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ALBANY

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January 22, 2019

Dear Colleagues:

I am pleased to provide you with this year's edition of *Yellow Book*, which represents a review and analysis of the Executive Budget proposal for State Fiscal Year (SFY) 2019-20. This document is intended to provide the Members of the Committee, Members of the Assembly, and the general public with an overview of the fiscal and policy proposals that comprise the Executive Budget, as expressed in legislation submitted by the Governor on January 15, 2019. This publication is accessible on our website: [www.assembly.state.ny.us/Reports/WAM/2019yellow/](http://www.assembly.state.ny.us/Reports/WAM/2019yellow/).

*Yellow Book* is the Assembly's preliminary analysis of the Executive Budget, as required by Section 53 of the Legislative Law. This document is an informational resource for Members as we participate in public, joint legislative fiscal committee hearings on the budget—our next step in the budget process.

Speaker Heastie and I know that you share our goal of enacting an on-time budget premised on a principle of fairness to all New Yorkers. At the same time we will continue to reinforce our commitment to the education of our children, to protecting our communities and to providing necessary support to the most vulnerable among us.

As the Legislature begins its work on the State Fiscal Year 2019-20 Budget, I would like to express my gratitude to all of my Assembly colleagues for the time and commitment you will dedicate to creating and enacting this year's budget. I would also like to thank the public for their participation as well. Finally, I would like to thank the staff of the Ways and Means Committee for their outstanding efforts to produce this document, and for their support to our conference throughout the year.

Sincerely,

HELENE E. WEINSTEIN



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**A REVIEW AND ANALYSIS  
OF THE  
2019-20 EXECUTIVE BUDGET**

**YELLOW BOOK**

January 2019

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Chair  
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# A Review and Analysis of the 2019-20 Executive Budget

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# Financial Plan



# BUDGET HIGHLIGHTS: FINANCIAL PLAN



- **All Funds Spending:** The Executive Budget estimates All Funds spending for State Fiscal Year (SFY) 2019-20 at \$175.2 billion, an annual growth of 2.0 percent.
- **State Operating Funds Spending:** The Executive's estimate of 1.9 percent growth in State Operating Funds remains below its 2.0 percent spending benchmark with total disbursements reaching \$102.0 billion.
- **General Fund Spending:** The Executive estimates General Fund disbursements in SFY 2019-20 of \$77.2 billion, for an annual growth of \$2.2 billion or 3.0 percent.
- **Closing the SFY 2019-20 Budget Gap:** The Executive budget closes a projected budget gap of \$3.1 billion through a combination of spending re-estimates (\$2.8 billion) and revenue actions (\$1.8 billion). Tax receipts have been revised downward by \$1.6 billion.
- **Out-year Budget Gaps:** After gap-closing actions, the Executive projects a \$747 million gap in SFY 2020-21 with a surplus reaching \$904 million in SFY 2021-22 and a surplus of \$2.5 billion in SFY 2022-23, assuming adherence to the State Operations 2.0 percent benchmark. Without adhering to reductions to the 2.0 percent benchmark, out year gaps are estimated at \$4.3 billion for SFY 2020-21, \$3.7 billion for SFY 2021-22, and \$3.8 billion for SFY 2022-23.
- **Monetary Settlements:** The State has received a total of \$11.8 billion in settlement funds from financial institutions since SFY 2014-15 including \$1.1 billion in SFY 2018-19. The Executive Budget proposal allocates the remaining balance of \$988 million for clean water infrastructure (\$500 million) and for deposits to the Rainy Day Reserves (\$250 million in SFY 2018-19 and \$238 in SFY 2019-20).
- **General Fund Reserves:** The Executive estimates a SFY 2019-20 General Fund closing balance of \$5.9 billion, a decrease of \$1.0 billion from last year. Excluding monetary settlements, the General Fund balance is estimated at \$3.0 billion, an increase of \$212 million from SFY 2018-19.



# BUDGET REVIEW AND ANALYSIS: FINANCIAL PLAN



State Finance Law requires the Executive to provide a detailed multi-year financial plan to the Legislature upon submission of the Executive Budget. The Financial Plan must meet certain requirements, including the state law that requires that the General Fund be balanced on a cash basis of accounting for the upcoming fiscal year.

The state uses a Governmental Funds system of accounting which includes the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Funds. The Executive presents the proposed budget in two other classifications: State Operating Funds (consisting of the General Fund, Debt Service Funds, and State Special Revenue Funds); and State Funds (consisting of all the components in State Operating Funds plus Capital Funds).

Table 1

	SFY 2018-19	SFY 2019-20	Difference	Percent
General Fund	74,997	77,231	2,234	3.0
State Operating Funds	100,132	102,011	1,879	1.9
State Funds	111,194	113,628	2,434	2.2
All Funds	171,671	175,188	3,517	2.0

The Executive proposes a \$175.2 billion budget for SFY 2019-20, representing a growth of \$3.5 billion or 2.0 percent. This amount includes Federal aid for Superstorm Sandy and the Affordable Care Act.

Total State Funds spending is projected at \$113.6 billion, or 2.2 percent growth over SFY 2018-19.

The Executive estimates total General Fund spending at \$77.2 billion for SFY 2019-20, a 3.0 percent increase from SFY 2018-19.

## Two Percent Spending Benchmark

In SFY 2011-12, the Executive established its own spending benchmark that limited annual increases in State Operating Funds to 2.0 percent. For SFY 2019-20, the Executive proposes a State Operating Funds

budget of \$102.0 billion, for a growth of 1.9 percent. The remaining growth under the 2.0 percent benchmark is estimated at \$100.1 million.

In the SFY 2018-19 Financial Plan Mid-Year Update, the SFY 2019-20 State Operating Funds growth was projected at 4.7 percent over the current fiscal year. The proposed Executive Financial Plan reduced the growth to 1.9 percent through a series of spending revisions.

Actions that reduce State Operating Funds growth in the Executive proposal include: a shift of additional Office for People with Developmental Disabilities (OPWDD) and Office of Mental Health (OMH) related Medicaid expenses under the Medicaid Global Cap (\$440 million); prepayment of additional debt expenses due in SFY 2019-20 in the current fiscal year (\$620 million); revisions to School Aid (\$242 million); cost of living adjustment (COLA) deferment for mental hygiene and social service providers (\$141 million); savings from bond refinancing (\$307 million); and incentives for homeowners with incomes above \$250,000 to convert to the STAR credit program (\$231 million). The Executive also proposes to modify the accounting of Tuition Assistance Payments (TAP) and certain mental hygiene debt service payments for savings of \$165 million and \$75 million, respectively.

**Sources and Uses of Funds**

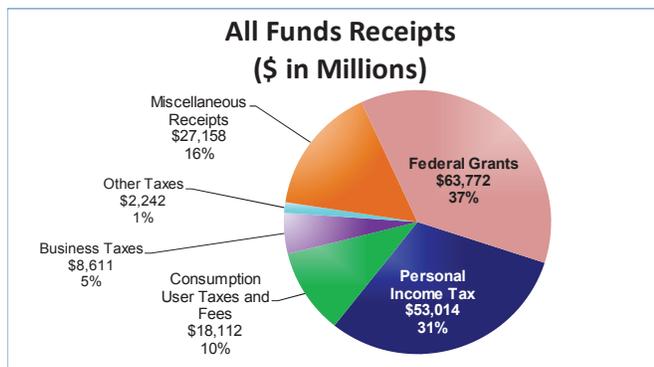


Figure 1

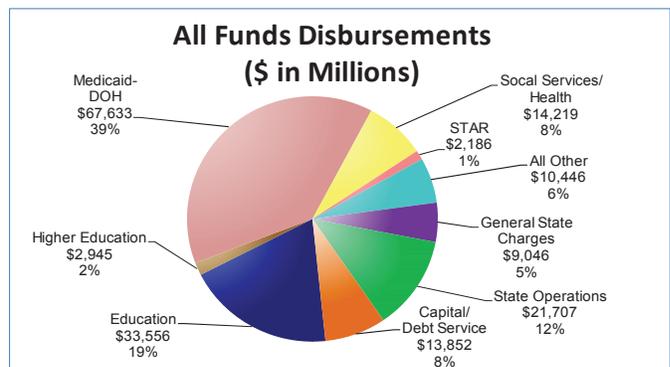


Figure 2

Federal Grants and Personal Income Tax (PIT) receipts make up the largest sources of State revenue at 37 percent and 31 percent, respectively.

Medicaid and education are the most significant categories of state spending; together they account for 58 percent of the All Funds budget.

**Settlement Funds**

The state has received a total of \$11.8 billion in settlement funds from financial institutions since SFY 2014-15. The Executive Budget proposes to allocate the remaining balance of \$988 million for clean water infrastructure (\$500 million) and deposits to the Rainy Day Reserves (\$250 million in SFY 2018-19 and \$238 in SFY 2019-20).



Table 2

**Summary of Settlements Between  
Regulators and Financial Institutions  
(\$ in Millions)**

	SFY 2014-15	SFY 2015-16	SFY 2016-17	SFY 2017-18	SFY 2018-19	SFY 2019-20	Total
<b>Monetary Settlements Known/Expected</b>	<b>4,942</b>	<b>3,605</b>	<b>1,317</b>	<b>805</b>	<b>1,100</b>	<b>0</b>	<b>11,769</b>
BNP Paribas	2,243	1,348	0	350	0	0	3,941
<i>Department of Financial Services (DFS)</i>	2,243	0	0	350	0	0	2,593
<i>Assets Forfeiture (DANY)</i>	0	1,348	0	0	0	0	1,348
Deutsche Bank	0	800	444	0	205	0	1,449
Credit Suisse AG	715	30	0	135	0	0	880
Commerzbank	610	82	0	0	0	0	692
Barclays	0	670	0	0	15	0	685
Credit Agricole	0	459	0	0	0	0	459
Bank of Tokyo Mitsubishi	315	0	0	0	0	0	315
Bank of America	300	0	0	0	0	0	300
Standard Chartered Bank	300	0	0	0	0	0	300
Morgan Stanley	0	150	0	0	0	0	150
Bank Leumi	130	0	0	0	0	0	130
Ocwen Financial	100	0	0	0	0	0	100
Citigroup (State Share)	92	0	0	0	0	0	92
Goldman Sachs	0	50	190	0	55	0	295
MetLife Parties	50	0	0	0	0	0	50
Volkswagen	0	0	32	33	0	0	65
Mega Bank	0	0	180	0	0	0	180
Agricultural Bank of China	0	0	215	0	0	0	215
Intesa Sanpaolo	0	0	235	0	0	0	235
Habib Bank	0	0	0	225	0	0	225
Western Union	0	0	0	60	0	0	60
RBS Financial Products Inc.	0	0	0	0	100	0	100
Societe Generale SA	0	0	0	0	498	0	498
Wells Fargo	0	0	0	0	65	0	65
Other Settlements	87	16	21	2	162	0	288
<b>Enacted Use of Available Settlements</b>	<b>275</b>	<b>5,665</b>	<b>2,125</b>	<b>1,934</b>	<b>1,032</b>	<b>738</b>	<b>11,769</b>
<b>Capital Purposes</b>	<b>0</b>	<b>4,550</b>	<b>1,960</b>	<b>1,205</b>	<b>125</b>	<b>500</b>	<b>8,340</b>
Thruway Stabilization Program	0	1,285	700	0	0	0	1,985
Penn Station Access	0	250	0	0	0	0	250
Infrastructure Improvements	0	115	0	0	0	0	115
Broadband Initiative	0	500	0	0	0	0	500
Hospitals	0	400	0	0	0	0	400
Transit-Oriented Development	0	150	0	0	0	0	150
Resiliency, Mitigation, Security, and Emergency Response	0	150	0	0	0	0	150
Municipal Restructuring	0	150	0	0	0	0	150
Southern Tier/Hudson Valley Farm Initiative	0	50	0	0	0	0	50
Upstate Revitalization	0	1,500	170	0	0	0	1,670
Transportation Capital Plan	0	0	200	0	0	0	200
Municipal Consolidation Competition	0	0	20	0	0	0	20
Housing and Homeless Plan	0	0	640	0	0	0	640
Economic Development	0	0	85	0	0	0	85
Empire State Poverty Reduction Initiative	0	0	25	0	0	0	25
Transfer to Environmental Protection Fund	0	0	120	0	0	0	120
MTA Capital Plan	0	0	0	65	0	0	65
Non MTA Transit	0	0	0	20	0	0	20
Buffalo Billion	0	0	0	400	0	0	400
Downtown Revitalization	0	0	0	100	0	0	100
Security and Emergency Response Preparedness	0	0	0	100	0	0	100
Health Care Capital grants	0	0	0	200	125	0	325
Life Sciences	0	0	0	320	0	0	320
Clean Water Infrastructure	0	0	0	0	0	500	500
<b>Other Purposes:</b>							
Audit Disallowance - Federal Settlements	0	850	0	0	0	0	850
Department of Law - Litigation Services Operations	0	10	63	27	80	0	180
Settlements Budgeted in Financial Plan	275	250	102	461	383	0	1,471
Transfer to Support OASAS Chemical Dependence Programs	0	5	0	0	0	0	5
CSX Payment	0	0	0	76	0	0	76
Mass Transit Operation Aid	0	0	0	10	0	0	10
Reserve for Retroactive Labor Settlement	0	0	0	155	0	0	155
MTA Operating Aid	0	0	0	0	194	0	194
Rainy Day Reserve	0	0	0	0	250	238	488

Table 3

**Executive Budget Financial Plan**  
**SFY 2019-20**  
(\$ in Millions)

	Executive General Fund	Executive State Operating Funds	Executive All Funds
<b>OPENING BALANCE</b>	<b>6,950</b>	<b>11,889</b>	<b>11,486</b>
<b>RECEIPTS:</b>			
Personal Income Tax	24,321	53,014	53,014
User Taxes and Fees	8,083	17,479	18,112
Business Taxes	6,163	7,946	8,611
Other Taxes	1,093	2,123	2,242
Total Taxes	39,660	80,562	81,979
Licenses, Fees, etc.	693	693	693
Abandoned Property	450	450	450
ABC License Fees	66	66	66
HCRA		5,206	5,206
Lottery		3,432	3,432
Medicaid		845	845
Motor Vehicle Fees	303	532	532
Reimbursements	109	109	109
State University Income		4,671	4,671
Investment Income	38	38	38
Other Transactions	412	3,507	11,116
Total Miscellaneous Receipts	2,071	19,549	27,158
Federal Grants	0	74	63,772
Total Transfers from Other Funds	34,453		
<b>TOTAL RECEIPTS</b>	<b>76,184</b>	<b>100,185</b>	<b>172,909</b>
<b>DISBURSEMENTS:</b>			
School Aid	23,397	27,218	30,435
Higher Education	2,945	2,945	2,945
All Other Education	2,297	2,310	3,121
STAR		2,186	2,186
Medicaid - DOH	15,782	21,357	67,633
Public Health	616	1,558	4,377
Mental Hygiene	1,973	1,978	2,265
Children and Families	1,484	1,488	2,326
Temporary & Disability Assistance	1,343	1,343	4,849
Transportation	110	3,532	5,331
Unrestricted Aid	744	744	744
All Other	1,174	1,307	4,371
Total Local Assistance Grants	51,865	67,966	130,583
Personal Service	8,949	14,092	14,745
Non-Personal Service	2,996	5,557	6,962
Total State Operations	11,945	19,649	21,707
General State Charges	7,633	8,702	9,046
Debt Service	537	5,694	5,694
Capital Projects	2,995	0	8,158
State Share Medicaid	0		
SUNY Operations	1,174		
Other Purposes	1,082		
Total Transfers to Other Funds	5,788		
<b>TOTAL DISBURSEMENTS</b>	<b>77,231</b>	<b>102,011</b>	<b>175,188</b>
<b>Other Financing Sources (uses):</b>			
Transfers from Other Funds		40,171	43,500
Transfers to Other Funds		(40,081)	(43,664)
Bonds and Note proceeds		0	604
Net Financing Sources		90	440
Excess/(Deficiency) of Receipts over Disbursements	(1,047)	(1,736)	(1,839)
<b>CLOSING BALANCE</b>	<b>5,903</b>	<b>10,153</b>	<b>9,647</b>



## Closing the SFY 2019-20 Executive Budget Gap

As of the Mid-Year Report, the Executive estimated a \$3.1 billion budget gap for the upcoming fiscal year. Due to weaker Personal Income Tax (PIT) collections in late December 2018 and early January 2019, tax receipts have been revised downward by \$1.6 billion, bringing the total gap to be closed to \$4.7 billion. The Executive's proposal includes recommendations that are intended to close the estimated \$4.7 billion General Fund budget gap through \$2.8 billion in spending reductions and reestimates as well as \$1.8 billion in new revenue actions.

Table 4

<b>General Fund GAP-Closing Plan</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2020</b>	<b>SFY 2021</b>	<b>SFY 2022</b>	<b>SFY 2023</b>
<b>MID-YEAR BUDGET SURPLUS/GAP</b>	<b>(3,070)</b>	<b>(6,429)</b>	<b>(6,551)</b>	<b>(6,735)</b>
<b>Tax Receipts Reestimates</b>	<b>(1,567)</b>	<b>(2,957)</b>	<b>(3,431)</b>	<b>(4,140)</b>
<b>Revenue</b>	<b><u>1,840</u></b>	<b><u>4,174</u></b>	<b><u>5,510</u></b>	<b><u>6,227</u></b>
PIT Top Rate Extension	771	3,560	4,799	5,487
Other Taxes/Miscellaneous Receipts	370	805	900	939
Debt Service Transfers	557	(194)	(163)	(61)
Non-Tax Transfers	142	3	(26)	(138)
<b>Spending Changes</b>	<b><u>2,817</u></b>	<b><u>1,014</u></b>	<b><u>756</u></b>	<b><u>516</u></b>
Local Assistance	1,986	1,133	1,117	1,155
Agency Operations	283	(141)	(138)	(88)
Debt Service Transfers	286	142	94	79
Capital Projects Transfers	410	(18)	(6)	(5)
Monetary Settlement Transfers	20	138	(26)	(338)
Other Transfers	(168)	(240)	(285)	(287)
<b>Use/(Reserve) of Fund Balance</b>	<b>(20)</b>	<b>(138)</b>	<b>26</b>	<b>339</b>
Rainy Day Reserve	(238)	0	0	0
Monetary Settlements	218	(138)	26	339
<b>EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE</b>	<b>0</b>	<b>(4,336)</b>	<b>(3,690)</b>	<b>(3,793)</b>
<b>Adherence to 2% Spending Benchmark</b>	<b>0</b>	<b>3,589</b>	<b>4,594</b>	<b>6,269</b>
<b>EXECUTIVE BUDGET SURPLUS/(GAP)</b>	<b>0</b>	<b>(747)</b>	<b>904</b>	<b>2,476</b>

Prior to the recommendations included in the Executive Budget, the forecast for SFY 2019-20 through SFY 2022-23 out-year budget gaps in the current (SFY 2018-19) Mid-Year Update were estimated at a cumulative \$22.8 billion.

Since the Mid-Year Update, SFY 2019-20 has been revised to a balanced budget; with a gap of \$747 million in SFY 2020-21, and surpluses of \$904 million in SFY 2021-22 and \$2.5 billion in SFY 2022-23. These surpluses are dependent on unidentified cuts related to the adherence to the 2.0 percent spending benchmark.

### **Spending Changes**

- **Agency Operations:** The Executive gap-closing plan proposes reductions from current-services projections for total savings of \$283 million. This includes holding agency operations flat with limited exceptions such as costs attributable to Raise the Age implementation.
  
- **Local Assistance:** The gap closing plan also reduces local assistance spending by nearly \$2.0 billion. Local assistance savings include, among other things, Executive downward revisions to School Aid (\$242 million); a General Fund School Aid offset related to an increase in lottery and gaming receipts estimates (\$427 million); transfer of OPWDD and OMH related Medicaid spending to the Medicaid Global Cap (\$440 million); deferral of a COLA for mental hygiene and social service providers (\$141 million); and the use of TANF to offset state costs in Child Care and Advantage After School programs (\$100 million).
  
- **Debt Management/Capital:** Spending reductions also include \$223 million in debt management savings through the continued use of competitive bond sales and refundings that meet the State's savings criteria. The Executive Budget also reflects \$765 million in prepayments of SFY 2019-20 debt service expenses in the current state fiscal year. The plan also reflects the reimbursement of prior year capital expenses with \$425 million in bond proceeds.
  
- **New Initiatives:** The Executive Budget includes \$50 million for New York City Bridges and Tunnels Security; \$19 million for the DREAM Act to allow undocumented immigrant students pursuing higher education in New York state to get financial assistance (\$27 million on an academic year basis); \$15 million to support services for aging populations; \$10 million for youth justice and anti-gang violence initiatives; and \$7 million to help reduce the risk of child exposure to lead paint.



## **Revenue Actions**

The Executive proposes over \$1.8 billion in new revenue actions to balance the SFY 2019-20 budget. Of this, \$771 million is estimated from the extension of the top income tax rate for high income earners. The Executive also proposes other tax actions including the discontinuation of the sales tax exemption for energy service companies (\$90 million) and the requirement for online marketplace providers to collect and remit sales taxes on behalf of all vendors that sell to New York State residents (\$119 million).

In addition, the Executive Budget includes proposals to reduce the income limit for recipients of the basic STAR exemption benefit from \$500,000 to \$250,000 to incentivize homeowners to convert to the STAR credit program; and to cap annual growth in the STAR exemption benefit at zero percent, reducing PIT receipts by \$125 million and \$60 million, respectively.

## **Budget Uncertainties and Managing Risk**

The state receives a substantial amount of federal aid for health care, education, transportation, and other purposes as well as extraordinary funding for storm and disaster-related response and recovery. This funding is subject to federal policy changes under the current administration and Congress. The federal government may enact budgetary or other policy changes which may adversely affect the State's Financial Plan.

As such, the Executive Budget continues to authorize the Director of the Division of the Budget to prepare a spending reduction plan to submit to the Legislature when (1) federal Medicaid funding is reduced by more than \$850 million or (2) federal aid exclusive of Medicaid is reduced by more than \$850 million. Upon receipt of the plan, the Legislature has 90 days to prepare a corrective action plan to be adopted by concurrent resolution of both the Assembly and Senate. If the Legislature does not act, the spending plan submitted by DOB would take effect automatically.

To mitigate potential risks related to state tax receipts, the Executive Budget proposes language to allow for uniform spending reductions to certain local assistance appropriations and related cash disbursements if annual estimates for tax receipts are revised downward by \$500 million or more during the fiscal year. The reductions may not exceed 3.0 percent and must exclude School Aid, Medicaid, and Public Assistance.



## General Fund Reserves

The Executive Budget projects \$5.9 billion in reserves at the end of SFY 2019-20, representing a \$1.0 billion decrease from SFY 2018-19. Excluding monetary settlements, the General Fund balance is estimated at \$3.0 billion, an increase of \$212 million from SFY 2018-19. The increase is primarily due to the proposed deposit of \$238 million to the Rainy Day Reserves.

Table 5

<b>Estimated General Fund Closing Balance</b> <b>(\$ in Millions)</b>			
	<b>SFY 2018-19</b>	<b>SFY 2019-20</b>	<b>Annual Change</b>
Tax Stabilization Reserve Fund	1,258	1,258	0
Statutory Rainy Day Reserve Fund	790	1,028	238
Contingency Reserve Fund	21	21	0
Community Projects Fund	33	7	(26)
Reserved for Debt Management	500	500	0
Reserved for Labor Agreements	155	155	0
<b>General Fund Total (Excluding Monetary Settlements)</b>	<b>2,757</b>	<b>2,969</b>	<b>212</b>
Extraordinary Monetary Settlements	4,193	2,934	(1,259)
<b>Total General Fund Balance</b>	<b>6,950</b>	<b>5,903</b>	<b>(1,047)</b>





# Budget Summary







# BUDGET HIGHLIGHTS: EDUCATION



- **General Support for Public Schools (GSPS) (\$956 million):** The Executive proposes an increase in GSPS of \$956 million or 3.6 percent, increasing aid from \$26.7 billion to \$27.7 billion for School Year (SY) 2019-20. This increase consists of \$904.1 million for School Aid, \$50 million for competitive grants, and \$1.6 million in other categorical aids.
- **School Aid (\$904.1 million):** The Executive proposes a School Aid increase of \$904.1 million, comprised of: \$338 million for Foundation Aid (including \$50 million set-aside for Community Schools), \$409.6 million for the reimbursement of expense-based aids, and \$157 million for a Fiscal Stabilization Fund.
  - The Executive proposal would require certain school districts to devote a portion of 2019-20 school aid to increase the per-pupil allocation for certain schools serving needy students.
  - The Executive proposal would combine 11 aid categories into a block grant in future years with increases benchmarked to inflation and enrollment.
  - The Executive proposes a new, less generous, tier of Building Aid for newly approved projects.
- **Competitive Grants:** The Executive proposal includes \$50 million for the following initiatives: Prekindergarten (\$15 million); After School Programs (\$10 million); Early College High Schools (\$9 million); We Teach NY (\$3 million); School Discipline (\$3 million); Advanced Placement Exam Fees (\$1.8 million); Master Teacher Awards (\$1.5 million); Refugee and Immigrant Student Welcome Grants (\$1.5 million); Mathematics Access Program (\$1.5 million); Mental Health Grants (\$1.5 million); Advanced Courses Access Program (\$1 million); Recovery High Schools (\$1 million); and the New York State Youth Council (\$200,000).
- **State Schools for the Blind and Deaf:** The Executive proposal provides a new \$30 million in Capital funding for State Supported Schools for the Blind and Deaf.
- **School Bus Stop Arm Cameras:** The Executive proposal would authorize the use of stop arm cameras on school buses, to record and fine owners of vehicles that illegally pass stopped school buses.



# BUDGET REVIEW AND ANALYSIS: EDUCATION



The State Education Department (SED) is the administrative agency of the Board of Regents. The department administers School Aid, regulates school operations, maintains a performance based accountability system, certifies teachers, and administers a host of other educational programs. These programs include special education services, cultural education, higher and professional education, vocational rehabilitation, and adult career and continuing education services. SED’s primary mission is to raise the knowledge, skills, and opportunities of all the people in New York State.

New York State has approximately three million students enrolled in Prekindergarten through twelfth grade, including over 2.6 million children in public school districts, and almost 390,000 children in nonpublic schools. New York State provides more than \$26 billion in General Support for Public Schools for instructional and operational purposes, allowing school districts to provide educational services to children statewide.

Table 6

<b>Appropriations</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
State Education Department	36,149.31	37,059.59	910.28	2.52

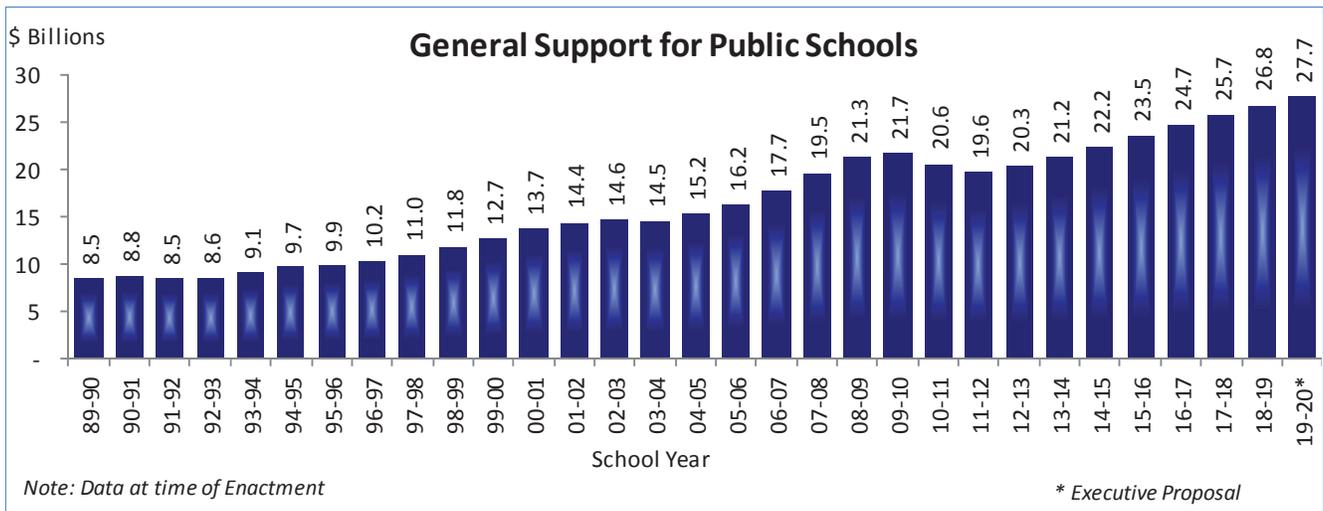
Table 7

<b>Disbursements</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
State Education Department	35,620.61	34,016.58	(1,604.03)	(4.50)

## State Education Department

The Executive proposes All Funds appropriations of \$37 billion, an increase of \$910.3 million or 2.5 percent above the SFY 2018-19 level. The Executive recommends support for 2,692 full-time equivalent (FTE) positions, which is unchanged from SFY 2018-19 workforce levels.





**Figure 3**

### **General Support for Public Schools (GSPS): Formula Based Aids**

Under the Executive proposal, overall GSPS would be increased by \$956 million to \$27.7 billion for the 2019-20 School Year (SY), reflecting growth of 3.6 percent. This increase consists of \$338 million for Foundation Aid (including a \$50 million set-aside for Community Schools), \$409.6 million for the reimbursement of expense-based aids, \$157 million for a Fiscal Stabilization Fund, \$50 million for Performance Grants, and \$1.6 million for other grant programs.

**Education Equity Formula:** The Executive proposes to require certain school districts to devote a portion of 2019-20 Foundation Aid increase to raise the per-pupil allocation for certain schools serving needy students. Districts with schools that are determined to have above average need and below average funding by the Division of the Budget will be required to distribute a percentage of Foundation Aid increase to such schools. Additionally, districts would be required to submit a plan to the State Education Department on the funding distribution to increase the per pupil funding at identified schools.

**Foundation Aid (\$338 million):** The Executive proposes an increase of \$337.6 million in Foundation Aid, for a total of \$18.1 billion, which includes a \$50 million increase in the set-aside for Community Schools. Currently, Foundation Aid is funded at \$4 billion below its statutory level.

**Community Schools (\$50 million):** The Executive Budget includes \$250 million for community schools as a set-aside within Foundation Aid, which is \$50 million above last year's level. The Executive proposal also increases the minimum Community Schools set-aside amount from \$75,000 to \$100,000. In addition, the Executive continues \$1.2 million in funding for Community Schools Regional Technical Assistance Centers. Community schools provide support to both children and parents with services such as before and after school programs, summer learning programs, and health, mental health, and dental care.

**Expense Based Aids:** The Executive proposal would consolidate 11 expense based aid categories into a block grant beginning in the 2020-21 School Year. Future increases in this block grant would be benchmarked to inflation and enrollment.

**Table 8**

<b>Expense Based Aids Beginning in SY 2020-21</b>	
<u>Current</u>	<u>Proposed</u>
Textbook Aid	<b>Services Aid</b>
Library Materials Aid	
Computer Software	
Computer Hardware	
BOCES Aid	
Supplemental Public Excess Cost	
Transportation Aid	
Special Services Aid	
Academic Enhancement Aid	
High Tax Aid	
Charter School Transitional Aid	

The Executive proposal would modify the calculation of Building Aid for projects approved on or after July 1, 2019 by lowering the minimum Building Aid ratio from 10 percent to 5 percent, modifying how the incidental cost allowance is calculated, replacing the 10 percent Building Aid Incentive with a wealth adjusted formula, and eliminating the use of a select Building Aid ratio.

The Executive proposal would modify the School Aid Growth Cap to benchmark future increases to the 10 year rolling average of personal income growth instead of annual personal income growth.

In addition, there is an appropriation of \$7.4 billion to cover remaining school aid obligations for SY 2018-19 and prior school years.

Table 9

<b>Proposed School Aid Increase (\$ in Millions)</b>	
	<b>SY 2019-20 Exec. Proposal</b>
Foundation Aid	338.0
Expense Based Aids	409.6
Unallocated Fiscal Stabilization Fund	156.6
<b>Subtotal: Formula Based Aids</b>	<b>904.2</b>
<b>Grant Programs and Additional Aid Changes</b>	<b>1.6</b>
<b>Major Grant Programs</b>	
Prekindergarten	15.0
Empire State After School Program	10.0
Early College High Schools	9.0
We Teach NY	3.0
School Discipline	3.0
Advanced Placement Exam Fees	1.8
Master Teacher Awards	1.5
Refugee and Immigrant Student Welcome Grants	1.5
Mathematics Access Program	1.5
Mental Health Grants	1.5
Advanced Courses Access Program	1.0
Recovery High Schools	1.0
New York State Youth Council	0.2
<b>Subtotal: Major Grant Programs</b>	<b>50.0</b>
<b>Year to Year School Aid Increase</b>	<b>955.9</b>

**Competitive Grants (\$50 million):** The Executive proposes the following grant programs:

- **Prekindergarten (\$15 million):** The Executive proposes \$15 million in additional funding for Prekindergarten programs for three- and four-year-olds. Priority will be given to the remaining high-need school districts without prekindergarten programs;
- **Empire State After-School (\$10 million):** The Executive proposes an additional \$10 million for after school programs in high poverty areas, \$2 million of which will be directed to high-need school districts on Long Island;
- **Early College High Schools (\$9 million):** The Executive proposes an additional \$9 million to expand Early College High School programs. This new funding would prioritize schools with low graduation or college access rates and focus on public infrastructure or computer science;

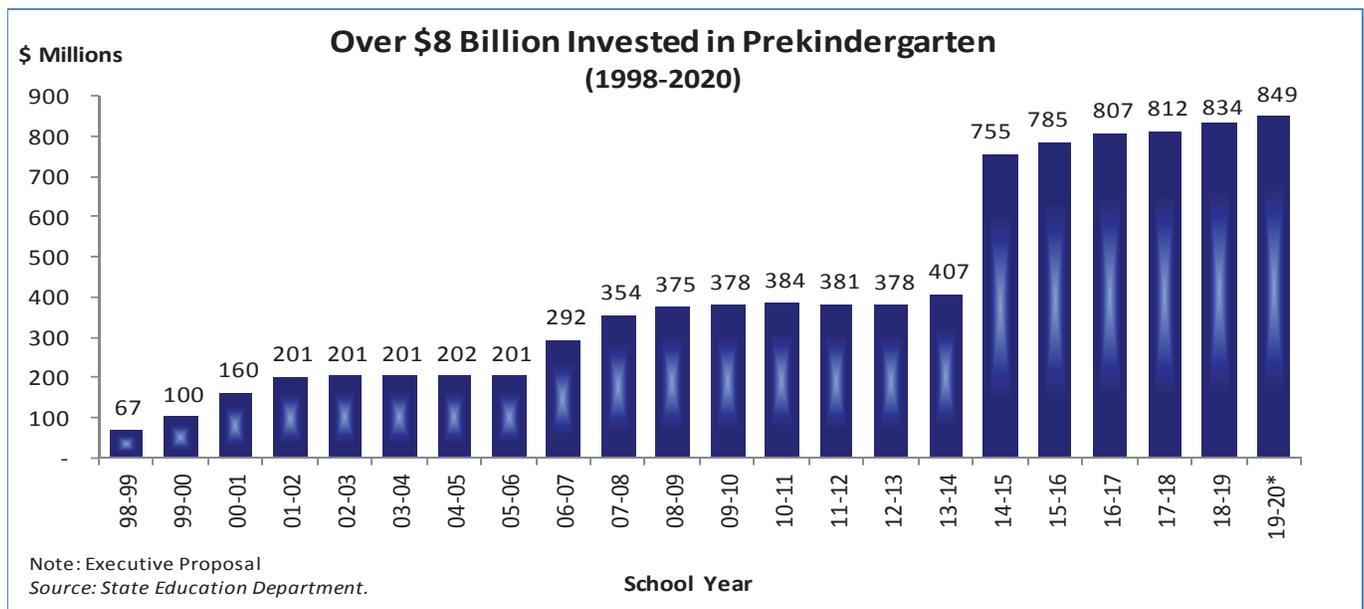
- **We Teach NY (\$3 million):** The Executive proposes \$3 million to recruit teacher candidates as incoming college freshmen to eventually teach in hard to staff subject areas;
- **School Discipline (\$3 million):** The Executive proposes \$3 million to support alternative school discipline grants. These grants would support programs to train teachers and school leaders in alternatives to school suspension. The Executive proposal also requires the Commissioner to submit a report with recommendations for comprehensive, statewide discipline reform;
- **Advanced Placement Exams (\$1.8 million):** The Executive proposes \$1.8 million to subsidize the cost of advanced placement and international baccalaureate exam fees for low-income students. This would make the tests free for eligible students;
- **Master Teacher Grants (\$1.5 million):** The Executive proposes \$1.5 million to fund an additional cohort of master teachers, with a focus on those in high need districts. Each master teacher would be awarded \$15,000 per year for four years;
- **Refugee and Immigrant Welcome Grants (\$1.5 million):** The Executive proposes \$1.5 million to fund additional community school services for schools with large or increasing populations of refugees and immigrants. Of this funding, \$500,000 will be made available to high-need school districts in Nassau and Suffolk County;
- **Mathematics Access Program (\$1.5 million):** The Executive proposes \$1.5 million to create an expanded mathematics access program that would fund organizations to provide additional math instruction through the internet. Of this funding, \$500,000 would pay for a statewide math tournament for first to fifth graders;
- **Mental Health Grants (\$1.5 million):** The Executive proposes \$1.5 million to fund mental health grants for middle or junior high schools; \$500,000 of this funding may be used to support a school mental health technical assistance center;
- **Advanced Courses Access Programs (\$1 million):** The Executive proposes \$1 million in grants for advance courses access for school districts with limited or no advanced course offerings;
- **Recovery High Schools (\$1 million):** The Executive proposes \$1 million to be provided to BOCES to help implement Recovery High Schools; and
- **New York State Youth Council (\$200,000):** The Executive proposes \$200,000 for a New York State Youth Council.

Table 10

## General Support for Public Schools

AID CATEGORY	2018-19 School Year (\$ in Millions)	2019-20 School Year (\$ in Millions)	\$ Change (\$ in Millions)	% Change
<b>Formula-Based Aids</b>				
Foundation Aid	17,790.79	18,128.79	338.00	1.90
Excess Cost - High Cost	638.86	619.71	(19.15)	(3.00)
Excess Cost - Private	372.35	404.33	31.98	8.59
Reorganization Operating Aid	6.46	5.59	(0.87)	(13.44)
Textbooks (Incl. Lottery)	175.27	176.51	1.24	0.71
Computer Hardware	36.48	37.49	1.01	2.77
Computer Software	45.03	45.68	0.65	1.44
Library Materials	18.55	19.06	0.51	2.75
BOCES	949.39	971.06	21.67	2.28
Special Services	257.21	253.83	(3.38)	(1.31)
Transportation	1,913.93	1,990.49	76.56	4.00
High Tax	223.30	223.30	0.00	0.00
Universal Prekindergarten	807.86	833.71	25.85	3.20
Academic Achievement Grant	1.20	1.20	0.00	0.00
Supplemental Education Improvement Grant	17.50	17.50	0.00	0.00
Charter School Transitional Aid	38.69	39.88	1.19	3.08
Full-Day Kindergarten	2.75	2.82	0.07	2.55
Academic Enhancement Aid	9.57	9.57	0.00	0.00
Supplemental Public Excess Cost	4.31	4.31	0.00	0.00
Building Aid/Reorganization Building	2,956.54	3,228.87	272.33	9.21
<b>Total Formula-Based Aids</b>	<b>26,266.05</b>	<b>27,013.69</b>	<b>747.64</b>	<b>2.85</b>
<b>Grant Programs</b>				
Teachers of Tomorrow	25.00	25.00	0.00	0.00
Teacher-Mentor Intern	2.00	2.00	0.00	0.00
Student Health Services	13.84	13.84	0.00	0.00
Roosevelt	12.00	12.00	0.00	0.00
Urban-Suburban Transfer	5.86	5.86	0.00	0.00
Employment Preparation Education	96.00	96.00	0.00	0.00
Homeless Pupils	30.23	31.23	1.00	3.31
Incarcerated Youth	15.00	14.00	(1.00)	(6.67)
Bilingual Education	17.50	17.50	0.00	0.00
Education of OMH / OPWDD Pupils	54.25	55.00	0.75	1.38
Special Act School Districts	2.70	2.70	0.00	0.00
Chargebacks	(51.50)	(51.50)	0.00	0.00
BOCES Aid for Special Act Districts	0.70	0.70	0.00	0.00
Learning Technology Grants	3.29	3.29	0.00	0.00
Native American Building	5.00	5.00	0.00	0.00
Native American Education	51.39	52.28	0.89	1.73
Bus Driver Safety	0.40	0.40	0.00	0.00
<b>Total Grant Programs</b>	<b>283.66</b>	<b>285.30</b>	<b>1.64</b>	<b>0.58</b>
<b>Total Formula-Based Aids and Grant Program</b>	<b>26,549.71</b>	<b>27,298.99</b>	<b>749.28</b>	<b>2.82</b>
Performance Grants	184.11	234.11	50.00	27.16
Fiscal Stabilization Fund	0.00	156.60	156.60	100.00
<b>School Year Total</b>	<b>26,733.82</b>	<b>27,689.70</b>	<b>955.88</b>	<b>3.58</b>

**Prekindergarten Programs (\$849.7 million):** The Executive Budget continues the statutorily consolidation of various Prekindergarten programs into Universal Prekindergarten (UPK) and provides \$833.7 million for UPK. An additional \$15 million is provided for new Prekindergarten programs for three- and four-year-olds.



**Figure 4**

**My Brother's Keeper:** The Executive maintains funding of \$18 million for the My Brother's Keeper Grant initiatives and \$800,000 for the Office of Family and Community Engagement within SED.

**Nonpublic Schools:** The Executive proposes a Nonpublic School Aid increase of \$5.4 million or 3.6 percent from SFY 2018-19, for a total \$194 million. Additionally, the Executive provides \$20 million for nonpublic STEM teachers, which is a \$5 million increase from SFY 2018-19. The Executive also provides \$25 million in capital funding for security upgrades for nonpublic schools, community centers, and day care centers that are at risk of hate crimes, \$15 million in capital for nonpublic school health and safety, and \$922,000 for Academic Intervention Services. The Executive proposal discontinues \$7 million in increased reimbursement for immunization document checks.

The Executive maintains funding for the Office of Religious and Independent Schools at \$800,000.

**Teacher Resource and Computer Training Centers:** The Executive proposal discontinues \$14.3 million in support for Teacher Resource and Computer Training Centers.

## Charter Schools

**Direct State Funding for New York City Charter Schools (\$24.9 million):** The Executive proposal would provide a 3.6 percent increase directly to charter schools located in New York City. This amount is in addition to statutorily authorized growth in per pupil charter school tuition.

**New York City Charter Facilities Aid:** The Executive provides \$31.5 million in Charter Facilities Aid reimbursement to New York City.

## Adult Career and Continuing Education Services Program

The Executive proposal maintains SFY 2018-19 Enacted Budget funding levels for Case Services at \$54 million and Independent Living Centers at \$13.36 million. Furthermore, the Executive proposes to continue funding College Readers Aid at \$294,000 and Supported Employment at \$15.16 million.

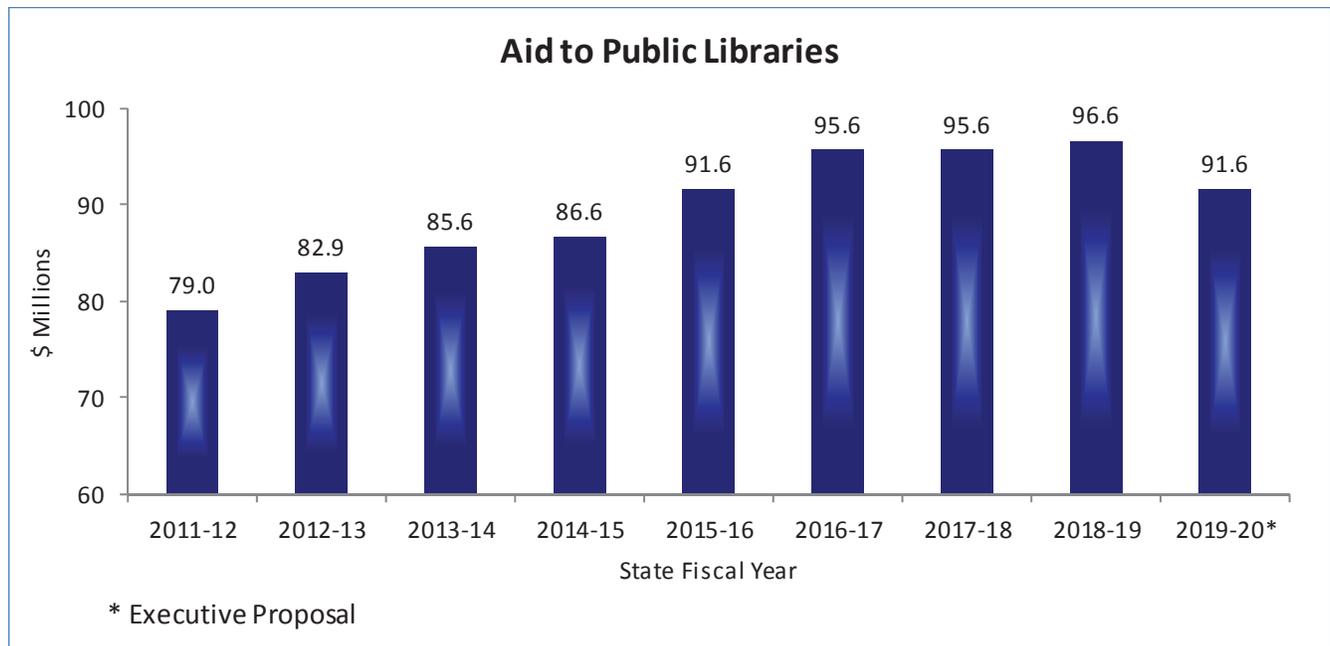
The Executive decreases funding for Adult Literacy Education by \$1.5 million, for a total of \$6.3 million. Additionally, the Executive maintains funding for Adult Basic Education at \$1.84 million.

## SED Office of the Professions and E-Licensing

The Executive proposal includes an additional \$4.24 million from self-generated revenues to support the administrative work of the Office of the Professions. Additionally, the Executive includes \$7.2 million in capital funding to support the SED e-licensure program.



## Cultural Education Program



**Figure 5**

The Executive proposes to decrease funding for Aid to Public Libraries by \$5 million, providing a total of \$91.62 million. Additionally, the Executive proposes to decrease funding for library construction projects by \$20 million, for a total of \$14 million. Funding of \$250,000 for the Schomburg Center for Research in Black Culture and \$75,000 for the Langston Hughes Community Library is eliminated in the Executive Budget.

Additionally, the Executive Budget funds the conservation and preservation of library materials and the Talking Book and Braille Library at \$693,000.

The Executive proposal maintains funding for Educational Television and Radio at \$14 million.

## Special Education

The Executive Budget includes support for Private Schools for the Blind and Deaf (referred to as 4201 schools) at \$102.9 million, a \$200,000 decrease from SFY 2018-19.

The Executive continues funding for Preschool Special Education Programs (referred to as 4410 schools) at \$1.04 billion.

The Executive provides \$30 million in capital funding for health and safety projects for state supported schools for the blind and deaf.

The Executive provides \$17.2 million in funding to support direct salary and related fringe benefit costs associated with minimum wage increases.

### **Other Programmatic Support**

The Executive maintains support for the administration of the high school equivalency diploma exam at \$5.16 million and the Smart Scholars Early College High School program at \$1.47 million.

The Executive Budget discontinues \$461,000 in funding for Bard High School Early College Queens, leaving a total of \$1.38 million for the other Math and Science High Schools.

The Executive proposal would also reduce the carve-out for the Consortium for Worker Education by \$1.5 million to \$11.5 million.

The Executive Budget discontinues funding for the following programs:

- \$2 million for the Supportive Schools Grant Program;
- \$770,000 for training programs to increase the number of teachers providing bilingual or multi-lingual education;
- \$500,000 for the Consortium for Worker Education Enhanced Credentialing Initiative;
- \$500,000 for the Teacher Diversity Pipeline; and
- \$475,000 in funding for the Executive Leadership Institute.

The following table summarizes funding for other elementary and secondary education programs outside of GSPS:

**Table 11**

<b>Other Public Elementary and Secondary Education Programs</b>				
	<b>SFY 2018-19</b>	<b>SFY 2019-20</b>	<b>\$ Change</b>	<b>% Change</b>
	<b>Enacted</b>	<b>Exec. Request</b>	<b>\$ Change</b>	
	<b>(\$ in Millions)</b>	<b>(\$ in Millions)</b>	<b>(\$ in Millions)</b>	
Supplemental Basic Charter School Tuition Payments	139.00	151.00	12.00	8.63
Charter School Facilities Aid	6.10	31.50	25.40	416.39
Empire State After School Grants	45.00	55.00	10.00	22.22
Smart Start Computer Science	6.00	6.00	0.00	0.00
Advanced Placement Test Fees for Low-Income Students	4.00	5.80	1.80	45.00
Advanced Placement Technical Assistance	0.50	0.50	0.00	0.00
Master Teacher Awards	19.00	20.50	1.50	7.89
Masters-in-Education Teacher Incentive Scholarship	3.00	3.00	0.00	0.00
Gang Prevention Education Program	0.50	0.50	0.00	0.00
Mental Health Support Grants	0.25	1.75	1.50	600.00
Empire State Excellence in Teaching Awards	0.40	0.40	0.00	0.00
QUALITYstarsNY	5.00	5.00	0.00	0.00
Refugee and Immigrant Student Welcome Program	0.00	1.50	1.50	-
We Teach NY	0.00	3.00	3.00	-
Recovery High Schools	1.00	1.00	0.00	0.00
Expanded Mathematics Access Program	0.00	1.50	1.50	-
School-Wide Extended Learning	21.59	21.59	0.00	0.00
East Ramapo School District	3.00	0.00	(3.00)	-
Community Schools Regional Technical Assistance Centers	1.20	1.20	0.00	0.00
My Brother's Keeper	18.00	18.00	0.00	0.00
Targeted Prekindergarten	1.30	1.30	0.00	0.00
Children of Migrant Workers	0.09	0.09	0.00	0.00
Adult Basic Education	1.84	1.84	0.00	0.00
Adult Literacy Education	7.79	6.29	(1.50)	(19.29)
Lunch/Breakfast Programs	34.40	34.40	0.00	0.00
Summer Food Program	3.05	3.05	0.00	0.00
Farm to School	0.75	0.75	0.00	0.00
Breakfast After the Bell	5.00	5.00	0.00	0.00
Locally Sourced Food Reimbursement	10.00	10.00	0.00	0.00
Nonpublic School Aid	186.41	193.13	6.72	3.60
Nonpublic STEM	15.00	20.00	5.00	33.33
Nonpublic Immunization	7.00	0.00	(7.00)	(100.00)
Academic Intervention Services, Nonpublic	0.92	0.92	0.00	0.00
Summer School Special Education	330.50	364.50	34.00	10.29
New York State Center for School Safety	0.46	0.46	0.00	0.00
Teen Health Education Account (SRO)	0.12	0.12	0.00	0.00
Health Education Program	0.69	0.69	0.00	0.00
Extended School Day/School Violence Prevention	24.34	24.34	0.00	0.00
Supportive Schools Grant Program	2.00	0.00	(2.00)	(100.00)
Primary Mental Health Project	0.89	0.89	0.00	0.00
Consortium for Worker Education	13.00	11.50	(1.50)	(11.54)
Charter School Start Up Grants	4.84	4.84	0.00	0.00
Student Mentoring and Tutoring Program	0.49	0.49	0.00	0.00
Postsecondary Aid to Native Americans	0.60	1.00	0.40	67.22

## Other Public Elementary and Secondary Education Programs (Continued)

NYS Historical Association—National History Day	0.13	0.00	(0.13)	(100.00)
Small Govt. Assistance to School Districts	1.87	1.87	0.00	0.00
Early College High School / PTEC Programs	29.91	38.91	9.00	-
Math and Science High Schools	1.84	1.38	(0.46)	(24.89)
Smart Scholars Early College High School Program	1.47	1.47	0.00	0.00
County Vocational Education and Extension Boards	0.93	0.93	0.00	0.00
Center for Autism and Related Disabilities—SUNY Albany	1.24	1.24	0.00	0.00
Just for Kids—SUNY Albany	0.24	0.24	0.00	0.00
Say Yes to Education Program	0.35	0.35	0.00	0.00
Teacher Resource Centers	14.26	0.00	(14.26)	(100.00)
Deferred Action for Childhood Arrivals	1.00	1.00	0.00	0.00
Rochester School Health Service Grants	1.20	0.00	(1.20)	(100.00)
Buffalo School Health Service Grants	1.20	0.00	(1.20)	(100.00)
4201 Schools for the Blind and Deaf	103.10	102.90	(0.20)	(0.19)
Henry Viscardi School	0.90	0.00	(0.90)	(100.00)
New York School for the Deaf	0.90	0.00	(0.90)	(100.00)
Costs to Implement the Minimum Wage	17.18	17.18	0.00	0.00
Mill Neck Manor School for the Deaf	0.50	0.00	(0.50)	(100.00)
Executive Leadership Institute	0.48	0.00	(0.48)	(100.00)
BOCES New Technology School Initiative	0.20	0.00	(0.20)	(100.00)
Supplemental Valuation Impact Grants	1.50	0.00	(1.50)	(100.00)
New York City Community Learning Schools Initiative	0.50	0.00	(0.50)	(100.00)
Conversion Charter Schools	0.50	0.00	(0.50)	(100.00)
Teacher Diversity Pipeline	0.50	0.00	(0.50)	(100.00)
Bilingual Education	12.25	0.00	(12.25)	(100.00)
ELL Pilot	0.50	0.00	(0.50)	(100.00)
Bilingual Teachers Program	0.77	0.00	(0.77)	(100.00)
Grants to Certain School Districts and Other Programs	22.60	24.90	2.30	10.18
Additional Grants to Certain School Districts and Other Programs	17.85	0.00	(17.85)	(100.00)
Prior Year Claims/Fiscal Stabilization Grants	45.07	45.07	0.00	0.00
Enhanced Credential CWE	0.50	0.00	(0.50)	(100.00)
<b>Total</b>	<b>1,206.46</b>	<b>1,251.78</b>	<b>45.33</b>	<b>3.76</b>

The Executive transfers \$4.1 million of capital maintenance costs from the State Operations Budget to the Capital Budget.

### Article VII

The Executive recommends Article VII legislation that would:

- modify the submission date for school level reporting from July 1 to the Friday before Labor Day and extend the time the Division of Budget and the State Education Department have to review school level reporting from 30 days to 90 days. Additionally, the Executive would require any requested school district resubmission be completed within 30 days of such request;
- extend mayoral control of the New York City Schools for three years until June 30, 2022;
- authorize a Board of Cooperative Educational Services (BOCES) to establish a regional science, technology, engineering and mathematics (STEM) magnet school upon the approval of the Commissioner of SED;

- freeze reimbursable aids to the lesser of the Executive proposal or a calculation based on updated data from school districts;
- authorize a school district, private school, or BOCES to apply to SED for a waiver from certain special education requirements provided that federal compliance is maintained and the waiver will enhance student achievement and opportunities;
- eliminate the mandate that state created or administered assessments be used to determine a teacher or principal's evaluation and require the Commissioner to promulgate regulations providing alternative assessments for districts that choose not to use state assessments. The selection and use of assessments would be subject to collective bargaining;
- eliminate the use of the state-provided growth model in a teacher or principal's evaluation and require teachers to have a student learning objective (SLO) consistent with a goal-setting process determined or developed by the Commissioner;
- make permanent provisions of law prohibiting school districts or BOCES from including on a student's permanent record any state-administered, standardized grades 3-8 english language arts (ELA) or math assessment scores administered in grades 3-8;
- authorize boards of education of common and union free school districts to establish a school bus safety camera program so as to impose a penalty on the owners of vehicles that have passed a stopped school bus. Such boards of education may enter into third party contracts for the installation, administration, operation, notice and maintenance of such cameras, as well as for the sharing of such revenue; and increase the fine for passing a stopped school bus;
- require school districts receiving funding for the education of homeless children to report on how the district is spending the money and require SED in consultation with the Office of Temporary Disability Assistance to develop best practices on how to support homeless youth;
- require schools that employ or contract with law enforcement or security personnel to establish a written memorandum of understanding, developed with stakeholder input, defining the relationship between the school and law enforcement or security personnel;
- require age-appropriate, medically accurate, comprehensive sexual education, sexual health and healthy relationships instruction to be included within the health education provided to students in grades 6-12 and require the Commissioner to establish a task force to study and

make recommendations regarding the scope of educational standards to be included in the program;

- require school districts to adopt a policy regarding sex discrimination that specifically addresses discrimination against pregnant and parenting students;
- eliminate a provision of law prohibiting a person who has been convicted of a felony from serving on a community district education council or city-wide council;
- eliminate provisions of law that render a person permanently ineligible for appointment to a community district education council or city-wide council for an act of malfeasance or conviction of a crime;
- provide that a person may be permanently ineligible for appointment to any community district education council or city-wide council if service upon such council would involve an unreasonable risk to property or to the safety or welfare of specific individuals or the general public; and
- extend various provisions of law.





# BUDGET HIGHLIGHTS: HEALTH



- **Extension of the Medicaid Global Cap:** The Executive proposal continues the cap on Medicaid spending through the Department of Health (DOH) and limits these expenditures to \$21.71 billion in SFY 2019-20 and \$22.68 billion in SFY 2020-21.
- **Medicaid Redesign Team (MRT) Recommendations:** In addition to the initiatives implemented over the prior eight years, the Executive proposes a cost-neutral series of new MRT initiatives for SFY 2019-20, which includes cost containment actions, supports for a growing aging population, and incentives supporting value-based payments arrangements.
- **Women's Agenda:** The Executive proposes several women's health initiatives, including codification of *Roe v. Wade*, establishment of a Maternal Mortality Review Board, safeguarded contraceptive coverage, and improved coverage for fertility services.
- **Codification of the Affordable Care Act (ACA):** The Executive proposes to codify certain ACA provisions and state regulatory protections into law, including protections for people with preexisting conditions and the New York State of Health Marketplace. Additionally, insurance policies will be mandated to cover the 10 essential benefits as defined in the ACA.
- **Commission on Universal Access to Healthcare:** The Executive proposes to establish a commission on universal healthcare access to develop options for achieving universal access to high-quality, affordable healthcare for all New Yorkers. The commission would analyze ways to strengthen the commercial insurance market, develop reimbursement models, and generate savings to support expanded coverage.
- **Cannabis Regulation and Taxation Act:** The Executive proposes language to regulate and control the manufacture and sale of cannabis for adult consumption. Additionally, the proposal would expand the medical cannabis program and establish three taxes on the cultivation and sale of adult-use cannabis.
- **Tobacco Control:** The Executive proposes to raise the minimum sales age for tobacco and e-cigarettes from 18 to 21, introduce a new 20 percent tax on e-cigarettes, and give DOH additional authority to regulate the sale and distribution of flavored vapor products.



# BUDGET REVIEW AND ANALYSIS: HEALTH



The State of New York spends approximately \$79 billion annually on health care. The DOH mission is to provide quality health services to all New Yorkers, including comprehensive health care and long-term care coverage for low and middle-income individuals and families through Medicaid, Child Health Plus, and Elderly Pharmaceutical Insurance Coverage (EPIC) programs. In addition to its health insurance programs, DOH promotes and supervises public health activities throughout the state, pursues efforts to reduce infectious diseases, directs a variety of emergency preparedness initiatives, and oversees all health care facilities in the state.

The Office of the Medicaid Inspector General (OMIG) works to preserve the integrity of the Medicaid program by conducting and coordinating fraud, waste and abuse control activities for all state agencies responsible for services funded by Medicaid.

The State Office for the Aging (SOFA) provides programs and services for New Yorkers that are 60 years of age and older. SOFA provides leadership and direction to 59 area agencies on aging, as well as numerous other local programs and providers that comprise the network of services to older adults.

**Table 12**

<b>Appropriations</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Department of Health*	152,678.20	160,181.09	7,502.89	4.91
State Office for the Aging	256.97	269.98	13.01	5.06
Office of Medicaid Inspector General	50.02	44.44	(5.58)	(11.16)

Note: \*The amounts above include a 2-year Medical Assistance (Medicaid) appropriation.

Table 13

<b>Disbursements</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Department of Health	70,560.03	73,750.79	3,190.76	4.52
State Office for the Aging	235.96	250.71	14.75	6.25
Office of Medicaid Inspector General	48.04	42.82	(5.22)	(10.87)

### Department of Health

The Executive proposes an All Funds appropriation of \$160.18 billion, an increase of \$7.50 billion or 4.91 percent from the SFY 2018-19 level. The Executive recommends funding support for 5,616 FTE positions, an increase of 154 positions, predominantly associated with the State's continued assumption of local administration of Medicaid and the implementation of lead paint initiatives.

### Medicaid and Health Care Reform Act

**Medicaid Program:** The Executive Budget includes total Medicaid spending of \$78.88 billion, an increase of \$1.35 billion or 1.7 percent from SFY 2018-19. The Executive proposes a state share increase of \$1.03 billion, which is partially attributable to a proposed increase of \$428 million in spending associated with state minimum wage; a \$381 million increase in the Mental Hygiene Global Cap Adjustment; and a \$183 million increase in the State's Local Growth Takeover.

Table 14

<b>All State Agency Medicaid Expenditure Projections</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2018-19</b>	<b>SFY 2019-20</b>	<b>Year-to-Year Change</b>	
			<b>Amount</b>	<b>Percent</b>
State Share	23,421	24,454	1,033	4.41
Federal Share	45,156	46,769	1,613	3.57
Local Share	8,516	7,328	-1,188	(13.95)
MSA Payment	435	327	(108)	(24.83)
<b>All Funds</b>	<b>77,528</b>	<b>78,878</b>	<b>1,350</b>	<b>1.74</b>

**Health Care Reform Act (HCRA) Financing:** In SFY 2019-20, HCRA receipts are projected to total \$5.95 billion, an increase of \$86 million from SFY 2018-19. HCRA disbursements are projected to total \$5.95 billion, an increase of \$71 million from SFY 2018-19.

**Medicaid Global Cap:** The Executive proposes the continuation of a Medicaid spending cap which limits growth in the DOH State Funds Medicaid spending to a 10-year rolling average of the medical component of the Consumer Price Index, currently estimated at 3 percent. DOH Medicaid expenditures are presently capped at \$20.38 billion in SFY 2018-19. The Executive proposes to extend the global cap for one additional year, and to cap SFY 2019-20 DOH Medicaid expenditures at \$21.71 billion and SFY 2020-21 expenditures at \$22.68 billion.

**State Assumption of Local Medicaid Expenditure Growth:** Effective January 1, 2015, the State fully assumed the growth in local Medicaid expenditures which, when combined with existing limits on local Medicaid spending, would provide counties with \$3.68 billion in savings in SFY 2019-20. To support the State cost of this takeover, the Executive utilizes \$327 million in the use of Master Settlement Agreement payments from tobacco manufacturers to offset Medicaid expenditures.

Table 15

<b>Medicaid Takeover - Local Savings</b>				
(\$ in Millions)				
	<b>SFY 2017-18</b>	<b>SFY 2018-19</b>	<b>SFY 2019-20</b>	<b>SFY 2020-21</b>
Medicaid 3% Cap	2,261	2,420	2,577	2,744
Local Growth takeover	735	917	1,100	1,283
<b>Total</b>	<b>2,996</b>	<b>3,337</b>	<b>3,677</b>	<b>4,027</b>

**Federal Medicaid Waiver and Essential Plan:** The Executive Budget includes \$4 billion in appropriation authority to allow the State to distribute two years of federal funding through the Delivery System Reform Incentive Payment (DSRIP) Program. Implementation of the DSRIP Program began on April 1, 2015. These funds support health care restructuring proposals designed to reduce unnecessary hospitalizations by promoting alternative care models; increase access to primary care; promote health workforce development; and make investments in health home development, long-term care and behavioral health services.

**Federal Funding – Affordable Care Act:** The State currently receives significant financial benefits from the Patient Protection and Affordable Care Act (ACA), including enhanced matching rates for single, childless adults and Medicaid expansion populations; savings related to legal immigrant coverage under the Essential Plan; and enhanced matching rates for community-based services under the Community First Choice Option. The Executive estimates a total State funding of \$8.35 billion in SFY 2019-20 related to the ACA. In addition, under the ACA local social services districts would realize a savings of \$934 million in SFY 2019-20.

Table 16

<b>Federal Funding Under the ACA</b>			
<b>(\$ in Millions)</b>			
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
Childless Adults FMAP	1,974	1,961	2,018
Expansion Population FMAP	1,316	1,308	1,346
Essential Plan	4,812	5,156	5,408
Community First Choice Option	283	275	292
Other	(37)	(148)	(148)
<b>Total State Benefit</b>	<b>8,348</b>	<b>8,552</b>	<b>8,916</b>
Local Benefit	934	891	884
<b>Total New York State Benefit</b>	<b>9,282</b>	<b>9,443</b>	<b>9,800</b>

**Medicaid Redesign Team (MRT) – Phase IX Recommendations:** The Executive Budget proposal continues the savings actions enacted as part of the previous eight State budgets, including: the 78 discrete cost containment initiatives recommended by the MRT in Phase I; additional recommendations that were developed through the MRT Workgroup process (MRT Phases II through VIII); and the elimination of scheduled Medicaid inflationary rate increases.

In addition to continuing the initiatives that have been implemented over the past several years, the Executive proposes a series of MRT initiatives that are designed to be cost-neutral: additional financial plan relief, balanced by savings resulting from pharmacy reductions, long term care initiatives, and other Medicaid program reductions. The Executive proposal includes:

- **Financial Plan Relief:** a \$425 million increase related to shifting previously excluded costs under the global cap. This proposal would bring the total financial plan relief generated by the Medicaid program to \$2.19 billion in SFY 2019-20;
- **Pharmacy Initiatives:** a reduction of \$88 million, including proposals to limit Medicaid coverage for over-the-counter (OTC) drugs and to increase OTC co-payments (\$12.30 million reduction); eliminate “prescriber prevails” provisions in both fee-for-service Medicaid and Medicaid Managed Care for all drug classes (\$18.70 million reduction); establish contractual requirements between Pharmacy Benefit Manager (PBM) and managed care organizations (\$43.30 million reduction); and amend the existing drug cap to accelerate rebate contracting processes (\$13.70 million reduction);
- **Long Term Care Reductions:** a reduction of \$281.29 million, including proposals to restructure the reimbursement method for Fiscal Intermediaries (FIs) and a contracting process through DOH (\$75.00 million reduction); authorize Community Care First Options to expand access and

availability of long term services and supports (\$24.50 million reduction); change the nursing home case mix rate methodology (\$122.79 million reduction); offset Medicaid spending in SOFA through investment in Expanded In-Home Services for the Elderly Program (EISEP) (\$34.00 million reduction); and change to DOH regulations regarding utilization of personal care management in Managed Long Term Care (\$25.00 million reduction);

- **Community Spouse Reductions:** a reduction \$5.90 million, including a proposal to eliminate spousal refusal provisions;
- **Long Term Care Investments:** an increase of \$15 million, to invest annually in SOFA EISEP to expand community-based (non-medical) supports for aging New Yorkers to help serve more older adults and delay future Medicaid costs by intervening with less intensive services earlier;
- **Medicaid Managed Care Reductions:** a reduction of \$52.20 million, including proposals to transfer the Medicaid disenrollment function from Local Social Service Districts to the state to increase the efficiency by which individuals are disenrolled from Medicaid when alternative insurance coverage is identified (\$18.70 million reduction); support recovery of State Medicaid payments made on behalf of individuals who had third-party health insurance (\$3.90 million reduction); transition Flushing Hospital support from Vital Access Provider Assistance Program (VAPAP) to Value Based Payment Quality Improvement Program (VBP-QIP) (\$29.60 million reduction);
- **Health Home Proposals:** a reduction of \$5 million, reflecting a proposal to reform the Health Home Program by incentivizing care managers to enroll new members in programs and services that are tailored to individual need, and would reduce reimbursement rates for care management if necessary to meet financial goals;
- **SUNY Disproportionate Share Hospital (DSH) Payment:** an increase of \$60 million to support DSH payments for uncompensated care provided by the three State University of New York (SUNY) teaching hospitals. These hospitals include SUNY Upstate Medical Center, SUNY Downstate Medical Center, and Stony Brook University Hospital;
- **Transportation Initiatives:** a \$20.50 million state share reduction, including proposals to carve-out transportation services from MLTC plans and adult day health care programs (\$10.5 million reduction); eliminate state-only payments for rural transit assistance (\$4 million reduction); eliminate existing supplemental ambulance payments (\$3 million reduction); reduce New York City livery fees (\$6.10 million reduction); and fund an additional year of Ambulance Rate Adequacy Increase (\$3.10 million investment);

- **Other Reductions:** a reduction of \$83.95 million, including the promotion of certain DSRIP Program ideas to reduce unnecessary utilization (\$10.00 million reduction); the promotion of Primary Care to reduce low value and low evidence inpatient services (\$5.00 million reduction); State reimbursement of the National Diabetes Prevention Program (\$900,000 reduction); implementation Medicare Part B cost-sharing for dual eligible members in order to ensure appropriate reimbursement for medical services (\$17.50 million reduction); application for a waiver to leverage federal funding for supportive housing services currently paid with state-only dollars (\$18.30 million reduction); elimination of Major Academic Centers of Excellence payment (\$24.50 million reduction); and elimination of the Population Health Improvement Program, which provides health data to support research and coordinated regional strategies (\$7.75 million reduction); and
- **Other Investments:** an increase of \$26.95 million, including the implementation of a Traumatic Brain Injury (TBI) Program (\$11.47 million increase); implementation of a federally-required system to verify when home care services occur to reduce inappropriate billing of in-home Medicaid services (\$10 million increase); expansion of the Nursing Home Transition and Diversion Program (\$1.84 million increase); additional funding for the United Hospital Fund (\$300,000 increase); the continued funding of pensions for Off-Track Betting retirees residing in New York State (\$2.81 million increase); and the enforcement of the Behavioral Health Parity (\$530,000 increase).

## Public Health

**Early Intervention (EI) Program:** The Executive proposes a \$3.60 million increase to the EI Program, including proposals to increase reimbursement rates for services furnished to eligible infants and toddlers in EI and their families by licensed physical therapists, occupational therapists, and speech-language pathologists by 5 percent.

**Applied Behavioral Analysts:** The Executive proposes a \$6.40 million increase to support expanded Medicaid coverage for Applied Behavioral Health Analysis treatment for over 4,000 children with autism, who have aged out of the Early Intervention Program.

**Maternal Mortality:** The Executive proposes a \$4 million increase to create a board of experts within DOH that will implement an enhanced multidisciplinary analysis to review every maternal death in the State so that actionable recommendations to improve care can be developed.

**Reduce Lead Paint Exposure:** The Executive proposes a \$9.4 million increase to implement measures to help reduce risk of exposure to lead paint, including lowering the acceptable blood level from 15 micrograms per deciliter to 5 micrograms per deciliter for environmental inspections, and from

10 micrograms per deciliter to 5 micrograms per deciliter for medical interventions. Additionally, the Executive Budget proposes a prevention measure to ensure residential rental properties are maintained to protect children from the dangers associated with exposure to lead based paint hazards.

**General Public Health Work (GPHW) Reform:** The Executive proposes a reduction of \$27 million to reduce reimbursements of certain public health funding for New York City from 36 percent to 20 percent.

**Helen Hayes Hospital (HHH) and New York State Veterans' Homes:** The Executive proposes an increase of \$4 million to HHH and the four New York State Veterans' Homes to provide operational flexibility for these facilities.

### Capital Projects

**Life Sciences Laboratory Public Health Initiative:** The Executive continues \$750 million in support for a life sciences laboratory public health initiative on the Harriman Campus in the City of Albany, which will develop life science research, innovation, and infrastructure through a joint effort between Empire state Development and DOH.

**Promote Telehealth Services:** The Executive proposal reprograms \$5 million in capital funding for the expansion of rural telehealth services for regional perinatal care centers or other health providers. This \$5 million will be allocated from capital financing for essential health programs.

### Article VII

The Executive includes the following proposals:

**Reproductive Health Act:** The Executive proposes to codify the protections established by *Roe v. Wade* to protect reproductive health care decision-making.

**New York State of Health:** The Executive proposes codifying the New York State of Health Marketplace.

**Opioid Abuse Prevention:** The Executive proposal includes a requirement that hospitals develop and implement a policy for providing medication-assisted-treatment to individuals prior to discharge. The Executive proposes requiring emergency departments to utilize the Prescription Monitoring Program for short-term prescriptions of controlled substances. Additionally, the Executive would require court ordered treatment covered by Medicaid to be provided by the Office of Alcohol and Substance Abuse

Services (OASAS) certified providers. Furthermore, the Executive proposes the scheduling of additional substances.

**Tobacco Control:** The Executive proposes to raise the minimum sales age for tobacco products from 18 years old to 21 years old, ending the sale of tobacco products in pharmacies, restricting the sale of flavored e-cigarette liquids, requiring e-cigarettes be sold only through licensed tobacco retailers, restricting available discounts provided by tobacco manufacturers and retailers, restricting tobacco product display and taxing e-cigarette liquid.

**Cannabis Regulation and Taxation Act:** The Executive proposes language to regulate and control the manufacture, wholesale, and retail production of cannabis for adult consumption. The proposal would create the Office of Cannabis Management within the Division of Alcohol Beverage Control, which consolidates the governance of adult-use medical and hemp cannabis under this office. Additionally, the proposal would establish three separate taxes on the cultivation and sales of adult-use cannabis, while also changing the Medical Cannabis Program’s qualifying conditions, prescriber accessibility and the prohibition of combustible cannabis.

**Universal Access Commission:** The Executive proposes creating a commission to assess the possibility of achieving universal access to health care coverage.

**Transportation:** The Executive proposes that transportation services offered by Managed Long Term Care (MLTC) plans be administered by the state transportation manager that directly contracts with DOH. The Executive would also eliminate funding to support ambulance reimbursement rates and rural transit assistance.

**Pharmacy:** The Executive proposes to eliminate Medicaid drug coverage for certain over-the-counter medications and to increase Medicaid co-payment costs for covered OTC medications from \$0.50 to \$1. The Executive proposal would eliminate protections for a practitioner’s ability to prescribe specific medications under the Medicaid Program, known as Prescriber Prevails. The Executive’s proposal would also extend and modify the Medicaid Drug Cap. Furthermore, the Executive’s proposal includes additional contractual requirements that must be met by Pharmacy Benefit Managers (PBMs) that contract with Managed Care Organizations.

**Medicaid Coverage:** The Executive proposes expanding Medicaid coverage to include Type 2 Diabetes prevention and support services. The Executive also proposes reductions in Medicaid payments for services provided to individuals that are also eligible for Medicare Part B.

**Long-Term Care:** The Executive proposes eliminating protections for spousal resources when determining if someone is eligible for Medicaid. Additionally, the Executive proposal would establish a

new process in order to allow Fiscal Intermediaries (FIs) to participate in the Consumer Directed Personal Assistance Program (CDPAP). The Executive proposal would also reduce the reimbursement rate for FIs and give DOH greater control and oversight of their operations.

**Hospitals:** The Executive proposes eliminating funding for academic medical centers. It also proposes waiving regulations deemed to be duplicative for certain projects, including Delivery System Reform Incentive Payment (DSRIP) program projects. The Executive also includes a proposal to allow DOH to reduce Medicaid rates to hospitals in connection to potentially avoidable inpatient services, and reinvest a portion of the savings achieved into preventative services.

**Health Care Facility Transformation Program:** The Executive proposal would make \$300 million of \$525 million in capital funds from SFY 2018-19 available to previous health care facilities applicants of such funds.

**Medicaid Oversight:** The Executive proposes providing the Office of Medicaid Inspector General (OMIG) additional responsibilities related to managed care plans, requiring MLTC plans to participate in a risk and compliance program, and requiring home care service workers to obtain a Medicaid provider number.

### **State Office for the Aging**

The Executive proposes an All Funds appropriation of \$269.98 million, which is an increase of \$13.01 million or 5.06 percent from the SFY 2018-19 level. The Executive recommends funding support of 95 FTE positions, unchanged from the SFY 2018-19 level.

**Cost of Living Adjustment (COLA):** The Executive proposal would eliminate the statutory SFY 2019-20 cost of living adjustment increase to generate a savings of \$5.1 million.

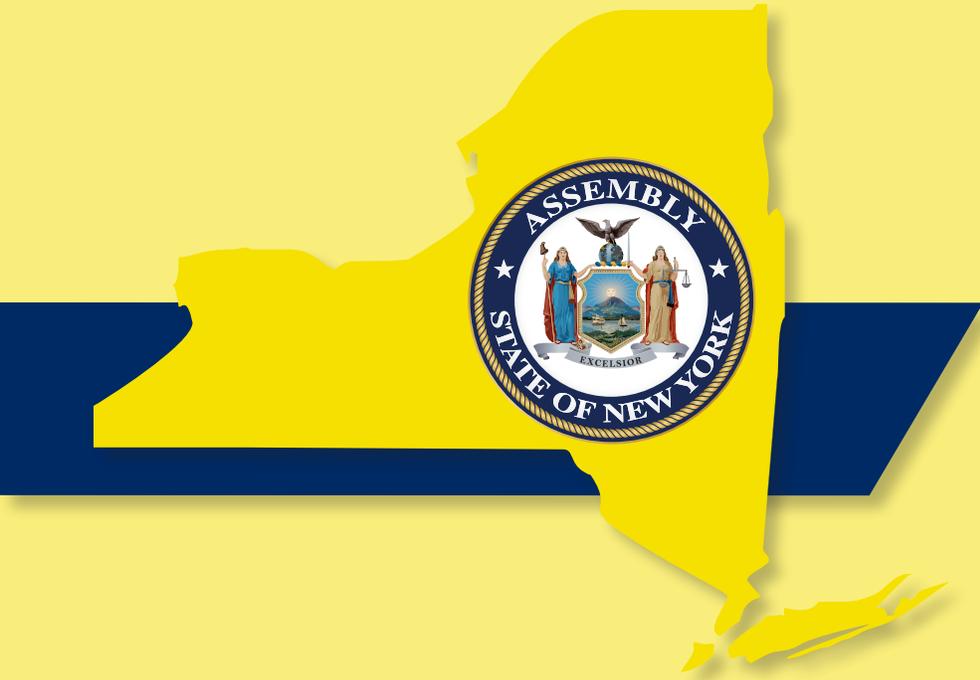
**Address Service Capacity Needs:** The Executive proposes an increase of \$15 million to fund community-based (non-medical) supports for aging New Yorkers. This investment would help serve older adults by maintaining their autonomy and delaying future Medicaid costs associated with premature intervention using more intensive services earlier than needed.

**Authorize SOFA Private Pay Models:** The Executive proposes to authorize SOFA to work in conjunction with counties to allow middle income New Yorkers to purchase SOFA services with private dollars to expand access to services in their communities.

## Office of the Medicaid Inspector General (OMIG)

The Executive proposes an All Funds appropriation of \$44.44 million, a decrease of \$5.59 million or 11.17 percent from SFY 2018-19 level. The Executive recommends funding support of 426 FTE positions, unchanged from the SFY 2018-19 level.

**Medicaid Integrity Initiatives:** The Executive proposes a reduction of \$4.1 million, through initiatives supporting the expanded authority of OMIG to recover a component of the administrative premium from Medicaid Managed Care Organization (MCO) for noncompliance with program integrity obligations within the contract, and allowing for the recovery of overpayments from MCOs, subcontractors and/or providers as a result of fraud, waste and abuse.





# BUDGET HIGHLIGHTS: HIGHER EDUCATION



- **Senator Jose R. Peralta New York State DREAM Act:** The Executive proposal includes legislation that would allow undocumented students to access to the Tuition Assistance Program, the Excelsior Scholarship, and other state tuition assistance programs.
- **Excelsior Scholarship:** The Executive proposal continues the statutory phase-in of the Excelsior Scholarship program by increasing the income eligibility threshold for the 2019-20 academic year from the current \$110,000 to \$125,000.
- **Community College Pilot program:** The Executive proposal would fund a \$5 million pilot program providing support such as academic counseling and priority on-campus child care to single parents attending SUNY and CUNY community colleges.
- **Opportunity Programs:** The Executive proposal eliminates \$28 million in prior year funding for various opportunity programs.
- **SUNY Disproportionate Share Hospital (DSH) Payments:** The Executive proposes an additional \$60 million for DSH payments for uncompensated care provided by the three State University of New York teaching hospitals, starting in SFY 2019-20. These hospitals include SUNY Upstate Medical Center, SUNY Downstate Medical Center, and Stony Brook University Hospital.
- **Proprietary Schools Reporting:** The Executive proposal would include legislation that would require for-profit and proprietary schools to:
  - report funding sources and demonstrate that less than 80 percent of funding comes from state or federal sources;
  - spend at least 50 percent of school revenues on instruction and learning resources;
  - report the salaries, salary incentives and bonuses of college presidents and senior leadership; and
  - prohibit any member of school leadership from serving on an accreditation board of an organization that provides oversight of the college.





# BUDGET REVIEW AND ANALYSIS: HIGHER EDUCATION



New York State’s system of public higher education consists of the State University of New York (SUNY), which is composed of 64 campuses with 445,000 students enrolled and the City University of New York (CUNY), which is composed of 24 campuses with 206,394 students. Both systems include community colleges, four-year institutions, and graduate and professional schools, providing a wide range of academic opportunities. As part of its academic mission, the SUNY system is responsible for three academic hospitals which are attached to the system’s medical schools.

In order to assure access to education opportunities, the Higher Education Services Corporation (HESC) administers a variety of scholarship and loan programs, including New York’s Tuition Assistance Program (TAP) which provides financial assistance to approximately 276,000 students attending undergraduate institutions in the State.

**Table 17**

<b>Appropriations</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
State University of New York	11,056.46	11,130.21	73.75	0.67
City University of New York	4,632.15	4,749.22	117.07	2.53
Higher Education Services Corporation	1,247.69	1,220.07	(27.62)	(2.21)

**Table 18**

<b>Disbursements</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
State University of New York	8,339.85	8,430.57	90.72	1.09
City University of New York	1,632.51	1,657.87	25.36	1.55
Higher Education Services Corporation	1,085.38	1,017.55	(67.83)	(6.25)

## **State University of New York (SUNY)**

The Executive proposes All Funds appropriations of \$11.13 billion, an increase of \$73.75 million, or 0.67 percent from SFY 2018-19. The Executive recommends funding support of 4,092 full-time equivalent positions which is unchanged from SFY 2018-19.

**SUNY State Operated Colleges:** The Executive proposal would provide \$1 billion in funding for SUNY State Operated Colleges, a decrease of \$16.51 million in General Fund support from SFY 2018-19.

The Executive proposes a \$1.92 billion appropriation for tuition, which is unchanged from last year. This is a reflection of enrollment changes, offset by a scheduled \$200 tuition increase that would provide approximately \$50 million in increased revenue. State-funded fringe benefits would increase by \$41.1 million to a total \$1.72 billion. Additionally the Executive proposal would continue \$4 million in funding for open educational resources.

**SUNY Disproportionate Share Hospital (DSH) Payments:** The Executive proposes an additional \$60 million for DSH payments for uncompensated care provided by the three SUNY teaching hospitals, starting in SFY 2019-20. These hospitals include SUNY Upstate Medical Center, SUNY Downstate Medical Center, and Stony Brook University Hospital. In addition, the Executive proposal would increase SUNY Hospitals spending authority by \$347 million.

**Federal Student Aid:** The Executive proposal includes a new \$27 million increase in federal student aid, which includes a \$2 million increase for the work study program and \$25 million for Pell Grants.

**Community College Base Aid:** The Executive proposal would continue funding Community College Base Aid at \$2,847 per FTE student, maintaining the same level of support as Academic Year (AY) 2018-19. The Executive Budget includes \$441.8 million to support base aid, which is a decrease of \$11.7 million from AY 2018-19, due to enrollment decreases. Funding of \$3 million for the Next Generation NY Job Linkage Program is continued as well as \$3 million for the SUNY Apprenticeship Program.

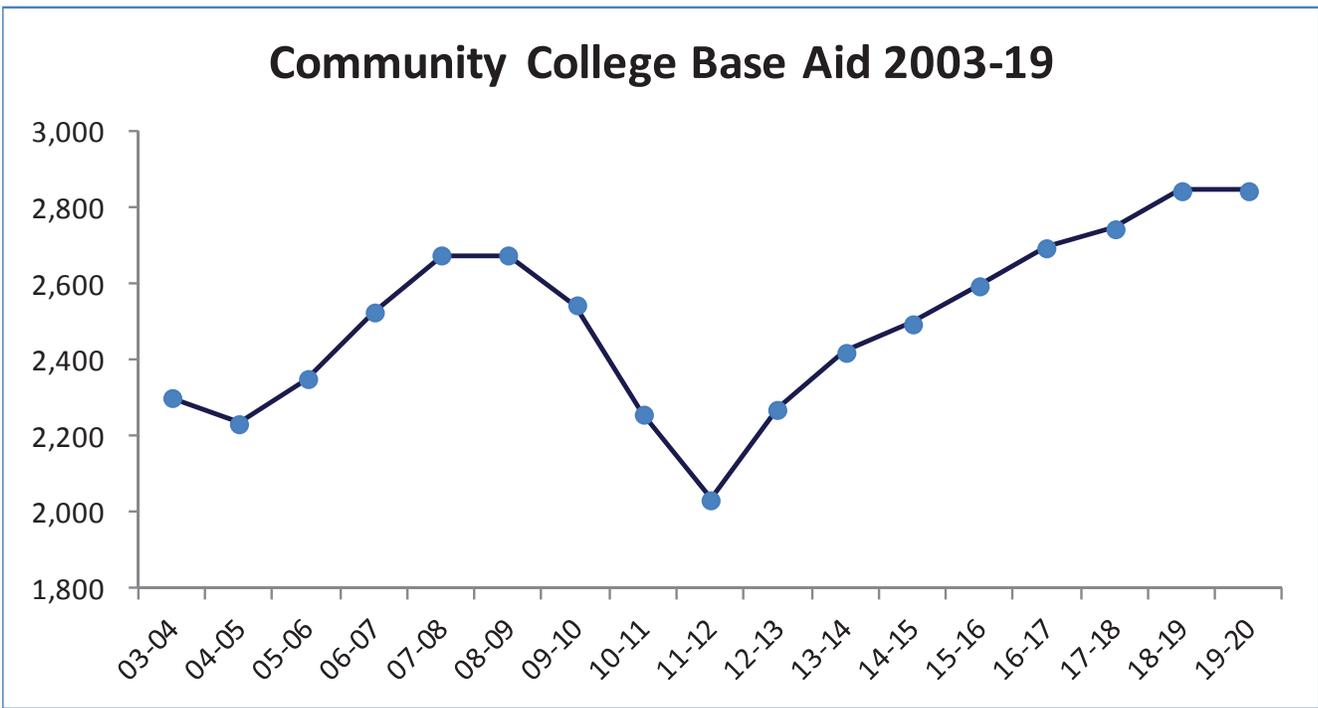


Figure 6

**Community College Family Empowerment Program:** The Executive proposal would fund a \$3 million pilot program for on-campus child care services serving single parents attending SUNY community colleges.

**University-Wide Programs:** The Executive funds SUNY university-wide programs at \$142.48 million, which is a decrease of \$16.5 million from AY 2018-19. The overall decrease is attributed to the following:

- a \$5.36 million decrease to the Education Opportunity Program (EOP), leaving a total \$26.8 million of net support;
- a \$5.0 million decrease to Education Opportunity Centers and \$2.0 million from ATTAIN labs, for total net support of \$55.0 million;
- a \$1.5 million decrease to small business development centers, leaving a total of \$1.97 million of net support;
- a \$600,000 decrease to Graduate Diversity Fellowships, leaving a total \$6.04 million of net support;
- elimination of \$600,000 in funding for increased access to mental health services;
- a \$250,000 decrease for the Veterinary College at Cornell, for a total \$250,000 of net support;
- elimination of \$100,000 in funding for the American Chestnut Research and Restoration Project;
- elimination of \$100,000 in funding for the Benjamin Center;

- elimination of \$150,000 in funding for the Cornell Center in Buffalo;
- elimination of \$50,000 in funding for the Stony Brook Algonquian language revitalization project;
- elimination of \$500,000 for the Central New York Cord Blood Center in Syracuse; and
- elimination of \$300,000 in funding for the Stony Brook Center for Italian Studies.

**Other Programs:** The Executive decreases funding for community college child care centers to \$1.1 million, which is a reduction of \$1.01 million from the prior year. Additionally, the Executive proposal eliminates \$100,000 in funding for the Orange County Bridge Program and funding of \$600,000 for Harvest New York.

The Executive would provide \$53.4 million in spending authority for the Long Island Veterans' Home, an increase of \$1.68 million from SFY 2018-19.

**SUNY Capital:** The Executive proposal provides \$981.16 million in capital funding to support the following initiatives, an overall decrease of \$245 million from SFY 2018-19:

- \$550 million for maintenance and preservation of various SUNY facilities which is the same as SFY 2018-19 funding levels;
- \$100 million in capital funding to Upstate University and Stony Brook University Hospitals;
- \$164 million for the costs of certain maintenance and operations personnel;
- \$37.1 million to provide the state's 50 percent share of projects at SUNY Community Colleges;
- \$50 million to support dormitory rehabilitation projects;
- \$25.1 million to support the SUNY Construction Fund; and
- \$55 million for the SUNY 20/20 Challenge Grant Program.

### **City University of New York (CUNY)**

The Executive proposes an All Funds appropriation of \$4.75 billion, an increase of \$117.07 million or 2.53 percent above SFY 2018-19 levels. The Executive recommends funding support of 13,632 FTE positions which is unchanged from SFY 2018-19.

**CUNY Senior Colleges:** The Executive would provide \$547.56 million in funding for CUNY Senior Colleges, a decrease of \$6.48 million or 1.2 percent from SFY 2018-19.



The Executive proposes a \$1.18 billion appropriation for tuition, an increase of \$31.3 million from SFY 2018-19, reflecting a scheduled \$200 tuition increase. State funded fringe benefit payments would also increase by \$47.7 million for a total of \$817.44 million. Additionally the Executive proposal would continue \$4 million in funding for open educational resources.

The Executive would reduce funding for the Search for Education, Evaluation, and Knowledge (SEEK) program by \$4.68 million to \$23.4 million; and maintain \$1.5 million for CUNY linking Employment, Academics, and Disability Services (LEADs). Additionally, the Executive proposal eliminates \$250,000 in funding from the CUNY pipeline program at the graduate center. The Executive decreases state support by \$1.5 million to \$2.1 million for the CUNY School of Labor and Urban Studies.

**Community College Base Aid:** The Executive proposal would continue funding Community College Base Aid at \$2,847 per FTE student, maintaining the AY 2018-19 level of support. The Executive Budget includes \$222.85 million to support base aid, which is a decrease of \$15.7 million from AY 2018-19, reflecting spending adjustments. Additionally, funding for the Next Generation NY Job Linkage Program (\$2 million) and the CUNY Apprenticeship Program (\$2 million) are maintained.

The Executive Budget would eliminate \$2.5 million in funding for the Accelerated Study in Associates program (ASAP), reduce College Discovery by \$225,000 funding the program at \$1.12 million, and eliminate \$100,000 for the Heights program. Additionally, the Executive proposal decreases funding for community college child care centers to \$813,000, which is a reduction of \$902,000 from the prior year.

**Community College Family Empowerment Program:** The Executive proposal would fund a \$2 million pilot program providing support including on-campus child care services to single parents attending SUNY community colleges.

**CUNY Capital:** The Executive Budget provides \$444.5 million in capital funding to support the following initiatives, an overall increase of \$74.8 million from SFY 2018-19:

- \$284 million for critical maintenance projects at various CUNY campuses;
- \$68.48 million to provide for the state's 50 percent share of projects at CUNY Community Colleges;
- \$21 million to fund Dormitory Authority services on behalf of CUNY;
- \$15.98 million to support the CUNY Construction Fund; and
- \$55 million for the CUNY 20/20 Challenge Grant Program.

## Other Opportunity Programs Administered by in the State Education Department

The Executive Budget decreases funding for opportunity programs within SED by a total \$18.1 million. When combined with reductions to EOP and SEEK, the Executive proposal decreases funding for opportunity programs by a combined total of \$28 million. The following reductions were made to SED programs:

- \$5.92 million reduction to Higher Education Opportunity Program awards, for total net funding of \$29.6 million;
- \$3.06 million reduction to the Liberty Partnership Program, for total net funding of \$15.3 million;
- \$2.64 million reduction to the Science and Technology Entry Program (STEP), for total net funding of \$13.18 million;
- \$2 million reduction to the Collegiate Science and Technology Entry Program (CSTEP), for total net funding of \$9.98 million; and
- \$4.5 million reduction to the Foster Youth Initiative, for total net funding of \$1.5 million.

The Executive Budget maintains funding for the following programs for AY 2019-20:

- \$35.23 million for Bundy Aid;
- \$941,000 for the High Needs Nursing Program;
- \$450,000 for the Teacher Opportunity Corps Program; and
- \$368,000 for the National Board for the Professional Teaching Standards Certification Grant Program.

### Higher Education Services Corporation (HESC)

The Executive proposes an All Funds appropriation of \$1.22 billion, which is a decrease of \$27.62 million or 2.21 percent below SFY 2018-19 levels. The Executive recommends funding support of 176 FTE positions, which is unchanged from SFY 2018-19.

**Tuition Assistance Program:** The Executive Budget appropriates the TAP at \$947.7 million, a decrease of \$7.8 million from SFY 2018-19.

**Excelsior Scholarship:** The Executive proposal continues the statutory phase-in of the Excelsior Scholarship Program increasing the income eligibility threshold from \$110,000 to \$125,000 for the 2019-20 academic year. The Executive maintains funding of \$118.6 million to support 30,000 students.

**Senator Jose R. Peralta New York State DREAM Act:** The Executive recommends the enactment of the DREAM Act to allow undocumented students access to TAP, the Excelsior Scholarship and other state tuition assistance programs. The Executive proposal includes \$27 million within TAP to fund the DREAM Act.

**Enhanced Tuition Assistance Program (ETAP):** The Executive provides \$7.2 million for the ETAP program, for students attending independent colleges and universities, which is a \$15.65 million decrease from AY 2018-19.

**Scholarships and Programs:** The Executive Budget provides a \$4 million net decrease in appropriations for a total of \$69.72 million for various scholarships. The proposal maintains funding for the Patricia McGee nursing scholarship, the Social Worker Loan Forgiveness program and a loan forgiveness program for farmers.

### Other Higher Education Initiatives

**Higher Education Capital Matching Grant Program (HeCap):** The Executive proposal does not include new support for HeCap in SFY 2019-20.

**College Choice Tuition Savings Program:** The Executive proposes \$675,000 in funding to support program administration.

### Article VII

The Executive includes the following Article VII proposals that would:

- enact the Senator Jose R. Peralta New York State DREAM Act to allow undocumented students to be eligible for the TAP and other state financial assistance programs;
- establish the For-Profit Accountability Act to require for-profit colleges to meet certain standards to continue enrolling new students and be eligible to participate in state financial aid programs;
- allow public accountancy firms to have up to 49 percent ownership by individuals who are not certified as public accountants; and
- prohibit mental health professionals from conducting conversion therapy on patients under the age of 18.







# BUDGET HIGHLIGHTS: HUMAN SERVICES



- **Raise the Age:** The Executive provides \$200 million for the continued implementation of state laws to raise the age of criminal responsibility. The funding would continue to support and expand comprehensive diversion, supervision, probation, programming and placement services for 16 and 17-year old justice system-involved youth.
- **Child Care:** The Executive provides \$832 million for child care subsidies, an increase of \$26 million over the SFY 2018-19 funding level, including \$9 million in additional federal child care funds.
- **Authorization for the Child Care Development Block Grant (CCDBG) requirements:** The Executive includes language to allow for compliance of the 2014 CCDBG inspection, training and background check requirements.
- **Authorization for the Families First Preventive Services Act requirements:** The Executive adds language to allow for background checks required by the federal act.
- **HIV/AIDS Rental Cap:** The Executive shifts funding for the HIV/AIDS rental cap for public assistance recipients in the City of New York to the Safety Net program. The Executive also includes \$5 million for districts outside of New York City to encourage participation in the HIV/AIDS rental cap.
- **Family Assistance Cost Shift to New York City:** The Executive proposal would require New York City to pay 10 percent of all costs associated with Family Assistance.
- **Domestic Violence Shelter Requirements:** The Executive eliminates requirements for survivors of domestic violence to apply for public assistance as a pre-requisite of receiving assistance, and also eliminates the ability of shelters to charge fees for services.
- **Empire State Anti-Poverty Initiative:** The Executive provides \$4.5 million for continued support of the Empire State Anti-Poverty Initiative.



# BUDGET REVIEW AND ANALYSIS: HUMAN SERVICES



Human services agencies in New York State provide for the needs of vulnerable populations and seek to ensure safety and equality for all New Yorkers.

Programs funded through the Office of Children and Family Services (OCFS) and the Office of Temporary and Disability Assistance (OTDA) include supportive services for individuals and families living in poverty, services for children in foster care or in need of protective interventions, support for adults and disabled individuals who are unable to work, and child care subsidies for working families.

The Division of Veterans' Affairs assists and advocates on behalf of veterans throughout the state.

The Department of Labor protects the rights of the workforce and promotes employment opportunities for out-of-work individuals. The Division of Housing and Community Renewal creates and maintains opportunities for affordable housing.

The Division of Human Rights addresses discrimination against protected classes in education, employment, housing and public accommodations. The Office of National and Community Service utilizes grants to promote various services including assistance to individuals with disabilities and disaster preparedness. Pay for Success initiatives seek to encourage community nonprofit service providers and philanthropic and private sector organizations to perform services usually associated with government institutions.

The State of New York Mortgage Agency (SONYMA) provides affordable financing for homeownership for low to moderate income residents and promotes the stabilization of neighborhoods throughout the state.

The Office of Welfare Inspector General conducts and supervises investigations of fraud, abuse or illegal acts relating to social services programs.

Table 19

<b>Appropriations</b>				
<b>Agency/Program</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Office of Temporary and Disability Assistance	5,732.90	5,822.72	89.82	1.57
Office of Children and Family Services	4,004.95	3,769.01	(235.94)	(5.89)
Department of Labor	3,632.68	3,618.16	(14.51)	(0.40)
Division of Housing and Community Renewal	662.25	459.22	(203.03)	(30.66)
State of New York Mortgage Agency	222.66	215.20	(7.46)	(3.35)
Raise the Age	100.00	200.00	100.00	100.00
Office of National and Community Service	30.69	30.77	0.08	0.27
Pay for Success	69.00	69.00	0.00	0.00
Division of Human Rights	18.15	18.15	0.00	0.00
Division of Veterans' Affairs	21.26	19.61	(1.65)	(7.77)
Office of Welfare Inspector General	1.41	1.31	(0.10)	(7.08)

Table 20

<b>Disbursements</b>				
<b>Agency/Program</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Office of Temporary and Disability Assistance	5,300.30	5,187.27	(113.03)	(2.13)
Office of Children and Family Services	3,004.45	2,730.79	(273.66)	(9.11)
Department of Labor	564.36	555.48	(8.88)	(1.57)
Division of Housing and Community Renewal	880.10	752.50	(127.60)	(14.50)
State of New York Mortgage Agency	0.00	0.00	0.00	0.00
Raise the Age	N/A	N/A	N/A	N/A
Office of National and Community Service	16.56	16.57	0.01	0.06
Pay for Success	12.00	5.00	(7.00)	100.00
Division of Human Rights	14.34	14.34	0.00	0.00
Division of Veterans' Affairs	17.95	16.02	(1.93)	(10.75)
Office of Welfare Inspector General	0.69	0.70	0.01	1.45

## Office of Temporary and Disability Assistance

The Executive proposes an All Funds appropriation of \$5.82 billion, an increase of \$89.82 million or 1.57 percent over the SFY 2018-19 level. The Executive recommends funding support for 1,989 full-time equivalent (FTE) employees, unchanged from SFY 2018-19.

**Public Assistance Benefits:** The Executive Budget estimates a public assistance caseload of 532,164 recipients for SFY 2019-20, a decrease of 6,024 recipients from SFY 2018-19.

Due to an expected decrease in the overall Safety Net population, state spending on Safety Net is expected to be \$496.7 million, a decrease of \$751,100. The Executive estimates federal Temporary Assistance for Needy Families (TANF) support for benefits at \$1.02 billion, a decrease of \$24.3 million from the SFY 2018-19 level.

**TANF Commitments:** The Executive proposes an appropriation of \$1.49 billion for TANF initiatives, an increase of \$15.7 million from SFY 2018-19. The increase includes \$28 million for the Advantage After School program, previously funded through the Office of Children and Family Services, offset by the elimination of \$18.97 million in TANF initiatives that were enacted in SFY 2018-19. The Executive proposal also includes \$44 million for Summer Youth Employment, which is an increase of \$4 million due to a higher minimum wage, and funding for the Non-Residential Domestic Violence Program in the amount of \$3 million, unchanged from SFY 2018-19.

Table 21

<b>TANF Initiatives</b>		
(\$ in Thousands)		
Category/Item	SFY 2018-19	SFY 2019-20
	Enacted	Proposed
Flexible Fund for Family Services	964,000	964,000
Child Care Subsidies	307,691	451,905
<b>TANF Initiatives</b>		
Access - Welfare to Careers	800	0
ATTAIN	4,000	0
Career Pathways	2,850	0
Centro of Oneida	25	0
Facilitated Enrollment	8,488	0
Fatherhood Initiative	200	0
Non-Residential DV	3,000	3,000
Advantage After Schools	-	28,041
Preventative Services Initiative	1,570	0
Rochester-Genesee Regional TA	82	0
Summer Youth Employment	40,000	44,000
SUNY/CUNY Child Care	334	0
Wage Subsidy Program	475	0
Wheels for Work	144	0
Subtotal of TANF Initiatives	61,968	75,041
<b>TANF Funding Total</b>	<b>1,333,659</b>	<b>1,490,946</b>

The Executive proposal projects funding for Emergency Assistance to Needy Families (EAF) at \$213.18 million statewide, a decrease of \$69.8 million from SFY 2018-19. This includes savings of \$15.92 million associated with a 10 percent local share of EAF for New York City.

**Additional Public Service Programs:** The Executive proposes \$700 million for the Supplemental Security Income (SSI) program, unchanged from SFY 2018-19.

**Homeless Programs:** The Executive proposal includes \$39.8 million for the New York State Supportive Housing Program, the Solutions to End Homelessness Program, and the Operational Support for AIDS Housing, an increase of \$3.06 million from SFY 2018-19. The proposal also includes \$15 million for the New York City Rental Assistance Program, and \$1 million for the Emergency Homeless Services Program.

**Community Initiatives:** The Executive eliminates \$4.46 million in legislative initiatives including funding for refugee resettlement agencies (\$2 million), a reduction in the Disability Advocacy Program (\$1.5 million), and funds to resettle people from Puerto Rico and the U.S. Virgin Islands (\$350,000). The Executive provides a \$2 million increase in funding for survivors of human trafficking.

**New York City Share for Family Assistance to Needy Families:** The Executive proposes language to establish a 10 percent local share for New York City for the Family Assistance program, resulting in a current year shift of \$72 million to New York City.

**Empire State Poverty Reduction Initiative:** The Executive proposal includes \$4.5 million to continue supporting the 16 communities in the Empire State Poverty Reduction Initiative.

## **Article VII**

The Executive proposes Article VII language that would:

- remove the requirement that domestic violence victims apply for public assistance;
- no longer allow providers of residential and nonresidential services to charge domestic violence victims for services rendered;
- authorize an increase to the Federal Supplemental Security Income (SSI) cost of living adjustment (COLA) in 2020; and
- allow local social service districts to place a public assistance recipient in a 90 day work experience assignment with a for-profit, non-profit, or public sector employer as a way to satisfy an individual's work requirement.

## **Office of Children and Family Services**

The Executive proposes an All Funds appropriation of \$3.77 billion, a net decrease of \$235.9 million or 5.9 percent. The Executive recommends funding support for 2,964 FTEs, unchanged from SFY 2018-19 levels.

**Child Care:** The Executive proposes \$937.3 million for child care, a net increase of \$26 million from SFY 2018-19 levels. The Executive provides \$832 million for child care subsidies, reflecting an increase of \$26 million over SFY 2018-19. The Executive provides \$96.9 million for various other child care purposes including administration of child care funds and child care resource and referral agencies which is unchanged from SFY 2018-19. The Executive provides \$8.5 million for professional development for child care employees, unchanged from SFY 2018-19. The Executive also eliminates funding for Facilitated Enrollment in OCFS (\$1.5 million) and OTDA (\$8.5 million) as well as TANF funding for SUNY/CUNY child care (\$334,000).

**Child Care Development Block Grant CCDBG:** The Executive proposes \$130 million in appropriations for implementing the health and safety requirements of the federal CCDBG Act of 2014. Up to \$80 million is appropriated for funding the health and safety mandates, as well as \$8.7 million to increase child care subsidies.

**Youth Facilities Billing:** The Executive proposes appropriation language to restructure the billing process to counties for their portion of youth facilities costs, now capped at \$55 million statewide. Instead of issuing county by county bills, local assistance program payments to localities would be intercepted as a way to achieve administrative savings to cover the county share of youth facility costs.

**Capital:** The Executive proposes a decrease of \$49.25 million for capital projects from SFY 2018-19. This decrease is attributed to a reduction in appropriations for the maintenance and improvement of youth facilities.

**Community Initiatives:** The Executive proposes a decrease of \$35.1 million for various children and families' initiatives funded in SFY 2018-19, including funding for Advantage Afterschool (\$5 million), Safe Harbour (\$3 million), Settlement Houses (\$2.45 million) and the Kinship Program (\$2 million). Base funding for Advantage Afterschool has been shifted to TANF.

## Article VII

The Executive proposes Article VII legislation that would:

- enact various provisions of law necessary to comply with health and safety requirements of the federal Child Care Development Block Grant re-authorization of 2014, including expanded background checks and frequency of inspections for a broader group of child care providers;
- enact various provisions of law necessary to comply with the federal Family First Preventive Services Act by requiring all persons employed in residential foster care programs to receive certain background checks;
- prohibit the use of detention and placement for persons in need of supervision (PINS) as of January 1, 2020, except for those who meet the definition of a sexually exploited youth; and
- provide the Office of Children and Family Services with authority to appoint a temporary operator to foster care programs.

## Department of Labor

The Executive proposes All Funds appropriations of \$3.6 billion, a decrease of \$14.5 million, or 0.4 percent from the SFY 2018-19 level, primarily due to the elimination of legislative adds and a decrease in the Unemployment Insurance Benefit Fund. The Executive recommends support for 2,987 FTEs, unchanged from SFY 2018-19.

**Unemployment Insurance (UI) Benefits:** The Executive proposes \$2.82 billion, a \$52 million decrease, to reflect an anticipated decline in claims due to an improving economy.

**Workforce Innovation and Opportunity Act (WIOA):** The Executive proposes an increase of \$36.3 million in federal appropriations for WIOA. This is an increase of \$9 million related to administration and operation of employment and training programs, as well as an increase of \$27.3 million for Workforce Investment Act boards for adult, youth and dislocated worker employment and training.

**Community Initiatives:** The Executive proposes a decrease of \$14.5 million, reflecting the elimination of various labor programs funded in SFY 2018-19, including support for the Displaced Homemaker Program (\$1.62 million), New York Committee on Occupational Safety and Health (\$350,000), the Sexual Harassment Prevention Program at the Cornell School of Industrial Labor Relations (\$150,000), and the Criminal Records Discrimination Program at Cornell's School of Industrial Labor Relations (\$50,000).

## Article VII

The Executive proposes Article VII legislation that would:

- modify unemployment insurance benefits for partially unemployed workers based on the number of days worked and amount of remuneration earned per week;
- establish that it is an unlawful discriminatory practice for an employer or employment agency to request or consider the salary history of a job applicant in determining offers of employment and salary; and
- require equal pay for substantially similar work and extend pay equity provisions to include all protected classes.

**Division of Housing and Community Renewal (DHCR)**

The Executive proposes an All Funds appropriation of \$459.22 million, a decrease of \$203.03 million, or 30.66 percent, from SFY 2018-19. This decrease is due to the elimination of non-recurring capital appropriations in SFY 2018-19. The Executive recommends support for 776 FTE positions, an increase of 94 from SFY 2018-19. These additional positions would be responsible for administering rent regulations.

**Housing Programs:** The Executive proposal includes funding for affordable housing, supportive housing and capital improvements to housing stock, rental subsidies, and rental assistance. For these purposes, the Executive proposal recommends \$135.2 million from several sources, including off-budget Mortgage Insurance Fund (MIF) allocations totaling \$12 million. These funds are committed as follows:

**Table 22**

<b>Proposed Housing Program Allocations</b>			
<b>Program</b>	<b>SFY 2018-19 \$ in Millions</b>	<b>SFY 2019-20 Executive \$ in Millions</b>	<b>Change \$ in Millions</b>
Affordable Housing Corporation	26.0	26.0	0.0
Access to Home	1.0	1.0	0.0
Public Housing Modernization Program	6.4	6.4	0.0
Low Income Housing Trust Fund	44.2	44.2	0.0
Homes for Working Families Program	14.0	14.0	0.0
Housing Opportunities for the Elderly	1.4	1.4	0.0
Rural Rental Assistance Program	23.6	21.0	(2.6)
Main Street Program	4.2	4.2	0.0
Neighborhood Preservation Program/Rural Preservation Program	18.2	12.0	(6.2)
Manufactured Home Advantage Program	0.0	5.0	5.0
<b>Total</b>	<b>139.0</b>	<b>135.2</b>	<b>(3.8)</b>

**State Operations:** The Executive proposes State Operations appropriations of \$180.2 million, an increase of \$87.32 million or 94 percent over SFY 2018-19. This increase is primarily due to the inclusion of a two year appropriation for the Office of Rent Administration. Additionally, \$11 million is included for the Tenant Protection Unit (TPU) program over two years. The Executive includes language making \$8 million in funding for the Office of Rent Administration in SFY 2019-20 and SFY 2020-21 contingent upon the legislature passing enhanced rent regulation legislation.

The Executive proposal also continues funding of \$21.9 million for the Office of Housing Preservation which is responsible for ensuring that buildings are in compliance with Section 8 rules and regulations, physical codes standards, and income eligibility requirements. The Executive proposal maintains funding to the Office of Professional Services for a total of \$13.48 million.

**Aid to Localities:** The Executive proposes Aid to Localities appropriations of \$104.8 million, an increase of \$14.65 million or 16.26 percent from SFY 2018-19. The Executive includes \$21 million for the Rural Rental Assistance program which has previously been funded out of the MIF. The Executive proposes a \$40 million appropriation for the Small Cities Community Development Block Grant Program and \$32.5 million for the Low Income Weatherization Program, both unchanged from SFY 2018-19 levels.

**Capital Funding:** The Executive proposal includes \$72 million in capital funding to continue support of recovery and rebuilding efforts in areas impacted by natural disasters in New York State. Additionally, \$5 million is included to replenish funding for the Manufactured Homes Program which supports the acquisition, demolition, replacement, and repair of mobile or manufactured homes.

**New York City Housing Authority (NYCHA):** The Executive provides no additional capital support for NYCHA; \$250 million in capital funding was provided to NYCHA in SFY 2018-19 and \$200 million was provided in SFY 2017-18, but remains unallocated and unspent.

The Executive also includes the following Article VII proposals that would:

- require the extension of the New York State system of rent regulation beyond the current expiration date of June 15, 2019, including reform of vacancy decontrol, preferential rent, and capital improvements;
- limit the amount of security deposit a landlord may charge a tenant to one month's rent;
- add lawful source of income as a protected class and prohibit housing discrimination on the basis of lawful source of income; and
- require manufactured home park owners to submit registration statement forms quarterly online to the Department of Finance. Currently, this must be submitted annually to the Division of Housing and Community Renewal.

### **State of New York Mortgage Agency (SONYMA)**

The Executive proposes an All Funds appropriation of \$216.2 million, a decrease of \$7.46 million, or 3.35 percent, from the SFY 2018-19 level to reflect statutorily required guarantee payments.

The SONYMA enabling statute requires the state to guarantee payments made by SONYMA, although no cash disbursements are projected to be made from this appropriation. All of SONYMA's programs and operations are supported by mortgage income, application fees, insurance premiums, and investment proceeds.

## **Raise the Age**

The SFY 2017-18 Budget raised the age of criminal responsibility to age 17 on October 1, 2018 and to age 18 on October 1, 2019. The SFY 2019-20 Budget appropriates \$200 million, an increase of \$100 million from SFY 2018-19, for the continuation of state and local costs related to Raise the Age. This funding will support reforms such as comprehensive diversion, probation, and programming and placement services for 16- and 17-year-old youth in the juvenile justice system.

## **Office of National and Community Service**

The Executive proposes an All Funds appropriation of \$30.8 million, an increase of \$82,000 over SFY 2018-19, to support the minimum wage increase. The Executive recommends supporting 10 FTEs, unchanged from SFY 2018-19 levels.

## **Pay for Success Contingency Reserve**

The Executive proposes All Funds appropriations of \$69 million, unchanged from SFY 2018-19.

## **Division of Human Rights**

The Executive proposes an All Funds appropriation of \$18.15 million, unchanged from SFY 2018-19. The Executive recommends support for 164 FTEs, also unchanged from the SFY 2018-19 level.

## **Article VII**

The Executive proposes Article VII language that would:

- prohibit the request of applicant salary history as a factor in determining whether to offer employment, covering all protected classes;
- prohibit discrimination based on gender identity or expression, and include offenses regarding gender identity or expression under the hate crimes statute;
- extend the anti-discrimination protection of the Human Rights Law to students who attend public schools, BOCES, public colleges, and public universities;

- require all non-disclosure agreements in employment contracts to include language stating that employees may still file a complaint of harassment or discrimination with a state or local agency and testify or participate in a government investigation;
- clarify that lactation is a pregnancy-related condition entitled to reasonable accommodations in the workplace; and
- prohibit the professional practice of conversion therapy with patients under the age of 18.

### **Division of Veterans' Affairs**

The Executive proposes an All Funds appropriation of \$19.6 million, a decrease of \$1.7 million or 7.8 percent from SFY 2018-19. The Executive recommends support for 98 FTEs, unchanged from SFY 2018-19.

**Veterans' Benefits Advising Program:** The Executive proposes an increase of \$300,000 in State Operations to support increased staff salaries. This program was previously named the "Veterans' Counseling Services Program."

**Community Initiatives:** The Executive eliminates \$1.7 million for various veterans programs funded in SFY 2018-19 including support for NYS Defenders Association Veterans Defense Program (\$500,000), Helmets to Hardhats (\$200,000), The Veterans Justice Project (\$100,000), North Country Veterans Association (\$100,000), SAGE Veterans Project (\$100,000), West Islip American Legion (\$35,000), Research and Recognition Project (\$50,000) and the Veterans Miracle Center (\$25,000).

**Veterans' Service Agencies:** The Executive includes an increase of \$203,000 to fully fund County and City VSA allocations.

### **Article VII**

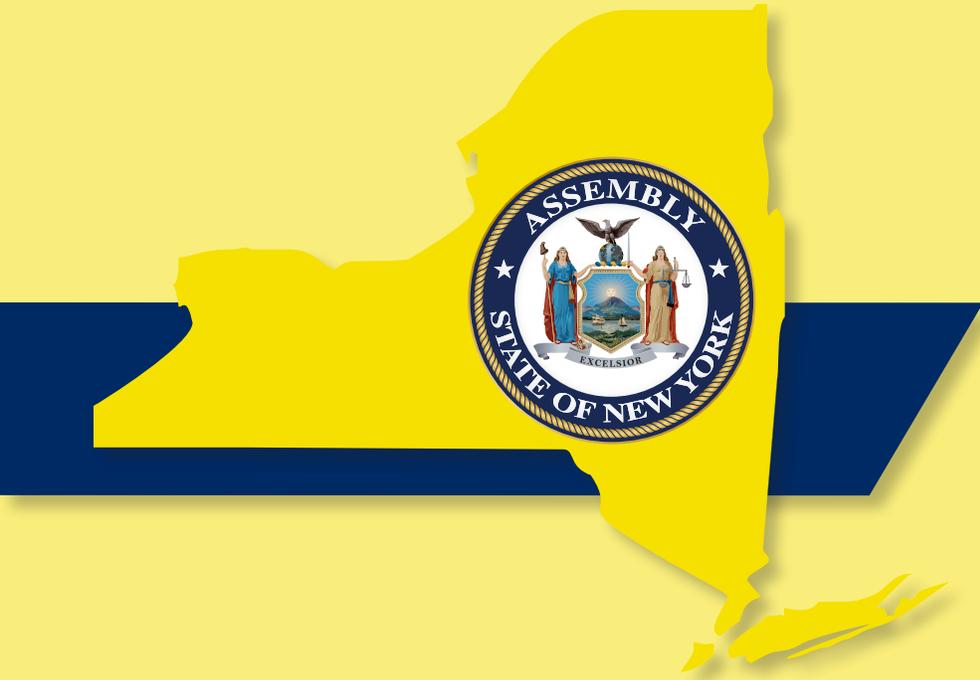
The Executive proposes Article VII language that would:

- prohibit any entity from receiving compensation for helping veterans and their dependents prepare a claim, except those permitted under United States Department of Veterans Affairs (USDVA) standards.

**Office of Welfare Inspector General**

The Executive proposes an All Funds appropriation of \$1.31 million, a decrease of \$100,000, or 7.08 percent from SFY 2018-19. The decrease is attributable to the Federal Equitable Sharing appropriations being replaced by Special Revenue Funds. The Executive recommends support for 7 FTEs, unchanged from SFY 2018-19.







# BUDGET HIGHLIGHTS: MENTAL HYGIENE



- **Minimum Wage:** The Executive includes funding to support direct care provider costs associated with the increase in the state's minimum wage, including \$47.5 million for the Office for People with Developmental Disabilities, \$6.7 million for the Office of Alcoholism and Substance Abuse Services, \$8.4 million for the Office of Mental Health, \$3.725 million for the Office of Children and Family Services, \$10.8 million for the Office of Temporary and Disability Assistance and \$82,000 for National Community Services.
- **Office for People with Developmental Disabilities Service Expansions:** The Executive proposes an increase of \$30 million to support service slots for individuals with disabilities including an expansion of certified housing supports, rental subsidies to individuals living in an apartment, day programs, employment options, and respite services.
- **Behavioral Health Parity:** The Executive proposes language to ensure that individuals suffering from mental health and substance use disorders are not restricted from accessing health insurance benefits; require general hospital emergency departments to have protocols to provide substance use disorder screening, education and treatment; and mandate coverage of court ordered treatment.
- **Independent Living Opportunities:** The Executive proposes \$15 million in capital funding to expand independent living opportunities.
- **Adult Home Transitions:** The Executive provides \$10 million to support the establishment of 500 new supportive housing beds for individuals transitioning out of adult homes and into the community.
- **Jail Based Restoration Programs for Certain Defendants:** The Executive proposes a \$1.7 million in savings related to the development of specialized units in local jails.



# BUDGET REVIEW AND ANALYSIS: MENTAL HYGIENE



The State of New York spends approximately \$9.82 billion annually to support its mental hygiene agencies, which include the Office for People With Developmental Disabilities (OPWDD), the Office of Mental Health (OMH), the Office of Alcoholism and Substance Abuse Services (OASAS), the Justice Center for the Protection of People with Special Needs, and the Developmental Disabilities Planning Council (DDPC).

These agencies provide services and support to over one million individuals, including adults with serious and persistent mental illness, children with serious emotional disturbances, individuals with developmental disabilities and their families, persons with chemical dependencies, and individuals with compulsive gambling problems. In addition, the Justice Center is responsible for tracking, investigating and pursuing abuse and neglect complaints related to facilities and provider agencies that are operated, certified or licensed by: OMH, OPWDD, OASAS, the Department of Health (DOH), the Office of Children and Family Services (OCFS) and the State Education Department (SED).

**Table 23**

<b>Appropriations</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Office for People with Developmental Disabilities	4,699.87	4,821.69	121.82	2.59
Office of Mental Health	4,264.74	4,395.55	130.81	3.07
Office of Alcoholism and Substance Abuse	808.76	802.34	(6.42)	(0.79)
Department of Mental Hygiene	600.00	600.00	0.00	0.00
Justice Center for the Protection of People with Special Needs	56.40	57.64	1.24	2.20
Developmental Disabilities Planning Council	4.76	4.76	0.00	0.00

Table 24

Disbursements				
Agency	2018-19 Adjusted (\$ in Millions)	2019-20 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office for People with Developmental Disabilities	1,948.37	1,885.71	(62.66)	(3.22)
Office of Mental Health	2,937.71	2,769.97	(167.74)	(5.71)
Office of Alcoholism and Substance Abuse	627.10	652.78	25.68	4.10
Department of Mental Hygiene	0.00	0.00	0.00	0.00
Justice Center for the Protection of People with Special Needs	43.83	44.42	0.59	1.35
Developmental Disabilities Planning Council	4.20	4.20	0.00	0.00

**Minimum Wage:** The Executive includes funding to support direct provider costs associated with the increase in the state’s minimum wage, including \$47.5 million for OPWDD, \$6.7 million for OASAS, and \$8.4 million for OMH.

**Cost of Living Adjustment:** The Executive would defer the human services cost of living adjustment (COLA) for one year.

**Office for People with Developmental Disabilities (OPWDD)**

The Executive proposes an All Funds appropriation of \$4.82 billion, an increase of \$121.82 million or 2.59 percent from SFY 2018-19. The Executive recommends support for 18,572 FTE positions, which is unchanged from the SFY 2018-19.

**Community Based Service Expansions:** The Executive includes an increase of \$30 million to support the creation of new service slots for individuals with developmental disabilities, including an expansion of certified housing supports and rental subsidies to individuals living in an apartment, and expansion of day programs, employment options, and respite services. The Executive continues \$60 million for new services that were established as a part of the SFY 2018-19 budget.

**Independent Living Opportunities:** The Executive provides \$15 million in capital funding to expand independent living opportunities.



**Adjust Medicaid Rates to Reflect Other Funding Sources:** The Executive proposes a \$5.25 million reduction related to the use of other governmental program payments, including the Supplemental Security Income and Supplemental Nutrition Assistance Program, to offset Medicaid reimbursement to providers for room and board.

**Managed Care:** The Executive includes \$5 million to improve provider readiness for the transition to managed care.

**Capital Projects:** The Executive proposes a new \$15 million in capital projects expenditures for housing.

**Program Eliminations:** The Executive proposes the elimination of \$2.3 million in targeted grants to community based providers.

## **Article VII**

The Executive proposes Article VII language that would eliminate duplicate license requirements for mental hygiene programs delivering integrated services.

## **Office of Mental Health (OMH)**

The Executive proposes an All Funds appropriation of \$4.40 billion, an increase of \$130.81 million or 3.07 percent from SFY 2018-19. The Executive recommends support for 13,717 FTEs, an increase of 40 FTEs from SFY 2018-19 level. This increase is related to the establishment of forensic ward programs.

**OMH Housing Programs:** The Executive proposes a \$10 million increase for existing supported housing and single residency programs. This investment will help preserve and maintain current housing capacity as the State brings new housing units online through its Empire State Supported Housing Initiative.

**Adult Home Transitions:** The Executive provides \$10 million to support the establishment of 500 new supported housing beds for individuals transitioning out of adult homes and into the community.

**Jail-Based Restoration Programs for Felony Defendants:** The Executive proposal includes \$1.7 million in net savings related to the development of specialized beds in local jails to restore felony-level defendants to competency. The Executive provides an \$850,000 investment to assist up to two county jails in making any necessary infrastructure improvements to provide separate treatment units for individuals with mental illnesses that are awaiting trial.

**Capital:** The Executive provides \$100 million to support the replacement of the Mid-Hudson Forensic Psychiatric Center in Orange County. The Executive also includes \$60 million for community-based residential facilities.

**Program Eliminations:** The Executive proposes the elimination of \$7.4 million in targeted grants to community based providers.

### Article VII

The Executive proposes Article VII language that would:

- extend the authority for the Office of Mental Health to recover Medicaid Exempt Income from service providers until June 30, 2022; and
- authorize the establishment of a jail-based restoration to competency program for defendants awaiting judicial hearings, within a local correctional facility.

### Office of Alcoholism and Substance Abuse Services (OASAS)

The Executive proposes All Funds appropriations of \$802.34 million, a decrease of \$6.43 million or 0.79 percent from SFY 2018-19. The Executive recommends the support for 737 FTEs, which is unchanged from the SFY 2018-19 level.

**Residential Treatment Beds:** By the end of SFY 2018-19, the Executive proposes to add 189 residential beds, including 50 crisis beds and 139 residential service beds. In addition, 260 beds are planned for capital development and are expected to open over the next three state fiscal years, including 84 crisis beds and 176 residential and service beds.

**Substance Use Disorder and Mental Health Ombudsman:** The Executive makes permanent \$1.5 million in funding to support the ombudsman program, created last year. The program helps individuals and their families navigate the behavioral health care system to ensure people have access to necessary care and services. The ombudsman program also helps resolve issues when care has been delayed or denied.

**Prison and Jail Based Substance Use Disorder Services:** The Executive continues \$3.75 million in funding to support medication-assisted treatment (MAT) in local correctional facilities. These effective programs will support inmates in recovery and link them to community-based services prior to their release, reducing recidivism.

**Program Eliminations:** The Executive proposes the elimination of \$8.1 million in grants to community based providers.

**Capital:** The Executive proposal includes \$6.96 million increase in capital expenditures to support new bed development, facility maintenance, and the renovation of community-based programs.

### **Justice Center for the Protection of People with Special Needs**

The Executive proposes All Funds appropriations of \$57.64 million, an increase of \$1.24 million or 2.2 percent from SFY 2018-19. The Executive recommends support for 423 FTEs, a decrease of 7 FTEs from the SFY 2018-19 level. The Executive includes an increase of \$1 million, including centralized resources available to support agency responsibilities associated with the Raise the Age initiative.

### **Article VII**

The Executive proposes Article VII language that would eliminate duplicative oversight by the Justice Center of inpatient psychiatric units within hospitals and summer camps for children with developmental disabilities.

### **Developmental Disabilities Planning Council (DDPC)**

The Executive proposes All Funds appropriations of \$4.76 million, unchanged from SFY 2018-19. The Executive recommends support for 18 FTEs, unchanged from the SFY 2018-19 level.







# BUDGET HIGHLIGHTS: ENVIRONMENT, AGRICULTURE AND ENERGY



- **Environmental Protection Fund (EPF):** The Executive proposes to maintain funding for the EPF at \$300 million comprised of: \$38.2 million for solid waste programs; \$88.4 million for parks and recreation; \$152.2 million for open space programs; and \$21.2 million for climate change programs.
- **State Superfund Program:** The Executive proposal continues to fully fund the State's Superfund Program with a \$100 million appropriation, including funding for the Environmental Restoration Program.
- **Clean Water Infrastructure:** The Executive proposes to include an additional \$500 million for water infrastructure programs. This is the first installment of a new \$2.5 billion commitment over the next five years.
- **State Parks:** The Executive proposal includes \$112.5 million in New York Works funding for state parks in SFY 2019-20, including \$20 million for phase two of the Shirley Chisholm State Park.
- **Plastic Bag Ban and Bottle Bill Expansion:** The Executive proposes to ban certain single-use plastic bags statewide and to expand the bottle bill to include most non-alcoholic beverage containers.
- **Climate Leadership Act:** The Executive proposal would establish a statewide target of 100 percent clean energy by 2040 and would require the Department of Environmental Conservation to promulgate a greenhouse gas emissions limit that would achieve a 40 percent reduction in emissions from 1990 levels by 2030.
- **Hudson River Park Trust:** The Executive proposal includes \$23 million in capital funding in addition to \$50 million appropriated in 2018-19.
- **Olympic Regional Development Authority:** The Executive proposal includes \$80 million in capital funding for the Olympic Regional Development Authority, an increase of \$20 million from SFY 2018-19. Of this amount, \$70 million represents the third and final installment for a strategic upgrade and modernization plan and \$10 million is for energy efficiency upgrades.



# BUDGET REVIEW AND ANALYSIS: ENVIRONMENT, AGRICULTURE AND ENERGY



New York State has a variety of agencies entrusted with protecting our natural environment and aiding in the protection and productivity of its land. The state also has an interest in ensuring an adequate supply of energy is available to consumers.

The mission of the Department of Environmental Conservation (DEC) is to conserve and improve the state's natural resources and environment and to prevent, abate, and control water, land, and air pollution. DEC's responsibilities include the administration of a portion of the State's Environmental Protection Fund (EPF) and protecting the state's land and resources. The DEC also manages state forests, including the Adirondack Forest Preserve and the Catskill Forest Preserve.

The Department of Agriculture and Markets is charged with fostering a competitive and safe food and agriculture industry to benefit consumers and producers. Its major responsibilities include: encouraging growth and prosperity in the state's agriculture and food industry; conducting various inspection and testing programs to enforce laws on food safety and animal and plant health; preserving agricultural resources and fostering agricultural environmental stewardship; and operating the annual State Fair.

The Public Service Commission (PSC) and the Department of Public Service are responsible for regulating the rates and services of the state's public utilities, overseeing the siting of major electric and gas transmission lines and facilities, ensuring the safety of natural gas and liquid petroleum pipelines, and planning the future of energy in the New York State.

The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation responsible for the administration of energy efficiency programs and for the management of energy research, development, and demonstration programs funded by assessments on gas and electric utilities.

The Office of Parks, Recreation and Historic Preservation (OPRHP) is responsible for the conservation, protection, and enhancement of New York State's natural, historic, and cultural resources. OPRHP provides recreational and interpretive opportunities for New York State residents and visitors at 180 parks and 38 historic sites across the state.

The Adirondack Park Agency ensures the overall protection, development, and use of the natural resources of the Adirondack Park. The Olympic Regional Development Authority (ORDA) works to maximize visitation to the Adirondack region by operating its venues to promote environmental awareness and safe recreation, and manage state operated ski areas.

The New York Power Authority’s (NYPA) mission is to provide low-cost, reliable, clean energy to help drive New York State’s economic growth and competitiveness. NYPA runs 16 generating facilities, including the Niagara Falls Power Plant.

**Table 25**

<b>Appropriations</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Department of Environmental Conservation	1,245.97	1,758.18	512.21	41.11
Office of Parks, Recreation, and Historic Preservation	435.93	481.45	45.52	10.44
Department of Agriculture and Markets	186.76	175.06	(11.70)	(6.26)
New York Power Authority	215.00	172.00	(43.00)	(20.00)
Olympic Regional Development Authority	70.09	107.09	37.00	52.79
Department of Public Service	95.42	104.68	9.26	9.70
Hudson River Park Trust	50.00	23.00	(27.00)	(54.00)
Energy Research and Development Authority	17.00	17.70	0.70	4.12
Adirondack Park Agency	4.54	4.68	0.14	3.08
Hudson River Valley Greenway Communities Council	0.32	0.32	0.00	0.00
Greenway Heritage Conservancy	0.16	0.16	0.00	0.00

Table 26

<b>Disbursements</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Department of Environmental Conservation	1,201.55	1,292.74	91.19	7.59
Office of Parks, Recreation, and Historic Preservation	365.66	369.10	3.44	0.94
Department of Agriculture and Markets	155.39	97.58	(57.81)	(37.20)
New York Power Authority	5.25	36.00	30.75	585.71
Olympic Regional Development Authority	61.29	78.68	17.38	28.36
Department of Public Service	80.64	82.25	1.61	2.00
Hudson River Park Trust	0.00	5.00	5.00	100.00
Energy Research and Development Authority	22.88	20.45	(2.43)	(10.61)
Adirondack Park Agency	4.82	4.91	0.09	1.87
Hudson River Valley Greenway Communities Council	0.00	0.00	0.00	0.00
Greenway Heritage Conservancy	0.00	0.00	0.00	0.00

### **Department of Environmental Conservation**

The Executive Budget proposes an All Funds appropriation of \$1.76 billion, an increase of \$512.2 million or 41 percent from the SFY 2018-19 level. This increase primarily reflects a new appropriation of \$500 million for clean water infrastructure. The Executive recommends support of 3,115 FTE positions, an increase of five FTEs from SFY 2018-19 levels. These new positions are associated with the operation of the Frontier Town site in Essex County opening in the spring of 2019.

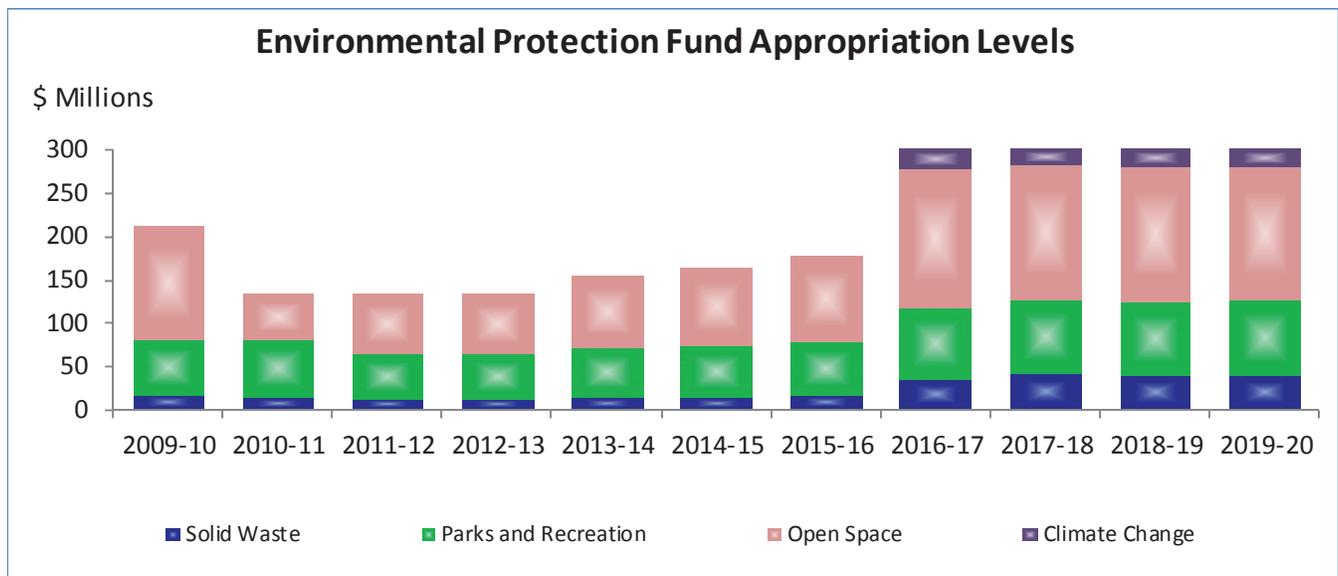
Of the \$1.76 billion All Funds appropriations, the Executive proposes \$460 million for DEC State Operating expenses and \$1.3 billion in capital appropriations. Of the capital appropriations, approximately \$1 billion would be provided as grants to municipalities, not-for-profit organizations and universities through the Environmental Protection Fund (EPF), the Clean Water State Revolving Fund, and water infrastructure projects. The balance of capital appropriations are for state projects such as State Superfund cleanups, flood control projects, and improvements to DEC lands or facilities.

**Water Infrastructure:** The Executive proposes a new \$500 million appropriation to supplement amounts already made available under the Clean Water Infrastructure Act of 2017. The Executive proposal would make a new \$2.5 billion commitment over five years for a total of \$5 billion. The additional funding would be used for the Water Infrastructure Improvement Act (WIIA); Water Quality Improvement Projects; the Intermunicipal Water Infrastructure Grant Program; land acquisition for source water protection; municipal water quality infrastructure programs; water quality projects located within the New York City watershed; mitigation and remediation of contaminated drinking water; upgrades and replacements of septic systems and cesspools; green infrastructure projects; Concentrated Animal Feeding Operations (CAFOs); solid waste site monitoring and mitigation; road salt management projects; replacement of lead drinking water service lines; a water infrastructure emergency loan fund; and IT system upgrades.

WIIA, the largest clean water program, has awarded grants worth \$770 million for clean water and drinking water infrastructure to municipalities since 2015.

The Executive proposal also continues annual appropriations of \$175 million in federal funding and \$35 million in state funding for the Clean Water State Revolving Fund. This program allows municipalities to apply for zero or low-interest loans for wastewater infrastructure and other clean water projects. WIIA funds can be used for the required local match to loans from the State Revolving Fund.

**Environmental Protection Fund (EPF):** The Executive proposes \$300 million for the EPF, unchanged from SFY 2018-19 levels.



**Figure 7**



Table 27

## SFY 2019-20 Environmental Protection Fund (\$ in Thousands)

	SFY 2018-19 Enacted Budget	SFY 2019-20 Executive	Change (\$)	% Change
<b>CLIMATE CHANGE MITIGATION &amp; ADAPTATION</b>				
Greenhouse Gas Management	1,000	1,500	500	50.0
<i>Regenerate NY**</i>	-	500	500	100.0
<i>Cornell Working Lands Ag Inventory**</i>	-	500	500	100.0
State Climate Adaptation Projects	3,000	2,000	(1,000)	(33.3)
<i>Wood Products Council**</i>	-	200	200	100.0
Smart Growth	2,000	2,000	-	-
Climate Resilient Farms Program	2,500	5,000	2,500	100.0
<i>Dutchess/Columbia Carbon Farming Pilot**</i>	-	200	200	100.0
Climate Smart Community Projects	10,650	10,650	-	-
<b>Subtotal, Climate Change</b>	<b>19,150</b>	<b>21,150</b>	<b>2,000</b>	<b>10.4</b>
<b>OPEN SPACE</b>				
Land Acquisition	35,000	32,387	(2,613)	(7.5)
<i>Working Forests Conserv. Easements**</i>	-	3,000	3,000	100.0
Albany Pine Bush Commission	2,675	2,675	-	-
LI Pine Barrens Commission	2,000	2,000	-	-
Environmental Commissions	1,063	1,063	-	-
LI South Shore Estuary Reserve	900	900	-	-
Ag. Non-Point Source Pollution Control	17,000	18,000	1,000	5.9
Non-Ag Non-Point Source Pollution Control	7,000	7,000	-	-
Farmland Protection	18,000	17,000	(1,000)	(5.6)
Biodiversity Stewardship	1,350	1,350	-	-
Hudson River Estuary Plan	6,500	6,500	-	-
Finger Lake; Lake Ontario Watershed	2,300	2,300	-	-
Lake Erie Watershed Protection	250	250	-	-
Water Quality Improvement Program	20,250	18,250	(2,000)	(9.9)
Oceans & Great Lakes Initiative	17,250	17,250	-	-
Invasive Species	13,300	13,300	-	-
<i>Eradication</i>	6,050	6,050	-	-
<i>Southern Pine Beetle*</i>	250	500	250	100.0
Soil & Water Conservation Districts	10,000	10,500	500	5.0
Agricultural Waste Management	1,500	1,500	-	-
<b>Subtotal, Open Space</b>	<b>156,338</b>	<b>152,225</b>	<b>(4,113)</b>	<b>(2.6)</b>
<b>PARKS &amp; REC</b>				
Waterfront Revitalization	14,000	15,000	1,000	7.1
<i>Inner City/Underserved</i>	9,000	9,000	-	-
Municipal Parks	19,500	19,500	-	-
<i>Inner City/Underserved</i>	10,000	10,000	-	-
Public Access & Stewardship	32,638	33,700	1,062	3.3
<i>Belleayre</i>	1,000	1,000	-	-
Hudson River Park (HRP)	3,200	3,200	-	-
ZBGA	15,000	15,000	-	-
Waterway Law Enforcement	2,000	2,000	-	-
<b>Subtotal, Parks &amp; Rec</b>	<b>86,338</b>	<b>88,400</b>	<b>2,062</b>	<b>2.4</b>
<b>SOLID WASTE</b>				
Landfill Closure/ Gas Management	700	700	-	-
Municipal Recycling	14,000	14,000	-	-
<i>Food Waste Diversion</i>	2,000	2,000	-	-
Secondary Marketing	149	200	51	34.2
Pesticide Database	1,800	1,800	-	-
Environmental Justice	7,000	7,000	-	-
Natural Resources Damages	2,025	2,025	-	-
Pollution Prevention Institute	4,000	4,000	-	-
Environmental Health	6,500	6,500	-	-
<i>Children's Environmental Health Centers</i>	2,000	2,000	-	-
<i>Fresh Connect</i>	625	625	-	-
Brownfield Opportunity Area Grants	2,000	2,000	-	-
<b>Subtotal, Solid Waste</b>	<b>38,174</b>	<b>38,225</b>	<b>51</b>	<b>0.1</b>
<b>TOTAL EPF</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>-</b>

Note: \*'18-'19 New Categories \*\*'19-'20 New Categories

The EPF was started in 1993 to protect and preserve the state's environment. There are four categories in the EPF:

- the Climate Change Mitigation and Adaptation category provides funding to limit the impact of climate change, and funding of \$21.2 million is proposed for SFY 2019-20;
- the Open Space category provides funding for open space land conservation projects, biodiversity stewardship and research, agricultural and farmland protection activities, as well as non-point source abatement and control projects. The Executive proposes \$152.3 million for the Open Space category for SFY 2019-20;
- the Parks and Recreation category provides public access to open space and economic development support for areas surrounding the open space, and funding of \$88.4 million is proposed for SFY 2019-20; and
- the Solid Waste category provides funding for recycling and waste reduction, and \$38.2 million in funds are proposed for SFY 2019-20.

The Executive proposes several new programs within the EPF including: \$3 million for Working Forests Conservation Easements; \$500,000 for Regenerate NY; \$500,000 for the Cornell Natural and Working Lands Agricultural Inventory; and \$200,000 for a Dutchess and Columbia Counties Carbon Farming Pilot.

### **Other DEC Capital**

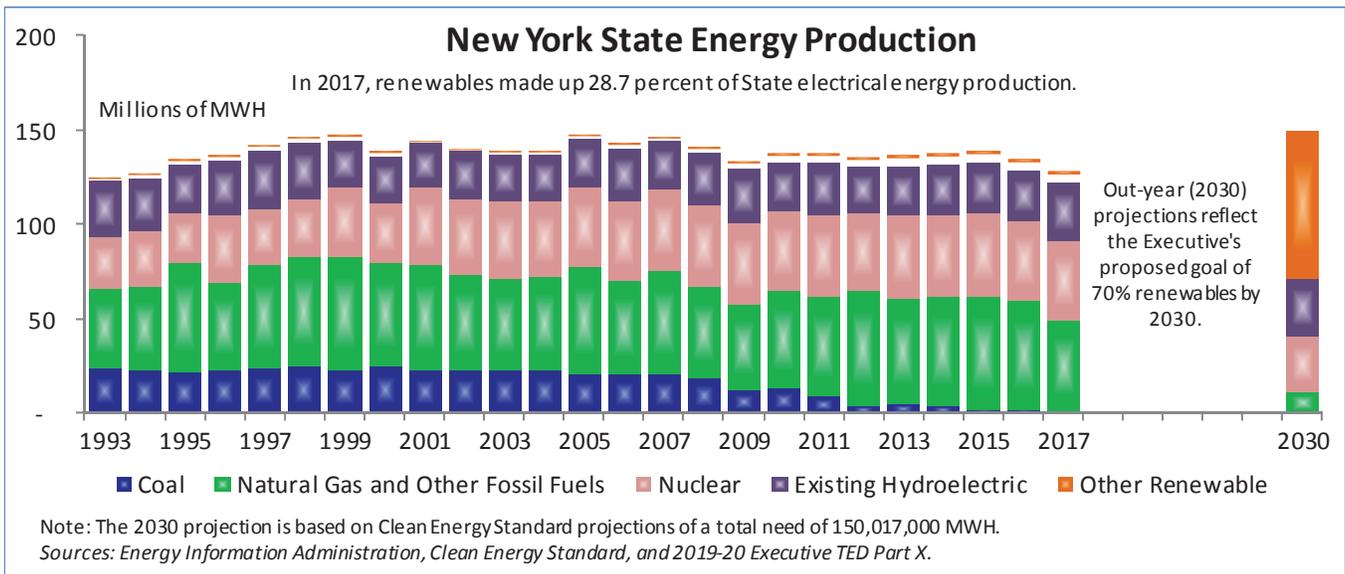
**New York Works:** The Executive proposes \$55.25 million for New York Works, an increase of \$15.25 million from the 2018-19 level. Funds are used for capital projects on state lands and buildings, such as constructing or renovating campgrounds, dams, fish hatcheries, and air monitoring equipment.

**State Superfund Program:** The Executive proposal continues to fully fund the State's Superfund Program with a \$100 million appropriation, of which 10 percent is allocated to the Environmental Restoration Program (ERP).

## Article VII

The Executive includes the following Article VII proposals that would:

- establish the Climate Action Council to develop recommendations for regulations, policies, and legislation to reach carbon neutrality across all sectors statewide; establish a target of meeting 100 percent of statewide electricity demand with non-greenhouse gas emitting sources by 2040, with 70 percent of state electricity coming from renewable sources by 2030; and require DEC to promulgate a greenhouse gas emissions limit that would achieve a 40 percent reduction in greenhouse gas emissions from 1990 levels by 2030;
- expand the beverages subject to the five-cent bottle deposit, revise redemption and deposit initiation procedures, and increase penalties;
- prohibit plastic carryout bags for consumers at the point of sale, unless exempted or approved by law or the DEC;
- prohibit offshore oil and natural gas drilling and restrict the state's ability to facilitate offshore drilling-related activities;
- make the Waste Tire Management and Recycling Fee permanent and expand the uses of the Waste Management and Cleanup Fund;
- authorize DEC to solicit funds or gifts and enter into public-private partnerships with philanthropic groups and not-for-profit corporations;
- eliminate the requirement that DEC send wetland mapping notifications by certified mail; and
- establish chemical disclosure and labelling requirements for certain consumer products, including cleaning and personal care products.



**Figure 8**

### Department of Public Service

The Executive Budget proposes an All Funds appropriation of \$104.68 million, an increase of \$9.3 million or 9.7 percent from SFY 2018-19 levels. This is a result of increased personal and non-personal service, as well as \$1.7 million for Article X siting staff. The Executive recommends support of 528 FTEs, an increase of 8 FTEs from the SFY 2018-19 levels. The Department of Public Service (DPS) is primarily funded from an assessment on public utility companies rather than the General Fund. DPS and the Public Service Commission regulate rates and services of public utilities, oversee siting of major transmission lines and facilities, ensure pipeline safety, and regulate renewable energy.

The Executive proposal also includes legislation related to developing a clean energy program with a target of meeting 100 percent of statewide electricity demand with non-greenhouse gas emitting sources by 2040, with 70 percent of state electricity coming from renewable sources by 2030.

### Article VII

The Executive includes the following Article VII proposals that would:

- authorize the collection of an additional \$10 million from utility assessments for the Electric Generation Facility Cessation Mitigation Fund and continue the authorization for the Public Service Account to fund the regulatory expenses of various agencies through a utility assessment (\$3.34 million) and for the Department of Health to finance public health education programs with revenues generated from an assessment on cable television companies (\$454,000); and

- require state agencies and state authorities to contract only with internet service providers that adhere to net neutrality principles.

### NYS Energy Research and Development Authority (NYSERDA)

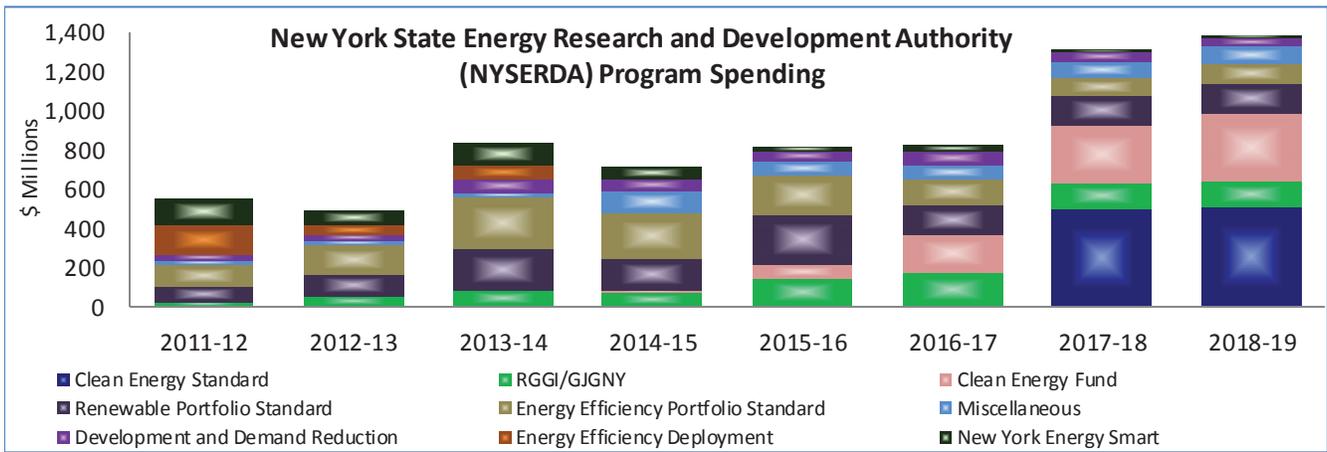
The Executive proposes an All Funds appropriation of \$17.7 million, an increase of \$700,000 or 4 percent from the SFY 2018-19 level. This \$17.7 million capital appropriation is for the federal match for West Valley, a former reprocessing facility for used nuclear fuel that is being decontaminated by the U.S. Department of Energy.

Table 28

<b>NYSERDA Revenues</b> (\$ in Thousands)				
<b>Revenue Source</b>	<b>SFY 2016-17</b>	<b>SFY 2017-18</b>	<b>SFY 2018-19</b>	<b>Share of Revenue SFY 2018-19</b>
Zero Emissions Credits (ZECs)	952	483,451	484,403	31.33%
Renewable Energy Credits (RECs)	611	-	12,510	0.81%
Utility Surcharge Assessments	61,197	351,192	823,233	53.25%
Allowance Auction Proceeds (RGGI)	88,417	90,424	106,586	6.89%
State Funding	14,815	29,769	30,511	1.97%
Loan Interest	11,255	21,619	26,158	1.69%
Federal Grants	6,642	21,597	17,640	1.14%
Miscellaneous	29,696	30,450	57,575	3.72%
<b>Total NYSERDA Revenues</b>	<b>213,585</b>	<b>1,028,502</b>	<b>1,546,106</b>	<b>100.00%</b>

*Source: NYSERDA Revised Budgets 2018-19, 2017-18, 2016-17.*

NYSERDA revenues in the table are primarily off-budget assessments on utilities, including through the Zero Emissions Credit (ZEC) program. Most programs are therefore not appropriated in the Executive Budget, with the exception of the state share for West Valley. These off-budget programs include energy efficiency and energy research, development, and demonstration projects.



**Figure 9**

**Regional Greenhouse Gas Initiative (RGGI) Transfer:** The Executive Budget includes legislation that would transfer \$23 million from RGGI proceeds to fund green energy tax credits and carbon reduction programs, and would transfer \$913,000 from NYSERDA to the General Fund to offset New York State’s debt service requirements for West Valley.

**Article VII**

The Executive proposes Article VII legislation to extend for another year the \$19.7 million assessment on gas and electric corporations for the NYSERDA Research, Development and Demonstration program, with a provision to include \$150,000 for the Department of Agriculture and Markets Fuel NY program.

**New York Power Authority (NYPA)**

The Executive proposes an All Funds appropriation of \$172 million, a decrease of \$43 million or 20 percent from SFY 2018-19 levels. The decrease reflects a structured reduction in the repayment plan between the state and NYPA for a previous fund transfer.

NYPA revenues are self-generated from selling energy. NYPA’s 2019 budget is \$2.6 billion and provides low-cost, reliable, clean energy to public entities and for economic development. Major components of NYPA’s budget include: \$696.9 million for purchased power, \$644.1 million for power transmission, and \$578 million for operations and maintenance. NYPA also includes the Canal Corporation which has an operating budget of \$85 million.

## Article VII

The Executive includes the following Article VII proposals that would:

- expand NYPA’s energy programs, projects and services, and authorize NYPA to develop electric vehicle charging stations; and
- authorize NYPA to develop transmission facilities, renewable energy projects, and to procure and sell renewable products to certain customers.

## Department of Agriculture and Markets

The Executive Budget proposes an All Funds appropriation of \$175.06 million, a decrease of \$11.7 million or 6 percent from the SFY 2018-19 level, reflecting the discontinuation of capital and local legislative initiatives. The Executive recommends support of 512 FTEs, an increase of 29 food inspector FTEs from the SFY 2018-19 levels.

**Agricultural Programs:** The Executive proposes \$29.5 million in aid to localities, a \$4.9 million decrease from SFY 2018-19. This includes a \$28.4 million lump sum appropriation for agricultural programs, including the State veterinary diagnostic laboratory, research and development at Cornell University, education and outreach at Cornell University, NY Farm Viability Institute, agricultural economic development, and agricultural access, education, and workforce support. Funding for these programs would be pursuant to a plan approved by the Director of the Budget.

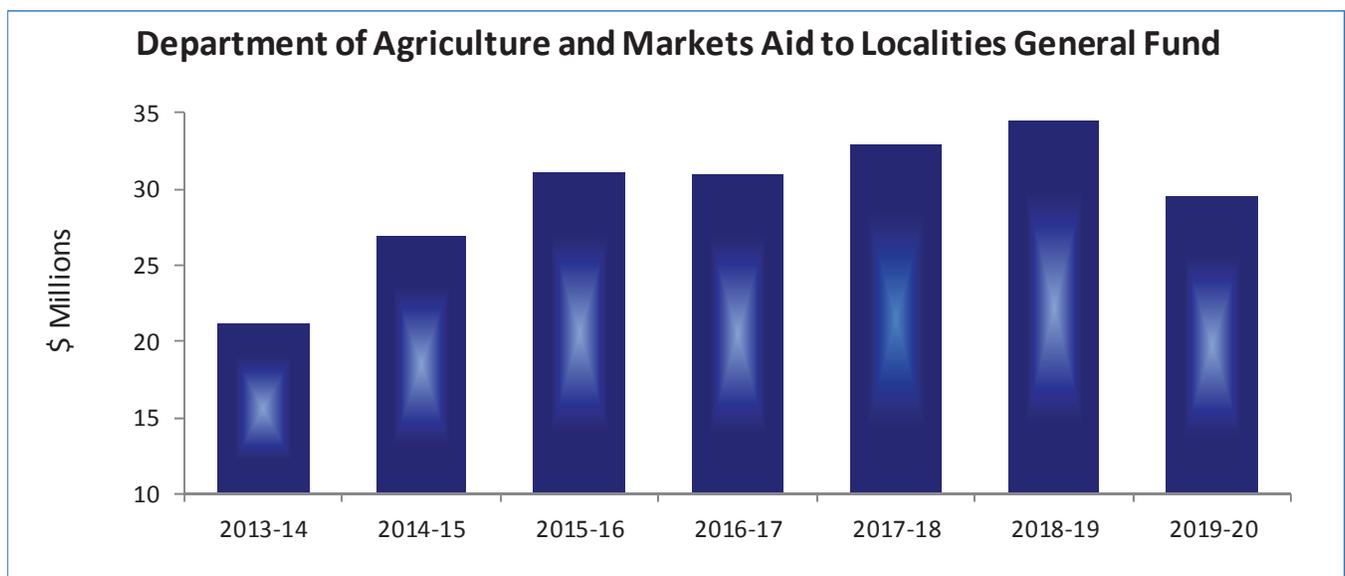


Figure 10

**Capital:** The Executive Budget recommends \$9.42 million in capital funding, a decrease of \$7.5 million from SFY 2018-19. This is as a result of the Executive’s proposal to discontinue capital funding for Local Fairs (\$5 million) and for Animal Shelters (\$5 million), while adding \$2.5 million for the State Fair.

### **Office of Parks, Recreation, and Historic Preservation**

The Executive Budget proposes an All Funds appropriation of \$481.46 million, an increase of \$45.3 million or 10 percent, from SFY 2018-19 levels. The Executive recommends support of 2,041 FTE positions, an increase of 17 FTEs from the SFY 2018-19 level.

**State Operations:** The Executive recommends \$249.5 million in state operations, a \$23.6 million increase from SFY 2018-19. This reflects two new appropriations for new enterprise funds, a \$20 million appropriation for the Golf Enterprise Fund and \$2 million for the Retail Stores Enterprise Fund. Additionally, the Executive proposes a \$1.6 million increase in personal service to accommodate an increase of 17 FTEs associated with the summer 2019 opening of phase I of the new Shirley Chisholm State Park, which will be a 407-acre park built along Jamaica Bay in Brooklyn.

**Capital Funding:** The Executive recommends \$222.7 million in capital funding, an increase of \$22 million from SFY 2018-19. The Executive proposes:

- \$112.5 million in New York Works funding, a \$20 million increase from SFY 2018-19 for phase II of Shirley Chisholm State Park; and
- \$5.8 million for the State Park Infrastructure Fund Engineering Services program, a \$2 million increase, reflecting projected increased revenues.

### **Article VII**

The Executive proposal includes Article VII legislation that would create a Retail Stores Enterprise Fund and a Golf Enterprise Fund to segregate revenues and expenses for retail stores and golf courses on state parks from the Patron Services Account.

### **Hudson River Park Trust**

The Executive Budget proposes capital appropriations of \$23 million for the Hudson Park Trust, an amount that is in addition to the \$50 million appropriated in SFY 2018-19. The Executive anticipates a full matching payment from New York City. The Executive Budget provides an additional \$3.2 million in funding from the Environmental Protection Fund for HRPT, unchanged from last year.

## **Adirondack Park Agency**

The Executive proposes an All Funds appropriation of \$4.7 million, an increase of \$140,000 or three percent from the SFY 2018-19 level. The Executive recommends support of 54 FTE positions, unchanged from the SFY 2018-19 level.

## **Olympic Regional Development Authority**

The Executive proposes an All Funds appropriation of \$107.1 million, an increase of \$37 million or 53 percent from SFY 2018-19 levels. The Executive recommends \$80 million in capital funding, an increase of \$20 million from SFY 2018-19. This represents the final installment of a three-year modernization investment totaling \$148 million for renovations and energy efficiency upgrades at ORDA facilities. The Executive proposal continues to make \$2.5 million available from the New York Works appropriation in the Office of Parks, Recreation, and Historic Preservation Capital Budget.

The Executive proposal includes a \$16 million indemnity contingency appropriation associated with hosting the 2023 World University Games, related to the Article VII proposal below.

## **Article VII**

The Executive proposal includes Article VII legislation to authorize ORDA to enter into contracts or agreements containing indemnity provisions in order to host Olympic or other national or international games or events, provided such authorization is limited by an appropriation for that purpose.









# BUDGET HIGHLIGHTS: TRANSPORTATION



- **MTA Capital Plan Funding:** The Executive maintains the previous state commitment of \$7.3 billion to the 2015-19 MTA Capital Plan contingent upon enactment of congestion pricing, MTA organization reform and school zone speed cameras. The state commitment totals \$8.6 billion including prior year appropriations.
- **Congestion Pricing:** The Executive proposes a congestion pricing program south of 60<sup>th</sup> Street in Manhattan that could begin as early as 2021. The legislation authorizes the MTA's Triborough Bridge and Tunnel Authority (TBTA) to set the congestion pricing fee with a requirement that the fee must generate revenues sufficient to leverage at least \$15 billion in bonded capital.
- **MTA Organizational Reform:** The Executive proposal gives the MTA the authority to reform its organizational structure and to consolidate any of its subsidiaries with approval from the MTA Board.
- **Transit Operating Assistance:** The Executive recommends \$5.834 billion in annual support for transit systems, including the MTA, reflecting an increase of \$265 million or 4.8 percent from SFY 2018-19.
- **Continued Funding of Local Capital Construction Programs:** The Executive proposal would continue appropriation levels of \$438.1 million for the Consolidated Highway Improvement Program (CHIPs) and \$39.7 million for the Marchiselli program. The Executive continues funding of \$100 million for the Bridge NY program and \$100 million for PAVE NY, distributed through the CHIPs formula.
- **Limousine, Bus, and Livery Reform:** The Executive proposes legislation to ban remanufactured limousines, require a Commercial Driver's License (CDL) to operate a for-hire-vehicle with eight or more passengers, establish a DOT inspection fee of \$120, and increase civil and criminal penalties for violations.
- **Sustainable Upstate Transit Operating Assistance:** The Executive proposes to increase the auto rental tax upstate and dedicate the funding to upstate transit systems. The additional revenue is estimated to generate \$22 million annually.



# BUDGET REVIEW AND ANALYSIS: TRANSPORTATION



New York State supports a vast transportation infrastructure with the goal of creating an interconnected statewide system that addresses environmental and community concerns while efficiently moving people and goods throughout the state. The Department of Transportation (DOT) maintains and improves the state’s more than 43,000 highway lane miles and 7,800 bridges and supports local government highway and bridge construction, CHIPs, rail, and aviation projects. DOT also supports over 130 locally operated transit systems, including the MTA.

The MTA maintains a fleet of 5,700 buses and 6,400 subway cars, which operate on an infrastructure of 2,200 miles of track. MTA ridership has increased 54 percent since 1995 and in 2016 reached an all-time high of 2.7 billion people riding on its subways, buses and railroads, a number that has subsequently declined amid ongoing service issues. Additionally, the MTA’s nine bridges and tunnels carry over 300 million vehicles annually.

The Department of Motor Vehicles (DMV) is responsible for registering and titling vehicles, issuing driver licenses and non-driver identification cards, and regulating the motor vehicle industry from the time a vehicle is sold through its annual inspections and up to the moment when it is disposed. The DMV operates 27 district and branch offices, and provides services via county clerk offices acting as DMV agents at 102 locations throughout the state. The DMV Traffic Violations Bureau helps to adjudicate traffic infractions.

The Thruway Authority is responsible for operating a 570-mile toll highway system including the construction of the Governor Mario M. Cuomo Bridge.

Table 29

Agency	Appropriations			
	2018-19 Adjusted (\$ in Millions)	2019-20 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Transportation	10,049.26	9,479.31	(569.95)	(5.67)
Metropolitan Transportation Authority	2,585.29	2,437.14	(148.15)	(5.73)
Department of Motor Vehicles	362.57	395.88	33.31	9.19



Table 30

Agency	Disbursements			
	2018-19 Adjusted (\$ in Millions)	2019-20 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Transportation	8,978.22	8,498.50	(479.72)	(5.34)
Metropolitan Transportation Authority	800.00	675.00	(125.00)	(15.63)
Department of Motor Vehicles	339.24	350.12	10.88	3.21

**Metropolitan Transportation Authority**

**Congestion Pricing:** The Executive proposal requires the MTA and its subsidiary, the Triborough Bridge and Tunnel Authority (TBTA), to implement a congestion pricing program as early as 2021. The proposal requires the TBTA to construct, maintain, and operate infrastructure necessary to implement a toll for entering the designated zone, designated as the area south of and including 60th Street in Manhattan, excluding FDR Drive. The construction and maintenance of the congestion pricing infrastructure would be exempt from environmental quality reviews and local land use provisions.

The proposal would authorize the TBTA to set the congestion toll and any additional fees, provided that such revenues would generate a minimum of \$15 billion for capital funding, which would be dedicated to the MTA’s 2020-24 capital plan or future capital plans. There are no benchmarks for congestion relief, and the toll amount is undefined. For-hire-vehicles (FHVs) and emergency vehicles would be exempt from congestion tolls. Tolls paid by drivers entering the zone using the Queens-Midtown, Hugh Carey, Holland and Lincoln Tunnels and the Henry Hudson Bridge would be counted toward the cost of the congestion toll when both areas are traversed in a single day.

**MTA 2015-19 Capital Plan:** The state has made commitments to the 2015-19 capital plan totaling \$8.6 billion, in addition to the MTA’s own capital commitments. The Executive proposal maintains the state’s commitment to the MTA capital plan by proposing the last of five scheduled appropriations. The state’s \$7.3 billion commitment requires a 25 percent match from New York City. The Executive’s proposal makes the release of its share of capital funds contingent on passage of congestion pricing, MTA reform, and the expansion of school speed cameras in New York City.

The 2015-19 capital plan totals \$33.3 billion and was amended in April 2018 to include funding for the LIRR third track project and the Subway Action Plan. The operations component of the Subway Action Plan was funded in SFY 2018-19 with a new surcharge on FHV trips south of 96<sup>th</sup> Street in Manhattan. The January 1, 2019 implementation of this surcharge has been delayed pending a court ruling.

**Executive Order 168:** On June 29, 2017, the Governor declared a disaster emergency in the Metropolitan Commuter Transportation District (MCTD) and issued an Executive Order in response to derailments and delays throughout the subway system. The Executive Order suspends a series of laws governing the MTA's contracts and procurements. The Executive has renewed the Executive Order every 30 days since its declaration, continuing to exempt the MTA from procurement laws.

**MTA Contingency Appropriation:** The Executive Budget proposes contingency appropriations of \$969.9 million for SFY 2020-21, an increase of \$25.8 million or 2.7 percent. This contingency appropriation can be used to support operating costs as well as debt service payments for the MTA in SFY 2020-21 in the event that the state budget for that fiscal year is not enacted by April 1, 2020.

The Executive also includes the following Article VII proposals that would:

- establish a congestion tolling zone south of 60<sup>th</sup> street in Manhattan and authorize the MTA's Triborough Bridge and Tunnel Authority (TBTA) to design and implement the congestion tolling program, including setting the toll and any fees, with revenues dedicated to future MTA capital programs;
- modify and make permanent the New York City bus lane photo enforcement program, and create a new permanent photo enforcement program in such city for the enforcement of stopping, standing, parking and turning laws, operation within a congestion zone, and operation within designated bus corridors;
- authorize the MTA to assign, transfer, share or consolidate powers and duties of its departments or subsidiaries, provided such action is approved by a majority of the board and does not impair bond holders or violate labor agreements;
- require revenue from certain Metropolitan Commuter Transportation District (MCTD) supplemental taxes, surcharges and fees, including \$193 million from the supplemental fee on motor vehicle registrations, \$50 million from the taxicab and hail vehicle trip tax and \$49 million from the supplemental tax on auto rentals be paid directly to the MTA without a state appropriation; and
- correct a technical error in describing a specified lot and block number regarding the Air Train project in Queens.

## Department of Transportation (DOT)

The Executive proposes All Funds appropriations of \$9.48 billion, a decrease of \$569.9 million or 5.7 percent from SFY 2018-19. The decrease primarily reflects the shift of certain MTA dedicated taxes off budget, and the discontinuation of legislative appropriations in SFY 2018-19 for Extreme Winter Recovery and non-MTA transit capital projects. The Executive recommends funding support of 8,520 FTE positions, which is unchanged from SFY 2018-19.

The DOT budget has two main components: transit assistance and capital expenditures. Transit assistance is primarily funded by dedicated transportation tax revenue and distributed to over 130 mass transit authorities around the state, including the MTA. Transit assistance to the MTA supports operations, and is distinct from state support for the MTA Capital Plan. The DOT Capital Plan funds the maintenance of State highways and bridges as well as CHIPs, rail, and aviation projects and is primarily funded through the Dedicated Highway and Bridge Trust Fund.

**Transit Assistance:** The Executive proposes \$5.83 billion in support for transit systems statewide, which is an increase of 4.8 percent or \$264.6 million from SFY 2018-19. The MTA's transit assistance for SFY 2019-20 is \$5.26 billion, an increase of \$227.7 million or 4.5 percent. This reflects the Executive proposal to shift the MTA Aid Trust Account off budget, which is funded from dedicated taxes and fees and totals \$265 million in SFY 2019-20. The Executive proposed shift is offset by \$420 million in anticipated new revenue from the for-hire-vehicle surcharge enacted in the SFY 2018-19 budget. Transit operating assistance comprises 32 percent of the MTA's 2019 annual budget of \$16.7 billion.

The Executive proposal includes appropriations totaling \$13.8 million to support the Verrazano Narrows Bridge Staten Island Resident Rebate Program and its companion Commercial Rebate Program, maintaining a legislative increase of \$3.5 million in SFY 2018-19 to fully offset a 24-cent rebate for Staten Island residents.

From the amounts within transit operating assistance, \$217.7 million is provided for upstate transit systems, which reflects an increase of \$11 million or 5.3 percent from SFY 2018-19. This increase is supported by a proposed five percent surcharge on car rentals outside of the MCTD, and is expected to provide a new, sustainable dedicated funding stream for upstate transit systems of \$11 million in SFY 2019-20 and \$22 million annually thereafter.

Table 31

<b>Executive Proposal: Transit Operating Assistance</b>				
<b>Cash Disbursements</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2018-19 Enacted Budget</b>	<b>SFY 2019-20 Proposal</b>	<b>\$ Change</b>	<b>% Change</b>
<b>MTA</b>				
NYC Transit Authority	1,858.8	1,964.2	105.5	5.7
Commuter Rail (MNR & LIRR)	669.2	713.1	44.0	6.6
MTA (Other)	207.8	13.8	(194.0)	(93.4)
MTA (Payroll Mobility Tax and MTA Aid)	2,199.0	2,155.0	(43.9)	(2.0)
MTA (FHV Surcharge Revenue)*	103.8	420.0	316.3	304.8
<b>MTA Subtotal</b>	<b>5,038.5</b>	<b>5,266.2</b>	<b>227.7</b>	<b>4.5</b>
<b>Non-MTA Downstate Systems</b>				
Nassau	69.3	74.4	5.0	7.2
NYC DOT	91.3	97.9	6.6	7.2
Rockland	3.5	3.8	0.3	7.2
Staten Island Ferry	34.2	36.6	2.5	7.2
Suffolk	27.0	28.9	2.0	7.2
Westchester	57.3	61.5	4.2	7.2
FORMULAS	33.1	35.5	2.4	7.2
<b>Non-MTA Downstate Systems Subtotal</b>	<b>315.6</b>	<b>338.5</b>	<b>22.9</b>	<b>7.2</b>
Lower Hudson Transit Link	8.0	11.0	3.0	37.5
South Fork Commuter Bus Service	0.5	0.5	0.0	0.0
<b>Upstate Systems</b>				
Capital District Transportation Authority (CDTA)	37.2	39.1	2.0	5.3
Central New York Regional Transportation Authority (CNYRTA)	33.9	35.7	1.8	5.3
Niagara Frontier Transportation Authority (NFTA)	53.5	56.3	2.8	5.3
Rochester Genesee Regional Transportation Authority (RGRTA)	41.2	43.4	2.2	5.3
FORMULAS	40.9	43.1	2.2	5.3
<b>Upstate Systems Subtotal</b>	<b>206.7</b>	<b>217.7</b>	<b>11.0</b>	<b>5.3</b>
<b>Transit Operating Assistance Total:</b>	<b>5,569.3</b>	<b>5,833.9</b>	<b>264.6</b>	<b>4.8</b>

\*The January 1, 2019 implementation of the FHV surcharge has been delayed pending a court ruling.

Non-MTA downstate transit systems are provided \$338.5 million in operating assistance, reflecting an increase of 7.2 percent from SFY 2018-19. The Executive proposal includes \$11 million for the Lower Hudson Transit Link which provides express bus service across the Mario M. Cuomo Bridge.

**DOT Capital Plan:** The Executive proposes \$4.4 billion, on an obligations basis, for the fifth year of the five-year \$29.2 billion DOT Capital Plan, an increase of \$51 million or 1.1 percent over the prior year allocation.

Approximately 66 percent of capital plan spending is on road and bridge maintenance and construction and associated consultant engineering and right-of-way costs. Other major components include funding to municipalities for local road and bridge construction including the CHIPs and Marchiselli programs, Pave NY and Bridge NY (15 percent), DOT's in-house engineering costs (9.8 percent), and summer road maintenance (7.9 percent). The Capital Plan also allocates 5.5 percent of funding to

other modes of transportation over the five-year plan period, including: \$352 million for rail; \$292 million for aviation; and \$417 million for non-MTA transit systems.

**Local Road & Bridge Programs:** The Executive proposal provides \$677.8 million for local roads and bridges, reflecting a \$65 million reduction from SFY 2018-19 related to Extreme Winter Recovery. The Executive maintains the following programs at prior year levels:

- \$438.1 million for the Consolidated Local Highway Assistance Program (CHIPs);
- \$39.7 million for the Marchiselli program;
- \$100 million for PAVE NY distributed through the CHIPs formula; and
- \$100 million for the Bridge NY program.

**State Operations Appropriations:** The Executive proposes All Funds State Operations appropriations of \$429.2 million, an increase of \$42.7 million from the SFY 2018-19 level. This is primarily attributable to an increase of \$38.6 million, or 11.8 percent, in DOT snow and ice removal operations.

**Dedicated Highway and Bridge Trust Fund (DHBTF):** The DOT Capital Plan is funded largely from the DHBTF. The DHBTF itself is funded through dedicated transportation taxes and fees, including those collected by the DMV, as well as through bond proceeds, federal funds and a General Fund transfer. The DHBTF has a projected funding shortfall, which is closed by a \$402.6 million transfer from the General Fund. The large year-to-year increase in the General Fund transfer is necessary in part because of growth in debt service paid out of the fund.

Table 32

<b>Dedicated Highway and Bridge Trust Fund</b>				
(\$ in Millions)				
	SFY 2018-19 Estimate	SFY 2019-20 Projection	\$ Change	% Change
<b>Receipts</b>				
Dedicated Taxes (including Motor Vehicle Fees, Petroleum Business Tax, Motor Fuel Tax, Highway Use Tax, Auto Rental Tax, Corporation & Utility Tax)	2,109.6	2,106.1	(3.5)	(0.2)
Miscellaneous Receipts (primarily bond proceeds)	733.6	577.7	(155.9)	(21.3)
Transfers from Federal Funds	379.9	394.9	15.0	3.9
Transfers from General Fund	138.3	402.6	264.3	191.1
Transfers from other Funds	1.3	0.3	(1.0)	(76.9)
<b>Total Receipts</b>	<b>3,362.7</b>	<b>3,481.6</b>	<b>118.9</b>	<b>3.5</b>
<b>Disbursements</b>				
Road and Bridge Capital Construction Program	650.2	575.0	(75.2)	(11.6)
Administration	74.9	74.7	(0.2)	(0.3)
State Forces Engineering	485.0	496.5	11.5	2.4
Consultant Engineering	173.5	196.6	23.1	13.3
DOT Operations	421.9	351.9	(70.0)	(16.6)
DMV Operations	228.4	238.2	9.8	4.3
Transfers for ITS	57.6	57.6	-	0.0
Transfer for State Debt Service	786.3	1,022.4	236.1	30.0
Transfer for Local Debt Service (CHIPS)	475.6	469.3	(6.3)	(1.3)
<b>Total Disbursements</b>	<b>3,353.4</b>	<b>3,482.2</b>	<b>128.8</b>	<b>3.8</b>

The Executive includes the following Article VII proposals that would:

- authorize DOT to enter into an agreement with a fiber optic utility in order to charge for occupancy of a DOT right-of-way;
- amend various provisions of law relating to the operational safety of commercial motor vehicles transporting passengers including: banning remanufactured limousines; requiring a commercial driver's license to operate a for-hire-vehicle with eight or more passengers; establishing a DOT inspection fee of \$120; eliminating seat belt exemptions in school buses, taxis, liveries, and busses; and increasing penalties for violations;
- increase penalties for assaulting various transportation workers, prohibit drivers from entering or intruding into active work zones, and create a work zone safety public education and outreach program; and

- establish the bi-state Gateway Development commission to facilitate the planning, funding and construction of a rail transportation project between New York and New Jersey, to consist of three members appointed by the New York State DOT, New Jersey Transit Corporation and Amtrak.

### Department of Motor Vehicles

The Executive proposes All Funds appropriations of \$395.9 million, an increase of \$33.3 million or 9.2 percent above the SFY 2018-19 level. This increase reflects the Executive proposal of \$267.5 million for DMV operations, an increase of \$33.1 million, or 14.1 percent. The increase is in anticipation of new staffing requirements in SFY 2019-20 to support the implementation of the REAL-ID Act and an expected upsurge in license renewals.

The DMV State Operations Budget is composed of specific programs which are self-supported by fees (see Table 33).

**Table 33**

### **Department of Motor Vehicles Appropriations**

(\$ in Thousands)

	SFY 2017-18 Enacted	SFY 2018-19 Enacted	SFY 2019-20 Executive	\$ Change	% Change
<b>Administration Program</b>					
DMV Seized Asset Account	400	400	400	0	0.0
Federal Seized Asset Account	1,000	1,000	1,000	0	0.0
Banking Service Account	5,300	5,300	5,300	0	0.0
DMV Equitable Sharing Agreement (Justice)	0	1,000	1,000	0	0.0
DMV Equitable Sharing Agreement (Treasury)	0	1,000	1,000	0	0.0
<b>Administrative Adjudication Program</b>					
Administration Adjudication Account	42,656	44,103	44,103	0	0.0
<b>Clean Air Program</b>					
Mobile Source Account	20,143	20,623	20,623	0	0.0
<b>Compulsory Insurance Program</b>					
Compulsory Insurance Account	14,758	9,807	9,807	0	0.0
<b>Distinctive Plate Development Program</b>	24	24	24	0	0.0
<b>Governor's Traffic Safety Committee</b>					
Highway Safety Research and Operating Grants	14,095	14,493	14,493	0	0.0
Highway Safety Programs	23,400	22,375	22,575	200	0.9
Highway Safety Research & Development	6,000	6,000	6,000	0	0.0
<b>Transportation Safety Program</b>					
Motorcycle Safety Account	1,628	1,610	1,610	0	0.0
Internet Point Insurance Reduction Program	512	425	425	0	0.0
<b>Capital (Transportation Support)</b>	<b>214,063</b>	<b>234,414</b>	<b>267,525</b>	<b>33,111</b>	<b>14.1</b>
<b>Total</b>	<b>343,979</b>	<b>362,574</b>	<b>395,885</b>	<b>33,311</b>	<b>9.2</b>

The Executive includes the following Article VII proposals that would:

- modify and make permanent provisions of law relating to autonomous vehicle demonstrations and tests, and repeal a provision of law prohibiting the operation of a vehicle without at least one hand or prosthetic device on the steering mechanism;
- extend for two years provisions of law relating to traffic and parking surcharges, and scofflaw penalties;
- authorize the operation of certain scooters and motorized bicycles on roadways within municipalities granting approval and provide for operating and equipment requirements for such vehicles; and
- extend for two years provisions of law relating to the ignition interlock program.

### **Thruway Authority**

The 2019 Thruway Authority Budget is \$1.65 billion, which includes \$401 million for continued work on the Governor Mario M. Cuomo Bridge and is funded primarily through various off-budget revenues, consisting of mostly tolls. State funding is therefore not traditionally included in the Executive Budget.

The Thruway Authority is expected to implement cashless tolling throughout its entire system by the end of 2020 without additional state funding.

The Executive includes Article VII language that would establish a process to pay cashless tolling obligations by mail that includes requirements regarding notice, bill and penalty timelines, and electronic communication.







# BUDGET HIGHLIGHTS: ECONOMIC DEVELOPMENT



- **New Capital Initiatives:** The Executive proposes \$820.3 million in appropriations under the Urban Development Corporation for capital projects throughout the state. This reflects a decrease of \$444.97 million from SFY 2018-19.
- **High Technology Innovation and Economic Development Infrastructure Projects:** The Executive proposal includes \$325 million to support research, development, and innovative technology projects that create, expand, retain or attract new jobs and businesses.
- **New York Works Economic Development Fund:** The Executive provides \$220 million to support projects that create, expand, retain, or attract new jobs and businesses.
- **Support for Economic Development Initiatives:** The Executive proposes \$44.5 million to support various efforts to promote New York State as a tourism destination.



# BUDGET REVIEW AND ANALYSIS: ECONOMIC DEVELOPMENT



The Urban Development Corporation (DBA: Empire State Development Corporation), in conjunction with the Department of Economic Development, promotes job creation and retention, business assistance, tourism marketing and promotion, and community rebuilding and expansion, as well as developing regionally-based economic strategies.

The New York State Gaming Commission was created in 2013 by merging the functions and responsibilities of the former Division of Lottery and the former Racing and Wagering Board. The Commission is responsible for Lottery Administration, Gaming (including Indian Gaming, Video Lottery Gaming, Charitable Gaming and Commercial Gaming), and Horse Racing and Pari-Mutuel Wagering.

The New York State Council on the Arts (NYSCA) is responsible for the oversight and administration of the cultural and artistic resources of the Council on the Arts, the Empire State Plaza Performing Arts Center Corporation and the New York State Theatre Institute. NYSCA is also responsible for administering grants to local not-for-profit arts organizations.

**Table 34**

<b>Appropriations</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Urban Development Corporation	1,369.38	909.91	(459.47)	(33.55)
New York State Gaming Commission	359.58	408.51	48.93	13.61
Department of Economic Development	92.01	88.41	(3.60)	(3.91)
Council on the Arts	47.04	46.88	(0.16)	(0.34)

**Table 35**

<b>Disbursements</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Urban Development Corporation	1,543.25	1,836.25	293.00	18.99
New York State Gaming Commission	243.21	207.58	(35.63)	(14.65)
Department of Economic Development	88.99	73.16	(15.83)	(17.79)
Council on the Arts	46.11	45.95	(0.16)	(0.35)

**Urban Development Corporation (UDC)/Empire State Development Corporation**

The Executive proposes All Funds appropriations of \$909.91 million, a decrease of \$459.46 million or 33.6 percent below the SFY 2018-19 level.

**Capital:** The Executive proposal includes \$820.33 million in new Capital Projects appropriations under the Urban Development Corporation, a decrease of \$444.97 million or 35.2 percent below the SFY 2018-19 level.

**Table 36**

<b>Economic Development Capital Initiatives</b>			
<b>(\$ in Thousands)</b>			
<b>Category/Item</b>	<b>SFY 2018-19</b>	<b>SFY 2019-20</b>	<b>Change</b>
High Tech Innovation and Economic Development Infrastructure	300,000	325,000	25,000
New York Works Economic Development Fund	200,000	220,000	20,000
Regional Economic Development Councils	150,000	150,000	0
NY-SUNY/CUNY 2020 Challenge Grant Program	0	110,000	110,000
Market New York Program	8,000	8,000	0
Clarkson-Trudeau Partnership	5,000	5,000	0
Western NY Football Retention Efforts	2,305	2,331	26
Life Sciences Laboratory Public Health Initiative	600,000	0	(600,000)
<b>Total Capital Appropriations, Urban Development Corp.</b>	<b>1,265,305</b>	<b>820,331</b>	<b>(444,974)</b>
Downtown Revitalization Initiative	100,000	100,000	0
<b>Total Appropriations, Department of State</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>
Nonprofit Arts and Cultural Organizations	10,000	0	(10,000)
<b>Total Arts and Cultural Facilities Improvement Program</b>	<b>10,000</b>	<b>0</b>	<b>(10,000)</b>
<b>GRAND TOTAL</b>	<b>1,375,305</b>	<b>920,331</b>	<b>(454,974)</b>

The Executive also provides appropriation language to authorize the Office of the State Inspector General (IG) to conduct pre-audit reviews of legislative discretionary capital grant contracts. As part of this review, the IG would be empowered to require certification by state agency officials, sponsoring legislators, and/or state contractors, under penalty of perjury, that the grant was secured without collusion, conflicts of interest, or ethical conflicts. The only Executive program subject to this requirement is the New York Works program.

**High Technology Innovation and Economic Development Infrastructure Projects:** The Executive proposal provides \$325 million to provide capital support for research, development, and innovative

technology projects that create or retain jobs and support innovation in New York State. This is a \$25 million increase from SFY 2018-19.

**Regional Economic Development Councils (REDC):** The Executive Budget provides \$150 million for an ninth round of REDC competitive awards. To date, the Executive has announced eight rounds of REDC awards of approximately \$6.1 billion.

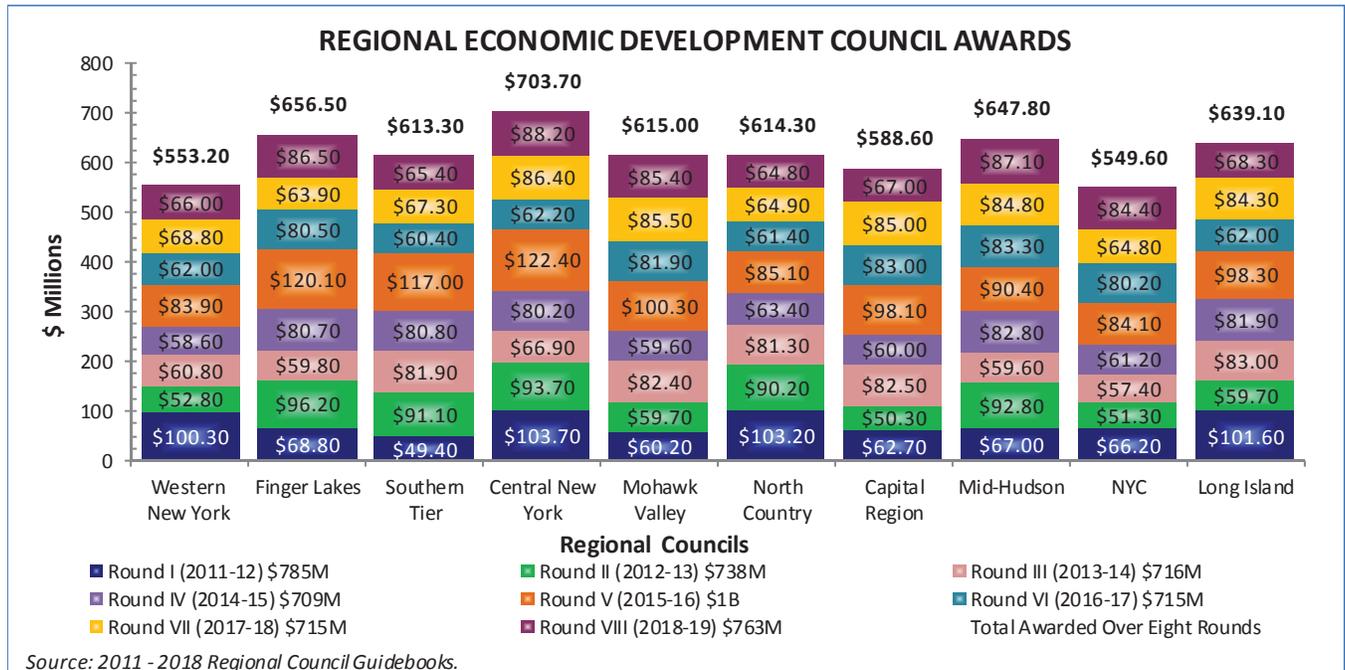


Figure 11

**Downtown Revitalization Initiative (DRI):** The Executive Budget provides \$100 million for a fourth round of DRI competitive awards. The initiative will target ten downtown areas, one in each economic development region that is either suffering from population loss or economic distress to help increase the property tax base. To date, the Executive has announced three rounds of DRI awards totaling \$300 million. The program is administered through the Department of State.

Table 37

Downtown Revitalization Initiative Awardees			
Region	SFY 2016-17	SFY 2017-18	SFY 2018-19
Western New York	Jamestown	Olean	Lockport
Finger Lakes	Geneva	Batavia	Penn Yan
Southern Tier	Elmira	Watkins Glen	Owego
Central New York	Oswego	Cortland	Auburn
Mohawk Valley	Oneonta	Rome	Amsterdam
North Country	Plattsburgh	Watertown	Saranac Lake
Capital Region	Glens Falls	Hudson	Albany
Mid Hudson	Middletown	Kingston	New Rochelle
New York City	Jamaica	Bronx	Downtown Brooklyn
Long Island	Westbury	Hicksville (Oyster Bay)	Central Islip

Note: Each selected municipality received a \$10m award.  
 Source: Urban Development Corporation (UDC); Department of State (DOS).

**Colleges/Universities:** The Executive proposes a total \$115 million in economic development capital for collegiate initiatives, including \$110 million for the continuation of the SUNY/CUNY 2020 competitive grant program and \$5 million to support the Clarkson-Trudeau Partnership, which promotes biotechnology research and development in the North Country.

**Western New York Football:** The Executive provides a total of \$6.94 million to cover contractual obligations for the retention of the Buffalo Bills in Western New York.

**Economic Development Funds:** The Executive proposes \$220 million in capital funding through the New York Works Economic Development Fund and provides \$26.18 million in operating support for the Empire State Economic Development Fund. In addition, \$44.5 million is provided to finance certain economic development efforts, including the Open for Business program, Global NY initiatives and trade missions, and advertising for the START-UP NY program.

**Article VII**

The Executive proposes Article VII language that would:

- extend the general loan powers of the New York State Urban Development Corporation until July 1, 2020; and
- extend the authorization of the New York State Urban Development Corporation to administer the Empire State Economic Development Fund until July 1, 2020.

## **Department of Economic Development**

The Executive proposes All Funds appropriations of \$88.41 million, a decrease of \$3.6 million or 3.9 percent below the SFY 2018-19 level. The Executive recommends support for 153 FTE positions, which is unchanged from SFY 2018-19.

**High Technology Programs:** The Executive proposes a funding total of \$39.72 million for various high technology programs, including \$13.82 million for the Centers for Advanced Technology and a combined \$9.6 million for 11 Centers of Excellence. This represents an increase of \$872,333 over the prior year due to the addition of one center.

**New York State Tourism:** The Executive proposes \$15 million in total support for the continuation of the Market NY Program, a decrease of \$3.3 million below the prior year. In addition, \$3.82 million is allocated to provide Local Tourism Matching Grants.

**New York State Hot Spots and Incubators:** The Executive provides \$5 million to support 20 Hot Spots and Incubators throughout the state, unchanged from the prior year.

**Agritourism:** The Executive proposes \$3.97 million to promote local agritourism, as well as New York produced food and beverage products, an increase of \$406,000 above the SFY 2018-19 level.

**Economic Development Projects Database:** The Executive proposes \$500,000 for the creation of an online database of economic development projects.

## **Article VII**

The Executive proposes Article VII language that would update provisions of law relating to participation by minority and women-owned business enterprises (MWBE) in state contracts.

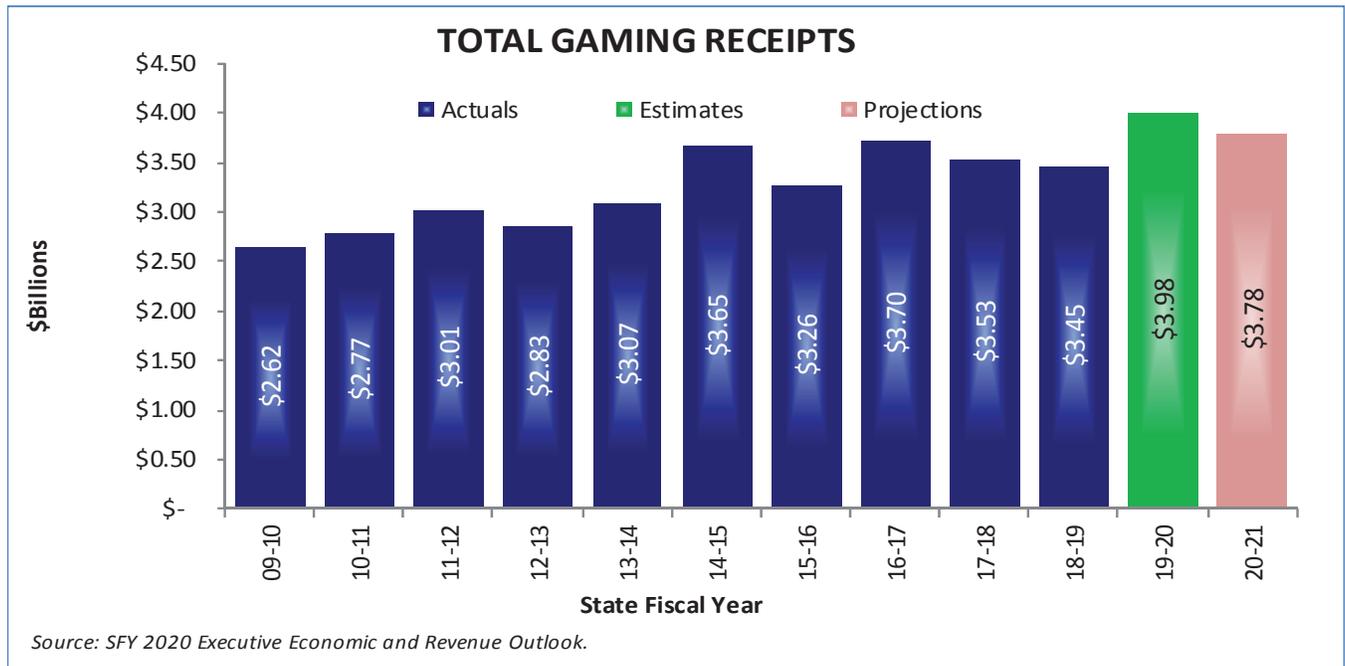
## **New York State Gaming Commission**

The Executive proposes an All Funds appropriation of \$408.51 million, an increase of \$48.9 million or 13.6 percent above the SFY 2018-19 level. The Executive proposes a workforce of 430 FTEs, a net increase of 19 FTEs, to account for the expansion of additional gaming facilities.

**Agency Operations:** The Executive proposes \$113.51 million for agency operations, a net decrease of \$70,000 below the SFY 2018-19 level. The Executive offsets increases for the Gaming Program (\$1.59 million) and the Horse Racing and Pari-Mutuel Wagering (\$1.17 million) through decreases in

support for the Administration of the Lottery (\$1.6 million), Interactive Fantasy Sports (\$766,000) and Charitable Gaming (\$403,000).

**Commercial Gaming Revenue:** The Executive proposes \$62 million in aid to host governments and non-host counties within a gaming region, an increase of \$2 million over SFY 2018-19. Specifically, the Executive provides appropriations for host and regional aid for the Resorts World (\$10 million), Rivers (\$10 million), and Del Lago/Tioga Downs (\$11 million) casinos.



**Figure 12**

**Tribal State Compacts:** The Executive proposal appropriates \$233 million for payments made pursuant to Tribal-State Compacts, an increase of \$47 million from SFY 2018-19.

**Article VII**

The Executive proposes Article VII language that would:

- allow the Gaming Commission to waive its pre-employment restrictions with good cause at a properly noticed public meeting;
- authorize the use of funds from the New York State Breeding and Development Fund and the Agriculture and New York Horse Breeding Development Fund for the aftercare of retired horses;

- make various statutory changes related to the Gaming Inspector General, including: a new qualification for designation of a member to the New York State Thoroughbred Breeding and Development Fund; Cornell University's Harry M. Zweig Memorial Fund for Equine Research and define members as employees; and expand uses of lapsed prize funds amounts, and align lottery revenue distributions;
- reconfigure video lottery gaming tax rates, the additional commission payment structure, the capital awards distribution, and marketing allowance;
- set a rate on free play credits at casinos to 19 percent of taxable gaming revenue until fiscal year 2022-23; and 15 percent thereafter;
- create further oversight over regional OTBs, allow regional OTBs to combine, and authorize demonstration projects;
- extend the current pari-mutuel tax rates and out-of-state simulcasting provisions for five years;
- allow the creation of a multi-state compact for the creation of a uniform set of rules and regulations of permitted and prohibited use of drugs in racehorses;
- extend the Advisory Committee on Equine Drug Testing until December 1, 2019. Allow the Gaming Commission to choose any suitable lab for equine drug testing at its discretion; and
- create certain license and registration requirements for engaging in gambling activities, and further define other vendor and gaming license and registration structures.

### **New York State Council on the Arts (NYSCA)**

The Executive proposes an All Funds appropriation of \$46.88 million, a decrease of \$160,000 or 0.3 percent below the SFY 2018-19 level. The Executive recommends funding support of 30 FTE positions, which is unchanged from SFY 2018-19.

### **Article VII**

The Executive proposes Article VII language that would repurpose an arts capital revolving loan fund to award capital grants exclusively to certain arts organizations.







# BUDGET HIGHLIGHTS: PUBLIC PROTECTION



- **Indigent Legal Services Expansion:** The SFY 2017-18 Budget established a multi-year plan to improve the quality of public defense services statewide. The Executive Budget includes \$100 million to support the second year of the statewide *Hurrell-Harring* initiative, which is an increase of \$49.3 million from the previous year.
- **Gang Prevention:** The Executive Budget provides \$10 million to engage at-risk youth in social and educational programs in order to interrupt gang recruitment of youths.
- **Bail and Pre-trial Detention Reform:** The Executive proposes legislation to eliminate cash bail, and replace it with pre-trial alternatives such as appearance tickets, release on recognizance, and non-monetary conditions, while keeping the option of pre-trial detention for high risk cases.
- **Improve Access to a Speedy Trial:** The Executive proposes legislation to limit the issuance and duration of speedy trial waivers, require court reviews of statements of readiness by the prosecution, and require that a motion to dismiss be made in a timely manner prior to trial.
- **Modify the Discovery of Evidence Process:** The Executive proposes legislation that would require prosecutors and the defense to share evidentiary information under certain time frames prior to the start of the trial.
- **Reduce Barriers to Re-entry:** The Executive proposes legislation to remove certain suspensions and bans on driver's licenses and occupational licenses as well as to expand opportunities for geriatric and medical parole.
- **Child Victims Act:** The Executive proposes legislation to eliminate criminal statutes of limitation for all sexually-related felony offenses when committed against a person who is less than 18 years of age.



# BUDGET REVIEW AND ANALYSIS: PUBLIC PROTECTION



The State of New York spends approximately \$5.56 billion annually to support its Public Protection Agencies, which include the Department of Corrections and Community Supervision (DOCCS), Division of Criminal Justice Services (DCJS), Division of Homeland Security and Emergency Services (DHSES), Division of State Police (DSP), Division of Military and Naval Affairs (DMNA), Office of Indigent Legal Services (ILS), Office of Victim Services (OVS), Office for the Prevention of Domestic Violence (OPDV), New York Interest on Lawyers Account (IOLA), State Commission of Correction (SCOC), and Judicial Commissions.

In total, these agencies work to promote public safety and ensure that the state is prepared to respond to emergencies. Specifically, these agencies supervise criminal offenders within state facilities and in the community, manage funding for programs designed to combat crime, support highway safety, and protect our communities and infrastructure from natural and manmade disasters. These agencies also advocate for victims of crime, promote fair representation and the protection of legal interests within our court system.

**Table 38**

Agency	Appropriations			
	2018-19 Adjusted (\$ in Millions)	2019-20 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Corrections and Community Supervision	3,296.23	3,380.47	84.24	2.56
Division of Homeland Security and Emergency Services	1,536.31	1,568.31	32.00	2.08
Division of State Police	994.66	956.63	(38.03)	(3.82)
Division of Criminal Justice Services	312.54	275.64	(36.90)	(11.81)
Department of Law	263.87	250.93	(12.95)	(4.91)
Division of Military and Naval Affairs	156.51	157.61	1.10	0.70
Office of Victim Services	119.70	171.80	52.10	43.53
Office of Indigent Legal Services	161.25	210.90	49.65	30.79
Interest on Lawyer Account	47.04	47.04	0.00	0.00
Judicial Commissions	5.76	5.76	0.00	0.00
Office for the Prevention of Domestic Violence	5.60	5.60	0.00	0.00
State Commission of Correction	2.96	2.96	0.00	0.00

Table 39

Disbursements				
Agency	2018-19 Adjusted (\$ in Millions)	2019-20 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Corrections and Community Supervision	3,006.50	3,005.66	(0.84)	(0.03)
Division of Homeland Security and Emergency Services	1,104.29	1,018.98	(85.31)	(7.73)
Division of State Police	825.64	828.59	2.95	0.36
Department of Law	251.80	245.42	(6.38)	(2.53)
Division of Criminal Justice Services	273.55	228.20	(45.35)	(16.58)
Division of Military and Naval Affairs	143.60	183.45	39.86	27.76
Office of Indigent Legal Services	113.29	150.90	37.61	33.20
Office of Victim Services	84.25	105.29	21.04	24.97
Judicial Commissions	5.76	5.78	0.02	0.28
Office for the Prevention of Domestic Violence	2.95	3.05	0.10	3.39
State Commission of Correction	2.65	2.65	(0.00)	(0.04)

**Department of Corrections and Community Supervision**

The Executive proposes All Funds appropriations of \$3.38 billion, an increase of \$84.24 million or 2.56 percent from the SFY 2018-19 level. The Executive recommends support for 29,328 FTE positions, an increase of 153 FTEs from the SFY 2018-19 level related to a recent settlement regarding the use of special housing units.

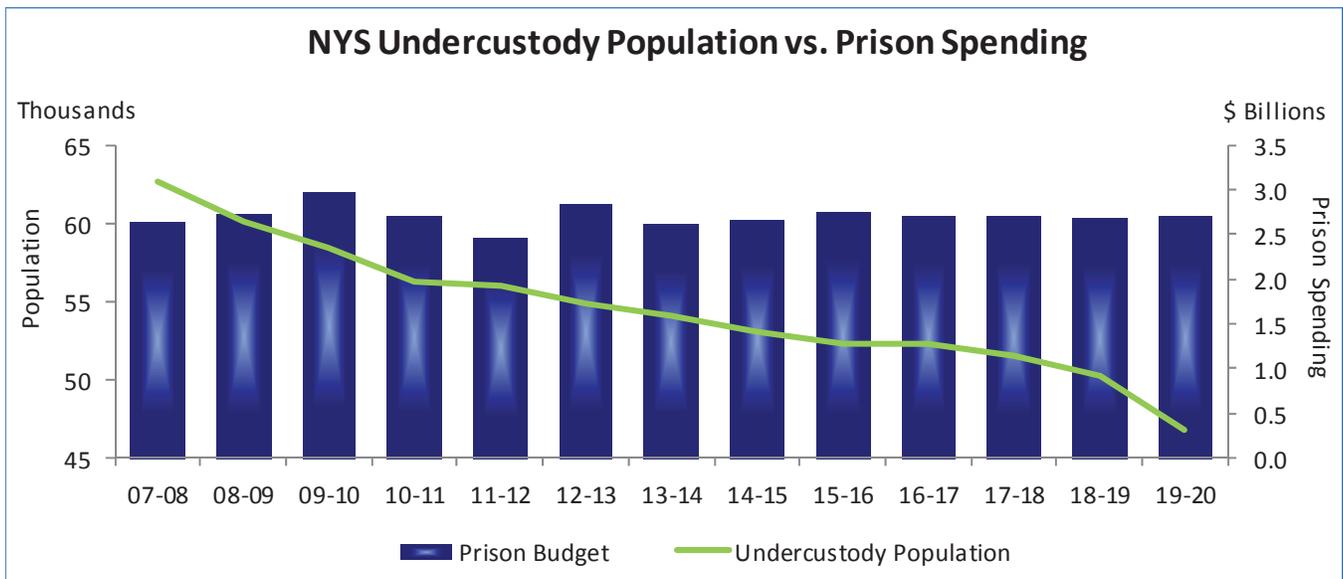


Figure 13



**Special Housing Unit (SHU) Modifications:** The Executive proposal includes an increase of \$10.55 million, and 153 FTEs, related to the closure of SHU units and a continued reduction in the under custody SHU population. The Executive provides \$69 million in capital funds for nine locations, \$24 million of which will be expended in the current year.

**Solitary Confinement Limitations:** The Executive would provide language to prohibit adolescent offenders and persons who are pregnant or in post-partum recovery from being placed in segregated confinement; create new residential rehabilitation and step down units as alternatives to segregated confinement; and place time limitations on segregated confinement which will gradually decrease to 30 days by 2022.

**Establish Geriatric Parole:** The Executive proposal would authorize geriatric parole for individuals that are at least 55 years of age and suffering from a chronic or serious condition, disease, syndrome, or infirmity that renders the individual incapable of providing self-care within a correctional facility.

**Remove Certain Limits on Post-Conviction Licensing and Employment:** The Executive proposal would clarify that employers and licensing agencies need to evaluate an individual's criminal history in compliance with Article 23-A of the Correction Law relating to prospective applicants.

**Maximum Sentence for Misdemeanors:** The Executive would reduce the maximum allowable sentence of imprisonment for class A misdemeanors and certain unclassified misdemeanors from one year to 364 days in order to avoid certain immigration consequences under federal law.

**Shock Program:** The Executive provides legislation that would expand the shock incarceration program to allow a person who is convicted of burglary in the 2nd degree or robbery in the 2nd degree to be eligible for the program. The Executive projects a savings of \$360,000.

### **Division of Criminal Justice Services**

The Executive proposes All Funds appropriations of \$275.64 million, a decrease of \$36.9 million or 11.81 percent from the SFY 2018-19 level. The Executive recommends support for 435 FTE positions, unchanged from the SFY 2018-19 level.

**Local Assistance Reductions and Eliminations:** The Executive proposes the elimination of \$22.9 million in various General Fund programs that provide grants to localities and not-for-profits for criminal justice-related activities.

Table 40

DCJS General Fund Project Eliminations				
Program	SFY 2018-19 Enacted Budget	SFY 2019-20 Executive Proposal	Change (\$)	Change (%)
Law Enforcement, Anti-Violence, Anti-Drug, Crime Control Prevention	2,971,000	0	(2,971,000)	100.00%
Westchester Policing Program	1,984,000	0	(1,984,000)	100.00%
Domestic Violence Legal Services	1,609,000	0	(1,609,000)	100.00%
NYSDA - Additional (\$1 M Base)	1,059,000	0	(1,059,000)	100.00%
Prisoners' Legal Services	750,000	0	(750,000)	100.00%
Law Enforcement Equipment & Technology Upgrades	860,750	0	(860,750)	100.00%
Neighborhood Legal Services	800,000	0	(800,000)	100.00%
SNUG Bronx	615,000	0	(615,000)	100.00%
Traditional DV Legal Services Restoration (CJIA)	609,000	0	(609,000)	100.00%
Alternatives to Incarceration - Additional	500,000	0	(500,000)	100.00%
Finger Lakes Law Enforcement	500,000	0	(500,000)	100.00%
Southern Tier Law Enforcement	500,000	0	(500,000)	100.00%
Aid to Defense	441,000	0	(441,000)	100.00%
Central Family Life Center	356,000	0	(356,000)	100.00%
Civil Air Patrol	300,000	0	(300,000)	100.00%
SNUG Poughkeepsie	300,000	0	(300,000)	100.00%
Make the Road NY (Anti-Gang)	300,000	0	(300,000)	100.00%
Child Care Center of New York	250,000	0	(250,000)	100.00%
Brooklyn Legal Services Corp A	250,000	0	(250,000)	100.00%
Community Service Society - Record Repair Counseling Corps	250,000	0	(250,000)	100.00%
Jewish Community Council of Greater Coney Island	250,000	0	(250,000)	100.00%
Goddard Riverside Community Center	250,000	0	(250,000)	100.00%
Fireman's Association of New York	250,000	0	(250,000)	100.00%
NY Judicial Institute: Legal Education Opportunity	250,000	0	(250,000)	100.00%
Newburgh Fire Department	250,000	0	(250,000)	100.00%
Neighborhood Legal Services	250,000	0	(250,000)	100.00%
Brooklyn Conflicts Office	250,000	0	(250,000)	100.00%
Fortune Society	200,000	0	(200,000)	100.00%
Nassau Suffolk Law Services Committee Inc. - Veterans Right Project	200,000	0	(200,000)	100.00%
Vera Institute: Common Justice	200,000	0	(200,000)	100.00%
Staten Island Legal Services	200,000	0	(200,000)	100.00%
Legal Action Center - ATI	180,000	0	(180,000)	100.00%
Brooklyn Defender	175,000	0	(175,000)	100.00%
New York County Defender Services	175,000	0	(175,000)	100.00%
Albany Law School - Immigration Clinic	150,000	0	(150,000)	100.00%
Legal Aid Society - Immigration Law Unit	150,000	0	(150,000)	100.00%
Legal Services NYC - DREAM Clinics	150,000	0	(150,000)	100.00%
Make the Road NY	150,000	0	(150,000)	100.00%
Friends Of the Island Academy	150,000	0	(150,000)	100.00%
Greenpoint Outreach Domestic and Family Intervention Programs	150,000	0	(150,000)	100.00%
Neighborhood Initiatives Development Corporation	147,000	0	(147,000)	100.00%
Rape Crisis Centers	147,000	0	(147,000)	100.00%
Correctional Association -ATI	127,000	0	(127,000)	100.00%
NY Prosecutors Training Institute	126,000	0	(126,000)	100.00%
Hatzolah-Chevra Hatzolah Boro Park Division	125,000	0	(125,000)	100.00%
Hatzolah-Chevra Hatzolah Flatbush Park Division	125,000	0	(125,000)	100.00%
Schoharie Fire Department	120,000	0	(120,000)	100.00%
Queens Legal Services Corp	110,000	0	(110,000)	100.00%
District Attorney Office - Queens County	100,000	0	(100,000)	100.00%
Greenburger Center for Criminal Justice	100,000	0	(100,000)	100.00%
Active shooters response kits	100,000	0	(100,000)	100.00%
Mobilization for Justice	100,000	0	(100,000)	100.00%
Bailey House - Project FIRST	100,000	0	(100,000)	100.00%
South Brooklyn Legal Services Inc.	100,000	0	(100,000)	100.00%
Kings against Violence Initiative Inc.	100,000	0	(100,000)	100.00%
John Jay College Prison to College Pipeline	100,000	0	(100,000)	100.00%
District Attorneys Office - Bronx County	100,000	0	(100,000)	100.00%
District Attorneys Office - Richmond County	100,000	0	(100,000)	100.00%
District Attorneys Office - Rockland County	100,000	0	(100,000)	100.00%
District Attorney Office - Richmond County-opioid enforcement	100,000	0	(100,000)	100.00%
SNUG - Wyandanch	100,000	0	(100,000)	100.00%
Manhattan Legal Services	100,000	0	(100,000)	100.00%
Center for Court Innovation - Crown Heights Youth SOS	100,000	0	(100,000)	100.00%
Her Justice	100,000	0	(100,000)	100.00%
NYPD Law Enforcement Explorers-Bronx	80,000	0	(80,000)	100.00%
SNUG - Jacobi Medical	85,000	0	(85,000)	100.00%
Groundswell	75,000	0	(75,000)	100.00%
Flatbush Shomrim Safety Patrol	75,000	0	(75,000)	100.00%
The Mohawk Consortium	75,000	0	(75,000)	100.00%
Northern Manhattan Improvement Corporation	75,000	0	(75,000)	100.00%
Legal Services of the Hudson Valley	70,000	0	(70,000)	100.00%
Mobilization for Justice, Inc.	60,000	0	(60,000)	100.00%
Shmira Civilian Volunteer Patrol Boro Park Inc.	50,000	0	(50,000)	100.00%
Legal Aid Society	50,000	0	(50,000)	100.00%
Immigrant Justice Corps, Inc.	50,000	0	(50,000)	100.00%
Youth Represent	50,000	0	(50,000)	100.00%
Exodus Transitional Community	50,000	0	(50,000)	100.00%
Center for the Integration and Advancement of New Americans	40,000	0	(40,000)	100.00%
Elmcor Youth and Adult Activities Program	44,000	0	(44,000)	100.00%
Osborne Association - ATI	31,000	0	(31,000)	100.00%
NYU Veteran's Entrepreneurship Program	30,000	0	(30,000)	100.00%
Bergen Basin Community Development Corporation	26,000	0	(26,000)	100.00%
Glendale Civilian Patrol	25,000	0	(25,000)	100.00%
Jacob Riis Settlement House	20,000	0	(20,000)	100.00%
Bronx Veterans Mentors	15,000	0	(15,000)	100.00%
NYPD	10,000	0	(10,000)	100.00%
<b>Grand Total</b>	<b>\$22,897,750</b>	<b>0</b>	<b>(22,897,750)</b>	<b>100.00%</b>

**Aid to Prosecution:** The Executive would transfer \$1 million in General Fund support to the Legal Services Assistance Fund to support county district attorney’s offices.

**Youth Gang Prevention Activities:** The Executive proposes an increase of \$10 million to support local youth gang prevention activities such as street outreach, crime analysis, research, and violence reduction programs.

**Legal Services Assistance Fund (LSAF) Allocations:** The Executive proposes the elimination of LSAF support for various programs as noted below:

**Table 41**

<b>Legal Services Assistance Fund Allocations</b>			
<b>Program</b>	<b>SFY 2018-19</b>	<b>SFY 2019-20</b>	<b>Change</b>
Aid to Prosecution	2,592,000	3,592,000	1,000,000
Aid to Defense	2,592,000	2,592,000	-
HESC Loan Forgiveness Program	2,430,000	2,430,000	-
Prisoners' Legal Services	2,200,000	2,200,000	-
Civil Legal Service Grants	2,830,000	0	(2,830,000)
Domestic Violence and Veterans Legal Services	950,000	0	(950,000)
Indigent Parolee Program	600,000	0	(600,000)
<b>Grand Total</b>	<b>\$14,194,000</b>	<b>\$10,814,000</b>	<b>(\$3,380,000)</b>

**Bail and Pre-trial Detention Reform:** The Executive includes language to reform certain pre-trial criminal procedures to require police officers to issue an appearance ticket in lieu of arrest for certain lower level crimes subject to a variety of exclusions; to establish a rebuttable presumption of release pending trial for certain lower level offenses; and to authorize preventive detention of persons awaiting trial while eliminating the option for the court to require cash or property as a bail surety.

The Executive would also provide for an additional \$375,000 in funding for costs related to bail reform.

**Improve Access to a Speedy Trial:** The Executive proposes language to: eliminate a defendant’s current right to be released from custody if the prosecution is not ready for trial within the statutorily-established period of time; allow the court to inquire concerning certain statements of readiness by the prosecution to determine whether or not the prosecution actually is ready for trial; and require that the prosecution’s statement of readiness be accompanied by a good faith certification by the prosecution that it has complied with its discovery requirements.

**Modify the Discovery Process:** The Executive proposes legislation that would make features of the disclosure and exchange of information in the criminal courts automatic, broaden and expedite the pretrial disclosure of information and evidence between the prosecution and the defense, and provide for certain disclosures to the defense when considering a guilty plea offer from the prosecution.

**Grand Jury Reform:** The Executive proposes to allow a witness located in another state, or more than 100 miles from the grand jury location, to testify by video appearance; allow businesses to authenticate by affidavit records maintained in the ordinary course of business; allow lack of consent to be established by affidavit in certain cases; eliminate transactional immunity for compelled testimony, substituting less-comprehensive use immunity; and to modify the requirement of corroboration of accomplice testimony for grand jury and trial proceedings by allowing indictment and conviction based on the corroborating testimony of an accomplice/ co-defendant.

**Modify Civil Asset Forfeiture Procedures:** The Executive proposal would authorize law enforcement officials to: seek a civil court money judgment when proceeds or instrumentalities of a crime cannot be located; require that funds obtained by way of asset forfeiture be deposited in a separate escrow account; and require entities forfeiting assets and maintaining forfeited funds to report demographic data concerning the individuals from whom property was forfeited.

**Extension of Pre-Indictment Settlement Distributions:** The Executive includes language to extend the existing formula for distribution of certain monies recovered by county district attorneys in pre-indictment settlements for two years.

**The Child Victims Act:** The Executive proposes language to: increase the age for when the criminal statute of limitations for child sexual abuse begins to run from 18 to 23; extend the civil statute of limitations for child sexual abuse claims to allow a victim to commence a lawsuit up until age 50; enact a one-year window for the commencement of a lawsuit by a victim of child sexual abuse whose claims have been time barred; eliminate the notice of claim as a condition precedent to commencing a lawsuit against certain public entities in child sexual abuse cases; and provide training for judges on the sexual abuse of minors.

**Establish New Sexual Extortion Crimes:** The Executive proposes legislation to create a Class A misdemeanor for the nonconsensual dissemination of an intimate image as well as creating a private right of action where a victim could be awarded damages and relief against the individual or website posting such images.

**Rape Offenses:** The Executive includes language to eliminate the statute of limitations for rape in the 2nd and 3rd degrees.



**Domestic Violence:** The Executive proposes legislation to provide judges with discretion to sentence victims of domestic violence who are convicted of certain crimes to a lower sentence and to create a mechanism for currently incarcerated domestic violence victims to apply to be resentenced under the new provisions.

**Capital Punishment:** The Executive would repeal vestigial provisions related to the death penalty that are no longer effective.

**Assaulting a Journalist:** The Executive includes language to expand the list of professions for whom misdemeanor assault is elevated to a class D felony to include journalists.

**Waiting Period Extension:** The Executive would establish a 10-day waiting period before a licensed gun dealer may deliver a firearm, shotgun or rifle to a purchaser who has not cleared a background check.

**Red Flag Bill:** The Executive proposes legislation to establish "extreme risk protection orders" which would be a supreme court-issued order of protection to prohibit a person from purchasing, possessing, or attempting to purchase or possess a firearm, rifle, or shotgun upon a finding that the person is a danger to themselves or others.

**Bump Stocks:** The Executive would prohibit the possession, manufacture, transportation, or disposition of a rapid-fire modification device including bump stocks, trigger cranks, binary trigger systems, and burst trigger systems. Possession of such a device would be a class A misdemeanor, and the manufacture, transportation and/or disposition of such a device would be a class E felony.

**Extreme Emotional Disturbance:** The Executive would provide that when proof of extreme emotional disturbance is offered by the defense in an attempt to reduce a charge of murder to manslaughter the explanation or excuse for such extreme emotional disturbance is not reasonable if it resulted from the discovery of, knowledge about, or potential disclosure of the victim's actual or perceived gender, gender identity, gender expression or sexual orientation.

**Sex Crimes:** The Executive provides legislation that would extend to prosecutions for the crime of sex trafficking the provisions that limit evidence that may be used when a defendant is charged with a sex crime as well as bar the use of evidence that the victim of the crime had previously been convicted of a prostitution offense in sex offense cases.

**Driving Under the Influence:** The Executive would elevate the violation of driving under the influence of both drugs and alcohol, from a misdemeanor to a class E felony.

**Unlawful Possession of Cannabis:** The Executive would change the elements of unlawful possession to possession of cannabis by someone under the age of 21, or burning of cannabis in a public place as defined in law, which is punishable by a fine of no more than \$150. The Executive also deescalates the several levels of criminal possession as well as criminal sale of cannabis.

### **Division of Homeland Security and Emergency Services**

The Executive proposes All Funds appropriations of \$1.57 billion, an increase of \$32 million or 2.08 percent from the SFY 2018-19 level. The Executive recommends support for 614 FTE positions, an increase of nine FTEs from the SFY 2018-19 level.

**State Preparedness Training Center:** The Executive provides \$5 million for capital improvements to the facility located in Oriskany.

**Interoperable Emergency Communications:** The Executive provides \$25 million for interoperable program capital grants.

**Enhance Counterterrorism Capabilities:** The Executive proposes legislation to ban the weaponization of drones, regulate and monitor the sale and purchase of binary explosives, along with requiring two forms of identification when renting a vehicle.

### **Division of State Police**

The Executive proposes All Funds appropriations of \$956.63 million, a decrease of \$38.03 million or 3.82 percent from the SFY 2018-19 level. The Executive recommends support for 5,741 FTE positions, unchanged from the SFY 2018-19 level.

### **Office of Indigent Legal Services**

The Executive proposes All Funds appropriations of \$210.9 million, an increase of \$49.65 million or 30.79 percent from the SFY 2018-19 level. The Executive recommends support for 36 FTE positions, an increase of two FTEs from the SFY 2018-19 level.

**Indigent Legal Services Expansion:** The SFY 2017-18 budget established a multi-year plan to improve the quality of public defense services statewide, with the state supporting 100 percent of the incremental local costs. The Executive Budget includes \$100 million to support the second year of the statewide *Hurrell-Harring* initiative, an increase of \$49.3 million, with full implementation costs projected at approximately \$250 million.

**State Operations Funding:** The Executive provides an additional \$373,000 in state operations funds to address the increased workload associated with the statewide implementation. This includes \$126,000 for two FTEs.

**Fee Increases:** The Executive would increase the biennial registration fee for attorneys from \$375 to \$425 and the criminal history search fee from \$65 to \$90 and direct revenue from such increased fees to the Indigent Legal Services Fund.

### Department of Law

The Executive proposes All Funds appropriations of \$250.93 million, a decrease of \$12.95 million or 4.91 percent from the SFY 2018-19 level. The Executive recommends support for 1,839 FTE positions, unchanged from the SFY 2018-19 level.

**Capital Programs:** The Executive Budget includes \$2 million in capital support to continue critical technology projects for the Department, to support technology projects, including replacement of the Service Now legacy system and IT security initiatives.

**Use of Force by Law Enforcement:** The Executive proposes language to:

- establish an office within the Department of Law to investigate the death of any unarmed civilian caused by a police officer during the performance of such police officer's duties;
- provide for an independent special prosecutor to be appointed when an investigation under this part involves the State Police; and
- require police departments and county sheriff's offices to report to DCJS certain use of force data and require these departments to implement a use of force policy established by DCJS.

### Division of Military and Naval Affairs

The Executive proposes All Funds appropriations of \$157.61 million, an increase of \$1.1 million or 0.7 percent from the SFY 2018-19 level. The Executive recommends support for 405 FTE positions, unchanged from the SFY 2018-19 level.

**Capital Projects:** The Executive Budget includes \$5 million in capital support maintenance to armories statewide.

### **Office for the Prevention of Domestic Violence**

The Executive proposes All Funds appropriations of \$5.6 million, which is unchanged from the SFY 2018-19 level. The Executive recommends support for 27 FTE positions, unchanged from the SFY 2018-19 level.

### **Office of Victim Services**

The Executive proposes All Funds appropriations of \$171.8 million, an increase of \$52.1 million or 43.5 percent from the SFY 2018-19 level, related to an increase in Federal Victims of Crime Act allocations. The Executive recommends support for 92 FTE positions, unchanged from the SFY 2018-19 level.

### **New York Interest on Lawyer Account**

The Executive proposes All Funds appropriations of \$47.04 million, unchanged from the SFY 2018-19 level. The Executive recommends support for nine FTE positions, unchanged from the SFY 2018-19 level.

### **Commission of Correction**

The Executive proposes All Funds appropriations of \$2.96 million, unchanged from the SFY 2018-19 level. The Executive recommends support for 32 FTE positions, unchanged from the SFY 2018-19 level.

### **Judicial Commissions**

The Executive proposes All Funds appropriations of \$5.76 million, unchanged from the SFY 2018-19 level. The Executive recommends support for 43 FTE positions, unchanged from the SFY 2018-19 level.





# BUDGET HIGHLIGHTS: LOCAL GOVERNMENTS



- **Aid and Incentives for Municipalities (AIM):** The Executive Proposal would eliminate AIM payments for most towns and villages of the state. The proposal includes program support of \$655.5 million for AIM, a decrease of \$59.2 million from SFY 2018-19.
- **Internet Sales Tax:** The Executive proposal would require sales tax collection by online marketplace providers, which intends to simplify enforcement and ease the collection process for retailers who sell through these platforms. This proposal is projected to generate \$280 million in sales tax receipts annually for local governments.
- **Make the Property Tax Cap Permanent:** The Executive Budget advances legislation that would make the two percent Property Tax Cap permanent.



# BUDGET REVIEW AND ANALYSIS: LOCAL GOVERNMENTS



The Executive Budget provides aid to local governments through various programs including Aid and Incentives for Municipalities (AIM), which is an unrestricted aid program, as well as other efficiency programs to promote and assist the efforts of local governments to merge, consolidate and share services.

Table 42

<b>Appropriations</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Aid and Incentives for Municipalities	754.00	695.00	(59.00)	(7.82)
County-Wide Shared Services	225.00	0.00	(225.00)	(100.00)
Municipalities with VLT Facilities	28.89	28.89	0.00	0.00
Miscellaneous Financial Assistance	12.00	2.25	(9.75)	(81.25)
Small Government Assistance	0.22	0.22	0.00	0.00

Table 43

<b>Disbursements</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Aid and Incentives for Municipalities	721.92	672.21	(49.71)	(6.89)
County-Wide Shared Services	0.00	40.00	40.00	N/A
Municipalities with VLT Facilities	28.89	28.89	0.00	0.00
Miscellaneous Financial Assistance	12.00	2.25	(9.75)	(81.25)
Small Government Assistance	0.22	0.22	0.00	0.00



## Aid and Incentives for Municipalities (AIM)

The Executive Budget for SFY 2019-20 provides \$655.5 million in unrestricted AIM for cities (excluding New York City), towns, and villages, a decrease of \$59 million from the prior year.

The AIM program was created in SFY 2005-06 to consolidate various unrestricted local aid funding programs and to provide unrestricted aid that could be utilized at the discretion of the local entity. For the first time since SFY 2010-11, the Executive proposal would reduce AIM funds by \$59 million, eliminating payments to most towns and villages. Of the \$656 million proposed, cities would receive \$647.1 million, towns would receive \$5.2 million (a \$42.7 million decrease) and villages would receive \$3.3 million (a \$16.4 million decrease).

**Table 44**

### **2019-20 Executive Budget: Aid and Incentives for Municipalities Proposal**

<b>City</b>	<b>Amount</b>	<b>City</b>	<b>Amount</b>
BUFFALO	\$161,285,233	ITHACA	\$2,610,398
YONKERS	108,215,479	TONAWANDA	2,602,104
ROCHESTER	88,234,464	OSWEGO	2,451,698
SYRACUSE	71,758,584	GLOVERSVILLE	2,302,592
NIAGARA FALLS	17,794,424	PEEKSKILL	2,219,384
UTICA	16,110,473	OLEAN	2,239,826
ALBANY	12,607,823	ONEONTA	2,231,857
TROY	12,279,463	CORTLAND	2,018,330
SCHENECTADY	11,205,994	GENEVA	1,942,613
BINGHAMTON	9,249,457	BATAVIA	1,750,975
ROME	9,083,340	OGDENSBURG	1,708,659
MOUNT VERNON	7,155,691	SARATOGA SPRINGS	1,649,701
NEW ROCHELLE	6,162,927	ONEIDA	1,700,877
LACKAWANNA	6,309,821	FULTON	1,626,822
WHITE PLAINS	5,463,256	GLENS FALLS	1,607,009
AUBURN	4,982,093	DUNKIRK	1,575,527
WATERTOWN	4,703,208	BEACON	1,537,478
JAMESTOWN	4,572,280	CORNING	1,499,556
NEWBURGH	4,464,656	HORNELL	1,497,788
ELMIRA	4,578,801	HUDSON	1,456,991
POUGHKEEPSIE	4,248,021	PORT JERVIS	1,406,263
NORTH TONAWANDA	4,335,111	JOHNSTOWN	1,388,910
LONG BEACH	3,152,704	WATERVLIET	1,210,193
KINGSTON	3,069,151	RYE	1,208,024
GLEN COVE	2,837,667	RENSSELAER	1,137,317
AMSTERDAM	2,866,670	CANANDAIGUA	1,119,304
MIDDLETOWN	2,705,826	NORWICH	1,089,279
COHOES	2,742,886	SALAMANCA	928,131
LOCKPORT	2,650,525	LITTLE FALLS	866,034
PLATTSBURGH	2,648,880	MECHANICVILLE	662,392
		SHERRILL	372,689
		<b>Cities Total</b>	<b>\$647,093,629</b>
		<b>Towns*</b>	<b>\$5,173,925</b>
		<b>Villages*</b>	<b>\$3,309,175</b>
		<b>Total</b>	<b>\$655,576,729</b>

Note\*: (1) The Village of Harrisville, Lewis County, dissolved effective December 31, 2018. The Village's AIM will henceforth be paid to the Town of Diana.  
 (2) The Village of Van Etten, Chemung County, dissolved effective December 31, 2018. The Village's AIM will henceforth be paid to the Town of Van Etten.

Source: NYS Division of the Budget.

## Consolidation, Dissolution, and Restructuring

### **Citizens Reorganization Empowerment Grants (CREG) and Citizen Empowerment Tax Credits (CETC):**

Citizens Reorganization Empowerment Grants provide local governments up to \$100,000 to cover costs associated with planning and implementing, reorganization, and consolidation efforts. Citizen Empowerment Tax Credits provide additional funding for cities (excluding New York City), towns, and villages that consolidate or dissolve. The tax credits provide an annual aid bonus of 15 percent of the newly combined tax levy with the stipulation that 70 percent of the amount be used for direct property tax relief to taxpayers. These initiatives are supported by a \$35 million appropriation.

**Local Government Efficiency Grant Program (LGEG):** This program provides competitive grants to local governments to help cover costs associated with efficiency projects including planning and implementation of function consolidations, as well as shared or cooperative services. The maximum implementation award is \$200,000 per municipality and \$1 million per consortium. These grants are supported by a \$4 million appropriation.

**Financial Restructuring Board (FRB):** The FRB is authorized to make loans or grant awards of up to \$5 million under the Local Government Performance and Efficiency Program (LGPEP) to fiscally eligible municipalities that accept the board's recommendations. The FRB has undertaken comprehensive reviews for the cities of Albany, Dunkirk, Elmira, Fulton, Jamestown, Lockport, Niagara Falls, Plattsburg, Poughkeepsie, Rochester, Troy and Utica; the villages of Alfred, Amityville, Herkimer, Hoosick Falls, Owego, Potsdam and Wilson; and the Town of Fishkill.

**Municipal Restructuring Fund (MRF):** The MRF supports local governments in implementing projects that contribute to lower operating costs and reduced property tax burdens. Funding is available in project stages, and is based on the completed projects' estimated long-term savings (20 percent of savings).

### County-Wide Shared Services Initiative

The Executive proposal anticipates a disbursement of \$40 million for a one-time savings match for 34 shared services plans implemented by municipalities in 2018. A savings match for plans implemented in SFY 2019-20 will be determined once actualized savings are certified. Funds for this state match are supported by a \$225 million reappropriation from SFY 2018-19.

## Miscellaneous Financial Assistance

The Executive proposal continues a \$2.25 million appropriation to Madison County to reflect the opening of the Oneida Nation’s Yellow Brick Road Casino. Madison County does not currently receive a share of the negotiated percentage of the net drop proceeds from gaming devices that are subject to tribal compacts.

## Video Lottery Terminal (VLT) Aid

The Executive proposal maintains VLT aid at \$28.9 million for eligible municipalities in which a video lottery gaming facility is located. The municipalities that host these facilities, with the exception of the City of Yonkers, receive aid in an amount equal to 70 percent of aid received in SFY 2008-09.

Table 45

<b>Aid to Municipalities with Video Lottery Terminal (VLT) Facilities</b> <b>(\$ in Thousands)</b>	
Yonkers	19,600
Batavia Downs	802
Fairgrounds (Buffalo)	1,154
Finger Lakes	2,369
Monticello	1,234
Saratoga Springs	3,101
Vernon Downs	626
<b>Total</b>	<b>28,886</b>

*Source: New York State Division of Budget.*

## Article VII

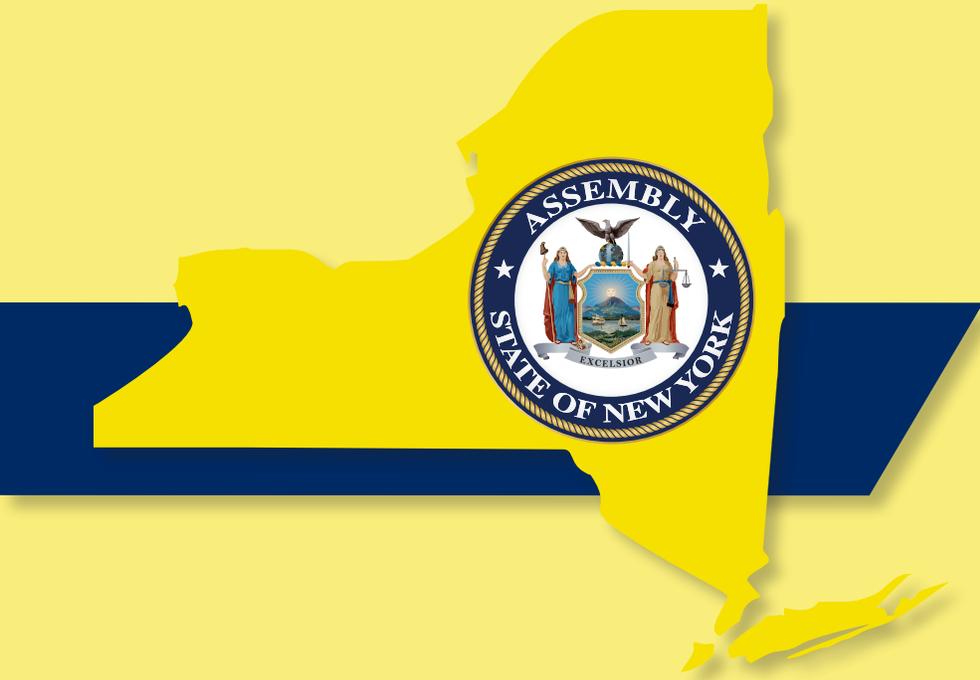
The Executive proposes Article VII language that would:

- eliminate AIM funding for towns and villages where AIM funds support less than two percent of municipal expenditures;
- remove the June 5, 2020 sunset on the property tax cap;
- authorize the Town of Hastings, Oswego County, to discontinue the use of certain municipal parkland for the purpose of constructing a State Police station;

- require certain local government officials to file state-approved financial disclosure forms with the Joint Commission on Public Ethics (JCOPE);
- extend New York City’s authorization to implement and operate a school zone photo speed violation program until July 1, 2022, and increase the number of monitoring systems the City may operate from 140 to 290;
- extend provisions related to binding arbitration and fiscally eligible municipalities until July 1st, 2024;
- extend until December 1, 2024 provisions of law authorizing red light camera programs in the counties of Nassau and Suffolk, and in the cities of New York, Albany, Mt. Vernon, New Rochelle, White Plains and Yonkers; and
- authorize Nassau County to provide a phase-in of full value increases (following a reassessment) for Class 1 residential properties through the implementation of an exemption program for 2021-2024.









# BUDGET HIGHLIGHTS: GENERAL GOVERNMENT



- **Campaign Finance Reform:** The Executive proposes legislation that would provide for the public financing of political campaigns beginning in 2020, including requirements for eligibility, use and disclosure of public funds, and related financing mechanisms. This legislation would also set parameters for limits on contributions to party accounts and transfers between committees, mandate greater disclosure, and impose stricter limits on campaign contributions.
- **Automatic Voter Registration and Online Voter Registration:** The Executive proposes legislation that would enact a system of automatic voter registration upon application to the Department of Motor Vehicles (DMV) and at other state and local agencies. Individuals would have the option to decline (opt out of) voter registration. The State Board of Elections would be required to establish an online voter registration system.
- **Ethics Reform:** The Executive proposes ethics reform legislation that would: require increased financial disclosure from certain local officials, lobbyists, and non-profits; require the disclosure of campaign contributions by lobbyists; incorporate the state legislature into different provisions of the Freedom of Information Law (FOIL); prohibit campaign contributions from parties bidding on government procurement contracts; and increase restrictions on lobbying and penalties for violations.
- **Elections Reforms:** The Executive Budget includes all elections bills passed by the legislature on January 14th, 2019, including: Pre-Registration for 16 and 17 year olds; Universal Transfer of Registration; Closure of the LLC Loophole; Same Day Registration; No Excuse Absentee Voting; Consolidation of Federal and State Primary elections; and Early Voting.
- **Modernize Worker's Compensation:** The Executive proposes legislation to expand the types of medical providers that can treat injured workers covered under worker's compensation.



# BUDGET REVIEW AND ANALYSIS: GENERAL GOVERNMENT



General Government agencies play an essential role in the daily operation of government and its impact on people and businesses throughout the state. Overall, these agencies have two goals: to provide oversight, regulation and enforcement of state laws and create a more efficient and effective use of government services and funding.

The Division of Alcoholic Beverage Control (ABC) provides oversight and regulation of the manufacture, sale, and distribution of alcoholic beverages; the State Board of Elections (SBOE) oversees elections in New York State; the Joint Commission on Public Ethics (JCOPE) provides for the administration and enforcement of ethics and lobbying statutes; the Department of Financial Services (DFS) provides regulatory oversight of the banking and insurance industry; and the Department of State (DOS) provides licensing services and administers activities and programs offering services to local governments and community-based organizations.

The Office of General Services (OGS) supports the operations of state property, provides centralized contracting, and along with the Office of Information Technology Services (ITS) works to support the efficient use of government resources. The Department of Audit and Control ensures the on-time payment of the state's bills, oversees the investment of billions in state funds and oversees the fiscal practices of local governments. The Department of Taxation and Finance (DTF) is responsible for the administration and collection of state taxes.

Table 46

<b>Appropriations</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Office of General Services	1,212.35	1,233.35	21.00	1.73
Office of Information Technology Services	854.63	864.54	9.91	1.16
Department of Taxation and Finance	465.34	468.56	3.22	0.69
Department of Financial Services	433.28	441.56	8.28	1.91
Department of Audit and Control	354.38	362.73	8.35	2.36
Workers' Compensation Board	216.44	196.44	(20.00)	(9.24)
Department of State	253.80	252.57	(1.23)	(0.48)
Division of Budget	50.01	49.18	(0.83)	(1.66)
Statewide Financial System	30.49	30.51	0.02	0.05
Executive Chamber	17.85	17.85	0.00	0.00
Division of Alcoholic Beverage Control	13.31	48.68	35.37	265.74
State Board of Elections	40.56	11.56	(29.00)	(71.50)
Office of the Inspector General	7.44	7.24	(0.20)	(2.69)
Joint Commission on Public Ethics	5.58	5.58	0.00	0.00
Division of Tax Appeals	3.04	3.04	0.00	0.00

Table 47

Disbursements				
Agency	2018-19 Adjusted (\$ in Millions)	2019-20 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of General Services	355.61	349.28	(6.34)	(1.78)
Office of Information Technology Services	659.92	654.32	(5.60)	(0.85)
Department of Taxation and Finance	359.50	370.14	10.64	2.96
Department of Financial Services	375.40	368.00	(7.40)	(1.97)
Department of Audit and Control	193.54	193.07	(0.47)	(0.24)
Workers' Compensation Board	199.01	226.44	27.43	13.78
Department of State	139.39	143.70	4.31	3.09
Division of Budget	30.42	29.60	(0.82)	(2.70)
Statewide Financial System	30.38	30.51	0.12	0.41
Executive Chamber	13.58	13.58	0.00	0.00
Division of Alcoholic Beverage Control	12.48	11.24	(1.24)	(9.94)
State Board of Elections	14.07	15.42	1.35	9.59
Office of the Inspector General	7.43	7.49	0.06	0.81
Joint Commission on Public Ethics	5.57	5.63	0.06	1.08
Division of Tax Appeals	3.04	3.04	0.00	0.00

### Office of General Services

The Executive proposes an All Funds appropriation of \$1.23 billion, an increase of \$21 million or 1.73 percent from SFY 2018-19. The Executive recommends support for 1,931 FTEs, unchanged from SFY 2018-19.

**Business Services Center Shift:** The Executive proposes to shift Business Service Center consolidation and operational expenses from the General Fund to an internal services fund, producing State Operating Funds savings of \$25 million.

**Capital Funding:** The Executive includes a \$25 million capital appropriation to address infrastructure needs at the Empire State Plaza and continuation of the Harriman Campus Strategic Action Plan.

## Article VII

The Executive proposes Article VII legislation that would:

- extend the Service-Disability Veteran Owned Business program for a period of five years;
- make permanent the provision of energy as a centralized service; and
- make emergency construction authority permanent.

## Office of Information Technology Services (ITS)

The Executive proposes an All Funds appropriation of \$864.5 million, a net increase of \$9.9 million or 1.2 percent over SFY 2018-19. The increase of \$10 million in capital support will be utilized for technology equipment, software and related services. The Executive recommends support for 3,489 FTEs, unchanged from SFY 2018-19.

## Department of Taxation and Finance

The Executive proposes an All Funds appropriation of \$468.56 million, which represents an increase of \$3.22 million, or 0.69 percent, from SFY 2018-19. The Executive recommends support for 4,085 FTEs, an increase of 110 FTEs from the SFY 2018-19 level.

**Agency Audit and Enforcement Staff:** The Executive proposes an increase of \$8.2 million to support the addition of 110 new audit and enforcement staff. The Executive estimates that these additional staff would generate \$12 million in SFY 2019-20 and \$120 million in SFY 2020-21.

**Equitable Sharing Accounts:** The Executive proposes to eliminate \$5 million in unnecessary federal equitable sharing funds.

## Article VII

The Executive recommends Article VII legislation that would:

- consolidate and make permanent current electronic filing and payment mandates;
- provide additional tools for school districts and local governments to avoid large, unexpected tax shifts due to equalization rate changes;

- modify property tax administration, including proposals to:
  - allow local governments to provide real property tax assessment relief when a disaster is declared by the Governor, without further legislative action;
  - allow a county, upon agreement with an included municipality, to appoint the members of the municipality's board of assessment review;
  - allow the Tax Department to approve assessor and county director training courses for credit without obliging the State to pay for the expenses of attendees;
  - allow Tax Department to send certain statutory notices by email and/or website posting; and
  - require electric generating facilities to annually report inventory, revenue, and expense data to the Tax Department;
- make technical changes related to the repealed tax freeze credit program;
- extend tax shelter reporting and update tax preparer penalties;
- authorize an exemption from real property taxation for qualified energy systems on state controlled land; and
- make technical changes to the New York City Circuit Breaker Enhanced Credit.

### **Department of Financial Services (DFS)**

The Executive proposes an All Funds appropriation of \$441.56 million, which is an increase of \$8.27 million or 1.91 percent from the SFY 2018-19 level. The Executive recommends continued funding support for 1,395 FTE positions, an increase of 14 from SFY 2018-19 level.

The Executive provides an increase of \$4.68 million to the Banking Program and \$3.47 million to the Insurance Program to support staff increases in salary and fringe benefit costs. The increase for the Insurance Program also reflects staff increases to address new responsibilities for behavioral health parity enforcement and pharmacy benefit manager oversight.

**IT Upgrades:** The Executive proposes \$2.5 million for revenue collections systems.

**Program Eliminations:** The Executive reduces funding for the Entertainment Worker Demonstration Program by \$75,000 and proposes to transition these enrollees to new coverage through the New York Health Benefit Exchange.

**Healthy NY Program:** The Executive Budget includes a \$3.3 million reduction in stop-loss funding for Healthy NY Program, related to the transition of these individuals to the health benefit exchange.

## Article VII

The Executive recommends Article VII legislation that would:

- authorize DFS to license and regulate student loan servicers;
- ensure that those suffering from Mental Health and Substance Use Disorders (SUD) do not have limited health insurance benefits, mandate general hospital emergency departments to have SUD screening protocols, education, treatment, require coverage of court ordered treatment only when provided for OASAS certified programs;
- extend the Physician’s Excess Medical Malpractice Program for one year;
- create license and registration requirements for pharmacy benefit managers, time frames for submitting business information, and production of annual report;
- establish fines for violations and permit Department of Financial Services to demand information from, and levy assessments on, pharmacy benefit managers;
- enact major provisions of the federal Affordable Care Act in New York State Law, including: forbidding denial of coverage based on pre-existing conditions, ensuring that preventive care is covered without cost-sharing, ensuring coverage for medically necessary termination of pregnancy, requiring the publication of a prescription drug formulary list clearly identifying preventive drugs available without cost-sharing, and forbidding discrimination based on sex or marital status;
- transfer the administration of the Medical Indemnity Fund from the Superintendent of Financial Services to the Department of Health, and extend provisions of the program for one year;
- ensure that insurers provide coverage for fertility preservation services when a medical treatment may cause iatrogenic infertility, and require policies sold in the large group market to provide three cycles of in vitro fertilization;

- mandate insurance coverage for all contraception methods, including emergency contraception dispensed over the counter, without copayments;
- require DFS to create a standard form by which an insured person could obtain a non-formulary drug at the recommendation of a physician without cost-sharing, and the dispensing of up to a 12-month supply of birth control at one time; and
- create a Universal Access Commission to study ways to achieve universal health insurance coverage in New York State.

### **Department of Audit and Control**

The Executive proposes All Funds appropriations of \$362.7 million, an overall increase of \$8.35 million, from the SFY 2018-19 funding level. The Executive Budget recommends support for 2,663 FTE positions, unchanged from SFY 2018-19.

**Agency Operations:** The Executive appropriates \$330.7 million for agency operations, an increase of \$13.07 million or 4.11 percent over SFY 2018-19. The largest share of this increase, \$9.18 million is for the Retirement Services Program to support a redesign of the online portal for retirees.

### **Workers' Compensation Board**

The Executive proposes All Funds appropriations of \$196.4 million, a decrease of \$20 million from SFY 2018-19. This decrease is attributed to a reduction in capital funds, which were appropriated in prior years to support the Business Re-Engineering Project. The Executive recommends support for 1,109 FTE positions, unchanged from the SFY 2018-19 level.

### **Article VII**

The Executive proposes Article VII language that would:

- authorize the New York State Insurance Fund (SIF) to cancel a workers' compensation insurance policy and collect unpaid premiums due to failure of an employer to cooperate with payroll audits;
- require policyholders to keep accurate information regarding classification of their employees, employee accidents and persons performing work under a subcontract.

- expand the list of medical professionals authorized to provide medical care and treatment under the workers' compensation system; and
- authorize the Workers' Compensation Board to resolve bill disputes and enforce judgements for medical care and supplies.

The Executive proposes Article VII language that would modify the type of investments that the SIF surplus funding may support by allowing SIF to invest:

- any amount of surplus funds in U.S. corporate obligations rated "A" or higher;
- up to 25 percent of surplus funds in U.S. obligations of American companies rated "investment grade" ("BBB" or higher) by a nationally recognized securities rating organization; and
- in diversified index funds and accounts irrespective of the rating of an institution's obligations or qualitative standard.

### **Department of State (DOS)**

The Executive proposes All Funds appropriations of \$252.3 million, a net decrease of \$1.5 million or 0.6 percent below the SFY 2018-19 level. The Executive recommends support for 565 FTE positions, which is 40 FTEs more than the SFY 2018-19 level. These positions correspond to a transfer of some call center operations from the Department of Taxation and Finance to the Department of State.

**Consumer Protection Program:** The Executive proposes \$4.8 million for the Consumer Protection Program, which is unchanged from SFY 2018-19.

**Community Initiatives:** The Executive proposes to eliminate a total of \$5.85 million in legislative initiatives which includes:

- \$5 million for legal defense and other services for immigrants in the Office for New Americans; and
- \$850,000 in total support for the Public Utility Law Project (\$505,000); NY Immigration Coalition (\$150,000) and the Doe Fund (\$100,000).

Additionally, the Executive proposes to transfer funding for the Cemetery Maintenance and Repair Program from operating support to capital and increases funding by \$1.1 million, for a total of \$2 million in capital support.

**Downtown Revitalization:** The Executive proposes \$100 million in new Capital Projects funding for a fourth round of the Downtown Revitalization program for the purposes of transformative housing, economic development, transportation and community projects.

## **Article VII**

The Executive proposes Article VII language that would:

- require a plaintiff to mail a copy of service of process to defendants rather than DOS; and
- extend for one year the ability of the Secretary of State to charge fees for expediting certain documents issued by or requested from the DOS Division of Corporations.

## **Division of the Budget (DOB)**

The Executive proposes All Funds appropriations of \$49.2 million, a decrease of \$827,000 or 1.7 percent below the SFY 2018-19 level. The Executive recommends support for 261 FTE positions, which is unchanged from SFY 2018-19.

The proposal eliminates \$527,000 related to membership dues for the Council of State Governments, the National Conference of Insurance Legislators and the National Conference of State Legislators, and \$300,000 related to the 2018 Council of State Government Eastern Regional Conference Annual Meeting that was held last year.

The budget proposal continues to authorize interchange and transfer of appropriations among multiple state agencies and adds additional interchange and transfer language that allows for the unlimited transfer of funds from any department.

## **Statewide Financial System (SFS)**

The SFY 2019-20 Executive Budget proposes All Funds appropriation of \$30.5 million to support the ongoing maintenance and operating costs of SFS, up \$15,000 from SFY 2018-19. The Executive Budget also recommends a workforce of 142 FTEs to support the operational needs of the agency, maintained from SFY 2018-19.

## **Executive Chamber**

The Executive proposes All Funds appropriations of \$18.48 million, for the support of the Office of the Governor (\$17.85 million) and the Office of the Lieutenant Governor (\$630,000), which is unchanged from the SFY 2018-19 level. The Executive recommends support for 136 FTEs for the Office of the Governor and 7 FTEs assigned to the Office of the Lieutenant Governor.

## **Division of Alcoholic Beverage Control (ABC)**

The Executive proposes an All Funds appropriation of \$48.68 million, a net increase of \$35.4 million or 265.6 percent above the SFY 2018-19 level. The Executive recommends support for 120 FTE positions, which remains unchanged from SFY 2018-19.

The budget proposal includes a \$35.4 million increase to support the creation of the Office of Cannabis Management within the ABC, which will provide for the enforcement and regulation of the adult use cannabis, medical marijuana and industrial hemp industries.

## **State Board of Elections (SBOE)**

The Executive proposes an All Funds appropriation of \$11.6 million, a decrease of \$29 million from the SFY 2018-19 level. The Executive proposal makes the release of \$6.1 million of operating funds contingent on the passage of the Executive's proposal to provide for public campaign financing and a lowering of campaign contribution limits. The year to year reduction reflects one-time appropriations for enhanced election technology and election security improvements required under the Federal Help America Vote Act. The Executive proposal also eliminates a \$5 million appropriation for the Election Support Center.

The Executive recommendation continues a \$3 million Special Revenue Fund appropriation for the testing of voting machines to ensure that they conform to state and federal standards.

The Executive proposal increases the number of FTE positions by four, to 85. The additional staff members will assist in securing election infrastructure from cyber related threats.

## Article VII

The Executive recommends Article VII legislation that would:

- establish a voluntary public financing system with a 6:1 matching ratio for the first \$175 donated per contributor; and add the “New York State Campaign Finance Fund” check-off on tax returns;
- require that statements filed by political committees include information about intermediaries; limit contributions to “housekeeping accounts” to \$25,000; provide that the receipt of any campaign contribution or loan in excess of \$1,000 be disclosed within 60 days of receipt; lower the campaign contributions limits for all candidates participating in the public financing system, and to a lesser extent, for candidates not participating in public financing; and limit transfers from party or constituted committees to other party or constituted committees;
- implement an automatic voter registration system at certain state and local agencies unless a person declines to be registered;
- provide for automatic voter registration upon application for a driver’s license, license renewal, or identification card;
- provide for an electronic voter registration system established by the SBOE through which voters could register and have their application submitted to the appropriate local board of elections;
- increase the time allotted, without loss of pay, for an employee to vote in any election from two to three hours, regardless of whether he or she has four consecutive hours between the opening of the polls and beginning work or the end of work and closing of the polls;
- require public disclosure of certain tax returns 60 days before a general election for any candidate for statewide office and the state legislature; and prohibit a candidate who has not timely filed such return from appearing on the general election ballot;
- make the primary hours across all counties consistent and require polls to be open from 6 a.m. to 9 p.m.;
- prohibit individuals, organizations or business entities that submit bids, quotes or responses to state contract offers from making campaign contributions to any officeholder in the branch of

government awarding the contract while the decision is pending and for one year following the contract award for the winner;

- prohibit lobbyists, political action committees, labor unions and independent expenditure committees from making loans to candidates for political office; and
- provide that counties may use computer generated lists (electronic poll books) that have been approved and certified by the SBOE and which meet minimum security standards.

The Executive proposes Article VII legislation, with slight variations, that the Legislature passed on January 14, 2019 which would:

- establish a system for early voting, with a 12 day early voting period prior to a general, primary, or special election ending on and including the second day before Election Day;
- combine federal and state primaries into one primary in June;
- allow voters who move anywhere within the State to vote at a polling site in their new election district by facilitating transfers of voter registration for those who move within the state from one county to another or out of the city of New York;
- prohibit limited liability companies (LLCs) and corporations from making political expenditures and contributions except in the form of contributions to independent expenditure committees and independent expenditures; and
- authorize 16 and 17 year olds to preregister to vote.

### **Office of the Inspector General**

The Executive proposes an All Funds appropriation of \$7.24 million, a decrease of \$200,000 or 2.7 percent from SFY 2018-19. The decrease is attributable to the Federal Equitable Sharing appropriations being replaced by Special Revenue Funds. The Executive recommends support for 92 FTEs, which is unchanged from SFY 2018-19 level.

### **Joint Commission on Public Ethics**

The Executive proposes an All Funds appropriation of \$5.58 million, unchanged from SFY 2018-19. The Executive recommends support for 52 FTEs, also unchanged from SFY 2018-19.

## Article VII

The Executive proposes Article VII legislation that would:

- require disclosure by a lobbyist of campaign contributions that were raised by the lobbyist, as well as campaign contributions from the lobbyist;
- prohibit political consultants from lobbying public officials with whom they have had a professional relationship for compensation;
- require certain nonprofit entities to disclose monetary donations to the JCOPE; clarify the reporting requirements, relevant reporting period and responsibilities of the recipient entities; and expand the role of the Executive Director of JCOPE in regard to the monetary donations;
- lower the thresholds that trigger certain filing and disclosure requirements from \$1000 or \$5000 to \$500;
- increase civil and criminal penalties for lobbyists who violate the lobbying law;
- increase from two to five years the existing ban on former state officers or employees, members of the legislature, legislative staff and executive chamber staff from appearing or lobbying before certain state entities; and prohibit policy makers from lobbying or registering as a lobbyist during that timeframe;
- prohibit an employee of a statewide elected official or a member of the legislature from volunteering for the campaign of that official;
- require certain local government officials to file state-approved financial disclosure forms with the JCOPE;
- establish a code of conduct for lobbyists to uphold the minimum standards of professional conduct which would include ethical standards and standards of professionalism; and
- repeal the section of the Freedom of Information Law (FOIL) that currently applies to the legislature, and instead apply to the provision that currently governs the Executive to the legislature.

## Division of Tax Appeals

The Executive proposes an All Funds appropriation of \$3.04 million, which is unchanged from the SFY 2018-19 level. The Executive recommends support for 27 FTEs, which is unchanged from SFY 2018-19 levels.





# BUDGET HIGHLIGHTS: STATE OPERATIONS AND WORKFORCE



- **Establish a Floor for State Reimbursement for the Medicare Part B Premium:** The Executive proposes language to maintain reimbursement of the standard Medicare Part B premium at current levels of \$135.50 per month for new and existing retirees. Any future increases in reimbursement above this level would be subject to the annual budget process.
- **Eliminate the Income Related Monthly Adjustment Amount (IRMAA) Reimbursement:** The Executive Budget proposes language to eliminate state funding to support the IRMAA premium for the retirees with an income above \$85,000 for individuals and \$170,000 for couples.
- **Implement Differential Premiums for Future State Retirees:** The Executive proposes Article VII language to tie the amount of health care payments received by retirees to the number of years of state service for new employees.
- **Provide a Market-Based Interest Rate on Court Judgements and Accrued Claims:** The Executive proposes language that would change the interest rate paid by the state and other governmental jurisdictions in court judgments from a fixed rate to a variable rate.



# BUDGET REVIEW AND ANALYSIS: STATE OPERATIONS AND WORKFORCE



State employees deliver services to the public and manage a range of facilities and provider networks. They oversee and administer billions of dollars in program funding and capital projects. There are 182,091 state employees in Executive agencies.

General State Charges provide for miscellaneous costs that accrue to the State, including pension, health and other fringe benefits to most state employees and retirees, as well as State litigation expenses and payments to local governments for taxes on State owned lands.

The Department of Civil Service provides human resource management services to state and local governments, including recruitment, testing and classifications for public employees.

The Public Employment Relations Board resolves major labor disputes between public or private employers and employees. The Governor’s Office of Employee Relations assists the Governor in relations between the State and its employees, including representing the executive branch in collective bargaining negotiations and providing for workforce training, education and benefits.

Table 48

Agency	Appropriations			
	2018-19 Adjusted (\$ in Millions)	2019-20 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
General State Charges	5,853.42	6,027.07	173.65	2.97
Department of Civil Service	57.47	58.74	1.28	2.22
Office of Employee Relations	8.29	8.68	0.39	4.73
Public Employment Relations Board	3.98	4.06	0.07	1.81



Table 49

Disbursements				
Agency	2018-19 Adjusted (\$ in Millions)	2019-20 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
General State Charges	6,577.71	6,845.92	268.21	4.08
Department of Civil Service	13.95	14.35	0.41	2.91
Office of Employee Relations	3.86	6.44	2.58	66.81
Public Employment Relations Board	3.60	3.63	0.03	0.83

### General State Charges

The Executive proposes All Funds appropriations of \$6.03 billion, an increase of \$173.65 million, of which \$126.19 million is attributable to growth within fringe benefits and fixed costs. Fringe benefits and fixed costs are projected to increase by 3.8 percent year-to-year.

**Health Insurance Benefits:** The Executive proposes a \$106.85 million increase over the SFY 2018-19 level for health insurance benefits contributions. The Executive advances proposals that would cease Income Related Monthly Adjustment Amount (IRMAA) payments for certain retirees based on income (\$2.9 million); and freeze Medicare Part B reimbursement at the 2019 levels of \$135.50 per month, resulting in \$2.3 million in savings in SFY 2019-20 and \$12.3 million in SFY 2020-21.

**Pensions:** The Executive proposes a \$30.91 million increase in pension funding, an increase of 1.4 percent, which is due to a stable workforce level, ongoing savings from Tier V and Tier VI pension reforms, and improved returns on investment of pension funds. The budget assumes \$63.1 million in savings by making a full payment to the retirement systems in April 2018 instead of monthly payments.

**Differential Retiree Benefits Premiums:** The Executive proposes language that would require new state employees hired after April 1, 2019, to pay premiums based on years of service in lieu of paying the same premium regardless of years served, with differential rates beginning at 10 years of service. This provision will be fully implemented in 30 years, for an estimated savings of \$4 billion. This part would exclude employees who retire with an ordinary, accidental or performance of duty disability retirement benefit as well as certain members in the uniformed force.

**Workers' Compensation Benefits:** The Executive proposes a net \$100.66 million increase in Workers' Compensation benefits for injured state employees, representing a 21.1 percent increase from SFY 2018-19. This increase is reflective of higher medical costs and growth in the average weekly wage

(which results in higher Workers' Compensation benefits), as well as a reduced reliance in the use of reserve funds to offset this cost.

**Fixed Costs:** The Executive budget proposes to change the interest rate paid by the State and other governmental jurisdictions in court judgments from a fixed 9 percent rate to a variable market-based index, resulting in a decrease of \$6 million.

In addition, the Executive recommends Article VII legislation that would:

- modify the health insurance premium costs for state retirees who are hired on or after April 1st, 2019 and their dependents;
- extend to July 1, 2024 the Civil Service provisions related to binding arbitration for labor disputes between public employers and certified employee organization representing certain members of the uniformed force;
- authorize the New York State Department of Civil Service or a municipal commission to establish continuous eligible lists for competitive examinations, and remove the requirement that there must be a limited number of well-qualified candidates available before an eligible list is established;
- eliminate the requirement that promotional examinations for employees in the non-competitive and labor class must be held in conjunction with open-competitive examinations;
- prohibit reductions in an existing public employee's salary upon such employee's transfer to another position; and
- extend provisions relating to binding arbitration for labor disputes between the Metropolitan Transportation Authority and its labor representatives to July 1, 2021.

### **Department of Civil Service**

The Executive proposes All Funds appropriations of \$58.7 million, an overall increase of \$1.28 million or 2.2 percent increase over SFY 2018-19 levels. Increased funding would support reimbursement for sick leave for eligible officers and employees with qualifying World Trade Center conditions and the transfer of Affirmative Action Administrators pursuant to Executive Order No. 187. The Executive recommends support for 362 FTE positions, unchanged from SFY 2018-19 levels.

### **Office of Employee Relations**

The Executive provides an All Funds appropriation of \$8.68 million, an increase of \$392,000 over SFY 2018-19 funding levels. This increase is due to the transfer of Affirmative Action Administrators to this office. The Executive recommends support for 77 FTEs, unchanged from SFY 2018-19 levels.

### **Public Employment Relations Board**

The Executive proposes an All Funds appropriation of \$4.06 million, an increase of \$72,000 from SFY 2018-19 levels. The increase supports rising per diem rates for mediators and fact finders involved in resolving disputes. The Executive recommends support for 33 FTE positions, unchanged from SFY 2018-19 levels.

Table 50

## Workforce Impact Summary

All Funds

FY 2018 Through FY 2020

	FY 2018 Actuals (3/31/18)	Starting Estimate (03/31/19)	Attritions	New Fills	Net Change	Ending Estimate (03/31/20)
Adirondack Park Agency	54	54	(1)	1	0	54
Aging, Office for the	89	95	(16)	16	0	95
Agriculture and Markets, Department of	460	483	(50)	79	29	512
Alcoholic Beverage Control, Division of	113	120	(8)	8	0	120
Alcoholism and Substance Abuse Services, Office of	736	737	(109)	109	0	737
Arts, Council on the	27	30	(3)	3	0	30
Audit and Control, Department of	2,630	2,663	(212)	212	0	2,663
Budget, Division of the	234	261	(45)	45	0	261
Children and Family Services, Office of	2,887	2,964	(468)	468	0	2,964
City University of New York	13,726	13,632	0	0	0	13,632
Civil Service, Department of	345	362	(67)	67	0	362
Correction, Commission of	29	32	(2)	2	0	32
Corrections and Community Supervision, Department of	29,351	29,175	(614)	767	153	29,328
Criminal Justice Services, Division of	408	435	(24)	24	0	435
Deferred Compensation Board	4	4	0	0	0	4
Economic Development, Department of	136	153	(13)	13	0	153
Education Department, State	2,575	2,692	(269)	269	0	2,692
Elections, State Board of	69	81	(6)	10	4	85
Employee Relations, Office of	33	77	(3)	3	0	77
Environmental Conservation, Department of	2,887	3,110	(234)	239	5	3,115
Executive Chamber	97	136	(50)	50	0	136
Financial Control Board, New York State	12	12	(1)	2	1	13
Financial Services, Department of	1,356	1,381	(55)	55	0	1,381
Gaming Commission, New York State	417	411	(19)	38	19	430
General Services, Office of	1,811	1,931	(323)	323	0	1,931
Health, Department of	4,690	5,462	(718)	872	154	5,616
Higher Education Services Corporation, New York State	183	176	(15)	15	0	176
Homeland Security and Emergency Services, Division of	504	605	(29)	38	9	614
Housing and Community Renewal, Division of	608	682	(86)	180	94	776
Hudson River Valley Greenway Communities Council	0	1	0	0	0	1
Human Rights, Division of	160	164	(19)	19	0	164
Indigent Legal Services, Office of	24	34	0	2	2	36
Information Technology Services, Office of	3,471	3,489	(130)	130	0	3,489
Inspector General, Office of the	87	92	(7)	7	0	92
Interest on Lawyer Account	9	9	0	0	0	9
Judicial Conduct, Commission on	40	43	(3)	3	0	43
Justice Center for the Protection of People with Special Needs	422	430	(33)	26	(7)	423
Labor Management Committees	72	77	(6)	6	0	77
Labor, Department of	2,935	2,987	(285)	285	0	2,987
Law, Department of	1,822	1,839	(139)	139	0	1,839
Lieutenant Governor, Office of the	4	7	(1)	1	0	7
Medicaid Inspector General, Office of the	405	426	(52)	52	0	426
Mental Health, Office of	13,911	13,677	(1455)	1495	40	13,717
Military and Naval Affairs, Division of	390	405	(45)	45	0	405
Motor Vehicles, Department of	2,301	2,344	(266)	266	0	2,344
Parks, Recreation and Historic Preservation, Office of	1,751	2,024	(152)	169	17	2,041
People with Developmental Disabilities, Office for	18,867	18,590	(1078)	1,078	0	18,590
Prevention of Domestic Violence, Office for	24	27	(2)	2	0	27
Public Employment Relations Board	30	33	(3)	3	0	33
Public Ethics, Joint Commission on	52	52	(4)	4	0	52
Public Service Department	494	520	(26)	34	8	528
State Police, Division of	5,609	5,741	(311)	311	0	5,741
State University Construction Fund	142	152	0	0	0	152
State University of New York	45,882	46,092	0	0	0	46,092
State, Department of	493	525	(52)	92	40	565
Statewide Financial System	135	142	(11)	11	0	142
Tax Appeals, Division of	23	27	(1)	1	0	27
Taxation and Finance, Department of	3,898	3,975	(142)	252	110	4,085
Temporary and Disability Assistance, Office of	1,923	1,989	(234)	234	0	1,989
Transportation, Department of	8,501	8,520	(383)	383	0	8,520
Veterans' Affairs, Division of	83	98	(15)	15	0	98
Victim Services, Office of	79	102	(24)	24	0	102
Welfare Inspector General, Office of	7	7	(1)	1	0	7
Workers' Compensation Board	1,082	1,109	(89)	89	0	1,109
<b>Total</b>	<b>181,599</b>	<b>183,705</b>	<b>(8,409)</b>	<b>9,087</b>	<b>678</b>	<b>184,383</b>







# BUDGET REVIEW AND ANALYSIS: JUDICIARY



The New York State courts are established and administered as an independent branch of government pursuant to Article VI of the New York State Constitution. The cost of operating the courts, excluding town and village courts, is borne by the state pursuant to the Unified Court Budget Act. The mission of the Unified Court System is to promote the rule of law and to serve the public by providing just and timely resolutions of all matters before the courts. The New York State Judiciary carries out its mission through 11 different trial courts (courts of original jurisdiction), its intermediate appellate courts and its highest court, the Court of Appeals.

The Judiciary’s proposed budget request recommends All Funds appropriations of \$3.17 billion, which is an increase of \$102.19 million or 3.33 percent from the SFY 2018-19 level.

**Table 51**

<b>Appropriations</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Office of Court Administration	3,064.30	3,166.49	102.19	3.33

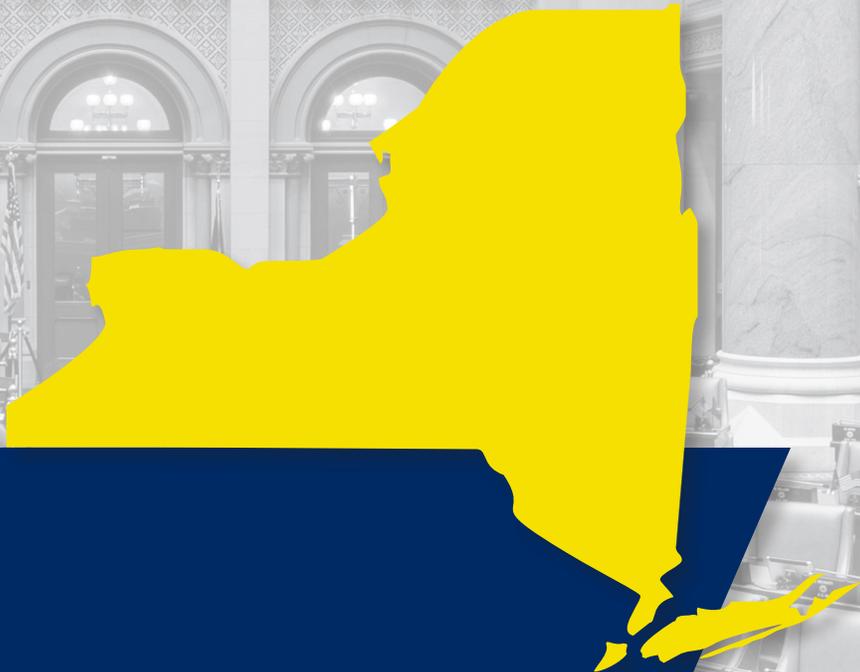
**Table 52**

<b>Disbursements</b>				
<b>Agency</b>	<b>2018-19 Adjusted (\$ in Millions)</b>	<b>2019-20 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Office of Court Administration	3,044.53	3,136.60	92.07	3.02

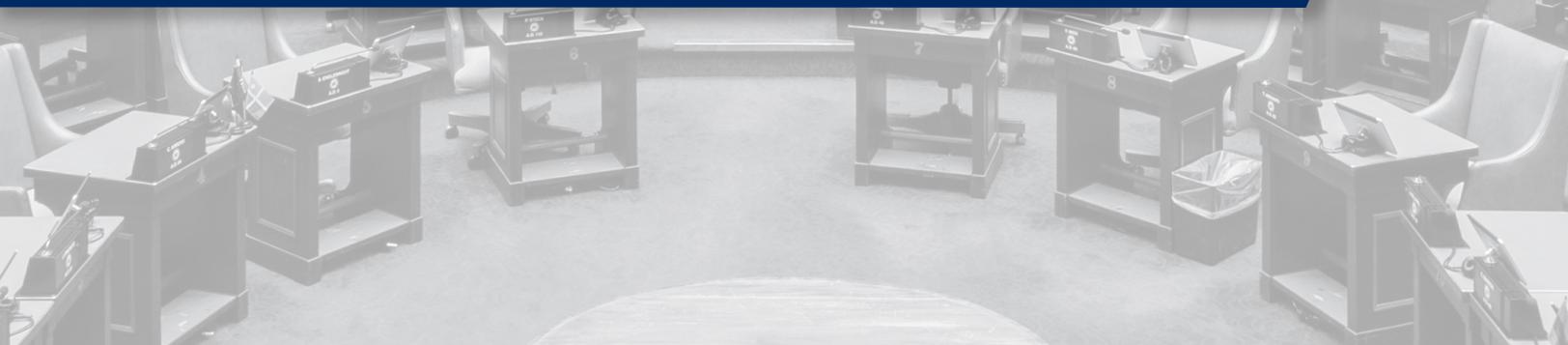
**Civil Legal Services:** The proposed budget includes a total of \$100 million to support the recommendations of an Office of Court Administration Taskforce to expand civil legal services, unchanged from the SFY 2018-19 level.

**Capital Projects:** The Judiciary’s budget includes \$24 million to support improvements to court technology infrastructure, including modernization of the Judiciary’s secure, high-speed area network and the purchase of an automated case management system, an increase of \$6 million from SFY 2018-19.





# Economy





# BUDGET HIGHLIGHTS: ECONOMY



- According to the Executive, the U.S. economy, as measured by real GDP, is projected to grow by 2.4 percent in 2019 and another 2.1 percent in 2020.

**Table 53**

<b>U.S. Economic Outlook (Percent Change)</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>
Real GDP	2.9	2.4	2.1
Consumption	2.7	2.9	2.2
Residential Investment	(0.3)	(0.4)	2.2
Nonresidential Investment	6.8	3.9	3.8
Exports	4.0	2.7	3.7
Imports	4.8	4.9	3.5
Government	1.6	1.9	0.9
Personal Income	4.4	4.1	4.3
Wages & Salaries	4.4	4.1	4.3
Employment	1.6	1.4	1.2
Unemployment Rate (percent)	3.9	3.6	3.5
CPI-Urban	2.5	2.2	2.4
S&P 500 Stock Price	12.1	(3.3)	3.8
Federal Fund Rate	1.8	2.6	3.1
Treasury Note Rate (10-year)	2.9	3.1	3.5

Note: Values are as reported in the Executive Budget 2019-20 released on January 15, 2019.  
Source: NYS Division of the Budget.

- The Executive projects state employment will grow 1.1 percent in 2019 and 2020. Also, the Executive projects that personal income will increase by 4.0 percent in 2019 and 4.2 percent in 2020.

**Table 54**

<b>New York State Economic Outlook (Percent Change)</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>
Employment	1.3	1.1	1.1
Private Employment	1.4	1.2	1.2
Personal Income	4.5	4.0	4.2
Total Wages (calendar year basis)	3.8	3.6	3.8
Base Wages	4.9	4.2	4.1
Variable Compensation	(3.1)	(0.9)	1.5
New York Area CPI	2.1	2.1	2.3

Note: Values are as reported in the Executive Budget 2019-20 released on January 15, 2019.  
Source: NYS Division of the Budget.



# BUDGET REVIEW AND ANALYSIS: ECONOMY



**The National Economy:** The Executive projects that the U.S. economy, as measured by Gross Domestic Product (GDP), will grow 2.4 percent in 2019 and 2.1 percent in 2020, following growth of an estimated 2.9 percent in 2018 (see Table 55). The Executive indicates that by July 1, 2019 the current economic expansion will become the longest but weakest expansionary period since 1850. According to the Executive, though economic growth is expected to weaken, the U.S. economy is unlikely to enter a recession in 2019. The Executive suggests that the slowdown in national economic growth projected in 2019 is due to a weakening in the global demand for U.S. goods and services, weaker employment and wage growth, and the diminishing of the stimulative impact of the Tax Cuts and Jobs Act (TCJA).

Table 55

<b>U.S. Economic Forecast Comparison</b>			
	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Real Gross Domestic Product (GDP)</b> (2009 chained percent change)			
Division of the Budget	2.9	2.4	2.1
Blue Chip Consensus	N/A	2.6	1.9
Moody's Analytics	2.9	2.7	0.9
Macroeconomic Advisers by IHS Markit	2.9	2.5	2.0
<b>Consumer Price Index (CPI)</b> (percent change)			
Division of the Budget	2.5	2.2	2.4
Blue Chip Consensus	N/A	1.9	2.2
Moody's Analytics	2.4	2.2	2.2
Macroeconomic Advisers by IHS Markit	2.4	2.0	2.5
<b>Unemployment Rate</b> (percent)			
Division of the Budget	3.9	3.6	3.5
Blue Chip Consensus	N/A	3.6	3.7
Moody's Analytics	3.9	3.4	3.7
Macroeconomic Advisers by IHS Markit	3.9	3.6	3.7
Note: Numbers are as reported in the Executive Budget 2019-20 released on January 15, 2020. Source: NYS Division of the Budget.			

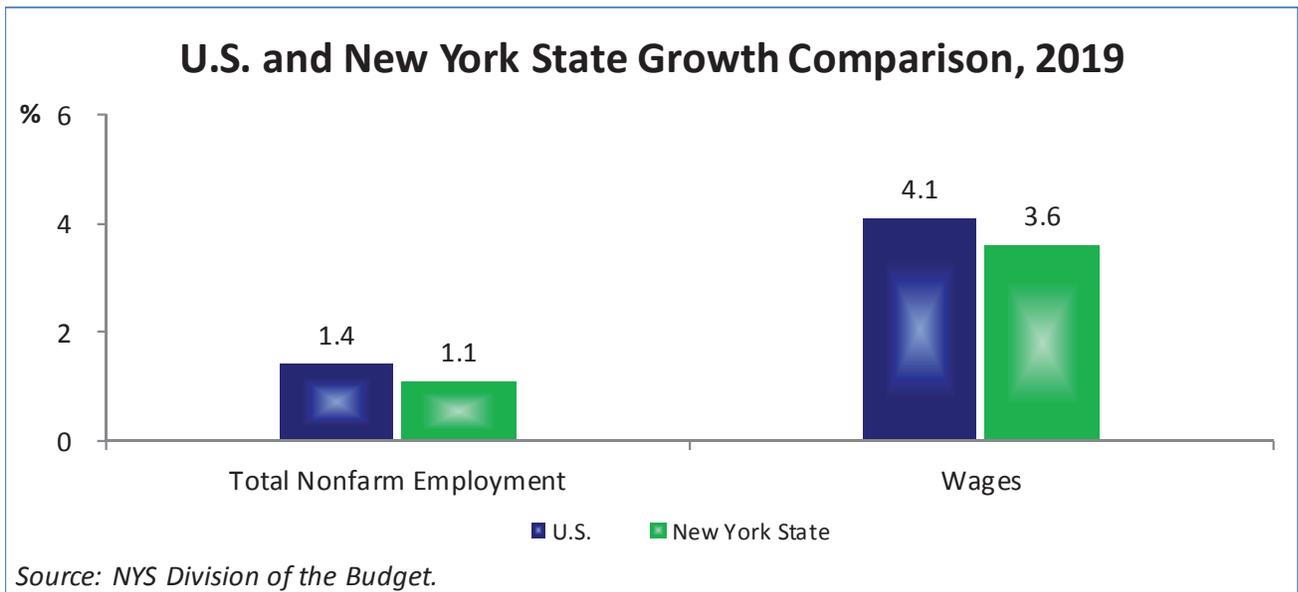
- **Consumer Spending:** The Executive projects that consumer spending, adjusted for inflation, will grow 2.9 percent in 2019, following growth of an estimated 2.7 percent in 2018.
- **Business Spending:** The Executive projects business investment spending will grow 3.9 percent in 2019, following an estimated increase of 6.8 percent in 2018. According to the Executive, the slowdown in business spending is attributed partly to the recent decline in oil prices, which possibly lead to a cutback on spending on mining exploration, shafts, and wells.
- **Exports and Imports:** The Executive forecasts that growth in exports of U.S. goods and services will slow to 2.7 percent in 2019, from an estimated 4.0 percent in 2018. The Executive forecast is based on an expected slowdown in economic growth in China, Japan and Europe. In addition, increased tariffs by the U.S. and the retaliation by its trading partners will impact trade negatively. The Executive projects that imports will grow 4.9 percent in 2019, virtually unchanged from 2018 as the U.S. economy slows and the dollar appreciates.
- **Government Spending:** The Executive projects that state and local government spending, adjusted for inflation, will grow 1.5 percent in 2019, following an estimated 1.0 percent increase in 2018. The Executive projects that federal government spending will grow 2.6 percent in 2019, following growth of an estimated 2.8 percent in 2018. The projections do not include the impact of the federal government shutdown that began on December 22, 2018.
- **Inflation:** The Executive forecasts that inflation, as measured by the Consumer Price Index (CPI), will remain in check during 2019 due to the continued slowdown in global economic growth and a relatively strong dollar. The CPI inflation is projected to slow to 2.2 percent in 2019, following 2.5 percent growth in 2018.
- **Employment:** The Executive projects U.S. employment growth will slow to 1.4 percent in 2019, after an increase of 1.6 percent in 2018. In 2019, the Executive projects that most sectors will continue to add jobs but at a slower pace than in 2018. According to the Executive, the service sector will contribute over one-half of the job gains, led by the health care, social services and leisure and hospitality sectors. Construction, transportation and warehousing will also post gains, and manufacturing will have another year of job increases, although the pace of growth will fall as the domestic economy softens and world trade weakens. The Executive forecasts that the unemployment rate will fall to 3.6 percent in 2019 from an average of 3.9 percent in 2018.

- **Corporate Profits:** The Executive projects that growth in U.S. corporate profits will slow to 6.4 percent in 2019, after growing an estimated 8.3 percent in 2018. The slowdown in corporate profits stems from the weakening of both global and domestic economies, and the tightening of financial conditions as interest rates rise.
- **Stock Market:** The Executive expects equity price growth to be consistent with growth in corporate earnings, discounted by changing interest rates. The Executive projects that in 2019 the S&P 500 stock price index will be, on an average annual basis, 3.3 percent lower than in 2018, following growth of 12.1 percent that year.

**The New York State Economy:** The Executive projects that the state economy will continue to improve, but state employment growth will slow to 1.1 percent in 2019, after growing an estimated 1.3 percent in 2018.

- **Personal Income:** The Executive projects State total personal income will grow 4.0 percent in 2019, and will be weaker than the estimated 4.5 percent growth in 2018. According to the Executive, growth in state personal income is mainly due to wage growth, the largest component of personal income.
- **Wages:** The Executive forecasts that wages in the State will slow to 3.6 percent in 2019, following an estimated growth of 3.8 percent in 2018. The fluctuation in wage growth in recent years was due in large part to the shifting of income in response to tax code changes. The Executive estimated that without such shift, wage growth would have been 4.0 percent in 2017, followed by 4.4 percent in 2018 and 4.2 percent for 2019. The Executive projects that bonuses in the finance and insurance sector will decline 0.8 percent in 2019, after an estimated decrease of 7.6 percent in 2018.
- **Employment:** Though slowing, job growth remains at a healthy pace well above historical averages, led by healthcare, management and administrative services, construction, information, and transportation and warehousing. Total non-farm employment in the state grew an estimated 1.3 percent in 2018, compared to 1.6 percent nationwide. The Executive forecasts that state employment growth will slow to 1.1 percent in 2019, a rate weaker than the 1.4 percent projected for the nation (see Figure 14).





**Figure 14**

**Employment by Sector:** The Executive projects that private employment in the State will grow 1.2 percent in 2019, after growing an estimated 1.4 percent in 2018. The education and health care, information, construction, real estate, and business and professional services sectors grew relatively faster in the first half of 2018. New York State outpaced the nation in employment growth in the health care and social assistance, information management, administrative and support services, and government in the first half of 2018. In the utilities sector, New York State lost relatively fewer jobs (see Table 56).

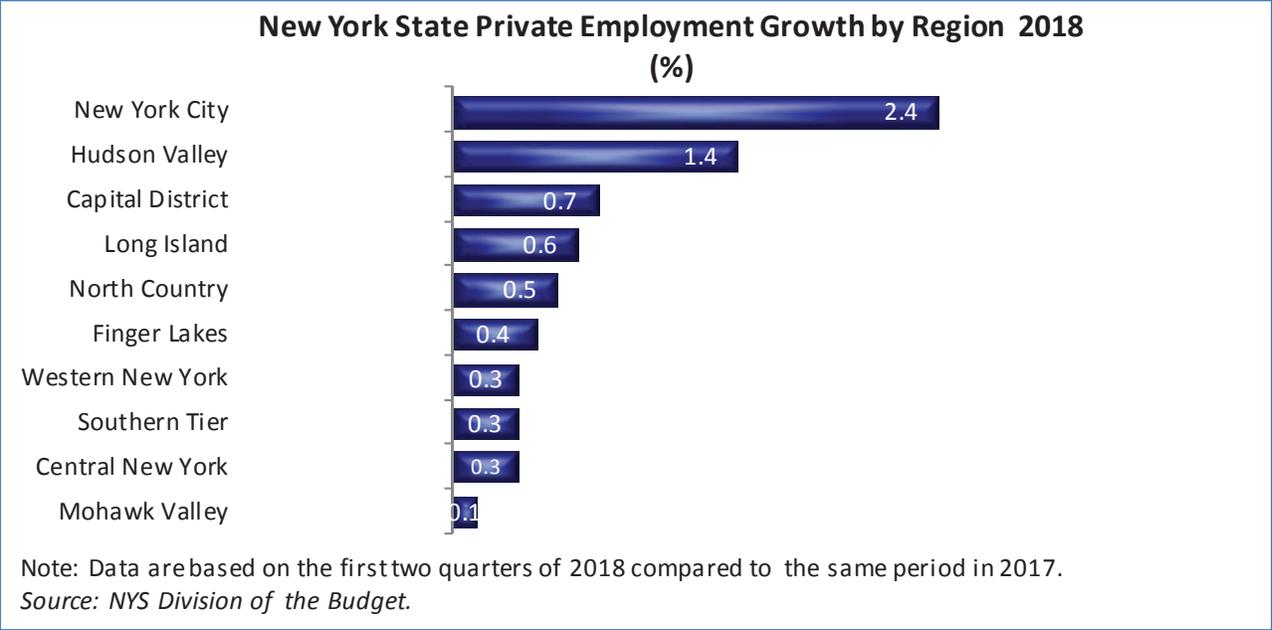
Table 56

<b>New York State Employment: NYS vs U.S. First Half of 2018</b>		
	<u>NYS</u>	<u>U.S.</u>
<b>Total</b>	<b>1.4</b>	<b>1.6</b>
<b>Total Private</b>	<b>1.5</b>	<b>1.8</b>
Healthcare & Social Assistance Services	3.9	2.0
Management, Administrative, and Support Services	3.5	2.7
Construction	3.0	3.9
Information	2.5	(1.4)
Transportation and Warehousing	2.2	3.1
Educational Services	1.8	1.8
Leisure, Hospitality and Other Services	1.3	1.8
Real Estate and Rental and Leasing	0.6	2.8
Finance and Insurance	0.6	1.1
Government	0.5	0.0
Professional, Scientific, and Technical Services	0.3	2.3
Utilities	(0.2)	(0.3)
Manufacturing and Mining	(0.7)	2.0
Retail Trade	(0.9)	0.4
Wholesale Trade	(2.3)	1.2

Note: Management and administration and support services includes NAICS sectors 55 and 56; sum of sectors may not match the total due to the exclusion of unclassified.

Source: NYS Division of the Budget.

- **Employment by Region:** According to the Executive, private employment grew in all regions in the state in the first half of 2018. New York City led the state in private employment growth in the first half of 2018 at 2.4 percent. Upstate employment growth has been weaker than Downstate. Outside of New York City, the Hudson Valley grew the fastest at 1.4 percent, followed by the Capital District region at 0.7 percent (see Figure 15).

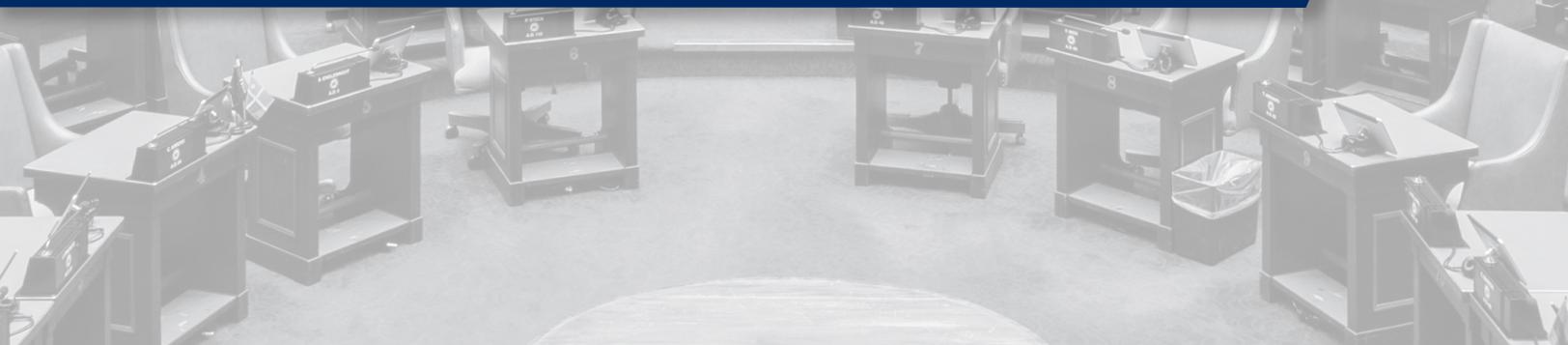


**Figure 15**

**Risks:** According to the Executive, one of the greatest risks to its forecast is the extent to which the global economy is slowing. Further escalation in the trade war between China and the U.S. could cause world trade to contract more than expected. Changes in oil prices also pose some risks. Should oil prices increase more than anticipated, gasoline prices would follow, diminishing the windfall from lower prices, possibly resulting in lower consumer spending. However, should oil prices fall lower than expected, U.S. energy producers could pull back on investment spending and hiring, negatively affecting equity markets. The Federal Reserve’s strategy of unwinding its unconventional policies and moving towards interest rate normalization has met some rough spots, impacting equity and financial markets. Any miscommunication between the central bank and market participants can have negative consequences. Finally, a prolonged government shutdown may have negative consequences in the rest of the economy. Risks that usually affect the national economy will similarly affect the state, particularly those related to equity and financial markets.



# Revenue





# BUDGET HIGHLIGHTS: REVENUE



- **Extend the Millionaire's Tax:** The Executive proposes a five-year extension of the existing millionaire's tax, which is scheduled to expire on December 31, 2019. The Executive would also extend the personal income tax limitation on charitable contribution deductions for taxpayers with incomes above \$10 million for an additional five years.
- **Cannabis Regulation and Taxation Act:** The Executive proposes language to regulate and control the manufacture and sale of cannabis for adult consumption. The bill would establish three taxes on the cultivation and sales of adult use marijuana.
- **Make the Property Tax Cap Permanent:** The Executive proposes to make permanent the two percent cap on local property taxes. The property tax cap was last extended in 2015, and is scheduled to expire at the same time as rent regulation, but no earlier than June 16, 2020.
- **School Tax Relief (STAR) Program Actions:** The Executive proposes to cap annual growth in STAR exemption benefits at zero percent and to increase STAR credit benefits by two percent; lower the basic STAR exemption income eligibility requirement, from \$500,000 to \$250,000; and make a variety of changes related to STAR oversight and enforcement.
- **Tax Cuts and Credits:** The Executive proposes to expand the employee training incentive program credit; expand the farm workforce retention credit; establish an employer-provided child care credit; create the employer recovery hiring tax credit; and expand the current historic rehabilitation credit.
- **Tax Reform Actions:** The Executive proposes to close the carried interest loophole; require online retailers to collect state and local sales tax; discontinue the energy services sales tax exemption; allow for an exemption from real property taxation for qualified energy systems; allow school tax equalization rate apportionment over multiple years; and allow local governments to provide assessment relief in time of a natural disaster.



# BUDGET REVIEW AND ANALYSIS: REVENUE



## EXECUTIVE ALL FUNDS RECEIPTS 2018-19 ESTIMATES AND 2019-20 FORECAST

Table 57

<b>Executive Budget - All Funds Receipts</b>					
<b>(\$ in Millions)</b>					
	<b>SFY 2017-18</b>	<b>SFY 2018-19</b>	<b>% Change</b>	<b>SFY 2019-20</b>	<b>% Change</b>
Personal Income Tax	\$51,501	\$50,144	(2.6%)	\$53,014	5.7%
User Taxes	\$16,711	\$17,445	4.4%	\$18,112	3.8%
Business Taxes	\$7,164	\$7,744	8.1%	\$8,611	11.2%
Other	\$2,451	\$2,204	(10.1%)	\$2,242	1.7%
<b>Total Taxes</b>	<b>\$79,266</b>	<b>\$77,537</b>	<b>(2.2%)</b>	<b>\$81,979</b>	<b>5.7%</b>
Miscellaneous Receipts	\$27,262	\$29,614	8.6%	\$27,158	(8.3%)
Federal Funds	\$58,942	\$62,809	6.6%	\$63,772	1.5%
<b>Total All Funds</b>	<b>\$165,470</b>	<b>\$169,960</b>	<b>2.7%</b>	<b>\$172,909</b>	<b>1.7%</b>

### SFY 2018-19 All Funds Receipts Estimate

- The Executive estimates SFY 2018-19 All Funds tax receipts to total \$77.54 billion, a decrease of \$1.73 billion, or 2.2 percent, from SFY 2017-18 levels. This annual decrease is predominantly related to provisions that were enacted as part of the SFY 2018-19 budget, which now provides collections from the Metropolitan Transportation Authority (MTA) payroll tax directly to the MTA. Without this change, SFY 2018-19 receipts would have declined by \$290 million, or 0.4 percent from SFY 2017-18, predominantly related to the timing of Personal Income Tax payments.
- Including Miscellaneous Receipts and Federal Funds, All Funds receipts are estimated to increase 2.7 percent to \$169.96 billion in SFY 2018-19.

### SFY 2019-20 All Funds Receipts Forecast

- The Executive forecasts SFY 2019-20 All Funds tax receipts to total \$81.98 billion, an increase of 5.7 percent, or \$4.44 billion, over SFY 2018-19 levels. This projected increase reflects a

\$2.87 billion increase in Personal Income Tax collection, a \$667 million increase in User Taxes, and an \$867 million increase in business taxes.

- Including Miscellaneous Receipts and Federal Funds, All Funds receipts are forecast to increase by 1.7 percent, or \$2.95 billion, to \$172.91 billion.
- The Executive forecast reflects a decrease of \$297 million related to a proposal to remit several revenue streams directly to MTA, which had previously been collected by the state, including the supplemental tax on passenger cars in the metropolitan commuter transportation district, the taxicab surcharge, and the supplemental fee on registrations and licenses.
- The Executive forecast reflects \$12 million in additional revenue related to the addition of 110 full time equivalent positions to support enhanced audit and enforcement activities.

### **Revenue Proposals – Revenue Article VII Bill (Unless Otherwise Noted)**

#### **Personal Income Tax Proposals**

- **Extend Higher Income Personal Income Tax Rates:** The Executive proposes to maintain the 8.82 percent personal income tax rate for individuals in the top tax bracket for another five years, through taxable year 2024. The current rates are scheduled to expire at the end of 2019.
- **Extend Personal Income Tax Limitation on Charitable Contributions:** The Executive proposes to extend the personal income tax limitation on charitable contribution deductions for taxpayers with incomes above \$10 million, for an additional five years, through taxable year 2024. This action would maintain the current state deduction limit for these taxpayers, which is 25 percent of the federal deduction.
- **Carried Interest Loophole:** The Executive proposes to close the carried interest tax loophole and tax the carried interest income of hedge fund and private equity investors as ordinary income. In addition to characterizing carried interest as earned income for non-residents (instead of capital gains), this proposal would subject these earnings to a 17 percent fee until the federal government also treats carried interest as ordinary income for all taxpayers. This provision would take effect only when the states of Connecticut, Massachusetts, New Jersey and Pennsylvania enact legislation with a similar effect.
- **Include Certain Gambling Winnings in Nonresident Income:** The Executive proposes to impose the personal income tax on nonresidents' gambling winnings in excess of \$5,000 from New York

casinos and racetracks, and require withholding on such winnings when they would otherwise be subject to federal tax withholding.

- **Extend Electronic Filing and Payment Mandate:** The Executive proposes to consolidate electronic filing and payment mandates into a uniform threshold filing requirement imposed on tax preparers and making such requirement permanent.
- **Extend the Clean Heating Fuel Credit:** The Executive proposes to extend the current clean heating fuel credit, until January 1, 2023, allowing taxpayers to claim a personal income tax credit for purchasing bioheating fuel for residential purposes.
- **Tax Shelter and Tax Preparer Penalties:** The Executive proposes to make permanent the current tax shelter reporting and penalty provisions and modify the penalties for tax preparers who do not sign returns or who take unreasonable positions on returns, and to allow penalties to be imposed on unregistered tax preparers.
- **New York City Enhanced Real Property Tax Circuit Breaker Credit:** The Executive proposes to make a technical amendment to clarify the calculation of the Enhanced Real Property Tax Circuit Breaker Credit applicable to New York City.

### School Tax Relief (STAR) Proposals

- **Cap Annual Growth of STAR Exemption Benefits:** The Executive proposes to reduce the allowable annual growth of the STAR exemption, from the current two percent rate to zero percent, thereby holding SFY 2019-20 and all future STAR exemption benefits at SFY 2018-19 levels. For purposes of the STAR credit, the Executive would continue the current two percent allowable annual growth rate.
- **Lower Basic STAR Exemption Income Limit to \$250,000:** The Executive proposes to lower the income limit for the Basic STAR exemption from \$500,000 to \$250,000, beginning with the 2019-20 school year. For purposes of the STAR credit, the current \$500,000 income limit would remain.
- **STAR Oversight and Enforcement:** The Executive advances a variety of proposals to improve STAR program oversight and enforcement, including authorizing the Tax Department to review residency and age eligibility; to extend current penalties for fraudulent activity to the STAR credit program; and to allow for recoupment if a recipient receives both a STAR exemption and a STAR credit.

- **Disclosure of STAR-related information to Assessors:** The Executive proposes to allow the Commissioner of Taxation and Finance to disclose certain STAR-related information to local assessors to assist with eligibility determinations.
- **Clarify STAR Check Tax Bill Notices:** The Executive proposal would modify the notice that appears on the school tax bills of recipients of the STAR credit program, to clarify the timing of payments under the program.
- **Improve the STAR Administrative Process:** The Executive proposes to establish a good cause restoration process for late initial Enhanced STAR applications and to eliminate the \$500 renunciation fee if the renunciation occurs before the levy of school taxes or a person voluntarily enrolls in the STAR credit program.
- **Disclosure of Information on Cooperative Housing Corporation Information Returns:** The Executive proposes to allow the Department of Taxation and Finance to share certain information reported by cooperative housing corporations with local assessors for real property tax administration purposes.
- **Require Mobile Home Park Reporting:** The Executive proposes to require manufactured home park owners to submit quarterly registration statements electronically to the Department of Taxation and Finance. This would replace current annual reporting to the Division of Housing and Community Renewal.

## Property Tax Proposals

- **Make the Property Tax Cap Permanent:** The Executive proposes to make permanent the two percent cap on local and school property taxes. The cap was last extended in 2015, and is scheduled to expire on June 16, 2020.
- **Allow an Exemption for Qualified Energy Systems:** The Executive proposes to exempt specified energy systems from local taxation, special ad valorem levies and special assessments if they are located on land owned or controlled by the state and the owner of such system has a contract to sell energy to the State.
- **Modify Equalization Rate Apportionment:** The Executive proposal would provide school districts the option to apportion school taxes using average property values over a three or five year period; allow the Department Taxation and Finance to certify the local level of assessment as the final equalization rate, and clarify that an assessor must notify local officials when the tentative equalization rate differs from the level of assessment by five percent or more.

- **Modify Property Tax Administration:** The Executive proposes a variety of changes to modify property tax administration, including proposals to:
  - allow local governments to provide real property tax assessment relief when a state disaster emergency is declared by the Governor, without further legislative action;
  - allow a county, upon agreement with an included municipality, to appoint the members of the municipality's board of assessment review;
  - allow the Tax Department to approve assessor and county director training courses for credit without requiring the state to pay for the expenses of attendees;
  - allow the Tax Department to send certain statutory notices by email and/or website posting; and
  - require electric generating facilities to annually report inventory, revenue and expense data to the Tax Department.

#### **Sales Tax Proposals:**

- **Sales Tax on Marketplace Providers:** The Executive proposes to require marketplace providers to collect sales tax on taxable sales of tangible personal property that they facilitate. A marketplace provider would be required to meet all the requirements of other vendors that are registered in the state. In most instances, it would be the responsibility of the marketplace provider to collect any sales tax liability on behalf of the marketplace seller.
- **Discontinue the Energy Services Sales Tax Exemption:** The Executive proposes to eliminate the sales tax exemption on the non-residential transmission and distribution of gas or electricity when purchased from an energy service company.
- **Extend Dodd-Frank Protection Act Related Sales Tax Exemptions:** The Executive proposes to extend, for two years, the sales tax exemption provided to financial institutions that are required under federal law to create subsidiaries and then transfer the property or services to those subsidiaries without the transfer being considered a taxable sale.
- **Extend Delinquent Sales Tax Vendors Management:** The Executive proposes to make permanent certain provisions concerning the segregated sales tax account program.

## Business Tax Proposals

- **Exclude Government Grants from State Corporate Taxation:** In response to recent federal tax law changes, the Executive proposes to decouple New York State from the federal requirement that contributions made by a governmental entity or civic group to the capital fund of a corporation be included in the state's definition of taxable net income.
- **Decouple from Federal Definitions related to the New York Manufacturing Test:** In response to recent federal tax law changes, the Executive proposes to decouple New York State law from the federal standard for determining the amount of property a manufacturer has in the State. This calculation is used to determine if a manufacturer is eligible for corporate tax reductions and other tax credits.
- **Sourcing Rule for Global Intangible Low Tax Income (GILTI) Apportionment:** The Executive proposes to codify a receipts factor rule for the net amount of GILTI included in business tax income, also related to recent federal tax law changes.
- **Extend the Workers with Disabilities Tax Credit:** The Executive proposes to extend the expiration date for corporate and personal income tax credits for those employing individuals with developmental disabilities from January 1, 2020 until January 1, 2023.
- **Expand the Employee Training Incentive Program (ETIP) Credit:** The Executive proposes to extend the current ETIP credit for New York businesses by including in-house training, software development and renewable or clean energy internships as part of eligible training activities.
- **Create the New York State Employer-Provided Child Care Credit:** The Executive proposes to create a new credit, equal to 100 percent of the federal credit, for employers who provide child and dependent care facilities to their employees.
- **Modify the Farm Workforce Retention Credit:** The Executive proposes to expand the farm workforce retention credit to include the types of farming activities that are currently eligible for the farmer school tax credit, such as cider production and Christmas tree farming. In addition, the Executive proposal would authorize the credit for farm cideries and farm wineries.
- **Extend the Clean Heating Fuel Credit:** The Executive proposes to extend the sunset dates for corporate and personal income tax credits related to purchasing bio heating fuel for residential purposes, until January 1, 2023.

- **Expand the Current Historic Rehabilitation Credit:** The Executive proposal would allow the credit for rehabilitation of historic properties to be claimed for qualified rehabilitation projects undertaken within a state park, state historic site, or other land owned by the state, that is under the jurisdiction of and leased to private entities by the Office of Parks, Recreation and Historic Preservation, regardless of the census tract location of the rehabilitation project.
- **Employer Recovery Hiring Tax Credit:** The Executive proposes to create a new credit for employers of up to \$2,000 for each person hired who is in recovery from a substance abuse disorder.

## Other Tax Proposals

- **Gift Addback Rule and Qualified Terminable Interest Property (QTIP) Trust:** The Executive proposes to extend, to January 1, 2026, the requirement that gifts that are taxable for federal gift tax purposes and that are made within three years of death, are taxable for state purposes. The Executive would also require a binding New York State QTIP election be made on State estate tax returns, to ensure these assets are calculated for estate tax purposes.
- **Auto Rental Surcharge:** The Executive proposes to expand the current five percent special supplemental auto rental surcharge from the Metropolitan Commuter Transportation District (MCTD) to the remainder of the state. Such funds would support the Public Transportation Systems Operating Assistance Fund and support upstate transit needs.
- **License Fees on Certain Co-Ops:** The Executive proposes to eliminate a ten-dollar annual fee paid by cooperative corporations and rural electric cooperatives.
- **Technical Corrections:** The Executive proposes to make a variety of technical corrections to provisions of the Tax Law and the New York City Administrative Code.

## Gaming Proposals

- **Simplify Video Lottery Gaming (VLG) Rates and Eliminate Additional Commission Provisions:** The Executive proposes to simplify the current VLG distribution structure and eliminate the additional commission provisions, instead offering an additional rate to reflect loss in commission for impacted facilities.
- **Gaming Commission Employment Restrictions:** The Executive proposes to allow a waiver from the Gaming Commission hiring restrictions for individuals who have received an occupational license from the Commission in the three years prior to appointment.

- **Extend Certain Tax Rates And Simulcasting Provisions:** The Executive proposes to extend the current pari-mutuel tax rate structure and other racing-related provisions for five years.
- **Impose a Statutory Cap on Casino Free Play:** The Executive proposes to establish a statutory 19 percent cap on the free play allowance for casinos until FY 2023.
- **Retired Racehorse Aftercare:** The Executive proposal would permit breeding funds to support and promote the ongoing aftercare of retired racehorses.
- **Modify Off-Track Betting (OTB):** The Executive proposes to allow an OTB to contract with another OTB to operate its off track betting operations; require OTBs to maintain financial records; allow an OTB internal auditor to review expenses and report to the OTB Board; and allow Capital OTB to broadcast televised races at Rivers Casino.
- **Mid-Atlantic Drug Compact:** The Executive proposes to authorize the Gaming Commission to enter into the Mid-Atlantic Drug Compact.
- **Equine Drug Testing:** The Executive proposes to extend the equine drug testing advisory committee for an additional year, and remove the Morrisville equine drug lab restriction.
- **Occupational Licensing for Casino Employees:** The Executive proposes to remove the automatic employment bar on felony convictions and reduce background investigations for non-key casino employees and vendors, unless a more in-depth investigation is warranted.
- **Technical Changes to Gaming Provisions:** The Executive proposes to clarify the scope of the Gaming Inspector General; allow qualified non-Gaming Commission employees to be appointed to the Thoroughbred Breeding Fund; clarify that Cornell's Zweig Fund can accept gifts from donors and indemnify its board of directors; and expand the allowable use of the lapsed prize fund.

## Tobacco Proposals

- **Comprehensive Tobacco Policy:** The Executive proposes to:
  - raise the minimum age to purchase tobacco products from 18 to 21;
  - prohibit the sale of tobacco products in all pharmacies;



- prohibit the acceptance of price reduction instruments for both tobacco products and e-cigarettes;
- prohibit the display of tobacco products or e-cigarettes in stores except under specific circumstances;
- allow the Department of Health to prohibit or restrict the sale or distribution of e-cigarettes or vapor products that have a flavor intended to appeal to minors;
- prohibit smoking inside and on the grounds of all hospitals licensed or operated by the Office of Mental Health;
- require that e-cigarettes be sold only through licensed dealers; and
- impose a 20 percent tax on the retail sale of vapor products.

## Cannabis Proposals

- **Adult-Use Cannabis Oversight:** The Executive proposes to establish a regulated adult-use cannabis program and create a new Office of Cannabis Management (OCM), located within the Division of Alcohol Beverage Control, which would be responsible for licensing and regulation for the production, distribution and retail sale of adult-use cannabis, medical cannabis and hemp cannabis. The proposal would also provide for testing, packaging and labeling of cannabis and cannabis products.
- **Social Equity Programs:** The Executive proposal would provide social equity licensing opportunities by assisting market entry for disadvantaged applicants through technical assistance, mentorship and access to capital.
- **Criminal Justice Proposals:** The Executive would modify, and in some cases reduce, existing penalties under the Penal Law, and also amend the Vehicle and Traffic Law to increase penalties for driving under the influence of both alcohol and drugs.
- **Medical Marijuana Program:** The Executive proposal would transfer administration of the existing medical marijuana program, from the Department of Health to the OCM, and authorize a continued expansion of the program to include additional conditions to allow cannabis research opportunities.

- **Hemp Cannabis Program:** The Executive proposes to establish a regulatory framework to regulate the licensing, cultivation, processing, extracting and distribution of hemp cannabis. Hemp grown and used for industrial or food purposes would continue to be regulated by the Department of Agriculture and Markets.
- **Local Option:** The Executive proposal would allow counties and cities with populations in excess of 100,000 to opt out of having adult use cannabis businesses in their municipalities.
- **Cannabis Tax:** The Executive establishes a three tier tax structure, including:
  - a tax on the cultivation of cannabis at the rate of \$1 per dry weight gram of cannabis flower and \$0.25 per dry weight gram of non-flower cannabis;
  - a tax on the sale by a wholesaler to a retail dispensary at the rate of 20 percent of the invoice price, which would be deposited in the New York State Cannabis Revenue Fund; and
  - a tax on the same sale by a wholesaler to a retail dispensary at the rate of 2 percent of the invoice price, which would be remitted to the county in which the retail dispensary is located.
- **New York State Cannabis Revenue Fund:** The Executive proposal would deposit revenues from state cannabis taxes in the New York State Cannabis Revenue Fund which would be expended for the following purposes: administration of the regulated cannabis program; data gathering; monitoring and reporting; the operations of the Governor’s Traffic Safety Committee; small business development and loans; substance abuse services; harm reduction; mental health treatment and prevention; public health education and intervention; research on cannabis uses and applications; program evaluation; and other purposes identified by the Director of the Office of Cannabis Management.

Table 58

<b>TAX AND OTHER REVENUE ACTIONS</b>				
<b>(\$ in Millions)</b>				
	General Fund		All Funds	
	SFY 2019-20	SFY 2020-21	SFY 2019-20	SFY 2020-21
<b>Responding to Federal Tax Reform - Total</b>	-	-	-	-
Decouple the Taxability of State Grants	-	-	-	-
Decouple from Federal Basis for New York State Manufacturing Test	-	-	-	-
<b>Tax Cuts and Credits - Total</b>	-	-	-	-
Make the Property Tax Cap Permanent	-	-	-	-
Expand the Employee Training Incentive Program (ETIP) Credit	-	-	-	-
Modify the Farm Workforce Retention Credit	-	-	-	-
Create the New York State Employer-Provided Child Care Credit	-	-	-	-
Create the Employer Recovery Hiring Tax Credit	-	-	-	-
Expand the Current Historic Rehabilitation Credit	-	-	-	-
<b>Reform and Simplification Actions - Total</b>	<b>209</b>	<b>359</b>	<b>221</b>	<b>378</b>
Close the Carried Interest Loophole	-	-	-	-
Eliminate Internet Sales Tax Advantage	119	239	125	250
Discontinue the Energy Services Sales Tax Exemption	90	120	96	128
Allow an Exemption From Real Property Taxation For Qualified Energy Systems	-	-	-	-
Allow school tax equalization rate apportionment over multiple years	-	-	-	-
Allow local governments to provide assessment relief in time of a natural disaster	-	-	-	-
Eliminate Property Tax Freeze Program Language	-	-	-	-
<b>Enforcement Initiatives - Total</b>	<b>12</b>	<b>121</b>	<b>12</b>	<b>121</b>
Include Certain Gambling Winnings in Nonresident NYS Income	-	1	-	1
Increase Tax Return Audits	12	120	12	120
Make e-File Mandate Permanent	-	-	-	-
<b>Tax Law Extenders - Total</b>	<b>785</b>	<b>3,660</b>	<b>785</b>	<b>3,660</b>
Extend Higher Personal Income Tax Rates for Five Years	771	3,560	771	3,560
Extend Personal Income Tax Limitation on Charitable Contributions for Five Years	-	86	-	86
Extend Clean Heating Fuel Credit for Three Years	-	-	-	-
Extend Tax Shelter Reporting and Preparer Penalties/Impose Preparer Penalty	14	18	14	18
Extend Certain Sales Tax Exemptions Related to the Dodd-Frank Protection Act	-	-	-	-
Permanently Extend T&F Authorization to Manage Delinquent Sales Tax Vendors	-	-	-	-
Extend Workers with Disability Credit for Three Years	-	(4)	-	(4)
Extend Three-Year Gift Addback Rule & Require Binding Election of NYS QTIP	-	-	-	-
<b>School Tax Relief (STAR) Program Actions - Total</b>	<b>46</b>	<b>88</b>	<b>(185)</b>	<b>(241)</b>
Cap Annual Growth in STAR Exemption Benefits at Zero Percent - Additional Credit	(60)	(119)	(60)	(119)
Cap Annual Growth in STAR Exemption Benefits at Zero Percent - STAR Savings	106	207	-	-
Lower Basic STAR Exemption Income Eligibility Requirement - Additional Credit	(125)	(122)	(125)	(122)
Lower Basic STAR Exemption Income Eligibility Requirement - STAR Savings	125	122	-	-
Align New York City Enhanced Circuit Breaker Expiration Dates	-	-	-	-
Allow Residency Verification for Enhanced Beneficiaries	-	-	-	-
Improve Assessor Communications	-	-	-	-
Improve STAR Credit Notifications	-	-	-	-
Extend Good Cause Provisions to First Time Enhanced STAR Applicants	-	-	-	-
Require Mobile Home Park Reporting to Tax and Finance	-	-	-	-
Allow Limited Disclosure of Cooperative Housing Corporation Returns	-	-	-	-

Table 58 Continued

<b>TAX AND OTHER REVENUE ACTIONS</b>				
<b>(\$ in Millions)</b>				
	General Fund		All Funds	
	SFY 2019-20	SFY 2020-21	SFY 2019-20	SFY 2020-21
<b>Other Revenue Actions - Total</b>	<b>(2)</b>	<b>78</b>	<b>13</b>	<b>124</b>
Enact the Cannabis Regulation and Taxation Act	-	83	-	83
Enact a Comprehensive Tobacco Control Policy	(2)	(5)	2	19
Impose a Supplemental Auto Rental Tax Surcharge	-	-	11	22
<b>Gaming Initiatives - Total</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>11</b>
Authorize Changes to Off Track Betting (OTB)	-	-	-	-
Extend Certain Tax Rates and Certain Simulcast Provisions for Five Years	-	-	-	-
Simplify Video Lottery Gaming (VLG) Rates and Additional Commission Provisions	-	-	5	5
Impose a Statutory Cap on Casino Free Play	-	-	-	6
Allow Breeding Funds to be Used for Equine Aftercare	-	-	-	-
Authorize Entry into the Mid-Atlantic Drug Compact	-	-	-	-
Extend Equine Drug Testing Advisory Committee and Remove Morrisville Restriction	-	-	-	-
Make Technical Changes to Gaming Provisions	-	-	-	-
Reduce Gaming Commission Employment Restrictions	-	-	-	-
Streamline Occupational Licensing for Casino Employees	-	-	-	-
<b>Fee Actions - Total</b>	<b>5</b>	<b>12</b>	<b>94</b>	<b>126</b>
Expand the New York State Bottle Bill Program	-	4	-	18
Make the Waste Tire Fee Permanent	-	-	18	24
Authorize DOT to Contract for Unusable Land	-	-	5	10
Impose Bus Inspection Fee	1	2	1	2
Increase Notice of Violation Fine	3	5	3	5
ILSF - Attorney Registration and Criminal History Search Fee	-	-	66	66
Impose Penalty on the Use of Lead Paint	1	1	1	1
Repeal License Fees on Certain Co-Ops	-	-	-	-
<b>TOTAL REVENUE ACTIONS</b>	<b>1,055</b>	<b>4,318</b>	<b>945</b>	<b>4,179</b>

Table 59

<b>All Funds Receipts SFY 2018-19</b>				
<b>(\$ in Millions)</b>				
	2017-18	2018-19		Percent
	Actual	Estimate	Change	Growth
<b>Personal Income Tax</b>	<b>\$51,501</b>	<b>\$50,144</b>	<b>(\$1,357)</b>	(2.6%)
<b>Gross Receipts</b>	<b>\$62,035</b>	<b>\$61,367</b>	<b>(\$668)</b>	(1.1%)
Withholding	\$40,269	\$40,982	\$713	1.8%
Estimated Payments	\$17,781	\$16,256	(\$1,525)	(8.6%)
Vouchers	\$14,329	\$12,729	(\$1,600)	(11.2%)
IT 370s	\$3,452	\$3,527	\$75	2.2%
Final Payments	\$2,478	\$2,629	\$151	6.1%
Delinquencies	\$1,507	\$1,500	(\$7)	(0.5%)
<b>Total Refunds</b>	<b>\$10,534</b>	<b>\$11,223</b>	<b>\$689</b>	6.5%
Prior Year Refunds	\$6,292	\$6,110	(\$182)	(2.9%)
Current Refunds	\$2,249	\$2,250	\$1	0.0%
Credits	\$610	\$1,067	\$457	74.9%
Previous Refunds	\$527	\$623	\$96	18.2%
State/City Offsets	\$856	\$1,173	\$317	37.0%
<b>Collections</b>	<b>\$51,501</b>	<b>\$50,144</b>	<b>(\$1,357)</b>	(2.6%)
<b>User Taxes and Fees</b>	<b>\$16,711</b>	<b>\$17,445</b>	<b>\$734</b>	4.4%
Sales and Use Tax	\$14,495	\$15,212	\$717	4.9%
Motor Fuel Tax	\$512	\$531	\$19	3.7%
Cigarette Tax	\$1,171	\$1,112	(\$59)	(5.0%)
Highway Use	\$93	\$144	\$51	54.8%
Alcoholic Beverage Tax	\$259	\$262	\$3	1.2%
Medical Marihuana Excise Tax	\$2	\$4	\$2	100.0%
Auto Rental Tax	\$123	\$130	\$7	5.7%
Taxi Surcharge	\$56	\$50	(\$6)	(10.7%)
<b>Business Taxes</b>	<b>\$7,164</b>	<b>\$7,744</b>	<b>\$580</b>	8.1%
Corporate Franchise	\$3,080	\$3,977	\$897	29.1%
Utility Tax	\$748	\$685	(\$63)	(8.4%)
Insurance Tax	\$1,777	\$1,816	\$39	2.2%
Bank Tax	\$467	\$123	(\$344)	(73.7%)
Petroleum Business Tax	\$1,092	\$1,143	\$51	4.7%
<b>Other</b>	<b>\$2,451</b>	<b>\$2,204</b>	<b>(\$247)</b>	(10.1%)
Estate and Gift	\$1,308	\$1,056	(\$252)	(19.3%)
Real Estate Transfer	\$1,125	\$1,130	\$5	0.4%
Pari Mutuel	\$15	\$15	\$0	0.0%
Other	\$3	\$3	\$0	0.0%
MTA Payroll Tax*	\$1,439	\$0	(\$1,439)	(100.0%)
<b>Total Taxes</b>	<b>\$79,266</b>	<b>\$77,537</b>	<b>(\$1,729)</b>	(2.2%)
All Funds Misc Receipts	\$27,262	\$29,614	\$2,352	8.6%
Federal Grants	\$58,942	\$62,809	\$3,867	6.6%
<b>Total All Funds Receipts</b>	<b>\$165,470</b>	<b>\$169,960</b>	<b>\$4,490</b>	2.7%

\*As of SFY 2018-19, MTA payroll tax collections are provided directly to the MTA.

Table 60

<b>All Funds Receipts SFY 2019-20</b>				
<b>(\$ in Millions)</b>				
	<b>2018-19</b>	<b>2019-20</b>		<b>Percent</b>
	<b>Estimate</b>	<b>Forecast</b>	<b>Change</b>	<b>Growth</b>
<b>Personal Income Tax</b>	<b>\$50,144</b>	<b>\$53,014</b>	<b>\$2,870</b>	<b>5.7%</b>
<b>Gross Receipts</b>	<b>\$61,367</b>	<b>\$64,638</b>	<b>\$3,271</b>	<b>5.3%</b>
Withholding	\$40,982	\$42,854	\$1,872	4.6%
Estimated Payments	\$16,256	\$17,472	\$1,216	7.5%
Vouchers	\$12,729	\$13,256	\$527	4.1%
IT 370s	\$3,527	\$4,216	\$689	19.5%
Final Payments	\$2,629	\$2,748	\$119	4.5%
Delinquencies	\$1,500	\$1,564	\$64	4.3%
<b>Total Refunds</b>	<b>\$11,223</b>	<b>\$11,624</b>	<b>\$401</b>	<b>3.6%</b>
Prior Year Refunds	\$6,110	\$6,328	\$218	3.6%
Current Refunds	\$2,250	\$1,750	(\$500)	(22.2%)
Credits	\$1,067	\$1,894	\$827	77.5%
Previous Refunds	\$623	\$653	\$30	4.8%
State/City Offsets	\$1,173	\$999	(\$174)	(14.8%)
<b>Collections</b>	<b>\$50,144</b>	<b>\$53,014</b>	<b>\$2,870</b>	<b>5.7%</b>
<b>User Taxes and Fees</b>	<b>\$17,445</b>	<b>\$18,112</b>	<b>\$667</b>	<b>3.8%</b>
Sales and Use Tax	\$15,212	\$16,033	\$821	5.4%
Motor Fuel Tax	\$531	\$515	(\$16)	(3.0%)
Cigarette Tax	\$1,112	\$1,048	(\$64)	(5.8%)
Vapor Excise Tax	\$0	\$10	\$10	100.0%
Highway Use	\$144	\$142	(\$2)	(1.4%)
Alcoholic Beverage Tax	\$262	\$265	\$3	1.1%
Medical Marihuana Excise Tax	\$4	\$4	\$0	0.0%
Auto Rental Tax*	\$130	\$95	(\$35)	(26.9%)
Taxi Surcharge*	\$50	\$0	(\$50)	(100.0%)
<b>Business Taxes</b>	<b>\$7,744</b>	<b>\$8,611</b>	<b>\$867</b>	<b>11.2%</b>
Corporate Franchise	\$3,977	\$4,362	\$385	9.7%
Utility Tax	\$685	\$710	\$25	3.6%
Insurance Tax	\$1,816	\$2,307	\$491	27.0%
Bank Tax	\$123	\$71	(\$52)	(42.3%)
Petroleum Business Tax	\$1,143	\$1,161	\$18	1.6%
<b>Other</b>	<b>\$2,204</b>	<b>\$2,242</b>	<b>\$38</b>	<b>1.7%</b>
Estate and Gift	\$1,056	\$1,074	\$18	1.7%
Real Estate Transfer	\$1,130	\$1,148	\$18	1.6%
Employer Compensation Exp.	\$0	\$2	\$2	100.0%
Pari Mutuel	\$15	\$15	\$0	0.0%
Other	\$3	\$3	\$0	0.0%
<b>Total Taxes</b>	<b>\$77,537</b>	<b>\$81,979</b>	<b>\$4,442</b>	<b>5.7%</b>
All Funds Misc Receipts*	\$29,614	\$27,158	(\$2,456)	(8.3%)
Federal Grants	\$62,809	\$63,772	\$963	1.5%
<b>Total All Funds Receipts</b>	<b>\$169,960</b>	<b>\$172,909</b>	<b>\$2,949</b>	<b>1.7%</b>

\*The Executive Budget would provide a portion of these revenues directly to the MTA.





# Capital and Debt



# BUDGET HIGHLIGHTS: CAPITAL AND DEBT



- **Capital Program and Financing:** The Executive Capital Program and Financing Plan totals \$14 billion for SFY 2019-20, an increase of \$292 million or 2.1 percent from SFY 2018-19.
- **Debt Issuance:** The Executive proposes to issue \$7.3 billion in debt to finance new and existing capital projects in SFY 2019-20, an increase of \$1.8 billion or 33 percent from SFY 2018-19.
- **Debt Outstanding:** State-supported debt outstanding is projected to remain under the statutory debt cap over the Plan period. Remaining capacity under the cap declines from \$5.9 billion in SFY 2019-20 to \$313 million in SFY 2023-24.
- **Monetary Settlements:** The state has received \$11.8 billion in monetary settlements since SFY 2014-15, and \$8.3 billion has been allocated for capital purposes, including a new \$500 million capital appropriation for Clean Water Infrastructure in the Executive Budget.
- **State Facilities Equipment Program:** The Executive proposes a new \$93 million appropriation for the centralized acquisition of equipment, including but not limited to information technology systems, health and safety equipment, heavy equipment and machinery, security systems, and laboratory equipment.
- **Design-Build:** The Executive proposes to expand the authority for the use of design-build procurement, which allows design and construction services to be contracted by a single entity, to DASNY, ESDC, OGS, DOH, and ORDA. Under current law, only the Thruway Authority, DOT, OPRHP, NYCHA, DEC, the State Bridge Authority, and other specific projects are authorized to use design-build.



# BUDGET REVIEW AND ANALYSIS: CAPITAL AND DEBT



The Five-Year Capital Plan provides a detailed data analysis on capital projects as well as information on debt affordability, bond caps, public authority debt and other financing sources.

**Table 61**

<b>Capital Spending by Function</b> <b>Capital Program and Financing Plan</b> <b>SFY 2019-20 Through SFY 2023-24</b> <b>(\$ in Millions)</b>					
<b>Spending</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
Transportation	5,473	5,159	4,983	4,948	4,936
Education	532	481	491	397	175
Higher Education	1,417	1,438	1,434	1,439	1,429
Economic Development & Gov't Oversight	1,936	1,942	1,733	1,983	1,777
Mental Hygiene	543	544	545	595	598
Parks and Environment	1,189	1,228	1,303	1,414	1,438
Health	739	712	690	852	548
Social Welfare	712	650	551	540	540
Public Protection	617	496	483	450	449
General Government	394	277	244	218	212
Other	<u>484</u>	<u>(16)</u>	<u>693</u>	<u>859</u>	<u>595</u>
<b>Total</b>	<b><u>14,036</u></b>	<b><u>12,912</u></b>	<b><u>13,149</u></b>	<b><u>13,695</u></b>	<b><u>12,697</u></b>
Off-Budget Spending <sup>1</sup>	(618)	(627)	(626)	(626)	(626)
<b>Net Cash Spending</b>	<b><u>13,418</u></b>	<b><u>12,285</u></b>	<b><u>12,523</u></b>	<b><u>13,069</u></b>	<b><u>12,072</u></b>

<sup>1</sup> Represents spending which occurs directly from bond proceeds held by public authorities.

## The Five-Year Capital Plan

The Executive proposes a \$66.5 billion Five-Year Capital Plan that prioritizes transportation, economic development, and higher education initiatives. The Executive's SFY 2019-20 Capital Plan totals \$14 billion, which reflects an increase of 2.1 percent or \$292 million from SFY 2018-19. Notably, this includes downward adjustments of \$800 million in both SFY 2019-20 and SFY 2020-21 to account for under-spending related to the timing of project delivery.

## New Capital Initiatives

The Executive budget proposes \$13.5 billion in new capital appropriations, all of which are projected to be committed and spent over a multi-year period for various infrastructure programs such as economic development, transportation, health care, higher education, parks and environment, social welfare, and other programs.

**Table 62**

<b>New Capital Appropriations</b>			
<b>SFY 2019-20 Executive Budget</b>			
<b>(\$ in Thousands)</b>			
<b><u>Transportation/Transit</u></b>	<b><u>6,869,873</u></b>	<b><u>Health &amp; Mental Hygiene</u></b>	<b><u>916,776</u></b>
DOT Capital Plan (Year 5)	4,925,076	Mental Hygiene Program	713,872
MTA Capital Plan (Year 5)	1,467,000	Health Care Programs	131,600
CHIPs/Other Local Roads	477,797	Roswell Park Capital	51,304
		Health Care IT Initiatives	20,000
<b><u>Education &amp; Higher Education</u></b>	<b><u>1,218,575</u></b>	<b><u>Economic Development</u></b>	<b><u>885,500</u></b>
SUNY/CUNY Systemwide Maintenance	834,222	High Technology Initiatives	325,000
SUNY/CUNY Challenge Grants	110,000	NYW Economic Development Fund	220,000
Community College Projects	105,353	Regional Economic Development Councils-Rd 9	150,000
SUNY Hospitals	100,000	Downtown Revitalization Initiative-Round 4	100,000
State Supported Schools for the Blind & Deaf	30,000	Olympic Regional Development	82,500
Safety and Security at Non-Public Schools	25,000	Market NY Capital Grant	8,000
Library Capital Grants	14,000		
<b><u>Parks &amp; Environment</u></b>	<b><u>1,088,000</u></b>	<b><u>General Government &amp; Public Protection</u></b>	<b><u>807,700</u></b>
Clean Water Infrastructure	500,000	Prison Facilities	404,000
Environmental Protection Fund	300,000	State Facilities (OGS)	143,000
Parks NY Works	110,000	IT Initiative Funding	95,700
State Superfund	100,000	Statewide Equipment Program	93,000
DEC NY Works	55,000	Disaster Response Capital Grants	72,000
Hudson River Park	23,000		
<b><u>Social Welfare</u></b>	<b><u>145,653</u></b>	<b><u>All Other Capital Appropriations</u></b>	<b><u>1,555,802</u></b>
Housing Capital Plan	102,200		
Youth Facilities	43,453	<b><u>Total Capital Appropriations</u></b>	<b><u>13,487,879</u></b>

The Executive proposes \$6.9 billion in capital obligations for transportation purposes, including \$4.9 billion to fund the DOT and \$1.5 billion to continue to fund the MTA capital plan. An additional \$1.2 billion is provided for education and higher education capital obligations, a 6.8 percent (\$89 million) decrease from SFY 2018-19.

**Capital Spending of Settlement Funds**

**Table 63**

**Use of Monetary Settlements  
SFY 2015-16 through SFY 2019-2020  
(\$ in Millions)**

	2016	2017	2018	2019	2020	Total
	Enacted Budget	Enacted Budget	Enacted Budget	Enacted Budget	Executive Budget	
<b>Capital Purpose</b>	<b><u>4,550</u></b>	<b><u>1,960</u></b>	<b><u>1,205</u></b>	<b><u>125</u></b>	<b><u>500</u></b>	<b><u>8,340</u></b>
Thruway Stabilization Program	1,285	700	0	0	0	1,985
Upstate Revitalization Initiative	1,500	170	0	0	0	1,670
Affordable and Homeless Housing	0	640	0	0	0	640
Clean Water Infrastructure	0	0	0	0	500	500
Broadband Initiative	500	0	0	0	0	500
Buffalo Billion, Phase II	0	0	400	0	0	400
Health Care	355	0	200	125	0	680
Security and Emergency Response	150	0	100	0	0	250
Life Sciences Initiative	0	0	320	0	0	320
Municipal Restructuring/Downtown Revitalization	150	20	100	0	0	270
MTA Capital Plan (Penn Station Access)	250	0	65	0	0	315
DOT Capital Plan Contribution	0	200	0	0	0	200
Long Island Transformative Projects	150	0	0	0	0	150
Environmental Protection Fund	0	120	0	0	0	120
Upstate Infrastructure and State Fair	115	0	0	0	0	115
Other Economic Development Projects	0	85	0	0	0	85
Southern Tier and Hudson Valley Farmland	50	0	0	0	0	50
Empire State Poverty Reduction Initiative	0	25	0	0	0	25
Non-MTA Transit	0	0	20	0	0	20
Community Health Care Revolving Loans	20	0	0	0	0	20
Roswell Park Cancer Institute	16	0	0	0	0	16
Behavioral Health Care Grants	10	0	0	0	0	10
<b>Non-Capital Purposes</b>	<b><u>1,115</u></b>	<b><u>165</u></b>	<b><u>729</u></b>	<b><u>907</u></b>	<b><u>238</u></b>	<b><u>3,429</u></b>
Transfer to Audit Disallowance - Federal Settlement	850	0	0	0	0	850
Financial Plan - General Fund Operating Purposes	250	102	461	383	0	1,471
Reserve for Retroactive Labor Settlements	0	0	155	0	0	155
Department of Law - Litigation Services Operations	10	63	27	80	0	180
Transfer to Local Assistance Account - Mass Transit	0	0	10	0	0	10
Transfer to OASAS Chemical Dependence Program	5	0	0	0	0	5
CSX Litigation Payment	0	0	76	0	0	76
MTA Operating Aid - Subway Action Plan	0	0	0	194	0	194
Rainy Day Reserve	0	0	0	250	238	488
<b>Total</b>	<b>5,665</b>	<b>2,125</b>	<b>1,934</b>	<b>1,032</b>	<b>738</b>	<b>11,769</b>

*Source: NYS Division of Budget.*

Since SFY 2014-15, the state has received \$11.8 billion in monetary settlements primarily from financial institutions. The Executive has allocated \$8.34 billion for capital initiatives (including an additional \$500 million for clean water infrastructure projects proposed in SFY 2019-20) and \$3.43 billion to non-capital or operating purposes.

The Executive intends to gradually transfer settlement funds to the Dedicated Infrastructure Investment Fund (DIIF) for use for capital projects over the next several years. The balance of settlement funds will remain in the General Fund allowing the State to maintain a larger cash balance. The state has used settlement proceeds to make cash advances for the Javits expansion project in New York City (\$1 billion) and other non-DIIF capital purposes (\$1.8 billion).

The temporary use of funds for the Javits expansion began in SFY 2017-18 and continues through SFY 2020-21. Bond proceeds will be used to backfill this use of the settlement funds in SFY 2019-20 and SFY 2020-21. Settlement funds were also used to pay for non-DIIF capital expenses totaling \$1.8 billion between SFY 2016-17 and SFY 2017-18. These advances are anticipated to be fully reimbursed by the end of SFY 2018-19 in order to fund their original purposes. These cash advances allowed the state to delay necessary bond issuances in order to preserve capacity under the State debt cap.

**Table 64**

<b>Allocation of Monetary Settlement to Capital Projects Funds</b>										
<b>SFY 2015-16 through SFY 2023-24</b>										
<b>(\$ in Millions)</b>										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
<b>Opening Balance</b>	0	3,693	3,536	4,350	3,455	2,934	2,331	1,420	413	
<b>Initial Settlements Allocated to Capital Projects Funds</b>	4,550	1,960	1,205	125	500	0	0	0	0	8,340
Transfers to Capital Projects Funds Excluding Javits Expansion	(857)	(817)	(1,027)	(1,132)	(1,201)	(975)	(911)	(1,007)	(413)	(111)
<b>Remaining Settlement Funds</b>	<b>3,693</b>	<b>4,836</b>	<b>3,714</b>	<b>3,343</b>	<b>2,754</b>	<b>1,959</b>	<b>1,420</b>	<b>413</b>	<b>0</b>	<b>0</b>
Transfer to DIIF for Javits Center Expansion	0	0	(164)	(388)	(320)	(128)	0	0	0	(1,000)
Bond Proceed Receipts for Javits Center Expansion	0	0	0	0	500	500	0	0	0	1,000
Management of Debt Issuances*	0	(1,300)	800	500	0	0	0	0	0	0
<b>Adjusted Remaining Settlement Funds</b>	<b>3,693</b>	<b>3,536</b>	<b>4,350</b>	<b>3,455</b>	<b>2,934</b>	<b>2,331</b>	<b>1,420</b>	<b>413</b>	<b>0</b>	<b>0</b>

Note: \*The \$800 million in SFY 2018 reflects the full repayment of the SFY 2017 \$1.3 billion cash advance in addition to a second \$500 million cash advance.

**Financing the Capital Plan for 2017-18**

The Executive proposal would finance the Five-Year Capital program through a combination of state and federal Pay-As-You-Go (PAYGO) funding totaling \$6.1 billion and bonded resources totaling \$7.9 billion.

Table 65

<b>Capital Program and Financial Plan Financing Sources SFY 2019-20 (\$ in Millions)</b>				
<b>Financing Source</b>	<b>2019</b>	<b>2020</b>	<b>\$ Change</b>	<b>Annual % Change</b>
Authority Bonds	7,411	7,342	(69)	(1%)
Federal Pay-As-You-Go	2,397	2,196	(201)	(8%)
State Pay-As-You-Go	3,776	3,897	121	3%
General Obligation Bonds	161	602	441	275%
<b>Total</b>	<b>13,744</b>	<b>14,036</b>	<b>293</b>	<b>2%</b>

**State Debt Issuances Over Five Years**

Table 66

<b>State Debt Issuances Summarized By Financing Program SFY 2019-20 through SFY 2023-24 (\$ in Millions)</b>						
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>General Obligation Bonds</b>	161	602	607	412	322	137
<b>Revenue Bonds</b>						
Personal Income Tax	2,732	5,315	4,747	5,089	5,545	4,572
Sales Tax	2,588	1,367	1,408	1,450	1,493	1,538
<b>Subtotal Revenue Bonds</b>	5,320	6,681	6,155	6,538	7,038	6,110
<b>Total State-Supported</b>	<b>5,480</b>	<b>7,283</b>	<b>6,761</b>	<b>6,950</b>	<b>7,360</b>	<b>6,247</b>

The Executive estimates \$7.3 billion in new bond issuances in SFY 2019-20, as follows:

- \$5.3 billion through the PIT Revenue Bond Program;
- \$1.4 billion through the Sales Tax Revenue Bond Program; and
- \$602 million in State General Obligation Bonds.

Projected debt issuances for SFY 2019-20 have increased by \$1.8 billion or 33 percent over SFY 2018-19.

**State-Supported Debt**

**Table 67**

<b>New York State-Supported Debt Outstanding by Function SFY 2019-20 (\$ in Millions)</b>			
	<b>2018-19</b>	<b>2019-20</b>	<b>Share of Total Debt</b>
Education	17,565	18,324	32.1%
Transportation	15,250	16,006	28.1%
State Facilities & Equipment	5,492	5,783	10.1%
Economic Development & Housing	6,943	8,317	14.6%
Health & Mental Hygiene	4,116	4,588	8.0%
Environment	2,712	3,147	5.5%
Local Government Assistance Corp.	1,195	877	1.5%
<b>Total State-Supported Debt</b>	<b>53,273</b>	<b>57,041</b>	<b>100.0%</b>

State-supported debt includes debt paid by state resources and therefore has a direct budgetary impact on the State Financial Plan.

**Debt Affordability**

State-supported debt outstanding is projected to remain under the statutory debt cap over the Five-Year Capital Plan, declining from \$5.9 billion in remaining capacity in SFY 2018-19 to its lowest point (\$313 million) in SFY 2023-24. The amount of debt outstanding is limited to four percent of state personal income.

To calculate the debt cap, the state uses personal income estimates published by the federal government, specifically the Bureau of Economic Analysis (BEA). The BEA revises these estimates on a quarterly basis and such revisions impact the debt cap. Per the Mid-Year Financial Plan, the BEA



increased its personal income estimate for the state by \$70 billion, resulting in an approximate \$3 billion increase in debt outstanding capacity in each year of the Capital Plan.

**Table 68**

<b>Debt Outstanding Subject to Cap Remaining Capacity Summary</b>					
<b>SFY 2018-19 through SFY 2022-23</b>					
<b>(\$ in Millions)</b>					
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Mid-Year Update to the SFY 2019 Financial Plan</b>	<b>5,794</b>	<b>4,175</b>	<b>3,438</b>	<b>2,878</b>	<b>2,066</b>
Personal Income Forecast Adjustment	(120)	(311)	(455)	(538)	(612)
Executive Capital Reestimates	225	(223)	(607)	(911)	(1,141)
<b>FY 2020 Executive Budget Financial Plan</b>	<b>5,899</b>	<b>3,641</b>	<b>2,376</b>	<b>1,429</b>	<b>313</b>

The Executive has continued to institute several capital and debt management initiatives to produce lower borrowing costs. The Executive proposal assumes debt management savings of \$150 million through: the continued goal of issuing 50 percent of bonds on a competitive basis (\$10 million); refunding higher interest rate bonds that meet State criteria (\$25 million); debt service reserve releases on LGAC and older service contract bonds related to the pay down of these debts (\$14 million and \$60 million, respectively); and adjustments to new debt service payment structures (\$41 million). These savings are in addition to a total of \$765 million debt service prepayments in the current fiscal year.

Additionally the Executive includes legislation to allow not-for-profit lease payments on mental hygiene facilities to be paid directly to bond trustees, producing State Operating Funds savings of \$75 million.

The Executive proposes the transfer and spending authority of \$500 million to the Debt Reduction Reserve Fund.

**State-Related Debt**

State-related debt outstanding is projected to total \$57.2 billion in SFY 2019-20, an increase of \$3.7 billion or 6.9 percent from SFY 2018-19. Over the plan, state-related debt outstanding is projected to increase to \$67.1 billion in SFY 2023-24, or an average increase of 4.6 percent.

Table 69

<b>State-related Debt Outstanding (Other State Debt Obligations in Addition to State-supported) (\$ in Millions)</b>		
	<b>SFY 2018-19 Estimated</b>	<b>SFY 2019-20 Projected</b>
<b>Contingent Contractual</b>		
DASNY/MCFFA Secured Hospitals Program	165	135
<b>Moral Obligation</b>		
Housing Finance Agency	0.2	0.00
<b>Other State Financing</b>		
MBBA Prior Year School Aid Claims	139	104
<b>Subtotal</b>	<b><u>304</u></b>	<b><u>240</u></b>
<b>State-supported Debt</b>	<b><u>53,273</u></b>	<b><u>57,041</u></b>
<b>Total State-related Debt</b>	<b>53,576</b>	<b>57,281</b>

State-related debt is defined as state-supported debt plus the following debt obligations: Contingent Contractual Obligation (DASNY/MCFFA Secured Hospital Program); Moral Obligation (Housing Finance Agency Moral Obligation Bonds); and other financing structures (MBBA Prior Year School Aid Claims).

This debt is paid by non-state resources in the first instance, and State appropriations are enacted should non-state funds be insufficient to pay the debt. These obligations are estimated to total \$240 million in SFY 2019-20, a decrease of \$64 million or 21 percent from SFY 2018-19.

State-related debt outstanding has decreased significantly since the state has not issued debt from these credits in recent years, focusing instead on the issuance of personal income tax and sales tax revenue bonds, as well as general obligation bonds. As a result, state-supported debt outstanding has increased by \$3.8 billion or 7.1 percent from SFY 2018-19 to SFY 2019-20.

### **State Debt Retirements**

Retirements of state-related debt has significantly impacted the State's ability to finance its capital programs. In SFY 2019-20, state-related debt retirements are projected to be \$3.6 billion, an increase of \$199 million or 5.9 percent from SFY 2018-19. Over the next five years, retirements of state-related debt are projected to increase slightly, averaging \$4.2 billion annually.

Table 70

<b>New York State - Principal Retirement</b>	
<b>Period</b>	<b>Cumulative Percentage of Existing Debt Scheduled for Retirement as of 1/01/2019</b>
5 Years	34%
10 Years	61%
15 Years	80%
20 Years	91%
25 Years	98%
30 Years	100%

**State-Supported Debt Service**

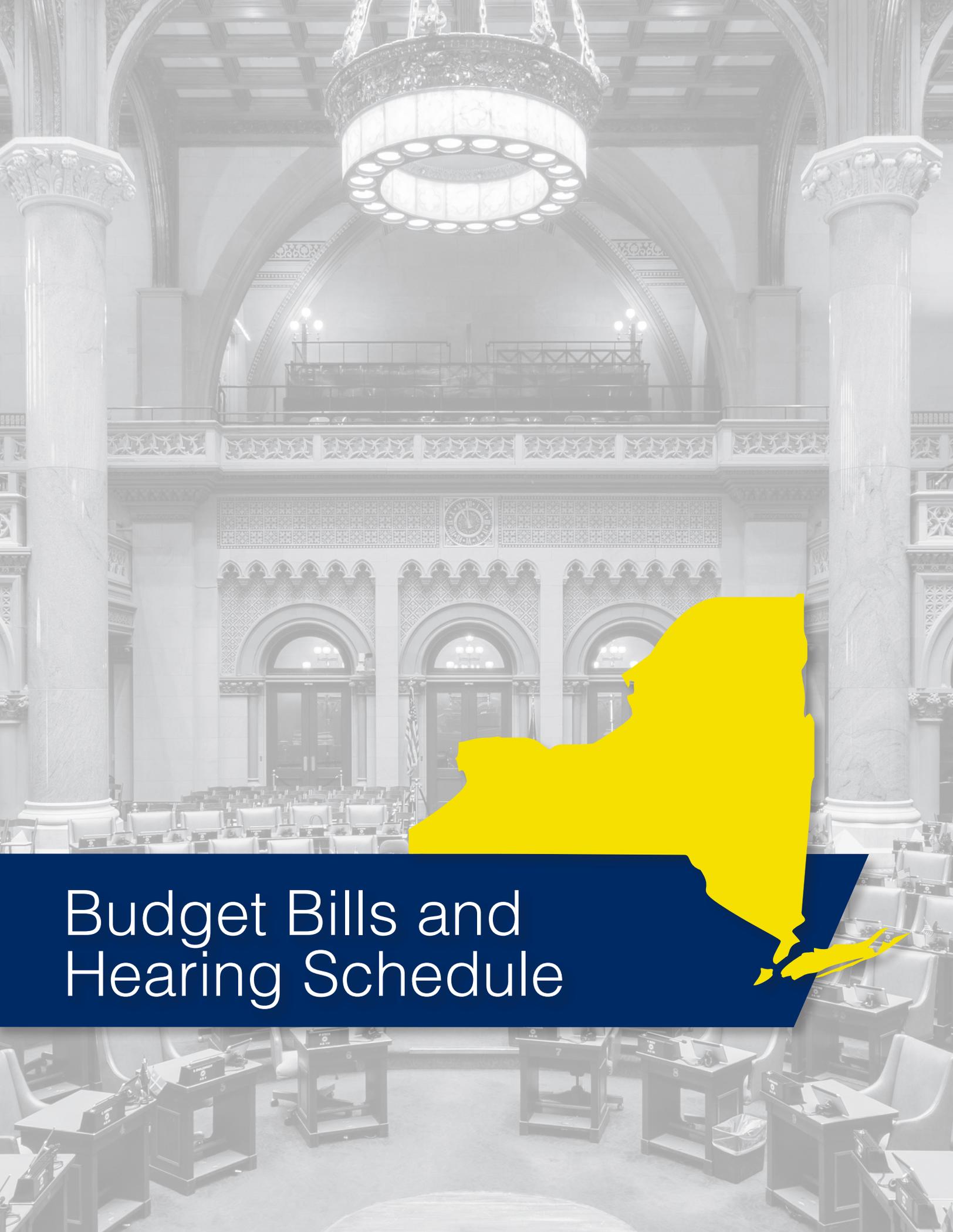
- State-supported Debt Service is projected to be \$5.7 billion in SFY 2019-20, a decrease of \$280 million or 4.7 percent from SFY 2018-19.

**Related Article VII**

The Executive proposes language that would:

- clarify the Dormitory Authority’s ability to finance health care projects as it relates to the Medical Care Facilities Finance Agency under the Health Care Financing Consolidation Act;
- make permanent the authorization for the Dormitory Authority to enter into certain design and construction management agreements with the DEC and the OPRHP;
- authorize the Atlantic Avenue Healthcare Property Holding Corporation, a subsidiary of the Dormitory Authority, to sell, exchange, transfer, lease and convey certain real property in Brooklyn, New York at the direction of the commissioner of the Division of Homes and Community Renewal; and
- make the Infrastructure Investment Act permanent, add other alternative project delivery methods, and expand the entities that may use alternative project delivery methods for certain public works projects.





# Budget Bills and Hearing Schedule



## APPROPRIATION BUDGET BILLS

- A. 2000 / S. 1500 State Operations Budget Appropriation Bill
- A. 2001 / S. 1501 Legislature and Judiciary Budget Appropriation Bill
- A. 2002 / S. 1502 Debt Service Budget Appropriation Bill
- A. 2003 / S. 1503 Aid to Localities Budget Appropriation Bill
- A. 2004 / S. 1504 Capital Projects Budget Appropriation Bill
- A. 2005 / S. 1505 Public Protection and General Government Article VII Bill
- A. 2006 / S. 1506 Education, Labor and Family Assistance Article VII Bill
- A. 2007 / S. 1507 Health and Mental Hygiene Article VII Bill
- A. 2008 / S. 1508 Transportation, Economic Development and Environmental Conservation Article VII Bill
- A. 2009 / S. 1509 Revenue Article VII Bill
- A. 2010/ S. 1510 Good Government and Ethics Reform Article VII Bill

### Proposed Constitutional Amendments

- No Excuse Absentee Ballot
- “Sex” as a Protected Class
- Same Day Voter Registration

### Proposed Resolution

- Driver’s License Revocation



**NON-APPROPRIATION 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. 2005 - PUBLIC PROTECTION AND GENERAL GOVERNMENT**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Health Insurance Costs for Future Retirees	This part would establish a premium cost sharing structure for future state employees.
B	Medicare Income Related Monthly Adjustments Amounts	This part would terminate reimbursements of Income Related Monthly Adjustments Amounts (IRMAA) premiums, incurred on or after January 1 <sup>st</sup> , 2019, made by the state to active or retired employees and their dependents effective January 1st, 2020.
C	Standard Medicare Premium Charges	This part would limit the reimbursement amount from the Standard Medicare Part B premium charges to \$135.50 a month.
D	Market-Based Interest Rate on Court Judgments and Accrued Claims	This part would establish the interest rate on a judgment or accrued claim consistent with the one year United States treasury bill rate.
E	Disclosure of Personal Information of Public Employees	This part would deem it to be an improper employer practice to disclose the personal information of a public employee unless authorized by law or court order.
F	Binding Arbitration	This part would extend provisions related to binding arbitration and fiscally eligible municipalities until July 1st, 2024.
G	Permanent Property Tax Cap	This part would remove the June 16, 2020 sunset from the property tax cap.
H	Red Light Camera Authorization	This part would extend until December 1, 2024, provisions of law authorizing red light camera programs in the Counties of Nassau and Suffolk, and in the Cities of New York, Albany, Mt. Vernon, New Rochelle, White Plains, and Yonkers.
I	AIM Formula Adjustment	This part would decrease Aid and Incentives to Municipalities (AIM) funding for towns and villages where such funding supports less than 2% of the municipalities' expenditures.
J	Nassau County Residential Reassessment Exemption	This part would authorize Nassau County to provide a phase-in of full value increases (following a reassessment) for Class 1 residential properties through the implementation of an exemption program for 2021-2024.
K	Sweeps and Transfers	This part would provide the statutory authorization necessary for the administration of funds and accounts included in the State Fiscal Year 2019-20 Executive Budget, and propose certain modifications. Specifically, it would authorize temporary loans and accounts, authorize the transfers and deposits of funds to and across various accounts, extend various provisions of laws in relation to capital projects and certain certifications, authorize modifications to various debt provisions, and modify various bond authorizations necessary to implement the budget.

L	Service-Disabled Veteran Owned Business Program	This part would extend the Service-Disabled Veteran Owned Business program for a period of five years.
M	New York State Insurance Fund Investments	This part would provide the New York State Insurance Fund greater flexibility with regard to its investments of surplus funds.
N	The New York State Insurance Fund Policies	This part would authorize the cancellation of a workers' compensation insurance policy by the New York State Insurance Fund for an employer's failure to cooperate with a payroll audit.
O	Criminal Justice and Public Safety Programs	This part would extend various criminal justice and public safety programs and extend for two years, the existing formula for distribution of certain monies recovered by county district attorneys.
P	Child Victim's Act	This part would increase the age for when the criminal statute of limitations for child sexual abuse begins to run from 18 to 23; extend the civil statute of limitations for child sexual abuse to allow a victim to commence a lawsuit up until age 50; enact a one-year window for the commencement of a lawsuit by a victim of child sexual abuse whose claims have been time barred; eliminate the notice of claim as a condition precedent to commencing a lawsuit against certain public entities in child sexual abuse cases; and, provide training for judges on the sexual abuse of minors.
Q	Evidence Offered in Mitigation of a Murder Charge	This part would provide that when proof of extreme emotional disturbance is offered by the defense in an attempt to reduce a charge of murder to manslaughter, the explanation or excuse for such extreme emotional disturbance is not reasonable if it resulted from the discovery of, knowledge about, or potential disclosure of the victim's actual or perceived gender, gender identity, gender expression or sexual orientation.
R	Rape Shield Law	This part would extend the CPLR provisions which limit evidence that may be used when a defendant is charged with a sex crime to prosecutions for the crime of "sex trafficking" and bar use of evidence that the victim of the crime had previously been convicted of a prostitution offense in sex offense cases.
S	Revenge Porn	This part would create a Class A misdemeanor for the nonconsensual dissemination of an intimate image and create a private right of action where a victim could be awarded damages and injunctive relief against the individual or website posting such images.
T	Statute of Limitations for Rape in the 2 <sup>nd</sup> and 3 <sup>rd</sup> Degrees	This part would eliminate the statutes of limitation for rape in the 2 <sup>nd</sup> and 3 <sup>rd</sup> degrees thereby allowing such cases to be prosecuted at any time.
U	Domestic Violence Survivor Justice Act	This part would provide judges with discretion to sentence victims of domestic violence who are convicted of certain crimes to a lower sentence and create a mechanism for currently incarcerated domestic violence victims to apply to be resentenced under the new provisions.
V	Criminal Penalties for Assaulting a Journalist	This part would expand the list of professions for whom misdemeanor assault is elevated to a class D felony to include journalists.

W	Death Penalty	This part would repeal vestigial provisions, no longer effective, that had enacted a sentence of death in New York.
X	Rapid-Fire Modification Devices	This part would prohibit the possession, manufacture, transportation, or disposition of a rapid-fire modification device including bump stocks, trigger cranks, binary trigger systems, and burst trigger systems and provide that possession of such a device would be a class A misdemeanor, and the manufacture, transportation and/or disposition of such a device would be a class E felony.
Y	Waiting Period before Firearms may be Delivered to a Purchaser	This part would establish a 10-day waiting period before a licensed gun dealer may deliver a firearm, shotgun or rifle to a purchaser who has not cleared a background check.
Z	Extreme Risk Protection Orders	This part would establish "extreme risk protection orders" (ERPO) which would be a supreme court-issued order of protection to prohibit a person from purchasing, possessing, or attempting to purchase or possess a firearm, rifle, or shotgun upon a finding that the person is a danger to themselves or others.
AA	Pre-Trial Justice Reform Act	This part would reform pre-trial criminal procedures related to bail, discovery and speedy trial including: require police officers to issue an appearance ticket in lieu of arrest for certain lower level crimes subject to a variety of exclusions; establish a rebuttable presumption of release pending trial for certain lower level offenses; authorize preventive detention of persons awaiting trial while eliminating the option for the court to require cash or property as a bail surety; make features of the disclosure and exchange of information in the criminal courts automatic; broaden and expedite the pretrial disclosure of information and evidence between the prosecution and the defense; provide for certain disclosures to the defense when considering a guilty plea offer from the prosecution; eliminate a defendant's current right to be released from custody if the prosecution is not ready for trial within the statutorily-established period of time; allow the court to inquire concerning certain statements of readiness by the prosecution to determine whether or not the prosecution actually is ready for trial; and require that the prosecution's statement of readiness be accompanied by a good faith certification by the prosecution that it has complied with its discovery requirements.
BB	Freedom of Information Law (FOIL)	This part would establish a uniform FOIL policy that would apply to the legislature in the same manner as other agencies.
CC	Workers' Compensation	This part would expand the list of providers authorized to provide medical care and treatment under the workers' compensation system and amend the medical bill dispute process.
DD	Biennial Registration Fee for Attorneys and the Criminal History Search Fee	This part would increase the biennial registration fee for attorneys from \$375 to \$425 and the criminal history search fee from \$65 to \$90, and direct revenue from such increased fees to the Indigent Legal Services Fund.

EE	Grand Jury Changes	This part would amend the Criminal Procedure Law with respect to grand jury proceedings including: allowing a witness located in another state, or more than 100 miles from the grand jury location, to testify by video appearance; allowing businesses to authenticate by affidavit records maintained in the ordinary course of business; allowing lack of consent to be established by affidavit in certain cases; eliminating transactional immunity for compelled testimony, substituting less-comprehensive use immunity; and modifying the requirement of corroboration of accomplice testimony for grand jury and trial proceedings, by allowing indictment and conviction based on the corroborating testimony of an accomplice/ co-defendant.
FF	Alienation of Certain Municipal Parkland	This part would authorize the Town of Hastings, in the County of Oswego, to discontinue the use of certain municipal parkland for the purpose of constructing a State Police Station.
GG	Energy as a Centralized Service	This part would make permanent the authorization to provide energy as a centralized service.
HH	Emergency Construction Authority	This part would make permanent emergency construction authority.
II	Reentry Initiatives to Improve Outcomes for Formerly Incarcerated Individuals	This part would allow persons convicted of crimes to successfully reenter society including removal of certain bars to employment and licensure; removal of the mandatory driver's license suspension for non-driving offenses; limit disclosure of mugshots and arrest information; and establish "compassionate parole" for inmates who are affected by an age-related debility.
JJ	Reform Segregated Confinement	This part would prohibit adolescent offenders and persons who are pregnant or in post-partum recovery from being placed in segregated confinement; create new residential rehabilitation and step down units as alternatives to segregated confinement; and place time limitations on segregated confinement which will gradually decrease to 30 days by 2022.
KK	Shock Incarceration	This part would expand the shock incarceration program to allow a person who is convicted of burglary in the 2 <sup>nd</sup> degree or robbery in the 2 <sup>nd</sup> degree to be eligible for the program.
LL	Continuous Eligible List	This part would authorize the Civil Service Department or a Municipal Commission to establish continuous eligible lists for competitive exams.
MM	Promotion Examinations for Non-Competitive or Labor Class Employees	This part would allow more flexibility related to when certain promotion examinations may be offered.
NN	Salary Protection for Existing Public Employees	This part would prohibit reductions in an existing public employee's salary upon such employee's transfer to another position.
OO	Misdemeanor Sentences to 364 Days	This part would reduce the maximum allowable sentence of imprisonment for class A misdemeanors and certain unclassified misdemeanors from one year to 364 days.

PP	Asset Forfeiture	This part would make changes to certain asset forfeiture laws including: allowing law enforcement officials to seek a civil court money judgment when proceeds or instrumentalities of a crime cannot be located; requiring that funds obtained by way of asset forfeiture be deposited in a separate escrow account; and, requiring entities forfeiting assets and maintaining forfeited funds to report demographic data concerning the individuals from whom property was forfeited.
QQ	Child-Parent Security Act	This part would enact a legal process to establish a child's relationship to his or her parents where the child is conceived using assisted reproduction technology.
RR	Office of Special Investigation within the Department of Law	This part would establish an office within the Department of Law to investigate the death of any unarmed civilian caused by a police officer during the performance of such police officer's duties; provide for an independent special prosecutor to be appointed where an investigation under this part involved the state police; require police departments and county sheriff's offices to report to the Division of Criminal Justice Services (DCJS) certain use of force data; and require these departments to implement a use of force policy established by Department of Criminal Justice Services.

**A. 2006 - EDUCATION, LABOR AND FAMILY ASSISTANCE**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	School Aid	This part would amend various provisions of Education Law related to school aid; school funding equity plans; regional STEM magnet schools; annual professional performance reviews (APPR); special education requirement waivers; mayoral control of the New York City School District; the healthy relationship education program; and aid to public libraries.
B	Ownership in Public Accountancy Firms	This part would allow public accountancy firms to have up to 49% ownership by individuals who are not certified public accountants.
C	School Bus Cameras	This part would authorize common and union free school districts to impose liability on motor vehicle owners of vehicles illegally passing stopped school buses, as evidenced by school bus safety cameras.
D	The Senator Jose R. Peralta New York State DREAM Act	This part would allow undocumented students to be eligible for the Tuition Assistance Program (TAP) and other state financial assistance programs.
E	For-Profit College Accountability Act	This part would require for-profit colleges to meet certain standards to continue enrolling new students and be eligible to participate in state financial aid programs.
F	Arts Capital Grants Fund	This part would repurpose an arts capital revolving loan fund to award capital grants, instead of loans, to certain arts organization.
G	Mortgage Insurance Fund Transfers	This part would transfer \$12 million in excess Mortgage Insurance Fund (MIF) reserves for the Neighborhood and Rural Preservation Programs.
H	Federal Child Care Development Block Grant (CCDBG)	This part would expand the type of background clearances required for licensed and registered child care providers; require certain enrolled legally-exempt providers to receive the expanded list of background clearances; require all child care providers to be inspected at least once a year; extend effectiveness of initial licenses or registrations for child care providers; and, amend the training requirements for child care providers.
I	Federal Family First Preventive Services Act	This part would require prospective and current employees of residential foster care agencies to receive certain background clearances; and authorize the Office of Children and Family Services (OCFS) to provide background clearance information to entities in other states that license, certify, or approve residential foster care programs when seeking a clearance from the Statewide Central Register for Child Abuse and Maltreatment.
J	Domestic Violence Victims Seeking Shelter	This part would remove the requirement that domestic violence victims apply for public assistance when seeking shelter and providers would no longer be allowed to charge domestic violence victims for the services provided, regardless of income.

K	Person In Need of Supervision (PINS)	This part would eliminate the ability of family courts to detain youth who are alleged to be a PINS, and limit the court's ability to order residential foster care placement at the disposition of a PINS proceeding, to only instances where the respondent youth meets the definition of "sexually-exploited child" under New York's Safe Harbor Law; and make permanent state funding for the detention and residential placement of youth alleged or adjudicated to be PINS.
L	Social Security Federal COLA Pass Through	This part would authorize the 2020 Federal Supplemental Security Income (SSI) Cost of Living Increase (COLA) and provide for a COLA increase of \$4 to \$32 depending on living arrangement.
M	Expands Temporary Operator Authority	This part would authorize the Office of Children and Family Services to appoint a temporary operator for foster care agencies to investigate financial and safety concerns and extend the Office of Temporary and Disability Assistance's authority to appoint a temporary operator for emergency shelters from 3/31/2019 to 3/31/2022.
N	Time Limited Job Try-Outs Work Activity for Public Assistance Recipients	This part would authorize local social service districts to assign public assistance recipients to a 90 day try-out work experience assignment with a private for-profit, non-profit or public sector entity, as a way to fulfill the individual's work requirement.
O	Criminal Penalties for Wage Theft	This part would modify how wage theft criminal penalties are assessed and increase the existing criminal penalties for wage theft.
P	Partial Unemployment Insurance	This part would modify unemployment insurance benefits awarded to partially unemployed workers.
Q	Equal Pay	This part would require equal pay for substantially similar work, expand such provisions to all protected classes, and establish that it is an unlawful discriminatory practice for an employer to inquire about a job applicant's salary history.
R	Gender Expression Non-Discrimination Act	This part would enact the Gender Expression Non-Discrimination Act to prohibit discrimination based on gender identity or expression and would include acts of violence against individuals due to their gender identity or expression in the hate crimes statute.
S	Discrimination in Educational Institutions	This part would extend the Human Rights Law's anti-discrimination provisions to students who attend public schools, Board of Cooperative Educational Services (BOCES), public colleges, and public universities.
T	Source of Income Discrimination	This part would add lawful source of income as a protected class and prohibit housing discrimination on the basis of lawful source of income.
U	Limit Security Deposits	This part would limit the amount of security deposit a landlord may charge a tenant to an amount equal to or lesser than two months' rent, including the first month's rent.

V	Harassment in the Workplace	This part would establish that judicial interpretations of similar federal civil rights laws establish the floor for interpretations of Human Rights Law and not the ceiling; clarify that under the Human Rights Law, harassment is not limited to actions that are severe or pervasive; require nondisclosure agreements in certain employment contracts include language stating that employees may still file harassment or discrimination complaints with a state or local agency and participate in a government investigation; and require the Department of Labor to consult with the Division of Human Rights and produce a sexual harassment prevention poster that must be posted by employers.
W	Poaching of Veterans' Pensions	This part would prohibit any entity from receiving compensation for helping veterans and their dependents prepare a claim, except as permitted under United States Department of Veterans Affairs (USDVA) standards.
X	Breastfeeding in the Workplace	This part would clarify that lactation is a pregnancy-related condition entitled to reasonable accommodations in the workplace.
Y	Conversion Therapy on Minors	This part would prohibit mental health professionals from using conversion therapy on patients under the age of eighteen.
Z	Rent Regulation	This part would, pursuant to a not yet implemented law of 2019, extend rent regulation beyond the current expiration date of June 15, 2019, and require reforms of vacancy decontrol, preferential rent, and capital improvements.

**A. 2007 - HEALTH AND MENTAL HYGIENE**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Medicaid Transportation Reforms	This part would authorize the use of the State’s Transportation Manager for Managed Long Term Care plans excluding Program of All-Inclusive Care for the Elderly programs; end supplemental medical assistance payments made to emergency medical transportation providers on March 31, 2019; and eliminate the supplemental payment to rural transportation networks.
B	Medicaid Pharmacy Reforms	This part would authorize the Department of Health (DOH) to make modifications to the list of Over the Counter (OTC) drugs by regulation without prior notice and comment; increase required copay for OTC products from \$0.50 to \$1.00; eliminate prescriber prevails in fee for service and managed care; extend the pharmacy drug cap through SFY 2021; eliminate quarterly reporting requirements for DOH and Division of Budget (DOB) under the drug cap; allow DOH to refer drugs to the Drug Utilization Review Board, under the drug cap, if there is currently a rebate agreement in place; and require Health Maintenance Organization (HMOs) to include provisions to maximize pharmacy savings in any contracts with pharmacy benefit managers(PBMs) and report on such activities to DOH.
C	Medicaid Managed Care Reforms	This part would provide Medicaid coverage for federally recognized prevention and support services to prevent individuals from developing Type 2 diabetes and adjust Medicaid payments to recipients that are also eligible for Medicare Part B.
D	Extend the Medicaid Global Cap	This part would extend the Medicaid Global Cap for one year.
E	Public Health and Social Services Law Extensions	This part would extend various provisions related to savings initiatives including: the NYS Medical Care Facilities Financing Act; authority for previously enacted HCRA initiatives; the authority of the Commissioner of OMH, in consultation with the Commissioner of DOH to certify mental health special needs plans; provisions which adjusted rates paid to article 31 and 32 providers to provide APG rates; and make permanent the authorization for temporary operators of adult homes.
F	Excess Medical Malpractice Program	This part would extend the Physician’s Excess Medical Malpractice Program for one year.
G	Medicaid Eligibility and the Consumer Directed Personal Assistance Program (CDPAP)	This part would eliminate spousal refusal; grant DOH greater oversight and control of who can operate as a fiscal intermediary; and grant DOH the authority to eliminate services if it determines that Federal Financial Participation is inadequate.

H	Medicaid Hospital Reforms	This part would eliminate \$24.5M in grants under the indigent care pool for non-major public academic medical centers; authorize the Commissioners of DOH, Office of Mental Health (OMH), Office of People with Developmental Disabilities (OPWDD), and Office of Alcohol Substance Abuse Services (OASAS) to waive regulatory requirements to allow providers engaged in Delivery System Reform Incentive Program (DSRIP) projects, or replication and scaling activities to avoid duplicative requirements; eliminate requirements for DOH to establish payment rates that adjust for case mix, length of stay for inpatient psychiatric services in hospitals; and grant DOH the ability to adjust Medicaid rates and payment methodologies associated with potentially avoidable inpatient hospital services and reinvest a portion of any savings in initiatives to promote preventative care.
I	Regulation of Pharmacy Benefit Managers	This part would establish license and registration requirements for pharmacy benefit managers.
J	Codification of Affordable Care Act	This part would enact major provisions of the federal Affordable Care Act in New York State Law.
K	Medical Indemnity Fund (MIF)	This part would transfer the administration of the Medical Indemnity Fund from the Superintendent of Financial Services to the Department of Health, and extend provisions of the program for one year.
L	In Vitro Fertilization	This part would require insurers to provide coverage for fertility preservation services when a medical treatment may cause iatrogenic infertility and require policies sold in the large group market to provide three cycles of in vitro fertilization.
M	Comprehensive Contraception Coverage Act	This part would require insurance coverage for all contraception methods, including emergency contraception dispensed over the counter, without copayments.
N	Universal Access Commission	This part would create a Universal Access Commission to study ways to achieve universal health insurance coverage in NYS.
O	General Public Health Work Reductions	This Part would reduce the amount of aid that is given to New York City to fund core public health services.
P	Lead Poisoning Prevention	This part would reduce the threshold used to define elevated blood lead levels and require owners of all rental properties to meet criteria related to lead safety or be assessed a civil penalty.
Q	Health Care Facility Transformation Program	This part would authorize DOH to award up to \$300M of the funds made available to support capital projects in the SFY 2018-19 budget to health care facilities that applied for capital made available under the SFY 2017-18 budget.
R	Maternal Mortality Review Board	This part would establish a statewide Maternal Mortality Review Board to review instances of maternal mortality and severe maternal morbidity and to develop findings, recommendations, and best practices.
S	Reproductive Health Act	This part would enact the Reproductive Health Act, which would codify the protections established by Roe v. Wade.
T	New York State of Health	This part would codify the “New York State of Health,” including functions, powers, appeals, oversight, and funding.

U	State Office for the Aging (SOFA) Private Pay Protocol	This part would authorize SOFA to implement an optional private pay program to allow individuals whose income is above 400% of the Federal poverty limit to pay for certain SOFA services.
V	Medicaid Managed Care Integrity	This part would deem all payments made under the Medicaid Managed Care Program as a payments made by the State; enhance Office of Medicaid Inspector General oversight authority of managed care plans and providers; require managed long term care (MLTC) plans to participate in a risk and compliance program; and require home care service workers to obtain a Medicaid provider number.
W	Medicaid Exempt Income	This part would extend for three years the authority for the Office of Mental Health to recover Medicaid Exempt Income from service providers.
X	Jail Based Restoration	This part would authorize a volunteering county to establish a jail based restoration to competency program for defendants awaiting judicial hearings, within a local correctional facility.
Y	Human Services COLA	This part would defer the human services cost of living adjustment (COLA) for one year.
Z	Duplicate License Requirements	This part would eliminate duplicate license requirements for programs delivering integrated services.
AA	Oversight of Hospitals and Summer Camps	This part would eliminate oversight by the Justice Center of inpatient psychiatric units within Article 28 hospitals and summer camps for children with developmental disabilities.
BB	Behavioral Health Insurance Parity	This part would increase access to behavioral health or autism services by requiring minimum coverage standards and removing certain insurance benefit limitations; facilitate access to treatments through changes in utilization review processes and codify parity standards in state law for mental health and substance use disorders; require general hospital emergency departments to institute policies and procedures for providing medication assisted-treatment prior to patient discharge; repeal provisions relating to general hospital prescription drug monitoring; require coverage of court ordered treatment for OASAS certified programs within New York State; and include fentanyl analogs as controlled substances.

**A. 2008 - TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Dormitory Authority of the State of New York (DASNY) Health Care Projects	This part would clarify DASNY's authority to finance health care projects under the Health Care Financing Consolidation Act.
B	DASNY Design and Construction	This part would make permanent the authorization for DASNY to enter into certain design and construction management agreements with the Department of Environmental Conservation and the Office of Parks, Recreation, and Historic Preservation.
C	DASNY Subsidiary Property	This part would authorize Atlantic Avenue Healthcare Property Holding Corporation (a subsidiary of DASNY) to sell, exchange, transfer, lease and convey certain real property at the direction of the commissioner of the Division of Homes and Community Renewal.
D	Infrastructure Investment Act/Design Build	This part would make the Infrastructure Investment Act permanent, add other alternative project delivery methods, and expand the entities that may use alternative project delivery methods for certain public works projects.
E	Waste Tire Management	This part would make the Waste Tire Management and Recycling Fee permanent and expand the uses of the Waste Management and Cleanup Fund.
F	Bottle Bill Expansion	This part would expand the beverages subject to the five-cent bottle deposit, revise redemption and deposit initiation procedures, and increase penalties.
G	Department of Environment Conservation (DEC) Gift Acceptance	This part would authorize DEC to solicit funds or gifts, and enter into public-private partnerships with philanthropic groups and not-for-profit corporations.
H	Single-Use Plastic Bag Ban	This part would prohibit the provision of plastic carryout bags to consumers at the point of sale, unless exempted or approved by DEC.
I	Offshore Drilling Prohibition	This part would prohibit offshore oil and natural gas drilling and restrict the State's ability to facilitate offshore drilling-related activities.
J	Wetland Mapping Notification	This part would eliminate the requirement that DEC send wetland mapping notifications by certified mail.
K	Consumer and Personal Care Product Disclosure	This part would require manufacturers of certain products to provide chemical disclosures, and would establish product labeling standards.
L	Student Loan Servicers	This part would authorize the Department of Financial Services to license and regulate certain student loan servicers.
M	Autonomous Vehicles	This part would modify and make permanent provisions of law relating to autonomous vehicle demonstrations and tests, and repeal a provision of law prohibiting the operation of a vehicle without at least one hand or prosthetic device on the steering mechanism.
N	Ignition Interlock	This part would extend for two years provisions of law relating to the ignition interlock program.

O	Traffic and Parking Surcharges	This part would extend for two years provisions of law relating to traffic and parking surcharges, and scofflaw penalties.
P	Locally Authorized Scooters and Motorcycles	This part would authorize the operation of certain scooters and motorcycles on roadways within municipalities authorizing such operation and provide for operating and equipment requirements for such vehicles.
Q	Service of Process by Department of State	This part would require parties, persons or entities suing corporations to serve legal papers directly on the party instead of serving the Secretary of State agent and require condominium boards to file a certificate with the Secretary of State designating it an agent with a \$60 filing fee.
R	Fees for Expedited Handling of Certain Documents	This part would extend for one year the ability of the Secretary of State to charge fees for expediting certain documents issued by or requested from the Department of State's Division of Corporations.
S	Department of Transportation (DOT) Fiber Optic Lines	This part would authorize DOT to enter into an agreement with a fiber optic utility in order to charge for occupancy of a DOT right of way.
T	Commercial Motor Vehicle and Limousine Safety	This part would amend various provisions of law relating to the operational safety of commercial motor vehicles transporting passengers, including limousines.
U	Utility Assessment	This part would extend for one year the authorization for certain expenses of the Office of Parks, Recreation and Historic Preservation and the departments of Agriculture & Markets, Health, Environmental Conservation, and State to be reimbursed by a utility assessment; and authorize the collection of an additional \$ 10 million annually for the Electric Generation Facility Cessation Mitigation Fund.
V	Net Neutrality Principles	This part would require state agencies and state authorities to contract only with internet service providers that adhere to net neutrality principles.
W	New York State Energy Research and Development Authority (NYSERDA) Revenue from the Department of Public Service	This part would extend for one year the authorization for NYSERDA to receive up to \$19,700,000 from an assessment on gas and electric corporations.
X	Climate Leadership Act	This part would establish a climate action council to develop recommendations for carbon neutrality, establish a clean energy program, and require DEC to promulgate regulations related to statewide greenhouse gas emissions.
Y	Empire State Economic Development Fund	This part would extend for one year the authorization of the Urban Development Corporation to administer the Empire State Development Fund.
Z	General Loan Powers of the New York State Urban Development Corporation (UDC)	This part would extend for one year the general loan powers of the UDC.
AA	Minority- and Women-Owned Business Enterprises (MWBE)	This part would update and extend the provisions of law relating to participation by minority- and women-owned business enterprises in state contracts.

BB	Congestion Tolling Program	This part would require the Triborough Bridge and Tunnel Authority (TBTA) to plan, install and operate a congestion tolling program for vehicles entering Manhattan below and inclusive of 60th Street.
CC	New York City School Zone Speed Cameras	This part would revive the authorization for the New York City school zone speed photo enforcement program, modify and expand such program, and direct the revenue raised by the expansion.
DD	Gateway Development Commission	This part would establish a bi-state Gateway Development Commission to facilitate the planning, funding and construction of an Amtrak rail transportation project between New York and New Jersey.
EE	Metropolitan Transportation Authority (MTA) Organization	This part would authorize the MTA board to assign, transfer, share and consolidate powers and duties of its departments and subsidiaries.
FF	Metropolitan Transportation Authority (MTA) Aid Trust Account	This part would require certain Metropolitan Commuter Transportation District supplemental taxes, surcharges and fees be paid directly to the MTA without appropriation.
GG	New York City Bus Lane and Traffic Photo Enforcement	This part would modify and make permanent the New York City bus lane photo enforcement program, and create a new permanent photo enforcement program in such City for the enforcement of stopping, standing, parking and turning laws, operation within a congestion zone, and operation within designated bus corridors.
HH	Binding Arbitration for the Metropolitan Transportation Authority	This part would extend binding arbitration for labor disputes between the Metropolitan Transportation Authority and its labor representatives to July 1 <sup>st</sup> , 2021.
II	Transportation Worker Safety	This part would increase penalties for assaulting various transportation workers, prohibit drivers from entering or intruding into active work zones, and create a work zone safety public education and outreach program.
JJ	Cashless Tolling	This part would establish in law a process to pay cashless tolling obligations that includes requirements regarding notice, electronic communication and penalties.
KK	New York Power Authority (NYPA) Energy Projects, Programs and Services & Electric Vehicle Charging Stations	This part would expand NYPA's energy programs, projects and services, and authorize NYPA to develop electric vehicle charging stations.
LL	NYPA Renewable Energy Products	This part would authorize NYPA to develop transmission facilities, renewable energy projects, and to procure and sell renewable products to certain customers.
MM	Creation of Enterprise Funds	This part would establish a parks retail store enterprise fund and a golf enterprise fund to be administered by the Comptroller and the Commissioner of Tax and Finance.
NN	Olympic Regional Development Authority (ORDA) Indemnity	This part would authorize ORDA to enter into contracts or agreements containing indemnity provisions in order to host Olympic or other national or international games or events.
OO	Air Train Technical Amendment	This part would correct a minor technical error in describing a specified lot and block number regarding the Air Train project.

**A. 2009 - REVENUE**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Make the e-filing mandate permanent.	Consolidate and make permanent current electronic filing and payment mandates.
B	Expand the Employee Training Incentive Program (ETIP) Credit	Amend the Employee Training Investment Program (“ETIP”) in the Economic Development Law to expand the definition of eligible training.
C	Provide a Sourcing Rule for GILTI Apportionment	Codify a receipts factor rule for the net amount of global intangible low-taxed income (“GILTI”) included in business income.
D	Decouple from IRC Federal Basis for NYS Manufacturing Test	Decouple from the federal adjusted basis for property used to determine whether a manufacturer is a qualified New York manufacturer.
E	Extend the workers with Disabilities Tax Credit for Three Years	Extend the sunset dates for the corporate and personal income tax credits for qualified employers that employ individuals with developmental disabilities until January 1, 2023.
F	Extend Three-Year Gift Add back Rule & Require Binding NYS QTIP (Qualified Terminable Interest Trust) Election	Expressly require inclusion of QTIP property remaining in the surviving spouse’s New York estate even if no federal estate tax filing was made. The bill would also extend the requirement that gifts made within three years of death are to be added back when calculating the decedent’s New York gross estate.
G	Eliminate Internet Tax Advantage	Require marketplace providers to collect sales tax on taxable sales of tangible personal property that they facilitate.
H	Discontinue the Energy Services Sales Tax Exemption	Repeal the exemption from sales and use taxes for receipts from transportation, transmission, or distribution of gas or electricity when provided by someone other than the vendor of the gas or electricity.
I	Avoid Large and Unexpected Tax Shifts Due to Equalization Rate Changes	Authorize school districts to base school tax apportionment on the average full valuation of property over either a three or five-year period. Make technical changes to provisions related to the notice and timing of the determination of equalization rates.
J	Amend Real Property Tax Administration	<p>A. Allow local governments and school districts to provide real property tax assessment relief to damaged properties when a state disaster emergency is declared.</p> <p>B. Allow a county and a local assessing unit to agree that the county shall appoint county residents from any municipality as members of the Board of Assessment Review that will hear and resolve assessment complaints within that assessing unit.</p> <p>C. Allow the Tax Department to approve assessor and county director training courses for credit without requiring the State to pay for the expenses of attendees, when the provider so requests.</p> <p>D. Allow the Tax Department to send certain required notices by email and/or by a website posting, unless the assessor has requested the notices be sent by postal mail.</p> <p>E. Change the taxable status date for special franchise property</p>



		from July 1 <sup>st</sup> to January 1 <sup>st</sup> . F. Require electric generating facilities to annually report inventory, revenue, and expense data to the Tax Department. Provide a monetary penalty for noncompliance.
K	Technical Cleanup Related to Repeal of Tax Freeze Credit Program	Repeal certain tax cap compliance reporting requirements that were left in place when the obsolete tax freeze credit statutes were repealed in 2018.
L	Create the NYS Employer-Provided Child Care Credit	Create the NYS Employer-Provided Child Care Credit to assist employers in providing quality child care services to their employees.
M	Include Certain NYS Gambling Winnings in Nonresident NYS Income	Include gambling winnings in excess of \$5,000 from wagering transactions of nonresident New York Source income, and add a requirement that withholding occur on gambling winnings when such withholding is required at the federal level.
N	Make Technical Changes to the Farm Workforce Retention Credit	Amend the farm workforce retention credit to allow the credit for the same farming activities eligible for the farmers school tax credit.
O	Permanently extend the Tax Shelter Provisions and Update Tax Preparer Penalties	Make permanent the current tax shelter reporting and penalty provisions and would update the tax preparer penalties for preparers who do not sign returns or who take unreasonable positions on returns.
P	Extend Higher PIT Rates for Five Years	Extend the top tax bracket under the personal income tax law for five years at 8.82%.
Q	Extend PIT Limitation on Charitable Contributions for Five Years	Extend, for five years, the charitable deduction limitation under the NYS and NYC personal income tax for individuals with adjusted gross income of more than \$10 million.
R	Extend the Clean Heating Fuel Credit for three years	Extend the sunset dates for the corporate and personal income tax credits for purchasing bioheating fuel for residential purposes until January 1, 2023.
S	Extend Authorization to Manage Delinquent Sales Tax Vendors Permanently	Make permanent certain provisions concerning the segregated sales tax account program if tax vendor is delinquent in sales tax collection.
T	Repeal License Fees on Certain Co-Ops	Amend the cooperative corporations law and the rural electric cooperative law to eliminate a ten-dollar annual fee paid by cooperative corporations and rural electric cooperatives.
U	Expand the Current Historic Rehabilitation Credit	Allow to claim for qualified rehabilitation projects undertaken within a state park, state historic site, or other land owned by the state, that is under the jurisdiction of and leased to private entities by the Office of Parks, Recreation and Historic Preservation (OPRHP), regardless of the census tract location of the rehabilitation project.
V	Extend certain sales tax exemption related to the Dodd-Frank Protection Act	Extend for two years the exemption from sales and use tax certain sales or services transacted between certain financial institutions and their subsidiaries.
W	Employer Recovery Hiring Tax Credit	Establish a tax credit for the employment of eligible individuals in recovery from a substance use disorder.
X	Exclude from Entire Net Income Contributions to the Capital of a Corporation	Amend to exclude from entire net income certain contributions such as government grants to the capital of a corporation.

Y	Close the carried interest loophole	Close the carried interest tax loophole at the State level by taxing the carried interest income of hedge fund and private equity investors as ordinary earned income and impose a 17% fee.
Z	Make technical corrections to various provisions of the Tax Law and the New York City Administrative Code	Make technical corrections to various provisions of the Tax Law and the New York City Administrative Code.
AA	Property Tax Exemption for State-owned/controlled Land with Certain Energy Systems	Amend an existing property tax exemption for specified energy systems, to provide qualified energy systems on State (including agencies, departments, and authorities) owned/controlled land with an additional exemption from special ad valorem levies and special assessments, and remove municipal authority to require payments in lieu of taxes.
BB	Gaming Commission Employment Restrictions	Allow the Gaming Commission to waive its pre-employment restrictions with good cause at a properly noticed public meeting.
CC	Aftercare for retired racehorses	Authorize the use of funds from the New York State Breeding and Development Fund and the Agriculture and New York Horse Breeding Development Fund for the aftercare of retired horses.
DD	Amendments to Racing and Wagering Provisions	Make statutory changes related to the Gaming Inspector General, provides a new qualification for designation of a member to the New York State Thoroughbred Breeding and Development Fund, clarifies provisions regarding Cornell University's Harry M. Zweig Memorial Fund for Equine Research and defines members as employees, expands uses of lapsed prize funds amounts, and aligns lottery revenue distributions.
EE	Video Lottery Gaming tax rates and additional commission structures	Reconfigure video lottery gaming tax rates, the additional commission payment structure, the capital awards distribution, and marketing allowance.
FF	Limitation on Free play at Casinos	Impose set rate on free play credits at casinos to 19% of taxable gaming revenue until fiscal year 2022-2023; and 15% afterwards.
GG	Off Track Betting Operations	Create further oversight over regional OTBs, allows regional OTBs to combine, and authorizes demonstration projects.
HH	Extend certain tax rates and certain simulcasting provisions for five years	Extend the current pari-mutuel tax rates and out-of-state simulcasting provisions for five years.
II	Interstate Anti-Doping Compact	Allow for the creation of a multi-state compact for the creation of a uniform set of rules and regulations of permitted and prohibited use of drugs in racehorses.
JJ	Advisory Committee on Equine Drug Testing	Extend the Advisory Committee on Equine Drug Testing until December 1 <sup>st</sup> , 2019. Allow gaming commission to choose any suitable lab for equine drug testing in their discretion.
KK	Occupational Licensing for Casino Employees	Create certain license and registration requirements for engaging in gambling activities, and further defines other vendor and gaming license and registration structures.

LL	Cap Annual Growth in STAR Exemption Benefits	Impose a zero percent cap upon the growth in Basic and Enhanced STAR Exemption benefits beginning with the 2019-20 school year. The cap would not apply to the STAR credit program, which would be allowed to grow up to two percent.
MM	Allow Disclosure of Certain Information on Cooperative Housing Corporation Information Returns	Allow the Department to share with local assessors the information reported on the Cooperative Housing Corporation Information Return Real Estate Transfer form, submitted after a conveyance of cooperative apartment shares.
NN	Clarify Calculation of New York City Enhanced Real Property Tax Circuit Breaker Credit	Make a technical amendment to the Tax Law to clarify the calculation of the Enhanced Real Property Tax Circuit Breaker Credit applicable to New York City.
OO	Reporting Requirement for Manufactured Home Parks	Require manufactured home park owners to submit registration statement forms to the Tax Department instead of the Division of Housing and Community Renewal. Require forms be submitted quarterly instead of annually if the Department implements an electronic reporting system.
PP	Prevent STAR Fraud and Abuse	Authorize the Tax Department to verify annually the age and residency of Enhanced STAR recipients. Prohibits a taxpayer who made a material misstatement on a STAR Exemption application from receiving the STAR Credit for six years.
QQ	Disclosure of STAR-Related Information to Assessors	Authorize the Commissioner of Taxation and Finance to disclose certain STAR-related information to assessors and County Directors of Real Property Tax Services, to assist assessors in the determination of eligibility for STAR and other property tax exemptions.
RR	Lower Basic STAR Income Limit to \$250,000 – Exemption Program Only	Lower the income limit for the Basic STAR exemption to \$250,000, beginning with the 2019-20 school year. For purposes of the STAR credit, the existing \$500,000 income limit would remain intact.
SS	Clarify STAR Check Tax Bill Notices	Clarify the notice that appears on the school tax bills of recipients of STAR credit checks.
TT	Amend Several STAR Administrative Processes	Allow first-time Enhanced STAR applicants to receive a filing extension for “good cause” and, if approved, allow the school district to adjust the school tax bill or provide a refund. Make the following changes to STAR renunciation provisions: waive a \$500 processing fee when the renunciation occurs before the levy of taxes, amend the method of calculating the repayment amount, and ease renunciation to switch to the STAR Credit.
UU	Impose vapor tax	Implement various new regulations, restrictions and protections with regard to the use of tobacco and electronic cigarettes (e-cigarettes) and vapor products, as well as imposes a 20 percent tax on vapor products, for the benefit of the health and wellbeing of New Yorkers.

VV	Enact the Cannabis Regulation and Taxation Act	Create and amend existing laws to legalize adult-use cannabis, consolidate governance of all forms of cannabis and create a regulatory structure to oversee the licensure, cultivation, production, distribution, sale and taxation of cannabis within New York State.
WW	Expand Supplemental Auto Rental Surcharge to Fund Upstate Public Transportation Systems	Expand the special supplemental auto rental surcharge from the Metropolitan Commuter Transportation District (MCTD) to the remainder of the State. The additional funds would be directed to Upstate public transportation systems.

**A. 2010 – GOOD GOVERNMENT ETHICS REFORM**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Disclosure of Tax Returns by Candidates for Public Office	This part would require public disclosure of certain tax returns 60 days before a general election for any candidate for statewide office and the state legislature; and prohibit a candidate who has not timely filed such return from appearing on the general election ballot.
B	Public Campaign Financing and Additional Campaign Finance Reforms	This part would require that statements filed by political committees include information about intermediaries; limit contributions to “housekeeping accounts” to \$25,000; provide that the receipt of any campaign contribution or loan in excess of \$1,000 be disclosed within 60 days of receipt; lower the campaign contributions limits for all candidates participating in the public financing system, and to a lesser extent, for candidates not participating in public financing; limit transfers from party or constituted committees to other party or constituted committees; and establish a voluntary public financing system and the “New York State Campaign Finance Fund” on tax returns.
C	Online Voter Registration	This part would provide for an electronic voter registration system established by the State Board of Elections through which voters could register and have their application submitted to the appropriate local board of elections.
D	Early Voting Implementation	This part would establish a system for early voting, with a 12 day early voting period prior to a general, primary, or special election ending on and including the 2 <sup>nd</sup> day before election day.
E	Unified Primary Election	This part would combine the federal and state primaries to be held on the fourth Tuesday in June and update the political calendar accordingly.
F	Ban on Corporate and LLC Contributions	This part would prohibit limited liability companies and corporations from making political expenditures and contributions except in the form of contributions to independent expenditure committees and independent expenditures.
G	Agency Based Automatic Voter Registration	This part would implement an automatic voter registration system at certain state and local agencies unless a person declines to be registered.
H	Employee Time Off to Vote	This part would increase the time allotted, without loss of pay, for an employee to vote in any election from two to three hours, regardless of whether he or she has four consecutive hours between the opening of the polls and beginning work or the end of work and closing of the polls.
I	Upstate Primary Voting Hours	This part would make the primary hours across all counties consistent and require polls to be open from 6am to 9pm.
J	Pre-registration of Minors	This part would require voter registration forms to include a space for pre-registering applicants at least 16 years of age.
K	Prohibition on Vendor Contributions During Procurement	This part would prohibit individuals, organizations, or business entities that submit bids, quotes, or responses to state contract offers from making campaign contributions to any officeholder in the branch of government awarding the contract while the

		decision is pending, and for one year following the contract award for the winner.
L	Registration Portability	This part would allow voters who move anywhere within the State to vote at a polling site in their new election district by facilitating transfers of voter registration for those who move within the state from one county to another or out of the city of New York.
M	Lobbyist Loans to Candidates	This part would prohibit lobbyists, political action committees, labor unions and independent expenditure committees from making loans to candidates for political office.
N	Electronic Poll Books	This part would provide that counties may use computer generated lists (electronic poll books) that have been approved and certified by the State Board of Elections and which meet minimum security standards.
O	Lobbyist Disclosure of Campaign Contributions	This part would require disclosure by a lobbyist of campaign contributions that were raised from others by the lobbyist and campaign contributions from the lobbyist.
P	Lobbying by Political Consultants	This part would prohibit political consultants from lobbying public officials with whom they have had a professional relationship for compensation.
Q	Disclosure Requirements for Certain Nonprofit Entities	This part would require certain nonprofit entities to disclose monetary donations to the Joint Commission on Public Ethics; clarify the reporting requirements, relevant reporting period, and responsibilities of the recipient entities; and, expand the role of the Executive Director of JCOPE in regard to the monetary donations.
R	Lobbyist Disclosure Threshold	This part would lower the thresholds that trigger certain filing and disclosure requirements from one thousand or five thousand dollars to five hundred dollars.
S	Lobbyist Penalties	This part would increase civil and criminal penalties for lobbyists who violate the lobbying law.
T	Lobbying Prohibition	This part would increase from two to five years the existing ban on former state officers or employees, members of the legislature, legislative staff, and executive chamber staff from appearing or lobbying before certain state entities; and prohibit policy makers from lobbying or registering as a lobbyist during that timeframe.
U	Restrictions on Campaign Activity	This part would prohibit an employee of a statewide elected official or a member of the legislature from volunteering for the campaign of that official.
V	Financial Disclosure for Local Elected Officials	This part would require certain local government officials to file State-approved financial disclosure forms with the Joint Commission on Public Ethics.
W	Lobbyist Code of Conduct	This part would establish a code of conduct for lobbyists to uphold the minimum standards of professional conduct which would include ethical standards and standards of professionalism.
X	Automatic Voter Registration	This part would provide for automatic voter registration upon application for a driver's license, license renewal, or identification card.

**PROPOSED CONSTITUTIONAL AMENDMENTS**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
	No Excuse Absentee Ballot	Concurrent resolution would remove the constitutionally established conditions required to vote by absentee ballot in order to allow any qualified voter to vote by absentee ballot.
	“Sex” as a Protected Class	Concurrent resolution would amend the equal protection clause of the New York Constitution to add “sex” as a protected class.
	Same Day Voter Registration	Concurrent resolution would remove the constitutionally required 10 day voter registration deadline and permit voters to register up to, and including, election-day.

**PROPOSED RESOLUTION**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
	Driver's License Revocation	Concurrent resolution that would declare the Senate and Assembly's opposition to enacting a law requiring the suspension, revocation, issuance, or reinstatement of the driver's license of a person convicted of certain drug offenses, regardless of whether the offenses are related to the operation of a motor vehicle.



**JOINT FISCAL COMMITTEE HEARINGS ON THE EXECUTIVE BUDGET  
STATE FISCAL YEAR 2019-20**

<b>DATE</b>	<b>TIME</b>	<b>TOPIC</b>
January 23	9:30 AM	Environmental Conservation
January 24	9:30 AM	Human Services
January 28	11:00 AM	Higher Education
January 29	9:30 AM	Public Protection
January 30	9:30 AM	Transportation
February 4	11:00 AM	Housing
	3:00 PM	Workforce Development
February 5	9:30 AM	Health/Medicaid
February 6	9:30 AM	Elementary & Secondary Education
February 7	9:30 AM	Mental Hygiene
February 11	11:00 AM	Local Government Officials and General Government
February 12	9:30 AM	Economic Development
	1:00 PM	Taxes

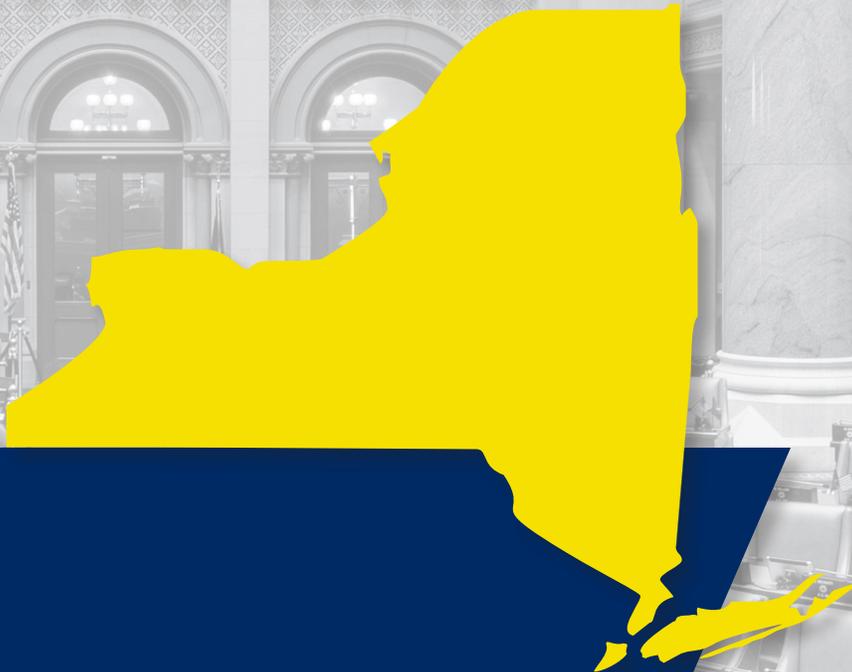
**FORECAST OF RECEIPTS**

On or before February 28                      Release of revenue receipts by the Fiscal Committees of the Legislature

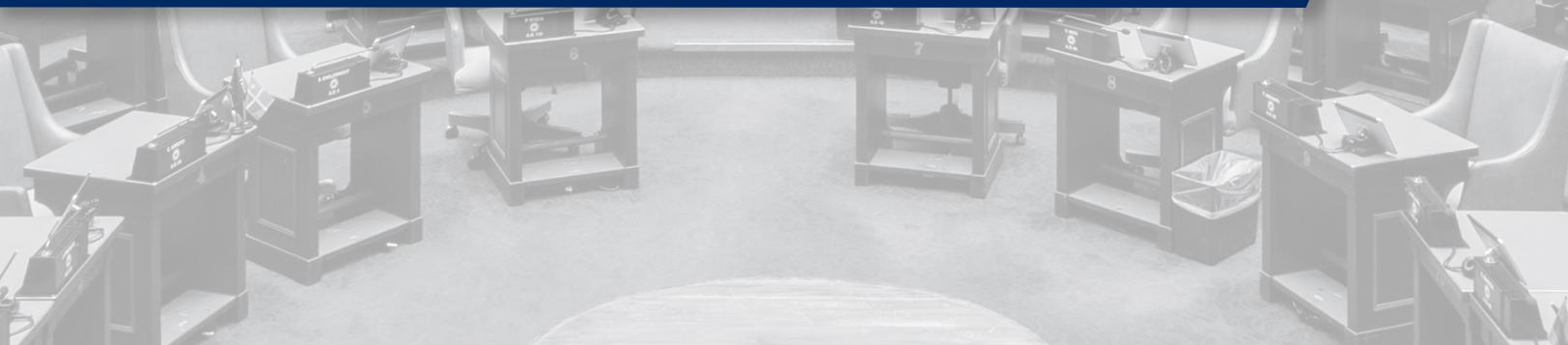
*Hearings will be held in the Hamilton Room (Hearing Room B) in the Legislative Office Building, Albany.*







# Glossary





## Glossary of Commonly Used Acronyms

AAA	Area Agencies on Aging
ACA	Affordable Care Act
AG	Attorney General
AGI	Adjusted Gross Income
AIM	Aid and Incentives for Municipalities
APCD	All-Payer Claims Databases
APD	All Payer Database
AY	Academic Year
BANs	Bond Anticipation Notes
BEA	Bureau of Economic Analysis
BNPP	BNP Paribas, S.A., New York Branch
BOCES	Boards of Cooperative Educational Services
CBO	Congressional Budget Office
CHIP	Children’s Health Insurance Program
CHP	Child Health Plus
CMS	Centers for Medicare & Medicaid Services
COLA	Cost-of-Living Adjustment
CPI	Consumer Price Index
CUNY	City University of New York
DA	District Attorney
DANY	New York County District Attorney
DASNY	Dormitory Authority of the State of New York
DDPC	Developmental Disabilities Planning Council
DEC	Department of Environmental Conservation
DFS	Department of Financial Services
DHBTf	Dedicated Highway and Bridge Trust Fund
DHSES	Division of Homeland Security & Emergency Services
DIIF	Dedicated Infrastructure Investment Fund
DMV	Department of Motor Vehicles
DOB	Division of the Budget
DOCCS	Department of Corrections and Community Supervision
DOH	Department of Health
DOS	Department of State
DOT	Department of Transportation
DSH	Disproportionate Share Hospital
DSP	Division of State Police
DSRIP	Delivery System Reform Incentive Payment
DTF	Department of Taxation and Finance
EI	Early Intervention
EP	Essential Plan
EPF	Environmental Protection Fund
EPIC	Elderly Pharmaceutical Insurance Coverage
ERS	Employees' Retirement System
ESDC	Empire State Development Corporation
ESPRI	Empire State Poverty Reduction Initiative

## Glossary of Commonly Used Acronyms

FFP	Federal Financial Participation
FFY	Federal Fiscal Year
FHP	Family Health Plus
FMAP	Federal Medical Assistance Percentage
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GDP	Gross Domestic Product
GPHW	General Public Health Work
GSCs	General State Charges
GSPS	General Support for Public Schools
HCRA	Health Care Reform Act
HESC	Higher Education Services Corporation
HUT	Highway Use Tax
IPOs	Initial Public Offerings
ISF	Internal Service Fund
IT	Information Technology
ITS	Information Technology Services
LGAC	Local Government Assistance Corporation
LIGC	Life Insurance Guaranty Corporation
LLC	Limited Liability Company
M/C	Management/Confidential
MA	Medicaid
MCTD	Metropolitan Commuter Transportation District
MLTC	Manage Long-Term Care
MMC	Medicaid Manage Care
MMIS	Medicaid Management Information System
MRT	Medicaid Redesign Team
MSA	Master Settlement Agreement
MTA	Metropolitan Transportation Authority
NPS	Non-Personal Service
NYC	New York City
NYS	New York State
NYSHIP	New York State Health Insurance Program
NYSLRS	New York State and Local Retirement System
NYSOH	New York State of Health
NYSTA	New York State Thruway Authority
NYU	New York University
OAG	Office of the Attorney General
OASAS	Office of Alcoholism and Substance Abuse Services
OCA	Office of Court Administration
OCFS	Office of Children and Family Services
OMH	Office of Mental Health
OPEB	Other Post-Employment Benefits

## Glossary of Commonly Used Acronyms

OPWDD	Office for People with Developmental Disabilities
ORDA	Olympic Regional Development Authority
OSC	Office of the State Comptroller
OTDA	Office of Temporary and Disability Assistance
PA	Public Assistance
PAYGO	Pay-As-You-Go
PBT	Petroleum Business Tax
PEF	Public Employees Federation
PFRS	Police and Fire Retirement System
PIGI	Personal Income Growth Index
PILOT	Payments in Lieu of Taxes
PIT	Personal Income Tax
PS	Personal Service
QHP	Qualified Health Plan (NYSOH)
RFI	Request for Information
RFP	Request for Proposals
RSSL	Retirement and Social Security Law
SED	State Education Department
SFY	State Fiscal Year
SHIN-NY	Statewide Health Information Network for New York
SIF	State Insurance Fund
SOF	State Operating Funds
SOFA	State Office for the Aging
SRF	Special Revenue- Federal
SRO	State Special Revenue
SSI	Supplemental Security Income
STAR	School Tax Relief
STARC	Sales Tax Asset Receivable Corporation
STEM	Science, Technology, Engineering and Mathematics
STIP	Short-Term Investment Pool
SUNY	State University of New York
SY	School Year
TAP	Tuition Assistance Program
TNC	Transportation Network Company
TRS	Teachers' Retirement System
UPL	Upper Payment Limit
URI	Upstate Revitalization Initiative
VAP	Vital Access Provider Program
VAPAP	Vital Access Provider Assurance Program
VBPQIP	Value Base Payment Quality Incentive Program
VLТ	Video Lottery Terminal
WCB	Workers' Compensation Board