



NEW YORK STATE SENATOR

Liz Krueger

## Senate Majority Passes One-House Budget Resolution

LIZ KRUEGER March 14, 2019

| ISSUE: **2019-20 BUDGET**



**Albany, NY** - The Senate Majority's budget resolution includes proposals to increase support for New York students, provide tax relief for overburdened New York families by implementing a permanent property tax cap, and restore proposed AIM cuts to struggling municipalities. The budget resolution reflects a responsible financial plan that is within the available revenues as forecast by State Comptroller Tom DiNapoli and remains within the 2% state spending cap. The budget resolution would improve the quality of life for New Yorkers with historic action on marijuana legalization, congestion pricing, protecting

grassroots advocates, campaign finance reforms, the Nassau County Tax Assessment Reform proposal, and other important issues. This resolution, together with the Assembly one-house resolution, makes it clear that an on time, responsible, and effective budget is the priority for both legislative chambers.

The Senate Majority identified areas in the Executive Budget where state tax dollars could be saved through targeted spending reductions, workforce management efficiencies, and spending reclassifications, all cost-cutting measures which have been used in the past. By making these common sense corrections to the executive proposal, the Senate Majority was able to restore proposed cuts to essential services and provide additional education and tax relief support.

“Our state budget is not just about paying our bills on time; it is a critical policy document that affects the lives of all New Yorkers,” said **Senate Finance Chair Liz Krueger**. “After a thorough and transparent process, with hearings all across the state, the new Senate Majority has outlined a fiscally responsible proposal that shows our commitment to the entire state. We will invest in the things that actually motivate businesses to come here and stay – our quality of life, our infrastructure, and, most importantly, our people.”

“Our budget plan will move New York State forward and use taxpayer money responsibly,” **Senate Majority Leader Andrea Stewart-Cousins** said. “The Senate Majority budget proposes campaign finance reforms, a permanent property tax cap, additional AIM funds, protections for grassroots advocates, support for congestion pricing, and more important plans to move New York forward. Additionally, state government must ensure all New York students have access to a high quality education, and the Senate Majority proposal will help advance that goal by providing funding increases in our education system. The Senate Majority, together with our Assembly Majority colleagues, are committed to passing an on-time, responsible, and effective budget.

## **Improving Educational Opportunities**

The Senate Majority understands that education is the great equalizer and that all New York students deserve access to a high quality education no matter their zip code. The Senate Majority's budget proposal provides historic funding increases to advance education services across New York. The one-house budget resolution makes the following modifications to the Executive Budget proposal:

- Increasing School Aid by \$1.62 billion or 6.0% over the 2018-2019 school year.
- Increasing Foundation Aid by \$1.2 billion or 6.8%.
- Reforming the tuition assistance program (TAP) by increasing the minimum TAP award, the maximum TAP award, and increasing eligibility by raising the TAP income threshold so more New York families can benefit.
- Providing \$25 million in additional grants to school districts to support English Language Learner students.
- Providing \$20 million for expanded pre-kindergarten grants, \$5 million above the Executive.
- Accepting the proposal to extend mayoral control and accountability of New York City schools for three years, pending a Senate hearing to contemplate and recommend reforms to enhance transparency and parental/community input in New York City school governance.
  - o The Senate is further committed to holding public hearings and other informational forums throughout the City of New York to assess the effectiveness of mayoral control of

the New York City School District and hear stakeholders on the ways to address the inequalities in our schools, ensure the voices of parents are included and improve student performance and outcome.

o For each of the 3 years the provisions of the mayoral control are extended, until June 30, 2022, the Department of Education will prepare and make public a report of the findings and recommendations of such hearing;

### **Providing Real Tax Relief And Support To Local Communities**

New York State residents and businesses struggle with high taxes, and local government rely on state support to provide essential services. The Senate Majority is committed to providing tax relief and support to local communities and families. The Senate Majority budget proposal includes:

- Implementing a permanent property tax cap, which was already passed by the Senate Democratic Majority this Legislative Session.
- Restoring \$60 million of Aid and Incentives to Municipalities (AIM) funding to certain Towns and Villages within the AIM program and adding additional state funds to several in-need local governments.
- The Senate rejects the Executive proposal that would cap STAR benefits for taxpayers enrolled in the STAR Exemption Program as an attempt to incentivize enrollment into the STAR Credit Program.
- The Senate rejects the Executive proposal that lowers the income limit for the Basic STAR exemption to \$250,000, while maintaining the existing \$500,000 income limit for the

STAR Credit Program.

- The Senate provides \$70 million for a new local government financial stability program for distressed local governments including, but not limited to, the City of Yonkers, the City of Albany, school districts, jurisdictions impacted by tax certiorari related to electric generation and other jurisdictions facing significant fiscal distress.

### **Investing In Transportation And Supporting Congestion Pricing**

The Senate Majority is committed to smart investments in New York State's mass transit infrastructure. This includes addressing the MTA and specific regional needs across the state. The Senate Majority one-house State Budget proposal includes:

- Support for congestion pricing, but the Senate Majority calls for modifying the Executive proposal to ensure the final plan treats drivers fairly, reduces peak-hour congestion, incentivizes efficient commercial vehicle and business travel, dedicates revenues equitably, and is properly and transparently implemented. It is critically important that a congestion mitigation plan ensures fairness in treatment for transportation deserts, suburban residents, and residents who live in the congestion zone.

- Providing \$3 billion in State operating assistance for the Metropolitan Transportation Authority (MTA) in concurrence with the Executive's recommendation.

- Introduction of the MTA RAIL Act which will enact much needed reforms to the way the MTA operates including, a comprehensive forensic audit of the MTA, improving long-term capital planning, providing MTA riders a voting voice, ensuring that MTA revenues are more likely to go to New York businesses, and overhauling the way the MTA analyzes itself.

- An additional \$150 million to be added to the base Consolidated Local Street and Highway Improvement Program (CHIPS) funding, for a total of \$588 million in CHIPS funding.
- An additional \$3 million in funding for the Niagara Frontier Transportation Authority (NFTA) to begin funding preliminary engineering for the Amherst-Buffalo Metro Rail Expansion project as part of a commitment to meet twenty percent of a federal match.

### **Restoring Trust In State Government And Reforming The Electoral System**

On the first full day of the 2019 Legislative Session, the Senate Majority passed historic pro-voter bills and electoral system reforms. The proposals included in the Senate Majority's budget proposal continue those efforts and will help restore the voters' trust in state government. The Senate Majority budget proposal includes:

- Providing \$10 million in funding for early voting and other voting reforms. These state funds will ensure that local governments are not required to spend additional money to implement the voting reforms enacted by state government.
- The Senate supports establishing a publicly financed small donor matching system in order to curtail the corrosive influence of money in politics in addition to other necessary campaign finance reforms.
- The Senate Majority rejected the Executive Budget proposal that would have resulted in grass roots and volunteer-run organizations being forced to register as lobbyists.
- The Senate modifies the Executive Proposal that amends the equal protection clause of the New York State Constitution by adding sex as a protected class in addition to the

existing protections for race, color, creed, or religion.

o The Senate advances language as embodied in Senate Bill 517, to extend the equal protection clause of the New York State Constitution to national origin, citizenship, marital status, age, gender, sex, pregnancy, sexual orientation, gender identity or expression, military status, disability, or other immutable or ascriptive characteristics.

· Language to create a new Database of Deals to improve State economic development transparency and accountability.

· The Senate modifies the Executive proposal to place prohibitions on vendor contributions during procurement.

### **Supporting New York Businesses**

The Senate Majority supports investment to assist New York businesses to grow, create jobs and be successful throughout the state. It is especially committed to encouraging the continued growth of Minority and Women Owned businesses. The Senate Majority budget proposal includes

· Creation of the Employer Recovery Hiring Tax Credit.

· The Senate modifies the Executive proposal to update provisions of law relating to participation by minority and women-owned business enterprises (MWBE) in state contracts based upon the 2016 Disparity Study.

· \$365,000 in additional funding for the Minority and Women Owned Business Development and Lending Program.

- \$300,000 in additional funding for the Federal Community Development Financial Institutions Program.
- Evaluating further programs that would steer state and local dollars to community banks and credit unions, which would help provide additional lending access to underserved communities.

### **Improving Health Care For New Yorkers**

Quality health care is a basic right that all New Yorkers deserve access to. The Senate Majority understands this fact and offered multiple proposals to ensure the State Budget provides essential funds for New Yorker's health care needs and essential medical care providers. The Senate Majority one-house budget proposal includes:

- Rejecting the Executive's recommendation to reduce the Department of Health's General Public Health Work Reimbursement to New York City from 36 percent to 20 percent.
- Providing \$16 million for Title X Contingency funding and \$2.75 million for public health programs including Sickle Cell, Alzheimer's, Lupus and other community providers.
- Strongly opposing the Executive's reprogramming of the Healthcare Facility Transformation money that was meant to provide much needed relief to hospitals and nursing homes.
- Restoring \$3.8 million for School Based Health Clinics and \$1 million for Lyme and Tick Borne Diseases.



## **Protecting New York's Environment And Natural Resources**

The Senate Majority supports efforts to protect New York State's environment and natural resources. With a federal government run by climate change deniers, the Senate Majority will work to have New York State serve as a national and international leader in the fight against climate change. The Senate Majority one-house State Budget proposal includes:

- Allocating an additional \$2 billion, for a total of \$2.5 billion, for clean water infrastructure projects such as improvements to solid waste management facilities, inter-municipal infrastructure projects, projects to address emerging contaminants, water quality improvement projects, concentrated animal feeding operations, septic system replacement, and projects to address issues on Long Island.
- Supporting a proposed ban on plastic bags, as well as including a fee on paper carryout bags. This plan uses generated funds to alleviate the potential burden on disparately impacted communities. And would help ensure that reusable bags are distributed to struggling New Yorkers.
- Amending the Environmental Protection Fund to provide additional funds for a number of Senate environmental priorities including \$2 million zoos, botanical gardens and aquaria, farmland protection,, and greenhouse gas management.

## **Boosting New York State Agriculture**

The Senate Majority is committed to investing in New York State's agriculture industry, which is an important economic driver in regions across New York State. The Senate Majority one-house State Budget proposal includes:

The Senate modifies the Executive recommendation of \$49.5 million by providing an additional \$8.3 million for several agricultural initiatives.

- Additional investments include \$3.4 million for Farm-to-School programs, \$500,000 for the Farm-to-Seniors Program, \$842,000 for Future Farmers of America and \$750,000 for the Apple Growers Association.
- An additional \$5 million each for local County fair capital costs and the companion Animal Capital Fund.

**Additional Major Proposals In The Senate Majority Budget Proposal:**

- The legalization of marijuana for adult-use and that revenue generated from legalization be directed to fund essential government services.

Providing \$40 million in funding for community outreach for Census 2020. This funding will ensure New York State residents are not be undercounted in the upcoming federal census.

To review the full Senate Majority one-house State Budget proposal, please visit:

<https://www.nysenate.gov/legislation/resolutions/2019/r672>