

# **Assemblyman Thiele: Assembly Budget Proposal Moves New York Forward**

## ***Preserves and protects programs that put families first***

Assemblyman Fred Thiele (I, D, WF, WE-Sag Harbor) announced that he helped pass the Assembly's 2017-18 state budget proposal (E.179), which invests in vital programs and services that help hardworking families and move New York forward.

### **Investing in public schools**

The Assembly's plan provides a total of \$26.3 billion in education funding. That's an increase of \$1.8 billion – or 7.4 percent – over last year, and \$887 million more than the executive's proposal.

It also rejects the executive proposal's repeal of the Foundation Aid formula. The Assembly Majority believes the formula is too important in ensuring that resources are directed in the most fair and equitable manner. However, important updates were made to make sure the formula still accurately reflects the cost of educating a child in New York, as well as the number of children living in poverty. The Assembly's proposal makes a commitment to phase in the remaining Foundation Aid over the course of four years, while adjusting and updating the formula to ensure fairness.

Foundation Aid would be increased by \$1.4 billion for the 2017-18 school year for a total of \$17.8 billion, which is \$1 billion more than the executive plan. The Assembly plan also distinguishes Community Schools Aid as an independent category to ensure Foundation Aid and Community Schools each receive adequate funding, respectively.

### **Expanding tuition assistance and opportunity programs**

In order to help students meet rising higher education costs, the Assembly budget proposal increases funding for the Tuition Assistance Program (TAP). The maximum TAP award would be raised to \$5,500 per year, a \$335 increase, and then increased to \$6,500 over a four-year period. The proposal allocates \$40 million for Part-time TAP at community colleges across the state. This would allow students with family and other obligations to attend college on their own schedule, noted Assemblyman Thiele.

The Assembly's budget also restores all opportunity programs and increases their funding by \$23.8 million or 20 percent. The proposal allocates:

- \$37.5 million for the Educational Opportunity Program (EOP), a \$5.4 million increase;
- \$41.4 million for the Higher Education Opportunity Program (HEOP), a \$5.9 million increase;
- \$32.8 million for Search for Education, Elevation and Knowledge (SEEK), a \$4.7 million increase;
- \$21.4 million for Liberty Partnerships, an increase of \$3.1 million;
- \$18.4 million for the Science and Technology Entry Program (STEP), a \$2.6 million increase;
- \$13.9 million for the Collegiate Science and Technology Entry Program (C-STEP), an increase of \$2 million; and
- \$1.6 million for College Discovery, a \$225,000 increase.

The Assembly also improves the executive's proposed Excelsior Scholarship program to provide free college tuition to more middle-class families. While the executive's plan would provide free SUNY and CUNY tuition to families earning up to \$125,000 per year, the Assembly proposal builds on this by expanding eligibility for the program and keeping up with the rising costs of college. The Assembly's changes would allow students to take 12 credits for two semesters as opposed to the current requirement of 15 credits per semester, reset the tuition that Excelsior pays every four years to keep up with rising tuition costs, better accommodate special needs students and raise the maximum income level to qualify to \$150,000 in the fourth year of the program.

### **Investing in public and community colleges**

The Assembly budget proposal includes significant funding to strengthen SUNY schools, as well as community colleges. The Assembly proposal would:

- provide SUNY with \$150 million in capital funding to help pay for new projects; including \$5 million for SUNY Stony Brook-Southampton
- allocate \$12.9 million for SUNY for community base aid, bringing the total rate to \$2,797 per full-time equivalent (FTE) student;
- restore \$1.1 million to SUNY to Child Care Centers;
- restore funding for Educational Opportunity Centers (EOCs) by \$5 million, bringing the total to \$60 million, and provide \$30 million in capital funding; and
- restore \$18.6 million of support for SUNY Health Science Centers for a total of \$87.9 million.

“We must do everything we can to ensure SUNY schools are fully funded so they can offer an affordable college education and challenging learning environment for their students,” said Assemblyman Thiele. “The return on these investments will pay themselves back and then some by keeping our economy and state moving forward for generations to come.”

### **Implementing a fairer tax code**

The Assembly Majority, long-committed to addressing growing income inequality, is pushing for a progressive tax structure. With the current tax code set to expire after 2017, the Assembly’s proposal extends and expands the state millionaires’ tax to ensure adequate and fair funding for important services that our families depend on. The proposal would implement previously approved middle-class tax cuts while re-establishing higher income tax rates for millionaires and multimillionaires earning as much as \$100 million or more.

Under the new progressive tax structure for millionaires, which would affect roughly 66,000 taxpayers, the state would generate \$7 billion more than the executive’s proposal over four years.

The Assembly’s proposal offers real tax relief for working families. It expands the Earned Income Tax Credit (EITC) from the current 30 percent of the federal credit to 35 percent. The EITC helps workers earning a low income reduce their taxes and keep up with the rising costs of living. The proposal also enhances the Child and Dependent Care Credit for taxpayers earning between \$50,000 and \$150,000. The credit is based on a sliding income scale for working parents who pay for child care or those who live with a spouse or dependent who is physically or mentally incapable of self-care.

### **Fixing problems with the STAR program, rejecting added hassles for seniors**

To ensure fair, timely tax relief, the Assembly budget proposal fixes the state’s School Tax Relief (STAR) program so that all eligible homeowners receive deserved tax relief upfront as a reduction in their school tax bill.

Changes were made to STAR last year which have proven to be incredibly inconvenient for the affected homeowners. Before the changes, all eligible homeowners saw a yearly reduction in their school tax bill. Now, all new homeowners – those who bought their first home and those who moved to a different home – have to pay a higher school tax bill first, then receive a rebate check in the fall. However, some homeowners have received their checks far later than they were supposed to or have received the incorrect amount.

In addition to repealing the STAR rebate check program, and to further protect seniors’ hard-earned and well-deserved property tax relief, the Assembly budget proposal rejects the executive’s changes to the Enhanced STAR program. Under the executive’s proposal, all seniors eligible for the Enhanced STAR program would have to register with the state and participate in the Income Verification Program. Currently, though, seniors are able to register with their local assessor or register when they file their income tax returns – a process that is far easier and causes fewer headaches.

### **Helping localities provide necessary services**

The Assembly’s budget proposal includes \$715 million in Aid and Incentives for Municipalities (AIM) – \$50 million more than the executive’s proposal. AIM funding provides direct state aid to local governments.

### **Combating the heroin epidemic**

In order to address the scourge of heroin and opioid addiction that has devastated families and communities across the state, the Assembly budget proposal includes a series of measures to increase access to treatment and help New Yorkers struggling with addiction take back their lives.

The budget proposal provides \$240 million to support a variety of heroin and opioid treatment prevention programs, including funding for family support navigators, peer supports, recovery clubhouses and community coalitions. The proposal also funds inpatient beds in treatment facilities and expands access to medication-assisted treatment. Further, it funds 24/7 crisis centers, which are intended to provide immediate intervention and connections to treatment.

“The heroin epidemic has caused a lot of pain for families across New York State, and although we’ve taken important steps to fight it, we can’t stop now – there’s so much more to be done to save lives,” said Assemblyman Thiele. “The Assembly’s proposal boosts funding for critical addiction treatment to ensure all those who seek treatment can get it without unnecessary hurdles.”

At the federal level, the Affordable Care Act repeal bill introduced by Congress would cut funding for addiction treatment<sup>1</sup>. That’s why it’s more important than ever to address this crisis at the state level, noted Assemblyman Thiele.

### **Protecting the environment**

The Assembly continues to support and invest in clean energy and alternatives to promote environmental preservation. The Assembly’s budget proposal provides \$7 million for environmental health programs, including for children’s environmental health centers, air monitoring and Lyme disease control. It also extends the Alternative Fuels and Electric Vehicle Charging Station tax credit for an additional five years to encourage the use of more environmentally friendly cars. Further, as part of the Assembly Majority’s pledge to protect disadvantaged communities, which are more likely to be adversely impacted by pollution and are often at higher risk for the negative impacts of climate change, the proposal increases environmental justice funding to \$9 million, including \$4 million for environmental justice grants.

As part of the Environmental Protection Fund (EPF), the Assembly’s budget includes programs such as land acquisition, funded at \$40 million after a \$7 million increase, water quality improvement projects, funded at \$20 million, a \$2 million increase for the eradication of invasive species, bringing total funding to \$14 million, e-waste collection days, funded at \$1 million and rail trails, funded at \$1 million.

The Assembly’s budget also includes EPF funding for green jobs and renewable energy training programs, zero emission vehicles and municipal climate adaptation projects. Total EPF funding is \$300 million.

Additionally, the Assembly is dedicated to protecting local waterfronts, increasing the state’s share from 50 percent to 75 percent of project costs to revitalize environmental justice communities.

Further, to help ensure ratepayers aren’t unfairly burdened with unnecessary costs, the Assembly’s proposal prevents utilities from charging ratepayers a monthly fee to subsidize certain nuclear facilities – until the Public Service Commission (PSC) and the New York State Energy Research and Development Authority (NYSERDA) appear before a joint legislative hearing to discuss the public purpose of the fee and its impact on poor and fixed-income ratepayers.

### **Cutting taxes for small businesses, family farms**

“From Long Island to Buffalo, small businesses, farmers, manufacturers and innovative companies fuel our state’s economy,” said Thiele. “The Assembly’s budget proposal opens New York up for business by cutting taxes and helping our hardworking families get the jobs they need and deserve.”

The Assembly’s budget proposal provides meaningful tax incentives for small and family-owned businesses, making it easier and more profitable to operate in New York State. Under the plan, the corporate income tax rate for small businesses with an income of \$290,000 or less would be reduced to 4 percent from 6.5 percent. An estimated 42,000 businesses would see significant tax relief, helping them grow and create new jobs, noted Thiele. Further, personal income

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<sup>1</sup> [https://www.washingtonpost.com/news/wonk/wp/2017/03/09/gop-health-care-bill-would-drop-mental-health-coverage-mandate-covering-1-3-million-americans/?utm\\_term=.bc5809e084f6](https://www.washingtonpost.com/news/wonk/wp/2017/03/09/gop-health-care-bill-would-drop-mental-health-coverage-mandate-covering-1-3-million-americans/?utm_term=.bc5809e084f6)

tax filers would have the option to deduct 15 percent of their income from their adjusted gross income (AGI) before the personal income tax rate is applied. This deduction is an increase from the currently allowed 5 percent deduction and would provide relief to over 1 million small businesses.

As part of continued efforts to ensure workers have the skills needed for good, available jobs, the proposal expands the Employee Training Incentive Credit Program to make it easier for companies to include worker training as part of their expansion projects. It also extends the Youth Works Job Program for five years with \$50 million in funding, with \$10 million dedicated to an apprenticeship program.

### **Improving the Excelsior Jobs Program**

The Excelsior Jobs Program offers incentives for businesses to expand in and relocate to New York State by providing tax credits to firms making a substantial commitment to growth through either increased employment or through capital investment in a New York facility. The program, though, is highly underutilized due to excessively stringent thresholds for job creation and capital investment that firms must meet in order to qualify for the tax credits. The Assembly's budget proposal makes more businesses eligible for the incentives to relocate and invest in New York by lowering the qualifying requirements for key industries by 50 percent.

"The Excelsior Jobs Program is a prime example of a program we already have in place that needs revamping," said Thiele. "So the Assembly's proposal does just that – because it's time we finally make New York State a place where jobs are created, where the entrepreneurial spirit is encouraged and where small businesses can put down real, long-lasting roots."

### **Supporting research and development**

Currently, businesses are allowed a research and development tax credit for qualifying research and development property. The Assembly's budget proposal doubles all the current research and development tax credit percentages.

Additionally, under current law, participants in the Excelsior Jobs Program are eligible for a research and development tax credit for eligible expenditures. The Assembly's proposal would double the cap, therefore, allowing businesses to further take advantage of the program as well as expand their ability to grow and create jobs.

"Businesses that conduct research and development are an economic boon for New York State, helping us compete in today's world and supplying high-paying jobs," said Thiele. "That's why we're taking the necessary steps to ensure fast-growing industries remain a mainstay in the state's economy."

### **Investing in economic development**

The Assembly budget provides \$90 million for the Restore New York Communities Initiative, which will help to revitalize our local communities. In addition, \$10 million is provided for the Community Restoration Fund to address vacant and abandoned properties that bring down property values and threaten public safety in neighborhoods.

Further, the Assembly's budget proposal provides \$150 million for the executive's Life Science Initiative, allocating \$75 million for public infrastructure and site preparation projects, \$50 million for bioscience research laboratories throughout the state and \$25 million for neurological research clinical trial centers.

The proposal also provides:

- \$10 million for the Centers of Excellence, \$15 million for the Centers for Advanced Technology as well as \$20 million in capital support for them, which help facilitate collaboration between private industry and universities;
- \$10 million for Strategic Investment in Workforce Development initiatives to help ensure employers have access to the skilled workers they need and assist those who are unemployed and underemployed, as well as youthful workers entering the job market;
- \$5 million for the New York Healthy Food and Healthy Communities Fund, to provide financing for food markets to operate in underserved neighborhoods;
- \$2.6 million for the Technology Development Organization Matching Grants, to encourage and attract more research and development funding; and

- \$1 million for the Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) Technical Assistance Program, to help New York businesses compete for federal research and development funding.

### **Increasing transparency in taxpayer-funded projects**

The Assembly’s proposal makes a major push to increase government transparency in economic development projects by requiring Empire State Development (ESD) and the Department of Economic Development (DED) to maintain a comprehensive statewide searchable database of all funding that flows through these agencies. The provision also requires ESD to certify to the Public Authorities Budget Office that it is in compliance with all of its required reports. Finally, this proposal would require ESD to provide the Legislature with a 30-day prior notification of the intent to distribute funds for any project, program or award.

To increase transparency and accountability within the Regional Economic Development Councils (REDCs), the Assembly proposal requires any economic development entity which provides recommendations, including council members, to file an annual statement of financial disclosure and adhere to the Code of Ethics and Freedom of Information Law (FOIL) requirements in the Public Officers Law and subjects the process to the open meetings law.

“Billions of taxpayer dollars are being put into economic development projects throughout the state, and New Yorkers absolutely have a right to know where the money’s going, how it’s being spent and who’s having a say in the process,” said Thiele.

### **Improving water safety**

The Assembly proposal strengthens the executive’s Clean Water Infrastructure Act of 2017. The Assembly wants to build upon the program in order to assist municipalities by providing grants to improve water quality, which include:

- \$1.1 billion for the 2015 Water Infrastructure Improvement Act to help municipalities upgrade their drinking and wastewater infrastructure
- \$138 million for the replacement of lead drinking water service lines;
- \$110 million for inter-municipal regional water infrastructure grants;
- \$110 million for land acquisition projects for source water protection;
- \$80 million for green infrastructure;
- \$80 million to address the issue of emergent contaminants;
- \$70 million for water quality improvement projects; and
- \$50 million for upgrades to septic systems to reduce nitrogen loading.

### **Assembly invests in infrastructure**

Most of the roads and bridges throughout the state are maintained by dedicated local highway departments. However, despite their best efforts, many still need important repairs because the funding hasn’t kept pace. The Assembly is committed to helping Eastern Long Island repair roads and bridges so millions of New Yorkers can use our infrastructure safely. The Assembly’s budget proposal increases funding for the Consolidated Local Street and Highway Improvement Program (CHIPS) to \$488 million, a \$50 million increase from the proposed executive budget.

“We are a society and economy dependent on our roads,” Assemblyman Thiele said. “CHIPS is a smart investment – it helps fund much-needed repairs in our infrastructure while creating good-paying jobs for the East End.”

### **Honoring veterans**

The Assembly Majority remains committed to supporting veterans and investing in programs that help members of the military transition into civilian life. This year’s Assembly budget proposal includes \$1 million for Veterans Courts and \$675,000 in restorations for various other veterans programs. Veterans Courts help veterans who are arrested for crimes stemming from and exacerbated by the transition from their military service. Many of these men and women are able to get the treatment they need and benefits they’ve earned through the courts. The additional funding will be used to help recruit more mentors, provide peer support for veterans and improve their access to VA benefits.

Additionally, the proposal provides funding for an on-the-job training program to help veterans interested in the agricultural industry. The program allows veterans to use their military benefits while directly gaining job skills on New York farms.

### **Looking out for consumers**

This year's Assembly budget proposal continues to safeguard consumer rights. The plan includes \$350,000 to create the New York State Office of the Utility Consumer Advocate (UCA) to serve as an independent advocate and appear on behalf of New York ratepayers in state and federal regulatory proceedings. It also includes \$1 million for intervener funding for consumer advocacy in utility rate cases before the Public Service Commission.

The Assembly proposal also restores \$505,000 for the Public Utility Law Project (PULP), which represents low-income and rural consumers in utility, telecommunications and energy-related matters.

“All too often New Yorkers’ voices are drowned out by the power and influence of big utility companies,” said Assemblyman Thiele. “They deserve transparency in how rates are decided, accountability and affordable, universal service.”