



NEW YORK STATE SENATOR

John L. Sampson

## Senate Democrats Urge Republicans to Include Key Programs in Final Budget

JOHN L. SAMPSON March 22, 2012

| ISSUE: **FINANCE, BUDGET**

(Albany, NY) The Senate Democratic Conference today urged their Republican colleagues to include a number of key initiatives into the chamber's budget proposal.

These initiatives include help for small business, mandate relief for our local governments, fair funding for our schools, equal educational opportunity for all students, affordable housing, help for our senior community, strong environmental protections and common sense public safety programs.

"Senate Democrats believe we must advocate for all New Yorkers, not just the powerful and privileged. Republicans are proposing a budget which ignores some of the most crucial issues facing this state and is completely unrealistic about others," stated **Senate Democratic Leader John L. Sampson**. "After unprecedented cuts were made to critical services and programs last year we are still faced with hard choices as many New Yorkers struggle."

Sampson continued, "As Budget negotiations continue we must ensure that the Senate's budget deals with a variety of crucial issues including affordable health care, help for small businesses, real mandate relief for our local governments, fair funding for our schools, equal educational opportunity for all students, affordable housing, help for our senior community, protection of environment and common sense public safety programs. New Yorkers deserve help, not more empty words and more broken promises."

**Senator Liz Krueger, Finance Committee Ranker** stated, "The Senate Democratic Conference urges the addition of increased funding to vital social and economic development programs to be included immediately. These additional funds will be utilized to help protect those New Yorkers who rely on government assistance as well as grow our state's economy and put more residents back to work. As public servants we have an obligation to protect the interests and dignity of the most vulnerable amongst us, and I hope that my colleagues in the Senate Republican Conference remember that fact, and join with us to pass a more equitable budget, rather than one which will continue to strip vital programs and services from hard-working New Yorkers."

## Support for the New York Senate Democratic Conference Budget Proposals

"The past dramatic cuts made to our public schools have caused New York to be on the verge of an educational crisis. It's time for Albany to act. We applaud the Senate Democratic Conference for recognizing that teachers need adequate resources to provide our children with the education they deserve. We call on the Legislature to follow the lead of the Senate Democrats and ensure that all New York students have access to quality education," **stated NYSUT Executive Vice President Andrew Pallotta.**

"New York's working families and small businesses urgently need the enactment of Exchange Legislation," said **Elisabeth R. Benjamin, Vice President of Health Initiatives at the Community Service Society of NY and a co-founder of Health Care for All New York.** "An Exchange will offer millions of uninsured New Yorkers coverage that is discounted for individuals by as much as 66% and discounted for small businesses by as much as 22%. Failure to enact now will forfeit New York's chance to customize an Exchange to our State's economic needs - instead, our families and small business will have to enroll through a one-size-fits all federal Exchange."

"While health care reform is the impetus for building an Exchange in New York State, the benefits of streamlining access to health insurance stand on their own merit. Passage of this important legislation will provide access to health insurance for the many people in New York who are uninsured, save money for individuals, and cut costs for small businesses," **Family Planning Advocates President and CEO, M. Tracey Brooks.** "Accessing all of the federal money available will ensure New York can update and streamline its antiquated public enrollment process. Passing the Exchange in the state budget would be a win for New Yorkers, a win for small businesses and a win for state government."

"This confirms the strong bi-partisan support in the Senate for relieving local property taxpayers from the burden of financing Medicaid with local taxes. Hopefully, the State Legislature will accelerate this important relief in the 2012-13 State Budget," said **Mary Pat Hancock, president of the New York State Association of Counties.**

"A full assessment of fracking's health impacts must be completed before a responsible decision--one that is guided by science rather than political calculation--can be made about whether industrial gas drilling should be permitted in New York," said **Katherine Nadeau, Water & Natural Resources Program Director, Environmental Advocates of New York.** "Environmental Advocates of New York commends the Senate Minority for recognizing the importance of an independent study of fracking's health impacts and taking steps to address its glaring omission from the state's environmental review of drilling."

"Three of the four legislative conferences recognize that children competing against children for the resources owed to them is wrong and have shifted competitive grant funding to the classroom where it belongs. We are optimistic and look forward to working with the Legislature to achieve a final budget that is fairly distributed and prioritizes our highest needs students who have been stripped of educators and quality programs. These classroom cuts have been the direct result of consecutive years of record state school funding cuts that have created an impending educational crisis in our schools. Every dollar that can be restored is sorely needed to prepare our students for college and career success," **Nikki Jones, Communications Director for the Alliance for Quality Education.**

“Fracking continues to put people across the country in serious jeopardy of losing their drinking water,” said **Water Defense Executive Director Claire Sandberg**. “Just south of our borders in Pennsylvania, fracking has created a full-blown water crisis—and a growing public health nightmare. Rather than deal with the problem, the Pennsylvania state legislature has decided to gag doctors from disclosing critical health information. We’re glad that elected leaders in New York understand that medical professionals should be consulted, not silenced, and that our citizens deserve to know the truth about the health impacts of fracking, not be forced to act as lab rats in an uncontrolled experiment. We applaud the Senate Democratic Conference for doing the right thing and putting New Yorkers’ health above gas industry profits.”

“We became the Empire State due to the ambition and hard work of generations of immigrants. Now, as our state continues to recover, we must ensure that all New Yorkers, regardless of documentation, have access to the higher education they require to contribute in the new economy,” stated **Ana Maria Archila, Co-Executive Director of Make the Road New York**. We applaud the Senate Democrats for understanding this fundamental fact and thank them for their dedication to improve the lives of all New Yorkers by pushing to pass the DREAM Act and DREAM Fund this year.”

**Jackie Hilly, Executive Director of New Yorkers Against Gun Violence** said “State government must take action to protect the safety of New Yorkers. Microstamping is common sense legislation that will go great lengths in ensuring that law enforcement has the proper tools to keep our citizens safe. We stand firm with the Senate Democratic Conference in calling for microstamping legislation to be included in this year’s budget.”

## **New York State Democratic Conference Budget Proposals**

### **Health Benefit Exchange**

The Senate Democratic Conference is fighting to establish a New York Health Benefit Exchange, to serve as a centralized marketplace for the purchase and sale of health insurance in accordance with federal health care reform law. This proposal essentially remains unchanged from the Governor's budget proposal, except that the timelines for reports on the various studies that were included have been shifted from April 1, 2012 to August 1, 2012. It also provides language making clear the exchange can also rely on information from other outside studies (if they are determined to be reliable) instead of conducting any of the listed studies. If the Exchange is implemented one million more New Yorkers will have health insurance, and small businesses will see a reduction in the cost of providing employee coverage by 22%, all financed by the federal government at no cost to the State, and will be expected to self sufficient by 2015. The Federal government will pay for the development of the Exchange and costs associated with the operation of the Exchange until 2015.

### **Small Business Revolving Loan Fund**

The Small Business Revolving Loan Fund is currently funded at \$25 million to create economic activity by providing greater access to capital for main street small businesses. The Senate Democratic Conference proposes to provide an additional \$25 million in State funding for the Small Business Revolving Loan

Fund in the SFY 2012-13 budget. While the economy may be beginning to improve, the credit market, especially for small businesses, continues to be restrictive. It is of vital importance that New York State stays true to the message of being open for business and supports the continued growth and viability of small businesses.

The program is targeted to small businesses that have had difficulty accessing regular credit markets. The 2010-11 State budget provided \$25 million in State funds, to leverage at least \$25 million in private matching funds. The Small Business Revolving Loan Fund offers both Micro-loans and Regular loans

## **School Aid**

Senate Democrats support restarting Foundation Aid in School Year 2012-2013 and allowing future increases in school aid to be tied to additional Foundation Aid phase-in and restorations to the Gap Elimination Adjustment with an emphasis on helping high need school districts. In order to fund this initiative the Senate would provide \$178 million to restart the Foundation Aid formula. To fund this the Conference would modify the Executive proposal for the competitive grants by reducing the amount from \$250 million to \$50 million; increasing the amount of funds available for school aid.

Over the past two years, New York public schools have lost \$2.7 billion, forcing school district to eliminate thousands of teaching positions and reduce or eliminate quality educational programs. Districts have now been through three years of aid cuts and freezes: 90 percent of districts are now receiving less state aid than they were in 2008-09. At the same time, districts have had to absorb surging costs for pensions and health insurance. They have worked hard to hold down spending and tax increases in the budgets they have asked voters to approve. Average spending increases in the last two years (1.4 percent and 1.3 percent, respectively) were about half of what their increases for just pensions and health care alone would have required. The implication is that districts cut all their other spending, on balance, to hold down the tax increases they proposed while absorbing cuts in state aid. Many districts have used reserves to avert the need for more drastic program cuts or tax increases in over the last three years. But reserves eventually run out.

## **State Takeover of the Total Local Cost Share of Medicaid**

The Senate Democratic Conference proposes a State takeover that would begin a gradual 10 year state assumption of total local costs (New York City and all counties outside of New York City) in association with the local share financing of the Medicaid program at 10 percent a year. Using SFY 2015-16 as the base year, and based on a total local Medicaid share burden of \$7.6 billion, the State would begin a phased 10 year assumption of total local Medicaid share costs at 10 percent a year. In other words, in SFY 2015-16, the State would assume 10 percent of the base costs, then 20 percent of the base costs in SFY 2016-17, and finally rising to 100 percent of the base costs in 2025-26.

This proposal is very important to local municipalities as local Medicaid payments are the most costly mandated expenditure. This proposal will help local governments to balance budgets, and associated savings can be used to provide additional services to local citizens. Furthermore, this proposal is very timely in recognition of the gradual State takeover of the local administration of the Medicaid program, and the shift in responsibility will assist the state in becoming the singular entity in charge of administration.

## **Supporting Seniors**

The Senate Democratic Conference would restore the EPIC program to provide more seniors access to necessary prescription drugs at more affordable prices. Our plan would eliminate mandatory enrollment in Medicare Part D if such enrollment would result in significant additional financial liability by the participant. Furthermore, our plan would reestablish the two categories of coverage under EPIC (1) comprehensive coverage for low income individuals (2) catastrophic coverage for moderate income individuals.

Enacted as part of the 2011-12 state fiscal year budget, the EPIC program became a Medicare Part D gap coverage program only. This change has caused financial hardship for seniors across New York State who lost the prescription assistance previously provided by the EPIC program. Currently the EPIC program provides donut hole assistance individuals who make less than \$23,000 (\$29,000 for a married couple) and who are enrolled in Medicare Part D.

Naturally Occurring Retirement Communities and Neighborhood Naturally Occurring Retirement Communities are areas with a higher than usual density of older adults. By becoming a NORC, residents of these communities are able to participate in social, health, and educational programs, as well as receive vouchers and reduced costs for transportation, hearing aids, and glasses. The major benefit of having NORCs in a community is that they allow seniors to age in their homes. Not only is better for the seniors, but it also saves taxpayer dollars since these individuals are not placed in state nursing home care. The Senate Democratic Conference supports the restoration of funding to these programs to continue helping seniors remain in their communities and receive most needed services.

## **Keeping People in their Homes**

Neighborhood and Rural Preservation Companies (NPCs/RPCs) develop, rehabilitate, and manage affordable housing, provide tenant assistance, prevent homelessness, administer youth and senior programs, help lower income families become homeowners, and facilitate neighborhood safety and community participation. The Neighborhood Preservation Program, with 151 companies, provides resources to community-based, not-for-profit organizations to revitalize their neighborhoods and provide affordable housing services. And with a network of 62 companies, the Rural Preservation Program is in almost every county in the state and is the primary means for development and rehabilitation of affordable housing in rural areas. The Senate Democratic Conference supports the restoration of \$8.5 million for NPP and \$3.5 million for the RPP.

## **Dream Act**

Senate Democrats are committed to providing access to higher education for undocumented students in the state. The Dream Act as proposed in S.4179-B (Perkins) would eliminate potential financial obstacles to obtaining State financial aid and extend the opportunities for certain immigrant students to attend higher education institutions in this State. Specifically, this bill would grant undocumented immigrants with access to state, city, town and village funded financial aid programs. Current law prohibits undocumented immigrant students from receiving State financial aid. As a state with one of the largest immigrant populations, we should be on the forefront of progressive immigration policies and push back on the tide of national and local anti-immigrant policies. By providing undocumented immigrant youth with access to financial assistance will help encourage and support their achievement of higher education.

The State Department of Education estimates that this bill would have minimal cost for the State but would require a slight increase in TAP funding requiring budget action.

## **Hydrofracking Studies**

Senate Democrats propose to include language in the budget directing a School of Public Health within the State University of New York to conduct a comprehensive health impact assessment examining the potential public health impacts possibly caused by the extraction of natural gas using horizontal drilling and high-volume hydraulic fracturing. The health impact assessment will inform New York residents of any health risks associated with high-volume hydraulic fracturing. If the Department of Environmental Conservation is going to issue permits for hydrofracking in New York, we need to know that it can be done without threatening public health and safety. The revised SGEIS report released by DEC failed to include a public health assessment, and until that is completed, permits for hydrofracking should not be issued.

In addition, the Senate Democratic Conference supports another study that would determine the geological impact of hydrofracking. The alleged vibrations and subterranean pressure changes associated with hydrofracking have negatively altered underground and surface geology -- and even increased the risk for seismic events such as earthquakes in other States of the Nation. We propose that the Department of Environmental Conservation conduct this study.

## **Microstamping**

The Senate Democratic Conference supports microstamping as proposed in S. 675-B (Peralta) and the Assembly Budget Proposal as a way to make comprehensive ballistic identification a reality. Microstamping technology utilizes lasers to make microscopic engravings on the breech face and firing pin of a gun. As the gun is fired, a code identifying the weapon's serial number is stamped onto the cartridge. The technology promises to greatly aid law enforcement officials in investigating homicides and other gun crimes.

The ability to directly identify firearms' serial numbers from cartridges found at crime scenes would significantly increase the number of successful crime gun traces performed by law enforcement officers. This would provide investigators with greater amounts of data to work with when mapping regional and national trends in illegal firearms trafficking. Furthermore, "straw purchasers" with a clean criminal record would be far less likely to purchase firearms for prohibited buyers if they believed those guns could be easily traced back to them after being used in crimes.

###