate would drop to 0.6 cents per one thousand cubic feet of gas sold and .006 cents per kilowatt hour of electricity sold in the previous calendar year.
Q	Authorizes the disposal of properties adjacent to the Jacob K. Javits Convention Center	This part would authorize the New York State Urban Development Corporation (ESDC) to sell property and land owned by the Convention Center Development Corporation (CCDC), at the Jacob K. Javits Convention Center site.
R	Make permanent the general loan powers of New York State Urban Development Corporation (UDC)	This part would make permanent the general loan powers of the UDC, which otherwise would expire on July 1, 2012.
S	Make permanent the Empire State Economic Development Fund (EDF)	This part would make permanent the Empire State Economic Development Fund and provide for a retroactive effective date of April 1, 2009.
T	Provide general grant making power to New York State Urban Development Corporation (UDC)	This part would provide general grant-making powers to the UDC to make grants to any person or entity regardless of the funding source so long as they are in compliance with UDC established guidelines.
U	Modify Linked Deposit Loan Program	This part would modify the Linked Deposit Loan Program to provide a three percent reduction in interest rates on linked deposit loans for eligible agricultural projects.
V	Extend Department of Health public service education program	This part would extend the appropriation of funds from the cable television account to fund the Department of Health's public service education program.
W	Extend the renewal periods for certain professions licensed by the Department of State	This part would increase the renewal term for security guards and real estate salespersons and brokers from two to four years and double the fee for such renewals.
X	Make winning cash vouchers subject to escheatment	This part would require all pari-mutuel winning cash vouchers to be presented for payment before April 1 st of the year following the year of purchase. Funds that are received would be deposited into the racing regulation account.
Y	Reduce Racing and Wagering	This part would authorize the licensed harness racing associations and corporations

PART	DESCRIPTION	SUMMARY
	Board employee costs	to appoint and employ the starter and one associate judge at pari-mutuel harness race meetings.
Z	Authorize dairy research and education orders	This part would authorize the Commissioner of Agriculture and Markets to issue a dairy research and education order, create an advisory board, and provide for the procedural rules and regulations necessary to operate the order. This proposal would build upon existing law pertaining to dairy promotion orders, which allow industry-initiated and funded referendums to provide the Commissioner with approval to issue dairy promotion orders.
AA	Relate to the State Governmental Cost Recovery System increase	This part would increase the amount that the State may recover from public benefit corporations for costs incurred by the State from \$60 million to \$62 million.

A. 9059 - REVENUE

PART	DESCRIPTION	SUMMARY
A	Oil and gas fee extender	This part would extend the current fees paid by oil and gas producers to the Office of Real Property Tax Services (ORPTS) within the Department of Taxation and Finance. These fees offset the costs incurred by ORPTS in establishing the "unit of production values" utilized by local assessors for the assessment of oil and gas producing properties.
B	STAR benefit offset	This part would authorize the Department of Taxation and Finance to suspend a taxpayer's STAR exemption if they have any past-due state or local tax liabilities. This part would also apply to the New York City Personal Income Tax STAR benefits.
C	Tobacco/Cigar tax reform	This part would reform the taxation of loose tobacco and cigars. Currently, loose tobacco and cigars are taxed as "tobacco products" and therefore subject to the tobacco products tax rate of 75 percent of wholesale price. This part would subject loose tobacco to a tax of \$4.53 per ounce – commensurate with the tax on a pack of cigarettes. It would subject cigars to a tax of 50 percent of the retail price as well as extend taxation to cigars that are brought into the state by individuals, so long as 50 or more cigars are imported.
D	Alternative fuels extender	This part would extend the tax exemptions for alternative fuels, including E85, compressed natural gas (CNG), hydrogen, and B20 from September 1, 2012 to September 1, 2017.
E	Fuel technical	This part would amend the classification of certain types of diesel motor fuel for tax purposes and would explicitly exempt certain sales of previously untaxed qualified biodiesel from motor fuel taxes, petroleum business taxes, fuel use taxes, and sales and use taxes.
F	Expand sales tax registration clearance	This part would authorize the Department of Taxation and Finance to refuse to issue a Certificate of Authority for sales and use tax purposes if any persons required to collect the tax has any outstanding tax liabilities, not just sales tax liabilities. It would also authorize the Department to disclose to the applying entity the names and outstanding liabilities that caused the denial.

G	Permanent tax modernization	This part would make permanent certain electronic filing requirements and segregated sales tax account provisions which are currently set to expire on December 31, 2012.
H	Solar equipment bill	This part would extend the personal income tax credit and sales tax exemptions for the purchase of solar energy equipment to the leasing of such equipment. It would also extend the sales tax exemption to purchases of solar equipment by non-residential consumers, provided the energy capacity of the installed components does not exceed two megawatts.
I	TV commercial credit extender	This part would reinstate the commercial production tax credit for an additional five years. The credit expired on December 31, 2011.
J	Low income housing credit	This part would increase the aggregate amount of low-income housing tax credits that the Commissioner of Housing and Community Renewal may allocate by \$8 million a year for the next five years.
K	Bio-fuel extender	This part would extend the bio-fuel tax credit for an additional seven years – from December 31, 2012 to December 31, 2019.
L	Non-Custodial Earned Income Tax Credit (EITC) extender	This part would make the Non-Custodial Parent Earned Income Tax Credit permanent. The current credit expires on December 31, 2012.
M	Prohibit bank levy fees	This part would prohibit banks from levying additional fees on bank accounts that are being subjected to levies for the purpose of retrieving back state taxes or child support.
N	Metropolitan Transit Authority (MTA) Technical Fix	This part would authorize professional employer organizations that provide payments to workers for small businesses who would be eligible for the lower rates to utilize the lower MTA Payroll Tax rates.
O	Pari-Mutuel extender	This part would extend, for a period of one year, various provisions of the Racing, Pari-Mutuel Wagering and Breeding Law, which is set to expire during SFY 2012-13.
P	Transmission tax split	This part would amend the distribution of revenues collected from the tax on utility transportation and transmission services to be split between upstate and downstate transit accounts, removing the requirement for an annual transfer among accounts.

A. 9060 - MERGE STATE ENTITIES

PART	DESCRIPTION	SUMMARY
A	Merge Division of Lottery and the Racing and Wagering Board into a newly established New York State Gaming Association	This part would merge the operations and regulatory functions of the Division of Lottery and the Racing and Wagering Board into a newly established New York State Gaming Association. This part would also establish the New York State Office of Racing Development and Promotion which would take over the operational aspects of the New York State Thoroughbred Breeding and Development Fund, the Agriculture and New York State Horse Breeding Development Fund, and the New York State Quarter Horse Breeding and Development Fund.
B	Merge Department of Civil Service (DCS) and Office of Employee Relations (OER) into Department of Workforce Management (DWM)	This part would transfer all functions, powers, and duties, as well as all employees of DCS and OER into DWM.
C	Authorize the transfer of the Belleayre Mountain Ski Center	This part would transfer the operation and management of the Belleayre Mountain Ski Center from the Department of Environmental Conservation to the Olympic Regional Development Authority.
D	Elimination and/or merger of certain boards and commissions	This part would eliminate the Direct Marketing Advisory Councils, the Agricultural Transportation Review Panel, the Hudson Valley Agricultural Trails Council, the Statewide Wireless Network Advisory Council, the Child Welfare Research Advisory Panel, the Boards of Visitors, the Upstate and Downstate Tourism Councils, the Minority and Women owned Business Enterprises (MWBE) Advisory Board, the Solid Waste Management Board, the technical advisory committee to the Environmental Facilities Corporation, the Tow Truck Advisory Board, the Temporary Advisory Committee on the Restoration and Display of New York State's Military Battle Flags, the Conservation Corporation Advisory Committee, the Armored Car Carrier Advisory Board, the Long Island Sound Coastal Advisory Commission, the Manufactured Homes Advisory Council, the Barbers Board, the Advisory Committee on Legal Advocacy, the Veterans' Hall of Fame and Council, the Child Performer Advisory Board to Prevent Eating Disorders, the Freshwater Wetlands Appeals Board, the State Environmental Board, the State and Regional Forest Practice Boards, the State Home Inspection Council, the Organic Food

PART	DESCRIPTION	SUMMARY
		<p>Advisory Committee, the Animal Health Issues Committee, the Surf Clam/Ocean Quahog Management Advisory Board, and the New York State Statewide Law Enforcement Telecommunications Committee.</p> <p>This part would also repeal provisions relating to the Emergency Medical Advisory Committee, the EMS Program Agencies, and the Emergency Medical Advisory Committee, continuation of existing Emergency Medical Service of Suffolk County Emergency Medical, Trauma, and Disaster Care Emergency Medical Services for Children. These entities would be replaced by a Statewide Medical Services Advisory Board and Regional Medical Services Advisory Boards; in addition, some of the responsibilities of the repealed entities would be transferred to the Commissioner of Public Health.</p> <p>Further, this part would repeal provisions establishing the Breast and Cervical Cancer Detection and Education Program Advisory Council and the Ovarian Cancer Information Advisory Council; it would create a new Breast, Cervical and Ovarian Cancer Detection and Education Program Advisory Council.</p>

**JOINT FISCAL COMMITTEE HEARINGS ON THE EXECUTIVE BUDGET
FOR STATE FISCAL YEAR 2012-13**

<u>DATE</u>	<u>LOCATION</u>	<u>TIME</u>	<u>TOPIC</u>
January 23	Hearing Room B	10:00 AM	Elementary & Secondary Education
January 24	Hearing Room B	9:30 AM	Local Government Officials and General Government
January 25	Hearing Room B	10:00 AM	Workforce Issues
January 26	Hearing Room B	10:00 AM	Transportation
January 30	Hearing Room B	9:30 AM	Public Protection
January 31	Hearing Room B	9:30 AM	Economic Development
February 1	Hearing Room B	9:30 AM	Higher Education
February 6	Hearing Room B	10:00 AM	Taxes
February 7	Hearing Room B	9:30 AM	Environmental Conservation
February 8	Hearing Room B	10:00 AM	Health / Medicaid
February 13	Hearing Room B	9:30 AM	Human Services
	Hearing Room B	12:00 PM	Housing
February 14	Hearing Room B	9:30 AM	Mental Hygiene

FORECAST OF RECEIPTS

On or before February 29

Release of revenue receipts by the
Fiscal Committees of the
Legislature

All hearings will be held in the Hamilton Room -- Hearing Room B in the Legislative Office Building, Albany.