



NEW YORK STATE SENATOR

John A. DeFrancisco

Senate Passes 2013-14 Budget Resolution

JOHN A. DEFRANCISCO March 12, 2013

| ISSUE: **BUDGET**

The New York State Senate has approved a 2013-14 budget resolution, proposed by the Senate Majority Coalition, that focuses on helping businesses create new jobs, investing additional funds in education and transportation, providing mandate relief to local governments, and restoring proposed cuts to women's health programs as well programs for the developmentally disabled. The budget also includes a proposal for a permanent two-percent state spending cap.

"The Senate budget resolution is a responsible plan that controls spending, rejects new taxes, makes job creation a priority and invests additional funds in areas that are critically important to all New Yorkers, including education, health care and transportation," Senate Republican Leader Dean Skelos said. "We are working with the Governor and Assembly to achieve the earliest budget in 30 years. I'm confident we can get it done and that the final budget will reflect many of the goals we have laid out in our resolution."

Independent Democratic Conference Leader Senator Jeff Klein (D-Bronx/Westchester) said: "This is a smart and balanced budget proposal demonstrating the senate's commitment to job creation, education, and the protection of our state's most vulnerable populations. Today, the Senate recognizes the need to raise our state's minimum wage. By working on a

bipartisan basis, we will enact a minimum wage increase that will take effect this year."

Senator John A. DeFrancisco, Chairman of the Senate Finance Committee said: "For the third year in a row, we are working toward passing a fiscally responsible, on-time budget in a bipartisan fashion. The budget put forth by the Senate today controls spending, rejects new taxes, emphasizes job creation, and invests in education, health care and infrastructure."

Senator Malcolm Smith, Vice-Chair of the Senate Finance Committee said: "I'm pleased to report that today, the Senate's bipartisan governing coalition has produced a fair and comprehensive budget proposal. This budget resolution includes initiatives that will help our state rebuild in the wake of Sandy, will help protect our kids from the threat of gun violence, and will ensure that we meet all of our obligations in a fiscally responsible fashion."

The budget resolution includes: the Senate's Blueprint for Jobs plan that would allow the 18-a energy tax surcharge to expire and cut taxes on small businesses and manufacturers; The Family Tax Relief Act to increase tax relief for middle-class families; the Senate's Grown in New York plan to strengthen family farms and the agriculture industry; a school aid increase of \$415 million above the Governor's budget; restorations to women's health programs that were cut in the Governor's budget; property tax rebates for senior citizens; a \$100 million increase in CHIPS funding for local road and bridge projects; and relief for counties from increasing Medicaid costs.

Highlights of the Senate budget include the following:

HELPING BUSINESSES CREATE JOBS

- Eliminates the Corporate Tax entirely for 200,000 small businesses over the next four years (\$250 million);

- Provides a 10-percent Personal Income Tax (PIT) exemption for business income by 2016 (\$120 million) for 800,000 small businesses that pay personal income taxes;
- Eliminates the Corporate Tax entirely for manufacturers over the next three years, saving them \$445 million;
- Rejects the Governor's proposal to extend the 18a energy tax surcharge to provide over \$2.5 billion in relief to families and employers over the next five years;
- Eliminates 1,000 needless regulations;
- Invests in start-up companies and downtown revitalization;
- Expands job training opportunities;
- Encourages businesses to hire military veterans;
- Proposes a two-percent state spending cap and a super-majority vote to increase state taxes.

FAMILY TAX RELIEF ACT

- Increases the dependent exemption from \$1,000 per dependent to \$2,020 per dependent;
- Increases the dependent care credit for the first time since 1999;
- Increases the child tax credit from \$330 per child to \$375 per child;
- Provides a new supplemental child tax credit of \$500 per family; and
- Restores STAR rebate checks for senior citizens.

GROWN IN NEW YORK

- Creates a personal income tax deduction for deposits into first-time farm purchase accounts; and
- Establishes a 25-percent natural resources improvement credit for farmland and forestlands.

In addition, the Senate Budget Resolution adds funds for vital agriculture programs such as the Farm Viability Institute, the Tractor Rollover Program, and Cornell Farm Family, as well as support programs for Maple Producers, the Wine and Grape Foundation and apple growers.

RELIEF FOR LOCAL GOVERNMENTS

- Accelerates the state takeover of the local growth of Medicaid (one percent cap in 2013 and a zero percent cap in 2014), saving counties millions of dollars; and authorizes each county to perform a local audit of their program;
- Increases funding for the Aid to Municipalities Program (AIM) by \$20.2 million;
- Increases CHIP funds for local road and bridge projects by \$100 million;
- Establishes an independent Office of Risk Management; and
- Authorizes the Comptroller and NYS Teacher's Retirement System Board to make a long-term stable pension contribution option available to local governments, but modifies the Governor's pension reform proposal to ensure localities can meet their financial obligations along with giving them additional flexibility.

AID TO EDUCATION

- Increases state school aid by \$415 million above the level proposed by the Governor; and
- Raises community college base aid by \$150 per student, and proposes exempting community colleges from the job-killing MTA payroll tax.

FUNDING FOR WOMEN'S PROGRAMS

- Restores millions of dollars to critical women's health programs cut as part of the Executive Budget proposal, including funding for: rape crisis centers, the Adelphi University Breast Cancer program, WIC, maternity/early childhood foundation, the prenatal and postpartum home visitation program, the Evidence Based Cancer Services Program (EBCSP) and programs to help domestic violence victims.

DEVELOPMENTALLY DISABLED

- Restores \$120 million in cuts to the Office of People with Developmental Disabilities (OPWDD) to ensure the state continues to protect vulnerable New Yorkers.

SUPERSTORM SANDY

- Accepts the \$30 billion in federal Sandy aid and calls for the establishment of an inclusive process for public input related to storm relief and recovery. Portions of the funds may also be applied to damage from Hurricane Irene and Tropical Storm Lee;
- Calls for examination of statewide certification and licensing programs for mold removal contractors;

- Makes generator hook-ups available for service stations statewide, if federal funds are available; and

- Calls for the examination of the creation of a microgrid system to better protect New York hospitals and emergency care centers.

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