



NEW YORK STATE SENATOR

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## Press Release: Senate Democratic Conference Outlines Budget Requests

ANDREA STEWART-COUSINS March 10, 2015

| ISSUE: **FINANCE, BUDGET**

*Question Governor's budget approach while continuing to push for a more fair and economically prosperous New York-Including additional 2 billion in school aid and higher minimum wage indexed to inflation*

Albany, NY - The Senate Democratic Conference have outlined their budget requests for the state's 2015-2016 budget following analysis of the Governor's Executive Budget and testimonies provided by various stakeholders during the Joint Legislative Budget Hearings. The outline highlights their strong concerns over the Governor's attempt to force policies through an appropriation bill and reiterates that such policies, many of which are supported including their ethics reform measures, should be passed separately and immediately. The Democratic Conference's requests focus on many important fiscal issues such as adequately funding public education, indexing the minimum wage to lift thousands of New Yorkers out of poverty, passing the Dream Act and providing localities funding for police body cameras.

The Senate Democratic Conference's budget requests would create greater opportunities for all New Yorkers and move our state's economy forward by addressing many critical areas that include:

### **EDUCATION**

The Budget must recognize and adequately address issues regarding education funding, from universal pre-kindergarten through college. Early investment in our youngest New Yorkers pays dividends not just in the education realm, but also in concrete economic, social, and cultural terms. Teachers cannot be made scapegoats for the ills of our education system. The timely creation of an education redesign team comprised of all stakeholders is the best way to discuss and bring about real reforms to better all students. The overall State Aid proposal should provide an increase to Foundation Aid and address the harmful effects created by the Gap Elimination Adjustment (GEA). The increases should first target high-need urban, suburban, and high-need rural school districts. Specific increases for the Big Five city school districts also are necessary this fiscal year. Our Conference recommends the following:

Include \$2 billion in additional funding for the overall education budget;

- Increase funding by 4.8% for Special Act School Districts that instruct our most vulnerable students, include tuition indexing for Special Act Schools and 853 schools;
- Provide additional funds for school districts with an increasing number of unaccompanied minors and require the State Education Department to ensure that those students are receiving appropriate services;
- Restore \$40 million in funding for the Teacher Centers;
- Increase Adult Literacy funds by \$10 million.

## **LABOR & WORKFORCE**

It is critical for the Enacted Budget to address properly the needs of public and private sector employees. While the State's unemployment rate has dropped, the State must pay additional attention to keeping and preserving good paying jobs, supporting critical workforce training, and promoting efficient public services that employ diligent public employees.

The Senate Democratic Conference has stood by the right for fair pay and understands the importance of raising the minimum wage for the lowest wage earners. We believe the proposed minimum wage increase is to be applauded but that the Executive Budget should go a step further by providing yearly increases indexed to inflation, as well as local control. Until the Governor's minimum wage proposals are accepted and implemented, our Fair New York plan can serve as a bridge between the current minimum wage and the anticipated increase. These additional measures will ensure that the minimum wage truly meets the needs of New York's wage earners. Our Conference rejects the continued efforts to undermine the competitive civil service system using temporary, non-competitive positions to handle critical state services. The Senate Democratic Conference recommends the following:

Add to the Governor's minimum wage proposal a yearly increase, indexed to the Consumer Price Index; and allow for local control;

- Until the implementation of an increased minimum wage occurs, include \$900 million from the settlement monies to fund the Low Wage Worker Stimulus. This measure would provide tax relief to working New Yorkers;
- Increase the Department of Labor's budget by \$20 million to address wage theft;
- Restore \$12.6 million in labor initiatives and training programs cut in the Executive Budget;
- Eliminate the authority to hire provisional, non-competitive civil service employees in the Office of Information Technology Services and Department of Health;
- Ensure that all current Management/Confidential titles are covered by the M/C pay parity proposal.

## **ETHICS**

It has become clear that now, more than ever, the State government must work towards restoring the public's faith in its government. A system of full public financing of election campaigns would help to level the playing field for those who wish to run for public office, but otherwise could not afford it. The Senate Democratic Conference has always understood the importance of ethics reform, and in the past, has introduced some of the most aggressive policies to date. Enacting reforms appropriately to be considered in the budget process would have a tremendous impact in restoring the public's trust in our state government.

## **ECONOMIC DEVELOPMENT**

- Micro, small, and medium businesses are major components of the local, state, and national economy. As New York moves forward in its economic recovery, it is vital that we support those innovators and entrepreneurs. To help accomplish that objective, any budget proposal should:
- Provide \$1.5 billion in new capital funding for infrastructure to promote jobs and economic development statewide without competitive strings attached;
- Support \$110 million in capital funding for a new round of NYSUNY 2020 and NYCUNY 2020 grants, including \$55 million for each university system;
- Direct \$50 million in new funding for the Small Business Revolving Loan Fund, targeted to businesses that have had difficulty accessing regular credit markets and offers regular and micro-loans pursuant to the need;
- Increase funds by \$5 million for the Minority- and Women-Owned Business Development and Lending Program, which is administered by Empire State Development;
- Provide increased funding to promote the goal of ensuring that every New Yorker has access to high-speed broadband service, including underserved and unserved communities in both urban and rural areas; and
- Provide \$50 million for Community Development Financial Institutions program, to provide credit, banking services, and investment capital, that are vital to the revitalization of low and moderate income communities and neighborhoods throughout the state, while leveraging federal and other banking investments.

## HEALTH

The 2015-16 Executive Budget provides \$2.8 billion in capital funding for the Health Care Facility Transformation Program. Within this capital appropriation is \$1.9 billion for the transformation of health delivery in Kings County, Oneida County, and essential health care providers in defined and isolated geographic regions of the state. Selection of the projects and distribution of these funds would be at the sole discretion of the Commissioner of Health.

The final budget should amend the Executive Budget language to ensure an allocation of \$700 million in capital dollars for Kings County health care transformation. Furthermore the Enacted Budget must ensure the allocation of \$1.2 billion in capital funding from the 2014-15 Enacted Budget to improve the financial viability and increased efficiency of healthcare institutions through infrastructure improvements in Brooklyn, and in communities throughout the State. The Senate Democratic Conference recommends the following:

- The following proposals should be immediately rejected:
  - To consolidate 41 public health programs into 5 appropriation pools. In addition, the budget should restore all 41 programs to the 2014-15 Enacted levels and provide an additional \$21.3 million in funding;
  - Article VII language that would eliminate the requirement for the Department of Health to conduct audits of hospital residents working hours;
  - To eliminate the physician profile website;
  - To reduce the Medicare Part B and Part C cost sharing amounts; and
  - Eliminate the spousal refusal Article VII language.
  - To make permanent the Medicaid Global cap, rather it should be extended for two years;

- The Budget should reappropriate \$1.2 billion for the Capital Restructuring Refinance Program;
- The Budget should provide funding for programs including:
  - Community Health Advocates, \$5 million;
  - Managed Care Consumer Assistance Program, \$1.96 million;
  - American Red Cross, \$3.3 million;
  - End of AIDS taskforce recommendations, \$17 million for implementation;
  - Increase \$2 million for Healthy Eating and Physical Activity; and
  - Increase \$17 million for Hunger Prevention and Nutrition Assistance.

## **HIGHER EDUCATION**

New York's public higher education institutions are increasingly dependent upon tuition revenue. The loss of state tax dollar support forces CUNY and SUNY to compete in an unfair environment for faculty, research dollars and other resources. It is unjustifiable to further burden vital state universities by instituting a program that would withhold 10% of base aid to force improvements already taking place. We should be investing in these valuable institutions. The Endowment Fund for Higher Education is an unprecedented investment in the future of the higher education sector, and could be used to address the needs of colleges and their students without harmful ramifications. We should take this opportunity to support our students and colleges to ensure the future of New York State. The Senate Democratic Conference recommends the following:

Create the Endowment Fund for Higher Education using \$300 million of the settlement funds for student financial assistance, providing academic and financial advising, offering required courses, child care and elder care services, developing programs to address student

loan debt, hiring full-time faculty, and various other uses;

Reject performance-based funding language from the CUNY and SUNY appropriations;

- Approve the DREAM Act;
- Increase College Base Aid by \$250 per FTE for both CUNY and SUNY community colleges;
- Increase the maximum TAP award to \$6,500, and reinstate Graduate TAP;
- Increase critical maintenance by \$181 million for CUNY and \$400 million for SUNY over the next five years;
- Restore \$18.6 million in legislative addition to SUNY hospital funding; and
- Increase CUNY rental aid by \$2.9 million.

## **HUMAN SERVICES**

The human services budget should address the needs of New York's most vulnerable citizens and reflect that reality. With that principle in mind, the Senate Democratic Conference would recommend the following:

Aging:

- Increase funding by \$21 million for the Community Services for the Elderly Program that provides non-medical community-based services to frail, low-income seniors to help them remain in their homes. There are currently over 7,000 seniors awaiting services across the state;
- Increase the New York State SSI rate by \$5 per day and provide a commensurate increase in the Personal Needs Allowance for residents of Adult Care Facilities;
- Restore \$1.1 million for the following senior programs that have been eliminated:
- Include:

- \$8.2 million for the NY Connects Program; and
- \$126.5 million for the Elderly Pharmaceutical Insurance Coverage Program.

#### Social Services:

- Include:
  - \$17.3 million for the Advantage Afterschool Program;
  - \$794 million for child care subsidies;
  - \$30 million for the Summer Youth Employment Program;
  - An additional \$19.3 million in funding to allow for an extra 10,000 program slots to meet demand;
  - A 2% cost of living adjustment increase for foster care and adoptive parents, direct care, direct care support workers, and clinical staff.
  - \$635 million for Child Welfare Services;
  - \$275,000 for employment training for the legally blind;
  - \$20 million for the Council of Family and Child Caring Agencies;
  - \$12.1 million for Community Optional Prevention Services (COPS);
  - \$27 million of the JP Morgan settlement funds to cover a portion of the costs for the cap on rent for individuals diagnosed with HIV or AIDS who are receiving housing assistance or emergency shelter aid, up to 30% of household income; and
  - \$25 million for the New York State Office for New Americans
- Increase:
  - \$3 million for Settlement Houses;



- Funding for Runaway and Homeless Youth Assistance (RHYA) by \$2.4 million for use in providing additional shelter beds, long-term transitional living beds, and support services;
  - Funding by \$3 million for the Nurse Family Partnership Program;
  - Funding by \$14 million for the Pay for Success Program specific to the Nurse Family Partnership Initiative; and
  - Kinship Caregiver/ Navigator program funding by \$1 million.
- Restore:
    - \$28.2 million in funding for TANF Initiatives;
    - Funding of \$1.3 million for the Youth Development Program; and
    - Funding for Safe Harbor Programs.
    - Fully reimburse federally funded Emergency Assistance for Families.

#### Mental Hygiene:

The Executive Budget continues to build on the transformation of service delivery that began as part of the 2014-15 Enacted Budget and proposes to reduce the number of beds in State operated facilities and transfer those savings into community based services throughout New York State. The 2015-16 Enacted Budget should ensure that all savings achieved through the reduction of beds at State operated facilities be reinvested into community based services for mental hygiene agencies. The Senate Democratic Conference recommends the following:

- Include an additional \$10 million for public education and awareness, treatment, prevention, and residential programs targeted at heroin or opiate abuse;

- Include \$5 million for comprehensive problem gambling prevention initiatives; and
- Extend for one year the Article VII language authorizing facility directors of State operated facilities to use patient funds to pay for treatment and care costs.

### **GENERAL GOVERNMENT & LOCAL ASSISTANCE**

A strong and enduring partnership between cities, towns and state government is essential to a healthy and expanding economy. It gives local governments the ability to provide world-class education and municipal services, and ensures safe streets and neighborhoods. This type of partnership is extremely necessary to assist local governments in maintaining local roads and vital infrastructure fundamental to our state's economic success and competitiveness.

- The following budgetary considerations would provide cities and towns with much needed funds to deliver vital services that are critical to our overall economic growth, and would ensure that today's municipal overreliance on the property tax will not deepen:
- Increase AIM by 10% for local governments with the greatest needs;
- Provide further AIM assistance to those localities that meet the challenge to consolidate costs and improve local efficiencies in the coming years;
- Exempt capital equipment purchases and capital projects from the tax cap, giving local governments more flexibility to invest in local infrastructure;
- Repurpose the \$150 million appropriation (Special Infrastructure Account) for municipal restructuring for local government assistance statewide and reimbursing municipalities for prior year consolidation and or shared service agreements;
- Restore VLT Impact Aid;
- Restore \$ 2 million to Community Dispute Resolution Centers;
- Provide \$50 million for Body Cameras program that would reimburse local and State law enforcement agencies for their purchase.

- Provide \$300 million for the Capital Infrastructure Bank program that would provide funding for major capital investments not otherwise covered by State programs.

## **PUBLIC PROTECTION**

The Executive Budget proposes to raise the age of adult criminal responsibility to 18 years of age to provide appropriate treatment to minors charged with crimes. The Enacted Budget must include language explaining how this provision will be efficiently implemented. The Office of Court Administration needs funding to implement the provisions of the “Raise the Age” campaign. Additionally, this Conference recommends the following:

- Provide additional monies from the OILS Account to cover all counties for indigent counsel at arraignment and possibly fund the Defenders Association;
- Increase funding by 5.5% for Domestic Violence Centers to cover increased costs;
- Include funding to restore existing Alternative to Incarceration program cuts and increase funding for culturally sensitive community based and other youth engagement programs; and
- Include additional monies Prisoners Legal Services.

## **HOUSING**

Access to supportive housing and Affordable Housing is the most successful and cost-effective solution to ending homelessness. At this time, the number of homeless families and single individuals has increased at an alarming rate in the city of New York. As primarily outlined in our surplus/ settlement fund proposal, the Senate Democratic Conference wants to take action on this issue and propose the following:

- Increase funding for NY/NY IV by \$540 million to build an additional 30,000 new housing units for low income New Yorkers, HIV/AIDS rent cap, substance abuse, and mental hygiene programs;

- Fully fund New York “Mixed Income” Housing Program in the amount of \$400 million for affordable housing for households;
- Provide \$100 million in additional funding to provide legal counsel for indigent New Yorkers in housing court;
- Ensure that the Office of Rent Administration and the Tenant Protection Unit receives additional operating funding; \$15 million to ORA with an understanding that \$5 Million goes to TPU;
- Provide additional state support in the amount of \$400 million for New York City Housing Authority to make repairs;
- Include \$50 million for the Middle Income Repairs and Revitalization program in New York State; and
- Fully fund State Low Income Housing Tax Credit, Housing Trust Fund, Affordable Home Ownership Development, and Urban Initiatives Program at \$250 million to build, acquire/rehabilitate or improve homes for low and moderate income families and provide grants to construct or renovate low-income housing preservation and community renewal activities in distressed neighborhoods.

## **AGRICULTURE & ENVIRONMENT**

Sewage and wastewater treatment facilities in New York State are deteriorating. Almost all of New York’s residents rely on these facilities to treat sewage and wastewater from their homes and businesses. Treating wastewater adequately is essential for public health and economic development. This issue is of extreme importance to the Senate Democratic Conference. Consistent with our surplus/settlement proposal, we would:

- Fully support the addition of \$800 million in capital funding for clean water and wastewater infrastructure projects;
- Reject the proposed \$36 million transfer of Regional Greenhouse Gas Initiative proceeds to the General Fund;

- Utilize increased Real Estate Transfer Tax revenue to fully fund the Environmental Protection Fund;
- Extend and reform the Brownfield program;
- Fully restore funding for Centers of Excellence in Children’s Environmental Health;
- Fully restore and adequately fund Aid to Localities agricultural programs;
- Increase capital funding for farmland protection by \$150 million; and
- Fully fund Urban Parks and Park Improvements at \$125 million to improve the quality of green spaces in densely populated neighborhoods where park access and safe, modern amenities are often sparse.

## **TAXES & REVENUE**

- The US and New York State economies have continued to recover from the “Great Recession.” However, real wage growth still has been relatively weak both in the nation and the state. Furthermore, continuing long-term trends, fundamental components of maintaining an acceptable middle class standard of living such as quality health care and higher education are becoming increasingly unaffordable or unattainable. We strongly believe it is vital that working families across all regions of the state obtain concrete and immediate tax relief in the 2015-16 State Budget. Our recommendations regarding State taxes and revenue include:
- Support reform of NYC corporate taxes in the Executive Revenue Bill (S.2009, Part QQ) as proposed by Mayor DeBlasio; Support inclusion of the Real Property Tax Relief Credit (“Circuit Breaker”) with the following modifications:
  - Increase the maximum renter’s credit to \$750 upstate and to \$1000 for downstate regions;
  - Increase the rent equivalent tax percentage from 13.75% to 20%;
  - Review all existing State tax expenditures in order to determine if they are not economically efficient and directly promote job and wage growth; and
  - Amend the existing NYS Real Property Tax Law for school districts experiencing issues of incongruent property valuations to establish a special equalization rate for the purpose of determining its State operating and building aid.

## TRANSPORTATION

Capital expenditures in transportation have a tremendous economic multiplier effect and the existence of adequate critical infrastructure serves as an economic driver. This year's budget shows that significant investments are required to finance transportation agencies and infrastructure. In addition to supplementary funding for these Capital Plans, the Democratic Conference puts forth the following budgetary and legislative recommendations:

- Increase funding for the Consolidated Highway Improvement Program by using \$200 million of bank settlement proceeds to make a significant impact on local road and bridge capital needs;
- Provide \$200 million for deficient bridge emergency repair to assist with remedying the many structurally deficient and functionally obsolete bridges;
- Renew and increase the Extreme Weather Program, to \$100 million for local government assistance;
- Dedicate \$20 million of federal highway funding for bike and pedestrian infrastructure, providing consistency for the Transportation Alternatives Program that DOT has in place;
- Provide \$175 million of the bank settlement proceeds to invest in non-MTA transit capital, addressing long-term needs. Permit non-MTA downstate operators to use their \$17 million in "surplus" aid for a year-to-year increase in operating assistance to reflect inflationary growth;
- Link upstate transit aid (PTOA) to a more reliable funding stream that adjusts to changing economic conditions;
- Provide funding for the construction of the new Tappan Zee Bridge, as well as for the Tappan Zee Bridge's Bus Rapid Transit service to provide the Lower Hudson Valley with affordable, environmentally-friendly transit opportunities;
- Oppose sweeps of the MMTOA fund, to increase MTA's self-sufficiency and provide greater financing leverage, and reduce a portion of the state's burden to assist in completing its five-year capital program;

- Increase transparency in DOT Capital Plan and MOU process. The entire legislature should at the very least review the five-year capital plan and MOU before voting;
- Restore the State's historical contribution of \$45 million for student fares; and
- Fulfill the State's promise to NYC to fund a 38% share of rehabilitation costs for roads and bridges and to fully reimburse \$40 million for the costs of maintenance of State-owned arterial highways.

## **VETERANS**

Providing service members and veterans of our armed forces with the services they need to live full and dignified lives is of the utmost importance. Ensuring that all of our veterans are housed, employed, and receiving the legal services they need should be top priorities.

Therefore, our Conference recommends the following:

- Fund female veterans homelessness prevention, and employment assistance initiatives;
- Increase funding for Veterans' Regional Advocacy centers by \$1 million;
- Fully fund the Defenders Association request for \$3 million which includes \$1 million for Defense of Veterans; and
- Increase funding for the number of FTE Veteran Counselor positions to support returning veterans and ensuring benefit accessibility. The increased number of positions and new centers would ensure qualified veterans are able to receive appropriate documentation and referral services from Veteran Counselors which would include New York City in the program.