



NEW YORK STATE SENATOR

William Larkin

Senator Bill Larkin Announces Passage of the 2014-2015 New York State Budget

WILLIAM J. LARKIN JR. March 31, 2014

| ISSUE: **BUDGET**

Senator Bill Larkin (R-C, Cornwall-on-Hudson) announced the passage of the New York State budget today. Included in the 2014-15 budget are increases in school aid funding; CHIPS funding for roads; property tax relief for homeowners; and tax relief to businesses to spur growth and job creation.

“This budget contains something for everyone,” said Senator Larkin. “I am very happy we were able to increase school aid by \$1.1 billion this year, including the restoration of \$602 million in Gap Elimination Adjustment (GEA) funding. The GEA restoration is the one item that every school district in the Hudson Valley asked us to increase and we were able to come through for them. We also assisted taxpayers with property tax relief; seniors with increases to the EPIC program; local governments with increases to the CHIPS program; and businesses with assistance to manufacturers. All of these proposals will help New York get back on track and make our economy stronger,” said Larkin.

Highlights of the 2014-2015 State Budget include:

Local Road Improvement Funding - The budget sustains record-level funding of \$438 million for the Consolidated Highway Improvement Program (CHIPs). These investments will benefit counties, cities, towns, and villages throughout New York and help municipalities

undertake new infrastructure repair projects.

Capital Transportation Projects - The budget includes \$3.7 billion to be used to improve roads, and bridges, as well as projects in rail, aviation, and transit.

Filling Potholes - The brutal winter resulted in a significant number of potholes and road surface damage. It also depleted local budgets for repairs. This budget provides \$40 million in capital for municipalities.

Investing in Public Transit - The budget includes a total of \$178.7 million for upstate public transit. That is an increase of \$5.1 million. The increase includes \$2.8 million which represents the first year of a new initiative that will provide annual aid increases to assist upstate transit now, and in the future.

Common Core Delay – To respond to serious concerns regarding the state’s Common Core program and over-testing in schools, the budget includes the following actions:

- Prohibits administering standardized tests to students in Pre-K through grade two;
- Prohibits state assessment test scores for grades three through eight from being recorded on a student’s permanent record;
- Prevent school districts from making any student promotion or placement decision solely based on the state-administered assessment tests for grades three through eight;
- Limits the amount of time that can be spent on state assessment tests, locally-developed standardized testing, and test preparation; and
- Protects the privacy of personally identifiable information and creates a parents bill of rights for data privacy and security.

Pre-K Funding – The state’s new pre-kindergarten program will provide \$1.5 billion over five years. Every school district across the state can receive up to \$10,000 per child for full day

pre-K.

Smart Schools Bond Act – Voters will decide this fall on a proposed \$2 billion bond act that would provide schools with funding for new technologies such as: high-speed broadband or other wireless connectivity in schools; and new learning technologies including interactive whiteboards, tablet, laptop, and desktop computers.

Tuition Assistance Program (TAP) - The budget increases funding for TAP by \$34.2 million, helping thousands of young New Yorkers afford a quality higher education.

New Property Tax Rebates – The new property tax rebate program would provide direct relief to taxpayers in school districts and municipalities that stay within the two percent property tax cap and submit efficiency plans to the state that result in local cost savings of at least one percent or have already implemented cost reduction plans at the local level.

As many as 2.8 million property taxpayers outside New York City will receive direct property tax rebate checks in October as a result of this program which will encourage communities to keep property taxes under control. After this year the relief will come in the form of a tax credit on their annual income tax return.

It's projected that the property tax freeze program will provide \$344 million in property tax relief in 2014-15; \$810 million in 2015-16 and \$347 million in 2016-17.

Record STAR property tax relief – The 2014-15 State Budget includes a record amount of \$3.4 billion in property tax relief from the STAR program. That includes \$905 million in relief through the Enhanced STAR program for senior citizen homeowners. New York City residents who fund schools through income taxes will see \$611 in tax relief.

Estate Tax - The budget increases the Estate Tax threshold from \$1 million to over \$5.25 million over a period of three years. This reform of the Estate Tax will encourage farm preservation from generation to generation. This will impact approximately 2,800 family farms throughout the state.

Marketing New York Products - This budget works to expand marketing of New York's products such as apples, berries, dairy, and maple by providing \$1.3 million for product promotion.

Beginning Farmer Innovation Grant Fund - This new program provides \$615,000 for grants for beginning farmers. This money will encourage farming to continue in New York State, as well as help promote new farms to start up, and will be distributed on a competitive basis for the purpose of assisting innovative techniques and operations.

Young Farmers Loan Forgiveness Program - This new program includes \$100,000 to help recent graduates ease the loan burden faced by new, young farmers.

Protecting Consumers from Unexpected Out-of-Network Medical Bills - The budget includes legislation to protect consumers from unexpected medical bills from out-of-network physicians. A new dispute resolution process, network adequacy requirements, claim submission requirements, and improved disclosure by insurers will help consumers better navigate the insurance process and reduce the incidence of costly, surprise bills.

Expanding EPIC and Support for Seniors - New York's outstanding Elderly Pharmaceutical Insurance Coverage program will be expanded to cover the prescription drug needs of more New Yorkers. Income eligibility is expanded from \$35,000 to \$75,000 for singles and from \$50,000 to \$100,000 for married seniors. Approximately \$4.1 million in increased funding will be used to help expand the program by 10 percent – providing coverage to an additional

25,000 senior citizens across New York.

Lower Taxes on Manufacturers – The budget includes major new tax cuts for manufacturers throughout the state, helping them reduce costs and compete more effectively. It eliminates the following: corporate tax calculations for manufacturers the business income tax, which is lowered from 5.9 percent to zero for all manufacturers in 2014 and thereafter; the capital base, and the alternative minimum tax.

Energy Tax Relief – The budget further reduces the 18-a energy tax surcharge by an additional \$100 million a year for commercial and industrial users over the next three years, providing our energy intensive manufacturing sector with major savings. The energy tax surcharge reduction will also reduce residential utility bills by \$100 million a year over the next three years.

Manufacturer's Property Tax Credit – The budget includes a 20 percent property tax credit saving manufacturers \$100 million a year to help them reduce their cost of operations.