



New York State Senate Democratic Conference

Staff Analysis of the 2018-19 Executive Budget



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& COMMUNITY DEVELOPMENT
MENTAL HEALTH &
DEVELOPMENTAL DISABILITIES
RULES

January 22, 2018

Dear Colleagues,

On January 16th, Governor Andrew Cuomo proposed his FY 2019 Executive Budget. The proposed overall All Funds budget is \$168.8 billion, including extraordinary aid. This represents a 2.3% increase over the current year's budget, with the majority of increased spending directed to school aid, Department of Health Medicaid spending, and the State's share of the new MTA Subway Action Plan.

The Executive Budget also presents the Governor's plan for closing a projected General Fund gap of \$4.4 billion by recommending: cost control measures that reduce spending by \$2.7 billion, additional revenue generating actions totaling \$1 billion, and debt management savings. This year's \$4.4 billion budget gap is compounded by the threat of Federal program reductions that would slash or abolish programs that have historically provided working-class and low-income New Yorkers with direct support and assistance.

The Federal Tax Cuts and Jobs Act (TCJA) of 2017 has posed tangible fiscal and policy challenges to New York State and its taxpayers that will only grow over time. The partial loss and limitation of itemized property tax and other deductions directly impacts New York taxpayers income. The Executive is currently considering the State's formal response to the Federal tax reform. Should the State act during this budget cycle, a proposal is most likely on February 16 as part of the Executive's 30-day amendment package. Any proposals that fundamentally shift how New York collects tax revenue are sure to garner scrutiny and debate from voices across the state.

In addition to closing the State budget gap, the Governor has proposed a number of significant policy changes that the Senate will need to evaluate and carefully consider. For example, proposals and programs such as the MTA Subway Action Plan, transportation congestion pricing, passing the DREAM Act, expanding community schools, charter school investment, the

state's response to major federal tax changes, among others will receive a great deal of attention this budget season.

It is clear that the State Senate faces difficult choices in achieving a balanced budget that meets the needs of New Yorkers, particularly given the uncertainty of the Federal Budget process in 2018.

The data and analyses prepared by the Senate Counsel and Finance staff and included in this document will provide insights into the proposals outlined in the Executive Budget. This document will provide guidance to Members as they confront the difficult choices facing the state. I look forward to working with all of you as we consider the Governor's proposals in our shared effort to develop a final budget that addresses existing budget gaps, protects the most vulnerable New Yorkers, and continues to reform and improve state government operations.

Sincerely,

A handwritten signature in black ink that reads "Liz Krueger". The signature is written in a cursive, flowing style.

*Liz Krueger
Ranking Member
Senate Finance Committee*

**2018 Joint Legislative Budget Hearing Schedule
Legislative Office Building
Hearing Room B**

January 23	9:30 AM	Higher Education
January 24	9:30 AM	Housing
January 24	2:30 PM	Workforce Development
January 25	9:30 AM	Transportation
January 29	10:30 AM	Economic Development
January 30	9:30 AM	Public Protection
January 31	9:30 AM	Elementary & Secondary Education
February 5	10:00 AM	Local Government/General Government
February 6	10:00 AM	Human Services
February 7	9:30 AM	Environmental Conservation
February 8	9:30 AM	Taxes
February 12	10:00 AM	Health/Medicaid
February 13	9:30 AM	Mental Hygiene

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**HIGHLIGHTS of
the State Fiscal
Year
2018–2019
Executive Budget**

Overview of the Executive Budget

The submission of the Executive Budget Proposal for FY 19 is the starting point of the budget process in New York State. This year's Executive Budget proposes a variety of new programs, additional expenditures, and closes a \$4.4 billion budget gap. The Governor also recommends many policy proposals that the Senate Democratic Conference has long championed.

Due to a decrease in overall tax revenue collections, the new fiscal year faces a \$4.4 billion General Fund deficit. To plug this divide, the Executive Budget relies on health insurance conversions, monetary settlements for General Fund relief, a new opioid surcharge, the deferral of business credits, and spending reductions mostly associated with prior year legislative initiatives. The Governor also seeks new tax revenue through various new fees throughout the budget, as well as new taxes on online sales, improving cigar tax enforcement, closing the carried interest loophole, real estate tax loophole closures, imposing a health tax on vapor products and imposing a health care insurance windfall profit fee.

President Trump signed into law the Federal Tax Cuts and Jobs Act on December 22, 2017. Most changes to the Internal Revenue Code will become effective in the 2018 tax year. However, New York State and its taxpayers have already experienced significant fiscal and policy challenges. Recently, New Yorkers waited in long lines to pre-pay local property taxes, the deductions for which are capped at \$10,000 under the new federal tax regime. This rush to avoid approaching tax penalties generated almost \$1.9 billion in revenue for the State. Unfortunately, this acceleration in collections is a one-time gain for the State and is needed to offset the corresponding loss of \$1.9 billion in the 2019 Fiscal Year. While the Governor spoke at length during the Executive Budget presentation of the harm that federal tax changes will inflict on New York's taxpayers, the budget legislation itself does not provide guidance. It will take months before the State can best respond to such a consequential shift in fundamental tax structure according to a recent report from the Department of Taxation and Finance

Any action taken by the United States Congress and the Trump administration as it relates to the federal budget and the new federal tax structure will require a response from New York government. In anticipation, the Executive proposes a two-pronged approach. The first proposal bestows the Governor with additional powers over the Legislature to shift previously approved programmatic spending. The second proposal relies on future health insurance conversions to fund a \$1 billion healthcare shortfall fund. Both proposals would require legislative approval as part of the State Budget.

The Governor proposes new Article VII language that would allow for across-the board reductions to certain local assistance accounts if the annual estimate for FY 19 tax receipts is revised downward by \$500 million. This uniform reduction of 3% would exempt School Aid, Medicaid and public assistance. In addition, the Executive proposes to continue last year's authorization to reduce the amount of appropriations in the event of a reduction in federal funds or Medicaid funding. This action would require the Division of the Budget to submit a plan to the Legislature with a list of across-the-board reductions, while also authorizing Commissioners to take steps to achieve these reductions. The Senate Democratic Conference believes that the

Legislature plays a role in this process and will advocate for transparency and accountability in any reduction of funds.

The Executive's proposed healthcare shortfall fund would increase available State revenues primarily by taxing the proceeds generated when not-for-profit health insurance companies are sold to for-profit companies. The State estimates that this proposal would generate as much as \$500 million per year for four years. The resulting \$1 billion health care shortfall fund would partially offset the serious threats that federal policy reversals pose to New York State's healthcare system, estimated in the billions of dollars.

While the Executive Budget does not propose the same extent of aid reductions to New York City as in prior years, the proposal would still cut at least \$12.6 million in aid the current FY 18 and \$90.1 million in FY 19. These reductions would span several areas including human services, special education and health. In addition, eliminating the reimbursement for charter school supplemental basic tuition could create financial strain on the City and affect other educational programs once effective in School Year 2020. The Executive Budget also creates a statutory obligation for NYC to pay all NYC Transit capital needs and would transfer a substantial amount of new property tax revenue in "MTA Improvement Zones" from the city to the MTA, posing serious financial concerns due to the City transit system's highly publicized infrastructure challenges and requiring billions of dollars in new investment.

The Executive has argued that \$233.7 million in net increases for education, Medicaid operating aid, and other programs would equalize the overall revenue loss for New York City, and similarly points to a \$428 million commitment for the State 50% of share of the MTA subway action plan.

From tax revenue to transit support, addressing the many fiscal challenges presented on a federal level and within New York State will be paramount as the state enters the 2019 Fiscal Year.

Many of the Governor's proposals would accomplish long-standing goals of the Senate Democratic Conference. Among other aspects, the Executive proposes items similar or identical to the following measures:

- **Reforming the Criminal Justice System**
 - S.3579/Gianaris- End the Use of Cash Bail for Low-Level Offenders
 - S.7006A/Bailey- Ensures Access to Speedy Trials
 - S.7013/Rivera- Decriminalizes Certain Possession of Marijuana
 - S.3040B/Krueger- Legalization and Regulation of Marijuana
 - S.5005/Bailey- Require Comprehensive and Automatic Discovery
 - S.6847A/Hoylman- Eliminate Discovery Rule Based on Intent to Use at Trial
- **Protecting Children**
 - S.6575/Hoylman- Child Victims Act
 - S.5457/Parker- Increase Inspections on Apartments with Lead Paint
- **Promoting Women's Health and Safety**
 - S.2796/Krueger- Reproductive Health Act

- S.4758/Stavisky- Disclosure by Employer of Denial of Contraceptive Care
- S.5447/Hoylman- Taking Guns from Those Presenting Risk to Women
- **Preventing Sexual Harassment**
 - S.7193/Krueger- Protections Against Sexual Harassment in the Private Sector
 - S.7195/Stewart-Cousins- Protections Against Sexual Harassment in the Public Sector
 - S.7192/Persaud- Protects Victims of Sexual Harassment from Retaliation
 - S.7196/Hoylman- Makes Legislators Personally Liable for Sexual Harassment Settlements Against Them
 - S.6975/Kennedy- Ensures Acts of Sexual Harassment Are Considered Violations of the Public Officers Code of Conduct
 - S.6382A/Hoylman- Provides Fairness in Arbitration and Limits the Use of Confidentiality Settlements of Harassment Claims
- **Modernized and Expanded Voting Rights**
 - S.7400/Kavanagh- Early Voting
 - S.3304/Gianaris- Voter Empowerment and Automatic Registration
 - S.2478/Gianaris- Same-Day Voter Registration
 - S.23990/Comrie- Automatic Voter Registration
- **Campaign Finance Reform**
 - S.1255/Stewart-Cousins- Public Financing of Elections
 - S.7149/Kavanagh- Closes the LLC Loophole
 - S.3301/Gianaris- Lowers Campaign Contribution Limits
 - S.3056/Addabbo- Requires Disclosure of Campaign Bundlers
 - S.3301/Gianaris- Lower Campaign Contribution Limits
 - S.3056/Addabbo- Regulate Campaign Bundlers
 - S.1085A/Rivera- Regulate Campaign Bundlers
- **Ethics and Government Reform**
 - S.25/Hoylman – Limits Legislative Outside Income
 - S.659/Kennedy- Term Limits for State Elected Officials
 - S.6896A/Kaminsky- Regulates Online Political Advertisements
- **Ensuring Greater Motorist Safety**
 - S.2928/Dilan- Requiring All People Wear Seatbelts
 - S.1843/Kennedy- Increasing Penalties for Passing a Stopped School Bus
 - S.4193A/Dilan- Increasing Penalties for Passing a Stopped School Bus
 - S.4743/Serrano- Safety on School Buses for Children
- **Eliminating Food Waste**
 - S.107/Hoylman- Support State and Local Government Food Waste Reduction
 - S.5461/Parker- Donate Excess Food and Recycle Food Scraps
 - S.7254/Parker- Supermarket Donation and Recycling of Food Waste
- **Supporting Nutrition and Better Health**
 - S.6036/Brooks- Ending Lunch Shaming for All Students
 - S.6444/Krueger- Ending Lunch Shaming for All Students
 - S.1070/Rivera- Promoting Age-Appropriate Sexual Education
 - S.1089/Rivera- Taxing Electronic Cigarettes

2018-19 Executive Budget Financial Plan Overview

The Executive Budget adheres to the 2% State Operating Funds (SOF) spending cap. For FY 19, total All Funds spending, including extraordinary aid, is recommended to be \$168.1 billion, which represents a 2.3% increase over the current year’s level. The Executive Budget would eliminate the estimated General Fund budget gap of \$4.4 billion in FY 19 and reduce the estimated budget gaps to \$2.8 billion in FY 20, \$4.5 billion in FY 21, and \$4.8 billion in FY 22. DOB estimates that if future budgets hold spending growth to 2 percent annually in State Operating Funds, the General Fund would have a budget gap of \$246 million in FY 20, and surpluses in FY 21 and FY 22. The calculation assumes that all savings from the reductions in spending are made available to the General Fund. The total General Fund gap before proposed FY 19 Executive actions is \$4.443 billion.

FY 19 STATE RECEIPTS (\$ billions)				
Funding Source	FY 18	FY 19	Annual Change	% Change
General Fund¹	\$67.895	\$71.083	\$3.188	4.7%
State Operating Funds	\$94.544	\$97.473	\$2.929	3.1%
All Funds²	\$153.027	\$160.936	\$7.909	5.7%

State Receipts

General Fund receipts, including transfers from other funds, are projected to total \$70.2 billion in FY 19, a decrease of \$445 million (0.7%) from FY 18 estimates. The acceleration of personal income tax payments for calendar year 2018 results in a year-to-year decrease of \$3.8 billion. Excluding the accelerated payments, total receipts increase \$3.4 billion, or 4.9 percent. General Fund PIT receipts, including transfers after payment of debt service on State PIT Revenue Bonds are expected to total \$45.1 billion, an annual decline of \$1.5 billion. The decline is the result of shifting an estimated \$1.9 billion of receipts from FY 19 into FY 18 due to Federal tax reform. Underlying PIT growth is consistent with forecasted economic growth.

General Fund consumption/use tax receipts, including transfers after payment of debt service on LGAC and Sales Tax Revenue Bonds, are estimated to total \$13.8 billion, an annual increase of \$511 million (3.9%), which reflects projected growth in employment and taxable consumption, as well as Executive Budget proposals.

General Fund business tax receipts are estimated at \$5.8 billion, an increase of \$701 million (13.7 percent). This growth is due to projected increases in corporate profits and Executive

¹ Includes transfers

² Includes Extraordinary Aid

Budget proposals. Other tax receipts to the General Fund are expected to total \$2.1 billion, a decrease of \$213 million (9.3% reduction), reflecting a return to an average number of estate tax payments exceeding \$25 million.

FY 19 STATE DISBURSEMENTS (\$ billions)				
Funding Source	FY 18	FY 19	Annual Change	% Change
General Fund³	\$70.022	\$72.326	\$2.304	3.3%
State Operating Funds	\$96.200	\$98.062	\$1.603	1.9%
All Funds⁴	\$156.165	\$162.173	\$6.008	3.8%

State Disbursements

General Fund disbursements, including transfers to other funds, are expected to total \$72.4 billion in FY 19, an annual increase of \$3.2 billion (4.6%). Local assistance grants are expected to total \$48.2 billion in FY 19, an annual increase of \$1.7 billion (3.7%).

The largest increases include \$682 million for School Aid (on a State Fiscal Year basis), \$479 million for Medicaid, \$194 million for the MTA Subway Action Plan, and, \$228 million for Higher Education. The latter reflects continued support for student financial aid programs including the Excelsior Free Tuition Program, fringe benefit costs, and the timing of certain payments.

Disbursements for agency operations, including fringe benefits and fixed costs from the General Fund are expected to total \$14.7 billion, an annual increase of \$820 million (5.9%).

Personal and non-personal service costs increase \$399 million from the current year, reflecting increased personal service costs driven by settled and expected labor agreements.

State employees and retirees' health insurance costs are expected to increase by \$315 million (7.9%), mainly due to negotiated rate increases, reflecting medical inflation and current enrollment levels. The State's net costs for Workers' Compensation are expected to increase by \$150 million (46 percent), due to underlying growth in the average weekly wage for benefit calculations and medical costs (\$45 million), as well as a reduction in the use of offsetting revenue (\$105 million).

³ Includes transfers

⁴ Includes Extraordinary Aid

Revenue and Taxes Fact Sheet

- **Defer Business Related Tax-Credit Claims:** Taxpayers must defer their usage of most business credits for tax years 2018 through 2020, where such credits exceed \$2 million. Taxpayers can thereafter begin to use deferred nonrefundable credits in full, starting in 2021, and may use 50 percent of refundable credits in 2021, 75 percent of the remainder in 2022, and the remainder in 2023.
- **Impose a Health Tax on Vapor Products:** The Executive Budget imposes an excise tax of 10 cents per fluid milliliter on vapor products at the distributor level, equalizing the tax treatment of tobacco products and the equivalent products used in e-cigarettes, and continuing the State’s objective to reduce the use of tobacco products. To simplify record keeping requirements, distributors will provide customers with an invoice of total product sold in milliliters.
- **Establish an Opioid Epidemic Surcharge:** The Executive Budget imposes a new surcharge of 2 cents per milligram of active opioid ingredient on prescription drugs, directing all proceeds to the Opioid Prevention, Treatment and Recovery Fund. This new fund will support ongoing response efforts to this epidemic.
- **Close the Carried Interest Loophole:** The carried interest loophole currently allows hedge fund managers and private equity investors to have a favorable federal tax treatment of certain investment management services compensation by treating that income as capital gains, rather than as ordinary earned income. Fees characterized as capital gains cannot be taxed by New York State when it is earned in New York by a non-resident. The Budget treats carried interest as ordinary income for New York State tax purposes and imposes upon it a fairness fee of 17.0% to eliminate the benefit from preferential tax rates that exist at the Federal level. In order to prevent New York from being placed at a competitive disadvantage, this proposal will take effect only when functionally identical legislation is enacted in Connecticut, Massachusetts, Pennsylvania, and New Jersey.
- **Impose an Internet Fairness Conformity Tax:** Currently, internet sales are taxed and the largest retailers collect State sales tax. However, the law has not kept up with the technology and an inequity exists; the same item may be taxed by one online seller and not another. Online providers such as Amazon and eBay supply a marketplace for sellers from outside of the online provider to sell their products to consumers. Currently, such outside sellers are required to collect sales tax from New York residents if the seller is in New York, but sellers outside of New York may not be collecting sales tax for New York State. The Executive Budget requires marketplace providers to collect sales tax when they facilitate a third-party sale to residents of New York State, whether the seller is located within, or outside of, New York. This would apply only to marketplace providers that have facilitated over \$100 million in sales each year.

- **Increase the Vending Machine Sales Tax Exemption:** The Executive Budget incentivizes the vending machine industry to migrate to cashless machines and improve tax compliance in the process. The sales tax exemption that currently exists for food and drink purchases costing \$1.50 or less at vending machines would be expanded to exempt food and drink costing \$2 or less at vending machines accepting cashless forms of payment.
- **Health Insurance Conversions (or comparable transactions):** The Financial Plan includes \$500 million annually over four years from conversions, acquisitions, or related transactions in which not-for-profit health insurers convert to corporations organized for pecuniary profit. DOB believes that such activity is likely in the current health insurance market.
- **Impose a Healthcare Insurance Windfall Profit Fee:** The Federal tax plan gives health care companies a 40% cut on their taxes, while also transferring health care costs to the State. The Executive Budget imposes a 14% surcharge on health insurer gains to recapture \$140 million of those corporate tax savings and reinvest it in vital health care services for New Yorkers.

Overview of Executive FY 19 Gap Closing Budget Actions

In order to close the projected \$4.4 billion General Fund budget gap for FY 19, the Executive proposes the following actions:

Agency Operations (\$446 million)

Operating costs for State agencies include salaries, wages, fringe benefits, and non-personal service costs (e.g., supplies and utilities). Reductions from current-service projections for Agency operations contribute \$446 million to the General Fund cost-containment plan.

Local Assistance (\$1,317 billion)

Local assistance spending includes financial aid to local governments and nonprofit organizations, as well as entitlement payment to individuals. Savings are expected from both targeted actions and continuation of prior year cost containment.

Capital Projects/Debt Management (\$569 million)

The Executive Budget reflects FY 19 debt service savings from the planned payment of \$340 million of FY 19 expenses in FY 18, as well as other actions such as expected refundings, continued use of competitive bond sales, and other debt management actions. The use of available bond proceeds to reimburse first-instance capital spending from prior years results in a downward revision to transfers needed to fund capital projects.

Revenue Actions (\$1.035 billion)

The majority of this total is derived from health insurance conversion, a healthcare insurance windfall profit tax, and an opioid epidemic surcharge.

General Fund Gap Closing Plan for FY 19 (Amounts in Millions)	
GENERAL FUND (GAP) DOB ESTIMATE	\$(4,443)
SPENDING CHANGES	
Agency Operations	\$2,672
Executive Agency Operations	\$446
University Systems	\$82
Elected Officials Budget Request	(\$52)
Local Assistance	\$1,317
Health Care	\$396
Education	\$533
Human Services	\$162
Mental Hygiene	\$181
STAR	\$110
MTA Subway Action Plan (One-Time State Subsidy)	(\$194)
All Other	\$129
CAPITAL PROJECTS/DEBT MANAGEMENT	\$569

PRE-PAYMENT OF FY 19 DEBT SERVICE EXPENSES	\$340
RESOURCE CHANGES	
	\$736
Tax Receipts Re-estimates	\$0
Extraordinary Monetary Settlements - Operations	\$383
Extraordinary Monetary Settlements – MTA Subway Action Plan	\$194
Other Resource Changes	\$159
REVENUE ACTIONS	
	\$1,035
Health Insurance Conversions	\$500
Healthcare Insurance Windfall Profit Fee	\$140
Opioid Epidemic Surcharge	\$127
Discontinue ESCO Sales Tax Exemption	\$90
Defer Business Related Tax Credit Claims	\$82
Internet Fairness Conformity Tax	\$75
Improve Cigar Tax Enforcement	\$12
All Other	\$9
Adhere to 2% Future Spending Benchmark	n/a
FY 19 EXECUTIVE BUDGET SURPLUS/(GAP)	\$0

General Fund Tax Receipts (Millions of Dollars)				
	Estimated FY 18	Forecast FY 19	\$ Change	% Change
<i>Personal Income Tax</i>				
Withholding	\$39,459	\$41,314	\$1,855	4.7%
Estimated Payments	\$17,734	\$14,921	(\$2,813)	(15.9%)
Final Returns	\$2,441	\$2,599	\$158	6.5%
Other Payments	\$1,426	\$1,501	\$75	5.3%
Gross Collections	\$61,060	\$60,335	(\$725)	(1.2%)
STAR Revenue Fund	(\$2,585)	\$(2,410)	\$175	6.8%
Refunds/Offsets	(\$10,125)	\$(11,091)	(\$966)	(0.8%)
Revenue Bond Tax Fund	(\$12,734)	\$(12,311)	\$423	3.3%
Net Collections	\$35,616	\$ 34,523	(\$1,093)	(3.1%)
<i>User Taxes and Fees</i>				
Sales and Use	\$6,784	\$7,140	\$356	6.1%
Cigarette/Tobacco	\$340	\$346	\$6	1.8%
Alcoholic Beverage	\$262	\$267	\$5	1.9%
Total	\$7,386	\$7,514	\$366	5.0%
<i>Business Taxes</i>				

Corporation Franchise	\$2,259	\$3,479	\$920	36.0%
Corporation and Utilities	\$565	\$540	(\$25)	(4.4%)
Insurance	\$1,539	\$1,668	\$129	8.4%
Bank	\$445	\$122	(\$323)	(72.6%)
Total	\$5,108	\$5,809	\$701	13.7%
Other Taxes				
Estate and Gift	\$1,314	\$1,033	(\$281)	(21.4%)
Pari-Mutuel	\$15	\$15	\$0	0.0%
Other	\$3	\$3	\$0	0%
Total	\$1,132	\$1,051	(\$281)	(21.1%)
Total Tax Collections				
	\$ 49,442	\$ 49,135	(\$307)	(0.6%)
Miscellaneous Receipts				
	\$2,296	\$2,019	(\$927)	(31.5%)
Federal Grants	\$0	\$0	\$0	0.0%
Total Receipts				
	\$52,388	\$51,154	(\$1,234)	(2.4%)

Source: New York State Division of the Budget (DOB)

All Funds Tax Receipts (Millions of Dollars)				
	Estimated FY 18	Forecast FY 19	\$ Change	% Change
Personal Income Tax	\$50,935	\$49,244	(\$1,691)	(3.3%)
User Taxes and Fees				
Sales and Use	\$14,510	\$15,266	\$756	5.2%
Cigarette/Tobacco	\$1,177	\$1,152	(\$25)	(2.1%)
Motor Fuel Tax	\$515	\$512	(\$3)	(0.6%)
Alcoholic Beverage	\$262	\$267	\$5	1.9%
Opioid Epidemic Surcharge	\$0	\$127	\$127	0.0%
Medical Marihuana Excise	\$2	\$2	\$0	0.0%
Highway Use Tax	\$96	\$142	\$46	47.9%
Auto Rental Tax	\$133	\$137	\$4	3.0%
Taxicab Surcharge	\$59	\$59	\$0	0.0%
Total	\$16,754	\$17,644	\$910	5.4%
Business Taxes				
Corporation Franchise	\$3,286	\$4,341	\$1,055	32.1%
Corporation and Utilities	\$737	\$710	(\$27)	(3.7%)

Insurance	\$1,721	\$1,868	\$147	8.5%
Bank	\$505	\$143	(\$362)	(71.7%)
Petroleum Business Tax	\$1,097	\$1,136	\$39	3.6%
Total	\$7,346	\$8,198	\$852	11.6%
Other Taxes				
Estate and Gift	\$1,314	\$1,033	(\$281)	(21.4%)
Real Estate Transfer Tax	\$1,147	\$1,212	\$65	5.7%
Pari-Mutuel	\$15	\$15	\$0	0.0%
Other	\$3	\$3	\$0	0.0%
Total	\$2,479	\$2,263	(\$216)	(8.7%)
MTA Payroll Tax Total				
MTA Payroll Tax Total	\$1,438	\$0	(\$1,438)	(100.0%)
Total Tax Collections				
Total Tax Collections	\$78,952	\$77,369	(\$1,583)	(2.0%)
Miscellaneous Receipts				
Miscellaneous Receipts	\$27,829	\$27,959	\$130	0.5%
Total State Receipts				
Total State Receipts	\$106,781	\$105,328	(\$647)	(-0.6%)
Source: New York State Division of the Budget (DOB)				

Major Tax and Revenue Actions in Executive Budget

Some of the major proposals included in the Executive Budget Article VII Revenue Bill include:

- Defer Business Related Tax-Credit Claims:** Taxpayers must defer their usage of most business credits for tax years 2018 through 2020, where such credits exceed \$2 million. Taxpayers can begin to use deferred *nonrefundable* credits in full starting in 2021, and may use 50 percent of refundable credits in 2021, 75 percent of the remainder in 2022, and the remainder in 2023.

State Fiscal Impact: Increases State revenue by \$82 million in FY 19, \$278 million in FY 20, \$199 million in FY 21, \$164 million in FY 22; Reduces State revenue \$298 million in FY 23, \$173 million in FY 24, and \$49 million in FY 25.

- Impose a Health Tax on Vapor Products:** The Executive Budget imposes an excise tax of 10 cents per fluid milliliter on vapor products at the distributor level, equalizing the tax treatment of tobacco products and the equivalent products used in e-cigarettes, and continuing the State's objective to reduce the use of tobacco products. To simplify record keeping requirements, distributors will provide customers with an invoice of total product sold in milliliters.

State Fiscal Impact: Increases All Funds State revenue by \$3 million in FY 19 and \$5 million annually when fully effective.

- **Establish an Opioid Epidemic Surcharge:** The Executive Budget imposes a new surcharge of 2 cents per milligram of active opioid ingredient on prescription drugs, directing all proceeds to the Opioid Prevention, Treatment and Recovery Fund. This new fund will support ongoing efforts to respond to the epidemic.

State Fiscal Impact: Increases All Funds State revenue by \$127 million in FY 19, \$171 million in FY 20, \$154 million in FY 21, \$138 million in FY 22, and \$125 million in FY 23.

- **Maintain Basic and Enhanced Exemption STAR Benefits at Existing Levels:** The Executive Budget maintains FY 19 STAR exemption benefits at no more than current FY 18 levels, rather than allowing them to grow by 2 percent. Under the Property Tax Cap, the average taxpayer saved more than \$2,100 in just the first five years. Combined with the Real Property Tax Freeze, local taxpayers have saved more than \$17 billion.

State Fiscal Impact: Reduces General Fund spending by \$49 million in FY 19.

- **Close the Carried Interest Loophole:** The carried interest loophole currently allows hedge fund managers and private equity investors to have a favorable federal tax treatment of certain investment management services compensation by treating that income as capital gains, rather than as ordinary earned income. Fees characterized as capital gains cannot be taxed by New York State when it is earned in New York by a non-resident. This budget proposal would treat carried interest as ordinary income for New York State tax purposes and imposes upon it a fairness fee of 17.0% to eliminate the benefit from preferential tax rates that exists at the Federal level. In order to prevent New York from being placed at a competitive disadvantage, this will take effect only when functionally identical legislation is enacted in Connecticut, Massachusetts, Pennsylvania, and New Jersey.

State Fiscal Impact: To be determined and likely none in FY 19, as the elimination of the loophole would not become effective until enacted by the four neighboring states.

- **Impose an Internet Fairness Conformity Tax:** Currently, internet sales are taxed with the largest retailers collecting State sales tax. However, the law has not kept up with technology and an inequity exists; the same item may be taxed by one online seller and not another. Online providers such as Amazon and eBay supply a marketplace for sellers from outside of the online provider to sell their products to consumers. Currently, such outside sellers are required to collect sales tax from New York residents if the seller is in New York, but sellers outside of New York may not be collecting sales tax for New York State.

The Executive Budget requires marketplace providers to collect sales tax when they facilitate a third-party sale to residents of New York State, whether the seller is located within, or outside of, New York. This proposal would only apply to marketplace providers that have facilitated over \$100 million in sales each year.

State Fiscal Impact: Increases All Funds State revenue by \$80 million in FY 19 and \$159 million annually when fully effective.

- **Enhance the New York Youth Jobs Program:** This program encourages businesses to hire unemployed, disadvantaged youth, ages 16 to 24, who live in New York State, with a focus on the following cities and towns: Albany, Buffalo, New York, Rochester, Schenectady, Syracuse, Mount Vernon, New Rochelle, Utica, White Plains, Yonkers, Brookhaven and Hempstead. Due to the success of the program, which has helped connect 31,000 youths to jobs, the Executive Budget increases the credit amounts by 50 percent, from \$500 to \$750 per month for up to the first six months, and from \$2,000 to \$3,000 for each employee who is employed for an additional time period after six months, with a maximum full time hire credit of \$7,500.

State Fiscal Impact: No impact on state revenues.

- **Increase the Vending Machine Sales Tax Exemption:** The Executive Budget incentivizes the vending machine industry to migrate to cashless machines and improve tax compliance in the process. The sales tax exemption that currently exists for food and drink purchases costing \$1.50 or less at vending machines would be expanded to exempt food and drinks costing \$2 or less at vending machines accepting cashless forms of payment.

State Fiscal Impact: Increases sales tax revenue by \$2 million in FY 21 and \$3 million annually when fully effective.

- **Health Insurance Conversions (or comparable transactions):** The Financial Plan includes \$500 million annually over four years from conversions, acquisitions, or related transactions in which not-for-profit health insurers convert to corporations organized for pecuniary profit. DOB believes that such activity is likely in the current health insurance market.

State Fiscal Impact: Increases All Funds State revenue by \$500 million each year for the next four fiscal years.

- **Impose a Healthcare Insurance Windfall Profit Fee:** The Federal tax plan gives health care companies a 40 percent cut on their taxes while also transferring health care costs to the State. The Executive Budget imposes a 14% surcharge on health insurer gains to recapture \$140 million of those corporate tax savings and reinvest it in vital health care services for New Yorkers.

State Fiscal Impact: Increases All Funds State revenue by \$140 million when fully effective, beginning in FY 19.

- **Discontinue the Energy Services Sales Tax Exemption:** The Executive Budget would repeal the sales tax exemption for gas and electric service associated with gas and electricity purchased from an energy service company (ESCO). Currently, a consumer purchasing electricity from a local utility company pays sales tax on their total electric or gas bill, while a consumer purchasing electricity from an ESCO will pay sales tax only on the gas or electricity, and not on the transportation, transmission or delivery. This bill would amend the Tax Law to impose the sales tax on all transportation, transmission or delivery of taxable gas and electricity, regardless of whether the gas or electricity was purchased from a local utility or an ESCO.

State Fiscal Impact: Increases State revenue by \$96 million in FY 19, and \$128 million when fully effective.

- **Hire a Vet Tax Credit:** The Executive proposal would extend the Hire a Vet Tax Credit for an additional two years, through FY 20. This credit is available to qualified taxpayers for the hiring of qualified veterans who commenced employment on or after January 1, 2014 and before January 1, 2018. The Executive proposes to extend this credit through 2020 for the hiring of qualified veterans who commenced employment before January 1, 2020.

State Fiscal Impact: Decreases All Funds State revenue by \$37 million in FY 21 and 22.

- **Empire State Child Tax Credit Benefits:** This proposal would maintain the amount of the Empire State Child Tax Credit at the same level that existed in 2017, prior to the Federal Tax Cuts and Jobs Act. Under the Federal tax reform legislation, the Federal tax credit was increased and enhanced. Currently, the Empire State Child Tax Credit is a percentage of the Federal tax credit, which would increase the credit and broaden the income thresholds in the credit calculation. This bill would tie the New York credit to 2017 Federal law prior to the reform.

State Fiscal Impact: If New York uses the new Federal regulations regarding eligibility and awards for this program instead of tying the credit to Federal law prior to the passage of the Federal Job Cuts and Jobs Act, it would reduce All Funds revenue by \$503 annually beginning in FY 20.

Monetary Bank Settlements

The State has received a total of \$10.7 billion in monetary settlements with banks, insurance companies, and automakers since 2014. A total of \$7.8 billion has been appropriated from capital projects funds.

The proposed Executive Budget Financial Plan reflects the allocation of an additional \$125 million in unbudgeted monetary settlements to support Health Care Capital Grants. The Budget includes a \$425 million increase to the health care facility transformation program, of which \$125 million will be funded from monetary settlements.

Since 2015, the receipt of \$10.7 billion in monetary settlements has increased the State's cash on hand and improved its liquidity position. A large portion of these monetary settlements (\$7.8 billion) has been programmed for capital projects that are expected to spend over multiple years. This has provided flexibility to use these cash resources temporarily to support capital spending and avoid issuing debt immediately, saving on interest costs.

Accordingly, the Executive Budget continues to assume that monetary settlements will temporarily be used for two different purposes:

- Use \$1.3 billion to fund bond-financed capital disbursements. Settlement resources were used to pay for \$1.3 billion of capital spending in FY 17 to support higher education, transportation, and economic development. This \$1.3 billion advance from settlement funds will be repaid when the State reimburses this capital spending with bond proceeds in FY 18 (\$800 million) and FY 19 (\$500 million).
- Meet initial capital funding requirements for the Javits Center expansion project. The Javits expansion will be supported by settlement fund balances in the first instance, beginning in FY 18. Subsequently, these expenses will be reimbursed from bond proceeds in FYs 20 and 21.

BUDGET IN FOCUS

Highlights and Analysis of the 2018–2019

Executive Budget

Education Fact Sheet

Appropriations

- **School Aid:** The Executive Budget recommends \$26.36 billion in School Aid, a \$769 million, or 3% increase over FY 18. Formula-based aids, including Building Aids, would increase by \$315 million, or 3.9% to \$8.3 billion.
- **Foundation Aid:** The Executive Budget increases Foundation Aid from \$17.2 billion to \$17.5 billion. This \$337.6 million increase is based on student need and local ability to raise revenue. The phase-in factor for Foundation Aid is based on district wealth. Approximately 81% of the \$337.6 million Foundation Aid increase will provide funding for High-Needs School Districts.
- **Universal Prekindergarten:** The Executive Budget provides \$415.6 million for the State's UPK programs. This is reflective of the State's multi-year consolidation of prekindergarten programs. In 2018-19, UPK aid is expected to help approximately 108,000 students in the state.
- **Empire After School Programs:** The Executive Budget increases funding for the Empire After School Grants to \$45 million. This \$10 million increase will expand access to public after-school care in high-need communities. The Executive aims to deter students from potential gang activity or involvement by directing \$2 million to at-risk communities in both Nassau and Suffolk Counties.
- **Public Libraries:** The Executive Budget provides \$91.6 million for Aid to Public Libraries (\$4 million decrease).

Article VII

- **Foundation Aid:** The Executive proposal increases Foundation Aid by \$338 million, including an additional \$50 million for Community Schools, bringing the total investment in Community Schools to \$200 million. Additionally, the Executive Budget would increase the minimum Community Schools set-aside amount from \$10,000 to \$75,000.
- **Individual School Funding Report** The Executive proposal would require, beginning with the 2018-19 SY, the Big Five School Districts to submit a funding allocation statement to the State Education Department (SED) and the Division of Budget (DOB) for approval, broken down by individual school district. Districts would need to receive approval from SED and DOB on their allocation of state and local funds to individual schools in order to be eligible to receive any school aid increases.
- **Charter Schools:** The Executive proposal would discontinue charter school supplemental basic tuition reimbursement to the New York City school district beginning with the 2019-20 SY; cap the State's share for incurred expenditures related to charter

school leased-space to \$10 million annually; and clarify that actual rental costs for new and expanding NYC charter schools include lease payments, costs of capital improvements, costs of occupancy, maintenance and repairs, utilities, custodial, security, insurance, and real property taxes.

- **School Nutrition Proposals:** The Executive proposal would require schools to adopt policies to prevent “school lunch shaming” and would establish policies regarding unpaid meal charges; require all public elementary and secondary schools, excluding charter schools, with at least 70% or more of its students Free and Reduced Price Lunch eligible to offer all students school breakfast; and increase the reimbursement schools receive for lunches for any school that purchases at least 30 percent of its food from New York farmers and growers.
- **School Bus-Stop Cameras:** The budget proposal would authorize school districts to enter into agreements with third parties to install school bus stop-arm cameras, and increase the fines for passing a stopped school bus. School districts would be entitled to receive the fines associated with violations captured by the cameras to pay for the costs of installing the cameras.

EDUCATION AGENCY DETAILS

Education All Funds Appropriations				
Agency	Available FY 18*	Appropriation Recommended for FY 19	\$ Change	% Change
State Education Department	\$61,768,276,850	\$35,707,384,850	(\$26,060,892,000)	(42.1%)

*The FY 18 SED appropriation comprises a 2-year appropriation period while the Governor shifts to a 1-year appropriation period in the FY 19 Executive Budget. Please see the text below for a more detailed comparison of year-over-year funding.

School Aid

The Executive Budget provides \$26.4 billion in School Aid, an increase of \$651.3 million or 3%. This increase is largely due to the following:

- \$315 million increase to Formula-based aids including Building Aids;
- \$3.5 million increase in grants and other aid categories;
- \$50 million increase in performance grants; and
- \$64 million for a new fiscal stabilization fund.

Foundation Aid: The Executive Budget increases Foundation Aid from \$17.2 billion to \$17.5 billion. This \$337.6 million increase is based on student need and local ability to raise revenue. The phase-in factor for Foundation Aid is based on district wealth. Approximately 81% of this \$337.6 million increase will provide funding for High-Needs School Districts.

The Executive Budget ensures that each school district receives a minimum increase of 0.25%.

Community Schools Funding: The Executive Budget provides \$200 million in overall community schools funding, a \$50 million increase over FY 18. Community schools funding is a set-aside of Foundation Aid funding. The set-aside funding targets failing and persistently failing schools, and districts with an extraordinary growth in English Language Learners.

Universal Prekindergarten: The Executive Budget appropriates \$415.6 million to fund the second year of a prekindergarten consolidation. The State continues its approach to provide full day kindergarten in all districts through a \$650,000 appropriation in full-day conversion aid that targets the remaining five districts without full-day kindergarten. The Executive also provides \$15 million to expand prekindergarten programs in high-need districts, targeting districts without pre-k programs.

Expense-Based Aids: Expense Based Aids reimburse school districts for costs already incurred in areas such as transportation, school construction, special education, and cooperative services. The Executive Budget submission provides current law funding for all expense-base aids for School Year (SY) 18-19, which results in an increase of \$315 million.

Expense-Based Aid Comparison				
School Aid Category	SY 17-18	SY 18-19	\$ Change	% Change
BOCES	\$904,970,892	\$922,410,051	\$17,439,159	1.9%
High Cost Excess Cost	\$638,481,379	\$626,065,239	(\$12,416,140)	(2.0%)
Private Excess Cost	\$393,330,632	\$415,747,736	\$22,417,104	5.4%
Building & Building Reorg.	\$2,950,658,920	\$3,126,421,396	\$175,762,476	5.6%
Transportation	\$1,811,884,263	\$1,909,090,557	\$97,206,294	5.1%
Total	\$6,699,326,086	\$6,999,734,979	\$300,408,893	4.5%

Charter School Supplemental Funding: The Executive provides a 3% increase for Charter School funding – equal to the increase provided to public schools. The Executive provides \$139 million for supplemental basic charter school tuition payments.

Executive Initiatives: The Executive Budget provides additional funding for several programmatic initiatives as follows:

- \$45 million for the Empire After School Grant program. This \$10 million increase would provide 6,250 additional seats to the 22,000 supported by current level funding. A portion of this increase will support after-school programs in high-risk districts and Nassau and Suffolk counties;
- \$9 million for the expansion of Early College High Schools (\$3.7 million increase);
- \$15 million to expand the State’s investment in prekindergarten programs in high-need districts (\$10 million increase);
- \$4 million to subsidize test fees for AP and IB exams for low-income students (\$2 million increase);
- \$500,000 to provide technical assistance grants for districts wishing to provide students access to advanced courses, as part of a new initiative;
- \$1 million in additional funding for a new cohort of Master Teachers;
- \$5 million in new funding for districts participating in the Breakfast After the Bell Initiative; and
- \$6 million for the Smart Start program to expand student access to computer science coursework in K-8.

Fiscal Stabilization Grants: The Governor provides \$64 million in Fiscal Stabilization Grants.

Special Education: The Executive Budget includes the following Special Education funding proposals:

- \$415.7 million in SY 18-19 Private Excess Cost Aid, an increase of \$22.4 million. This Aid provides reimbursement for public school children with more severe disabilities placed in private school settings or in State-operated schools in Rome and Batavia;
- \$626.1 million in SY 18-19 Public Excess Cost Aid, a decrease of \$12.4 million. This Aid provides reimbursement for the additional costs associated with providing resource-intensive special education programs for students with disabilities;

- \$103.1 million for Private Schools for the Blind and Deaf. This includes \$96.2 million in base funding for the State Share of tuition costs;
- \$1.04 billion for SY 18-19 Preschool Special Education. This State Aid covers 59.5% of the overall costs associated with Section 4410 of the Education Law, with counties paying the remaining 40.5%; and
- \$330.5 million for SY 18-19 Summer School Programs. This State Aid provide services to students on a year-round basis associated with Section 4408 of the Education Law. The Executive proposes shifting the State share of funding to reimburse districts based on a wealth-equalized ratio.

Non Public School Aid

The Executive Budget provides \$186.5 million to reimburse the actual expenditures of non-public schools for specified State testing and data-collection activities pursuant to the provisions of Chapters 507 and 508 of the Laws of 1974.

Nonpublic School Safety Equipment: The Executive Budget includes \$15 million in Capital funding for nonpublic school safety equipment, the same level as the previous year.

Academic Intervention for Nonpublic Schools: The Executive Budget includes \$922,000 to support academic intervention services to enhance the educational performance of students attending nonpublic schools. This is the same funding level as the previous year.

Grant Programs and Additional Aid Categories

The Executive Budget provides increased funding levels for the following programs:

- \$54.25 million is provided for the education of students receiving services through the Office of Mental Health or Office for People with Developmental Disabilities (\$500,00 increase);
- \$46.9 million for the Education of Native Americans (\$720,000 increase); and
- \$30.23 million for the education of homeless children (\$2.3 million increase).

The Executive Budget provides SY 18-19 funding for the following programs:

- \$96 million for the Employment Preparation Program (EPE);
- \$34.4 million for the school lunch/breakfast program;
- \$25 million for the Teacher of Tomorrow grant program;
- \$15.5 million for Bilingual Education Grants;
- \$3.3 million for Learning Technology grants;
- \$12 million for the Roosevelt School District;
- \$400,000 for School Bus Driver Safety programs;
- \$7.3 million for districts participating in the Urban-Suburban Transfer Program;
- \$6.3 million for Adult Literacy Education;
- \$400,000 for bus driver safety training grants;
- \$13.8 million for health services in the Big 4 School Districts, an additional \$2.4 million is provided for Buffalo and Rochester;

- \$2 million for the Teacher-Mentor Intern program; and
- \$16 million for educating youth detained in local correctional facilities.

Office of Higher Education and the Professions

The Executive Budget reduces funding for many higher education scholarship and grant programs included by the Legislature in the FY18 Enacted Budget. The Executive reduces funding for the following initiatives:

- \$3 million decrease for the Liberty Partnership Program, bringing total funding to \$15.3 million;
- \$5.9 million decrease for the Higher Education Opportunity Program, bringing total funding to \$29.6 million;
- \$2.6 million decrease for the Science and Technology Entry Program, bringing total funding to \$13.1 million;
- \$1.9 million decrease for the Collegiate Science and Technology Entry Program, bringing total funding to \$9.9 million; and
- \$3.0 million decrease for the Foster Youth Initiative, bringing total funding to \$1.5 million.

Cultural Education

The Executive Budget provides:

- \$91.6 million for aid to public libraries (\$4 million decrease); and
- \$14 million for Public TV and Radio (flat funding from FY 18).

Adult Career and Continuing Education Services (ACCES)

The Executive Budget provides:

- \$54 million for case services;
- \$13.3 million for Independent Living Centers;
- \$15.2 million for time-limited services or long-term support services;
- \$6.3 million for competitive grants for adult literacy programs (\$1 million decrease); and
- \$294,000 for college readers aid payments.

Article VII

- **Foundation Aid:** The Executive proposal increases Foundation Aid by \$338 million, including an additional \$50 million for Community Schools, bringing the total investment in Community Schools to \$200 million. The Budget also increases the minimum Community Schools set-aside amount from \$10,000 to \$75,000. The proposal does not include a phase-in timeline allocating the remaining funds owed to districts under Foundation Aid.
- **Individual School Funding Report:** The Governor would require, beginning with the 2018-19 SY, the Buffalo, New York City, Rochester, Syracuse and Yonkers City School

Districts to submit a funding allocation statement to the State Education Department (SED) and the Division of Budget (DOB) for approval. The report must detail how funds are allocated annually to each school within the district. Districts would need to receive approval from SED and DOB on their allocation of state and local funds to individual schools in order to be eligible to receive any school aid increases. Beginning with the 2019-20 SY and thereafter, all districts with more than nine individual schools who receive more than half of their revenue from the state would be required to submit this information for approval. Districts would have the ability to revise and resubmit their spending plans for approval. Failure to receive approval from SED and DOB would result in a loss of any school aid increases.

- **Charter Schools:** The Executive includes the following proposals related to charter schools:
 - The Executive proposal would clarify that actual rental costs for new and expanding New York City charter schools include lease payments, costs of capital improvements, costs of occupancy, maintenance and repairs, utilities, custodial, security, insurance, and real property taxes.
 - The budget would discontinue State reimbursement for charter school supplemental basic tuition for the New York City school district beginning with the 2019-20 SY. Supplemental basic tuition would continue to be reimbursed in the following year by the State for all other districts outside of New York City. The 2017-18 Enacted Budget required districts with students attending charter schools to increase payments to charters by \$500 per pupil in supplemental basic tuition over their total per pupil payments in 2016-17, for a total of \$1,000 per pupil.
 - The Budget caps the State’s share for incurred expenditures related to charter school leased-space to \$10 million annually. Beginning in 2014, when a charter school is awarded rent, New York City was required to pay the first \$40 million, and then the State would pay a 60% share through Charter Facilities Aid.
- **Expense-Based Aids:** The Executive proposes to limit building, transportation, and BOCES aid reimbursement to 2% over the prior year beginning in the 2019-20 SY and thereafter. Projects already approved for the New York City School District are excluded from the 2% cap on building aid, but building aid for new projects going forward would not be exempt from the 2% cap.
- **School Nutrition Proposals:** This comprehensive proposal includes the following initiatives related to school nutrition:
 - The Budget requires all public schools, including charters, to adopt policies to prevent school “lunch shaming “and establish policies regarding unpaid meal charges by July 2018, or within 60 days of regulations established by the Commissioner. The policy would require that the school provide the student with his/her meal of choice, unless the student’s parents specifically request that a meal be withheld. The proposal would also require that schools establish

communication methods with families to ensure eligible students are enrolled in the National Free and Reduced Price Meal programs.

- The Executive proposes requiring all public elementary and secondary schools with at least 70% or more students eligible for Free and Reduced Price Lunch to offer all students a school breakfast after the instructional day has started. In determining a service delivery model that best suits its students, schools must consult with teachers, parents, students and members of the community. The State Education Department would be required to maintain, on its website, a list of schools that meet the requirements to offer school breakfast, and to report annually on data related to the program. Charter schools are excluded from this requirement.
- The Executive proposal would increase the reimbursement schools receive for lunches from the current \$0.06 per meal to \$0.25 per meal for any school that purchases at least 30 percent of its food from New York farmers and growers, beginning with the 2019-20 school year.
- **School Bus-Stop Cameras:** This proposal authorizes school districts to enter into agreements with third parties to install and operate school bus stop-arm cameras, and increases the fines for passing a stopped school bus. Costs associated with such cameras would not be reimbursable through State transportation aid; instead, the school district would be entitled to receive monies from the fines associated with violations captured by the cameras. The proposal would increase fines from \$250-\$400 to \$500-\$750 for a first offense, from \$600-\$750 to \$1,000-\$1,250 for a second offense, and from \$750-\$1,000 to \$1,250-\$1,500 for a third offense. School districts would not be able to access the images from these cameras; rather, the images would be received and inspected by law enforcement officials, and would constitute prima facie evidence for a fine. Payment of the fine would be made payable to the school district. This proposal is based off a similar program in Austin, Texas.
- **BOCES Recovery High Schools:** The Executive proposal would authorize non-component school districts, including the Big Five City School Districts, to participate in Recovery High School programs operated by Boards of Cooperative Educational Services (BOCES) for up to five years. A recovery high school is an alternative, multi-service high school program for adolescents with, or at risk of, a diagnosed substance use disorder that provides a supportive educational environment.
- **Graduate Level Data for Educators:** The Executive proposal requires registered graduate-level program teacher and leader education programs to report to the State Education Department demographic data of students participating in and completing such programs.
- **Respect for Diversity Program:** The Executive proposal requires the SED Commissioner, in cooperation with the Commissioner of the Division of Human Rights, to develop an age-appropriate “Respect for Diversity” program for eighth and ninth

graders to promote awareness and respect for diversity. School districts would not be required to implement this program.

- **Test Scores:** The Executive proposal continues to prohibit school boards or BOCES from including test scores from the grades 3-8 Math and English Language Arts exams on a student's permanent records for an additional year.
- **East Ramapo:** The budget would continue authorization for a state monitor at the East Ramapo Central School District to improve and enhance the educational opportunities of the public school students for an additional year, provided the school district annually revises their long term strategic academic and fiscal improvement plan as well as expenditure plan by October 1 of each year. The plan, and the ability to receive funds, would be deemed expired on June 30, 2021.
- **Special Education Waivers:** The Executive proposal would authorize a school district, private school, or BOCES to apply to the State Education Department for a waiver from certain special education requirements, provided that federal compliance is maintained and the waiver will enhance student achievement and opportunities through an innovative program. Notice of the proposed waiver must be provided to all parents of students who would be impacted by the waiver and parents must be provided an opportunity to submit written comments. The Commissioner would be required to review comments received when determining whether to grant a waiver request. Any entity that is granted a waiver must submit an annual report to the Commissioner. This proposal has been included, and ultimately rejected as part of the Executive's budget submission since 2013.
- **Full-Day Kindergarten Conversion Aid:** The budget provides additional funding to encourage the five remaining school districts to offer full-day kindergarten programs. School districts implementing full-day kindergarten in 2018-19 would be eligible for additional aid in 2019-20 equal to 50% of the district's 2018-19 Full-day Kindergarten Conversion Aid.
- **Summer School Special Education:** Governor Cuomo proposes to realign State reimbursement to school districts for summer school special education (known as "4408 programs") tuition costs with the wealth-equalized aid ratio used to reimburse school districts for similar programs operated during the school year. This change would conform reimbursement for summer school special education tuition costs with the more equitable wealth adjusted financing structure of the State's School Aid funding system. Summer school special education transportation and maintenance costs would continue to be funded by the State at current rates.
- **Computer Science Standards:** The Executive proposal would convene a working group of educators, industry experts, higher education institutions, and employers to develop a model for computer science standards for grades K-12. The working group must submit a report on their findings to the State Education Department by March 1, 2019.

- **Routine Extenders:** The following routine extenders are also included:
 - Extends state law that conforms to the Federal No Child Left Behind requirements;
 - Maintains existing provisions for the Teachers of Tomorrow program in the New York City School District for the 2017-18 school year;
 - Maintains special education class size waivers for school districts;
 - Continues the authorization for the Rochester City School District to purchase health services from BOCES;
 - Continues existing provisions for Magnet Schools, Attendance Improvement and Dropout Prevention, and Teacher Support Aid within Foundation Aid;
 - Continues the Contracts for Excellence program for the same 15 school districts that were required to submit a contract for the 2017-18 school year;
 - Provides for the continuation of a Consortium for Worker Education (CWE) allocation within the Employee Preparation Education (EPE) program;
 - Continues the current provisions relating to the conditional appointment of school employees in school districts, BOCES and charter schools through the next school year;
 - Continues provisions for the school bus driver training grant program;
 - Continues existing provisions for the support of public libraries;
 - Continues existing provisions for a lottery accrual due to a change made by the Government Accounting Standards Board regarding the Teacher Retirement System pension contribution;
 - Extends for one year, the availability of additional building aid to school districts for the purchase of stationary metal detectors, security cameras or other security devices that increase the safety of students and school personnel; and
 - Continues miscellaneous extenders for one year.

Higher Education Fact Sheet

Appropriations

- **Excelsior Scholarship & Enhanced Tuition Awards:** The Executive provides \$118 million to support the second phase of the Excelsior Scholarship at SUNY and CUNY. The Governor provides \$23 million for the second phase of the Enhanced Tuition Award. Both programs increase the income eligibility to \$110,000 during Academic Year 2018-19.
- **Affordable Textbooks:** The Executive provides \$4 million for both SUNY and CUNY to fund the expansion of Open Educational Resources. These programs allow campuses to provide electronic textbooks and supplemental learning materials to students taking courses with high enrollment.
- **Bundy Aid Reinvestment:** The Executive reinvests \$24.6 million in unrestricted aid to independent colleges into a new round of \$30 million in Higher Education Capital Match Grants (HeCAP).

Article VII

- **NYS DREAM Act:** The Executive proposes enacting the New York State DREAM Act by making undocumented immigrant students eligible to receive State financial assistance for college.
- **Certified Registered Nurse Anesthetists (CRNAs):** This proposal would expand the scope of certified registered nurse anesthetists (CRNAs) to practice “nurse anesthesia,” or the practice of administering anesthesia and related care to patients.
- **Psychology, Social Work, or Mental Health Licensure Requirements:** The Executive proposal clarifies the responsibilities and tasks that require psychology, social work, or mental health licensure for individuals working in certain programs and services, and permits those who have been employed before July 1, 2020 to continue to benefit from the existing licensure exemption.

HIGHER EDUCATION AGENCY DETAILS

Agency	Available FY 18	Executive Recommended FY 19	\$ Change	% Change
State University of New York	\$10,567,769,100	\$10,685,683,100	\$117,914,000	1.1%
City University of New York	\$4,799,549,000	\$4,610,765,400	(\$188,784,000)	(3.9%)
Higher Education Service Corporation	\$1,263,735,000	\$1,242,687,000	(\$21,048,000)	(1.7%)
Council of the Arts	\$47,043,000	\$46,883,000	(\$160,000)	(0.3%)
Total	\$16,678,096,500	\$16,586,018,500	(\$92,078,000)	(0.6%)

The Executive Budget recommends an All Funds appropriation of \$16.6 billion for higher education in New York, a \$1.13 billion (7.3%) increase from FY 18 levels.

CUNY Operating Aid

The overall FY 19 core-operating budget for CUNY is \$1.27 billion. Tuition revenue is projected to negligibly decrease by \$3.7 million (.3%), for a total of \$1.15 billion. This decrease is due to assumptions made in prior year funding to account for enrollment increases. The Executive proposes \$542 million in State Operating Aid, which is flat from FY 18. Tuition at CUNY campuses would continue to increase due to the \$200 rational tuition increase authorized in the FY 18 budget.

SUNY Operating Aid

The overall FY 19 core-operating budget for SUNY is \$2.79 billion. Tuition revenue is projected to slightly increase by \$21.9 million (1.1%), for a total of \$1.92 billion. This increase is due to the \$200 rational tuition increase authorized in the FY 18 budget. The Executive proposes \$956 million in State Operating Aid, which is flat from FY 18.

HESC/TAP Funding

The Executive Budget proposes \$1.2 billion in All Funds appropriations for the Higher Education Services Corporation (HESC). This includes \$1.1 billion for the Tuition Assistance Program (TAP). This TAP appropriation includes \$27 million for the DREAM Act and \$118 million for the first phase of the Excelsior Scholarship (Free Tuition proposal).

- \$928.6 million for tuition assistance;
- \$27 million in additional tuition assistance to fund the DREAM Act;
- \$23 million in additional tuition assistance to fund the second phase of the Enhanced Tuition Award Program;
- \$118 million in additional tuition assistance to fund the Excelsior Scholarship Phase II;

- \$14.4 million is funding for tuition assistance for part-time students; and
- \$59.7 million for the various scholarships and programs administered through HESC. The Executive maintains funding for programs such as the child welfare worker loan forgiveness program and scholarship.

Community Colleges

The Executive Budget maintains base aid for community colleges at \$2,747 per Full-Time Equivalent (FTEs) student, the same as FY 18. This results in overall community college base aid of \$232.2 million for CUNY and \$441.4 million for SUNY. The community college base aid appropriation maintains \$5 million for the New York Jobs Linkage Program. The appropriation language requires CUNY and SUNY to submit a plan for the allocation of these funds to the Director of the Budget by December 1, 2018.

City University of New York

The Executive Budget proposes the following funding levels for CUNY programs:

- \$23.4 million for the Search for Education, Elevation and Knowledge (SEEK) program (\$4.7 million reduction);
- \$1.5 million for CUNY LEADS (\$250,000 reduction);
- \$8.9 million for building rentals;
- \$813,100 for child care centers (\$902,000 reduction);
- \$1.1 million for the College Discovery Program (\$225,000 reduction);
- \$1.9 for Workforce Development and contract courses; and
- No appropriation is made for the Accelerated Study in Associate Programs (ASAP), or the CUNY Pipeline Program at the Graduate Center. ASAP was funded at \$2.5 million in FY 18, and the CUNY Pipeline Program was funded at \$187,500.

State University of New York

The Executive Budget proposes the following funding levels for SUNY programs:

- \$26.8 million for the Educational Opportunity Programs (EOP) (\$5.4 million reduction);
- \$55 million for the Educational Opportunity Centers (EOCs) (\$7.0 million reduction);
- \$2.0 million for Small Business Development Centers (\$1.5 million reduction);
- \$6.0 million for Graduate Diversity Fellowships (\$600,000 reduction);
- \$11.6 million for building rental aid (no change);
- \$1.0 million for childcare centers (\$1.1 million reduction);
- \$1.9 for Workforce Development (no change); and
- No appropriation was made for the Graduate Achievement and Placement Program (GAPP). GAPP was funded at \$1.5 million in FY 18.

Higher Education Capital Plan

The Budget provides \$284.22 million for CUNY critical maintenance projects, which is flat from FY 18. The Executive provides \$48.48 million for the state's 50% share of projects at CUNY Community Colleges.

A \$350 million appropriation is provided for SUNY critical maintenance projects, a \$200 million increase from FY 18. The Executive also includes \$78.6 million for capital projects at the SUNY

Hospitals. The Budget also provides \$38.67 million for the state's 50% share of projects at SUNY Community Colleges.

The Executive Budget includes \$30 million for Higher Education Capital Match Grants (HeCAP). This program allows independent colleges to receive capital funding from the State at a 1:3 match. Funding for this grant program is part of the Executive's reinvestment of Unrestricted Aid to Independent Colleges (Bundy).

Article VII

- **The New York State DREAM Act:** This proposal would enact the New York State DREAM Act to allow undocumented immigrants to apply for state college tuition assistance. This would make students without lawful immigration status eligible for the Excelsior Scholarship, the Tuition Assistance Program, the Enhanced Tuition Award, and other State financial assistance programs offered to college students who are New York State residents. To become eligible, students must have attended high school in New York State and applied for admission at a college in New York State within five years of receiving a diploma.
- **CPA Minority Ownership:** The budget would allow public accountancy firms to have minority ownership, of up to 49%, by individuals who are not licensed as certified public accountants or public accountants, as long as the words "Certified Public Accountant" or the abbreviation "CPA" is excluded from the firm's name.
- **Expanded Scope of Practice for CRNAs:** The Executive proposal would expand the scope of certified registered nurse anesthetists (CRNAs) to practice "nurse anesthesia," or the practice of administering anesthesia and related care to patients. Under current DOH regulations, CRNAs must practice under the direct supervision of a licensed physician. This proposal would allow for collaboration agreements with one or more licensed physicians for CRNAs with over 3,600 practice hours and under a written practice agreement with a physician for CRNAs with under 3,600 hours. Anesthesia services offered by the provider, including services provided by CRNAs, would be directed by a physician who is responsible for the clinical aspects of all anesthesia services offered by the provider. The bill also provides the settings a CRNA may work in, and would establish the education, fees, use of the title of CRNA, training and licensure requirements for CRNAs in order to be certified to practice nurse anesthesia. Currently, practicing CRNAs would have two years to obtain certification within two years of the effective date of this bill and may practice while his or her application is pending. The Medical Society of New York State has opposed similar bills expanding the scope of practice for CRNAs in the past.
- **Psychology, Social Work, or Mental Health Licensure Requirements:** This proposal clarifies the responsibilities and tasks that require psychology, social work, or mental health licensure for individuals working in certain programs and services that are regulated, operated, funded or approved by the following agencies: Office of Mental

Health (OMH); the Office for People with Developmental Disabilities (OPWDD); the Office for Alcoholism and Substance Abuse Services (OASAS); the Department of Health (DOH); the State Office for the Aging (SOFA); the Office of Children and Family Services (OCFS); the Department of Corrections and Community Services (DOCCS); the Office for Temporary and Disability Assistance (OTDA); and/or local governmental units or social service districts. Since 2002, individuals employed in programs regulated, operated, funded or approved by the previously listed agencies have been exempt from these licensure requirements. This proposal would not extend the existing exemption, but would instead permit those who have been employed or obtain employment on or before July 1, 2020 to continue to benefit from the existing exemption. Any person employed after July 1, 2020 would need to meet the requirements of the newly defined scope of practice.

- **Issuance of Professional Licenses:** This part would prohibit any state agencies from suspending, imposing fines, preventing renewal, or denying the issuance of professional licenses for individuals behind or in default of their student loans.

Public Protection Fact Sheet

Appropriations

- **DOCCS:** The Department of Corrections and Community Supervision (DOCCS) budget includes an \$8.7 million shift of 116 correctional officers responsible for the supervision of inmates in the Corcraft program from the General Fund to the Corcraft Correctional Industries Account, and a \$4.5 million decrease in funding associated with the closure of three special housing units to comply with the New York Civil Liberties Union settlement costs.
- **DCJS:** The Division of Criminal Justice Services budget includes a \$17.8 million reduction in legislative additions and lump-sum appropriations funded in Fiscal Year 2018, a \$5 million reduction in the Aid to Defense program, shifting funding from the General Fund to the Legal Services Assistance Account, and a \$1 million reduction in the New York State Defenders Association program, shifting funding from the General Fund to the Indigent Legal Services Account.
- **Hurrell-Harring:** The Executive Budget provides a \$50 million increase in funding for the statewide implementation of the Hurrell-Harring settlement. This figure represents one-fifth of the overall \$250 million request made by the Office Indigent Legal Services.
- **Armory Capital:** The Executive Budget includes \$13.2 million in capital funding for the Division of Military and Naval Affairs to continue maintenance projects for armories across the State.

Article VII

- **Speedy Trial Reform:** The Executive Budget includes a speedy trial reform proposal, which focuses mainly on limiting the use and length of speedy trial waivers. The proposal draws very little on existing speedy trial reform bills.
- **Bail Reform:** This Article VII proposal would eliminate cash bail for misdemeanors and non-violent felonies. When cash bail is allowed, the court must consider the defendant's ability to pay, and must review bail if it is not posted within five days. Remand would only be available in narrow circumstances, and restrictions are imposed limiting the amount of time a person would spend in jail prior to trial.
- **Discovery Reform:** The budget proposal includes an automatic discovery system, which would require the disclosure of certain information within 15 or 30 days of arraignment. The proposal also explicitly requires the disclosure of reports generated by law enforcement, including police reports.
- **Expanded Merit Time and Limited Credit Time Allowances:** This proposal would expand the availability of merit time and limited credit time allowances by creating new

qualifying programs. These allowances can result in early release for inmates, while equipping them with skills to ease their transitions back into their communities.

- **Geriatric Parole:** In an effort to reduce the aging prison population, the Executive Budget proposes establishing geriatric parole for inmates over the age of 55 who are incapacitated by physical or mental illness and who do not pose a risk of reoffending.
- **Child Victims Act:** The Executive Budget includes a version of the Child Victims Act, which extends criminal and civil statutes of limitations for sexually related offenses committed against a child and opens a one-year revival window for previously time-barred claims. This version appears to limit the statute of limitations for institutional defendants compared to other versions of the Child Victims Act.
- **Civil Asset Forfeiture Reform:** The Executive Budget eliminates the ability of law enforcement to bring civil asset forfeiture proceedings against persons not charged with a felony and requires conviction of the defendant before a court may grant forfeiture of the defendant's assets.
- **Full Day Workday for Trial Courts:** The Governor would require all state-paid trial judges to certify monthly that the judge performed judicial duties at an assigned court location for at least eight hours on each workday.
- **Lower Interest Rates on Judgments:** The Executive Budget would lower the statutory interest rate on civil judgments and accrued claims from 9% to the one-year United States Treasury Bill rate, which was about 1.8% as of January 16, 2018.
- **Service of Process on Business Entities:** The Executive Budget shifts the burden of serving legal process on most business entities and not-for-profits from the Secretary of State to the plaintiff. Under the Executive proposal, the plaintiff must mail the process to the entity and deliver the process personally to the Department of State.
- **Veterans:** The Executive Budget creates an Armory Rental Account Enterprises Fund and extends the Hire-A-Vet Tax Credit.

PUBLIC PROTECTION AGENCY DETAIL

Public Protection Agencies Executive Control-All Funds Appropriations				
Agency	Available FY 18	Executive Recommendation FY 19	\$ Change	% Change
Department of Corrections and Community Supervision	\$3,279,046,000	\$3,295,221,000	\$16,175,000	0.49%
Department of Law	\$261,685,000	\$263,872,000	\$2,187,000	0.84%
Division of Criminal Justice Services	\$286,097,000	\$281,348,000	(\$4,749,000)	(1.66%)
Division of Homeland Security and Emergency Services	\$1,576,977,000	\$1,534,707,000	(\$42,270,000)	(2.68%)
Division of Military and Naval Affairs	\$139,311,000	\$156,511,000	\$17,200,000	12.35%
Division of State Police	\$926,123,000	\$994,657,000	\$68,534,000	7.40%
Division of Veterans Affairs	\$20,718,000	\$19,103,000	(\$1,615,000)	(7.80%)
Interest on Lawyer Accounts	\$46,981,000	\$47,039,000	\$58,000	0.12%
Judicial Commissions	\$5,652,000	\$5,764,000	\$112,000	1.98%
Prevention of Domestic Violence	\$5,597,000	\$5,597,000	\$0	0.00%
Indigent Legal Services	\$109,640,000	\$161,247,000	\$51,607,000	47.07%
Office of the State Inspector General	\$7,244,000	\$7,444,000	\$200,000	2.76%
Office of Victim Services	\$119,698,000	\$119,698,000	\$0	0.00%
State Commission of Correction	\$2,955,000	\$2,955,000	\$0	0.00%
Total	\$6,787,724,000	\$6,895,163,000	\$107,439,000	1.58%

Judiciary All Funds Appropriations				
	Available FY 18	Executive Recommended FY 19	\$ Change	% Change
Judiciary-All Funds	\$2,207,857,986	\$2,260,792,566	\$52,934,580	2.40%
Judiciary -General State Charges	\$753,339,010	\$788,508,198	\$35,169,188	4.67%
Total with GSC Charges	\$2,961,196,996	\$3,049,300,764	\$88,103,768	2.98%

The Executive Budget provides an All Funds appropriation of \$6.89 billion for Public Protection Agencies. This is a \$107.4 million increase, or 1.58% over FY 18. The Judiciary’s proposed budget request recommends All Funds appropriations of \$3.04 billion, which is an increase of \$88.1 million, or 2.98%, from FY 18.

Commission of Correction

The Executive Budget provides \$2.9 million for the Commission of Corrections, the same amount as FY 18. Of this appropriation, \$2.5 million or 86.2% will support 32 FTEs in FY 19.

Department of Corrections and Community Supervision

The Executive Budget provides \$3.29 billion in All Funds for the Department of Corrections and Community Supervision (DOCCS). This is a net increase of \$16.1 million or .49% over FY 18.

State Operations Funding will decrease by a net \$12.1 million, or 0.6% from FY 18. This change is a result of the following Executive initiatives:

- \$305,000 increase to appoint 3 additional Parole Board members;
- \$4.5 million decrease in personal services costs associated with closing three special housing units in Cayuga, Upstate and Southport to comply with the New York Civil Liberties Union settlement;
- \$8.7 million decrease related to transferring 116 FTEs from the General Fund to the Corcraft Internal Service Fund;
- \$4.5 million decrease related to savings associated with reduced Hepatitis C drug costs;
- \$750,000 decrease associated with the elimination of county reimbursement for personal service costs related to the transportation of State Ready inmates;
- \$200,000 decrease associated with eliminating one transportation day between facilities;
- \$128,000 decrease associated with updating policies related to merit-time and limited credit time allowances; and
- \$3 million increase linked to General Fund reimbursement for inpatient days previously reimbursed to the Department of Health rather than DOCCS.

State Operations funding of \$2.04 billion will support a net 29,183 FTEs in FY 19. The NYCLU settlement led to 36 new FTES: 23 for supervision and 13 for program services linked to alcohol and substance abuse services at Lakeland and Upstate correctional facilities. The new FTEs are funded with General Fund dollars.

Aid to Localities funding will remain at the FY 18 level of \$29.4 million. Aid to Localities funding supports the operation of the Center for Employment Opportunities; residential stabilization and treatment programs in the community; vocational training for parolees, other offenders and former inmates from New York City jails; the state share of Medical Assistance payments; and program services for televisiting and re-entry services with a focus on the family.

Capital Projects funding increases by \$26 million from \$401 million to \$427 million in FY 19. This funding will support facility maintenance, operations and improvement of existing facilities.

Department of Law

The Executive Budget provides \$263.8 million for the Department of Law, a net increase of \$2.1 million over FY 18. State Operations funding increases are a consequence of increased personal service costs. The Department of Law will continue to support 1,839 FTEs, the same as in FY 19.

Capital Projects funding decreases from \$5 million to \$1 million, a decrease of \$4 million. The Executive Budget provides funding for new capital IT projects including the replacement of the Service Now legacy system and other security initiatives.

Division of Criminal Justice Services

The Executive Budget provides \$281.3 million All Funds for the Division of Criminal Justice Services (DCJS), a net decrease of \$4.7 million or 1.6%.

State Operations funding increases by a net \$16 million. This increase is due to the adoption of the federal appropriation amount for the State's appropriation linked with the Equitable Sharing-Justice and the Equitable Sharing-Treasury programs. Each program has \$8 million appropriation authority. DCJS will continue to support 436 FTEs in FY 19, unchanged from FY 18. Overall FTE costs are \$33.7 million.

Aid to Localities funding decreases by a net \$20.7 million. This net decrease is associated with a General Fund decrease of \$22.4 million offset by a \$1.72 million increase in Special Revenue Other accounts.

General Fund reductions are related to the elimination of prior year legislative additions, including the funding for FY 19 of two programs formerly funded with General Fund dollars:

- \$5 million for Aid to Defense is reduced and now funded at the same level through the Legal Services Assistance account; and
- \$1 million for the NYS Defenders Association is reduced and now funded at the same level through the Indigent Legal Services Account.

The Executive Budget funds multiple Executive initiatives from two Special Revenue accounts that are normally used by the Legislature for discretionary funding. In order to partially offset the loss, the Executive increases the Legal Services Account by \$686,000. In addition, the Executive consolidates all existing SNUG programs into one \$4.8 million appropriation.

Aid to Localities funding from the federal government will remain flat in FY 19 at \$29.9 million.

Division of Homeland Security and Emergency Services

The Executive Budget provides \$1.53 billion in All Funds for the Division of Homeland Security and Emergency Services. This is a net decrease of \$42.2 million from FY 19, and is associated with the following Executive actions:

- \$50 million reduction of a one-time interoperability program bonded appropriation;
- \$5.8 million adjustment to the FY 18 State Operations budget linked with the full annualization of several enacted initiatives and recent legislation; and
- \$1.9 million adjustment to the FY 18 State Operations budget related to disaster preparedness and emergency response efforts.

The Division will have an overall workforce of 599 FTEs in FY 19. This 27 FTE increase is due to recent legislation approved by the Governor and the need for critical infrastructure reviews.

The Executive continues \$75 million in Aid to Localities funding for statewide public safety communications. Of this amount, \$65 million is for new grants to continue support for county interoperable communications and \$10 million for operating costs of public safety dispatch centers.

Judiciary

The proposed budget included by the Office of Court Administration on behalf of the Judiciary recommends All Funds appropriations of \$3.04 billion, which is an increase of \$88.1 million, or 2.98%, from FY 18.

Personal Service Costs: The personal service request of \$1.49 billion represents an increase of \$34.2 million (2.4%) over the current year adjusted appropriation. This includes funding for all judicial positions and all filled non-judicial positions. Funding for judicial positions includes salary increases in compliance with the mandate of the Commission on Judicial and Legislative Salaries. Funding is also included for collectively negotiated salary increases as well as the payment of increments, longevity bonuses, uniform allowance and location pay, as required by law, for all eligible non-judicial employees. These salary derived net increases are partially offset by savings associated with employee turnover.

Capital Projects: The Judiciary's budget includes \$18 million to support improvements to court technology infrastructure, including:

- The second year of a multi-year plan to modernize the Judiciary's computer network;
- New computing equipment for judges, court staff and the court system's data centers;
- A multi-year project to modernize the technology and sound systems in courtrooms throughout the state;
- The second year of modernizing critical security equipment including x-ray scanning machines, magnetometers, security cameras and access control systems; and
- The expansion of e-filing.

Division of Military and Naval Affairs

The Executive Budget provides \$156.5 million in All Funds for the Division of Military and Naval Affairs (DMNA), a net increase of \$17.2 million, or 12.3% from FY 18. This increase is associated with the creation of a \$4 million Special Revenue Fund for seized assets and a \$13.2 million increase in Capital Project funding linked with the maintenance of armories across the State. DMNA will support 390 FTEs in FY 19, the same FTE level as last year.

Division of Veterans Affairs

The Executive Budget provides \$19.1 million for the Division of Veterans Affairs, a net decrease of \$1.62 million. This net decrease is a result of the elimination of \$1.7 million in prior year legislative additions and a \$130,000 increase in State Operations related with the ongoing costs of maintaining a database management system for veteran counseling services. DVA will support 98 FTEs in FY 19, the same as last year.

Interest on Lawyer Account

The Executive Budget provides \$47 million in overall funding for local grants. The actual disbursement amounts depend on the interest generated by the trust accounts to fund the program. The Judiciary backfills \$15 million every year for this program.

State Inspector General

The Executive Budget provides overall funding of \$7.4 million for the State Inspector General, a \$200,000 increase from FY 18. This increase is due to a recent federal audit related to the accounting of funds received pursuant to Equitable Sharing Agreements. The State Inspector General will support 109 FTEs in FY 19, the same as in FY 18.

Judicial Commissions

The Executive Budget recommends the following amounts for the State's three judicial commissions: The Commission on Judicial Conduct (\$5.7 million), Commission on Judicial Nomination (\$30,000), and the Judicial Screening Commission (\$38,000). The only program receiving an increase in FY 19 is the Judicial Conduct Office, with the restoration of \$122,000 resulting from an Executive veto in FY 18.

Office of Indigent Legal Services

The Executive Budget provides \$161.2 million in funding for the Office of Indigent Legal Services. This is an increase of \$51.6 million, or 47%. The increase is a result of several Executive actions, including:

- A \$50.7 million increase in Aid to Localities funding to continue the implementation of the Hurrell Haring settlement; and
- An \$887,000 increase in State Operations linked with additional staffing (4 new FTEs) for the continued implementation of Hurrell Haring, nonpersonal service and fringe benefit increases.

The Hurrell Haring court case argued that the state's failure to provide any funding to counties left resources so diminished that defendants were without constitutionally adequate representation by counsel. The case's settlement seven years later required the state to ensure representation at the first court appearance (which often decides the crucial issue of bail); fund enough lawyers and support staff to generate adequate and vigorous representation; create standards for caseload size and eligibility for representation; amongst other things. That settlement affected Onondaga, Ontario, Schuyler, Suffolk and Washington counties. The Executive Budget provides only one-fifth, or \$50 million, of the overall \$250 million budget request.

Office for the Prevention of Domestic Violence

The Executive Budget provides flat funding for the Office for the Prevention of Domestic Violence (OPDV). Funding for OPDV will remain at \$5.5 million in FY 19 and will support 27 FTEs.

Office of Victim Services

The Executive Budget provides \$119.6 million for the Office of Victim services, the same as provided in FY 18. The Office will support 98 FTEs in FY 19, no change from FY 18.

State Police

The Executive Budget provides an All Funds appropriation of \$994.6 million, an increase of \$68.5 million or 7.4%. This increase is net of several actions, including:

- \$60 million increase in Capital Projects linked with the creation of two \$30 million Federal Equitable Sharing Funds;
- \$5 million increase in Capital Projects associated with interoperable project spending;
- \$400,000 decrease in State Operations linked with elimination of the FY 19 Trooper exam;
- \$8 million adjustment to the Division's FY 18 State Operations budget associated with MS-13 gang activities and the processing of sexual offense kits;
- \$600,000 increase related to the anticipated anti-methamphetamine program grant from the federal Community Oriented Policing Services; and
- \$4.7 million decrease associated with the removal of a one-time Bureau of Justice Statistics grant.

The Division of State Police will support 5,742 FTEs in FY 19, an increase of 30 FTEs from FY 18. This increase is associated with additional resources needed by the State Police to combat the MS-13 gang (26 FTEs) and four FTEs for sexual offense kit processing.

Article VII

- **Speedy Trial Reform:** The Executive Budget includes a proposal that would enact some speedy trial reforms. Only a few aspects of this proposal, however, are drawn from S.7006-A (Bailey, "Kalief's Law") and S.7016 (Bailey, sometimes referred to as "the compromise bill"). The similarities include permitting judges to inquire, on the record, as to the prosecutor's actual readiness for trial and to find the declaration of readiness invalid after inquiry, and the ability to deny a continuance if it is not in the interests of justice.

The Executive Budget proposal does not address requiring the court to advise the defendant of his or her speedy trial rights, adjournments after the prosecution has stated their readiness, real-time rulings on whether adjournments are excluded from the prosecution's speedy trial time, exclusion of delays due to court congestion, out-of-court declarations of readiness, or time limits on continuances.

The main focus of the proposal focuses on setting firm restrictions on speedy trial waivers. Under the proposal, waivers must be in writing and signed by the defendant. If the defendant is in custody, the waiver must be made on the record in open court and approved by the judge. There are also limits on the amount of time that can be waived, and on the number of waivers that can be made per case. This proposal would generally

require that motions to dismiss on speedy trial grounds be filed at least 20 days prior to trial, rather than up until trial, as current law permits.

- **Bail Reform:** The Executive Budget would eliminate cash bail for misdemeanors and non-violent, non-Class A felonies. In lieu of a cash bail, a defendant charged with these crimes would either be released on his or her own recognizance or released subject to certain conditions. These conditions could include supervision by, or reporting to, a pretrial services agency, restrictions on association or travel, firearms restrictions, and electronic monitoring. When a defendant is charged with a violent or Class A felony, he or she may be released, with or without conditions, or the court may set bail. In setting bail, the court must consider the defendant's ability to pay. If bail is not posted within five days, the court must have a hearing to determine whether bail should be re-set at a more affordable level. Whenever the court is deciding release conditions or bail, the court must select the least restrictive means that will reasonably ensure the defendant's return to court.

Under this proposal, a defendant can only be remanded pending trial if he or she is charged with a domestic violence offense, a crime involving "serious violence," a Class A felony, witness intimidation, committing a new crime while released or out on bail, or if he or she has willfully failed to appear in court. When remand is sought, the prosecution must notify the defendant of their intent to seek remand, and a hearing must be held within 5 working days to determine if remand is appropriate. At the hearing, the prosecution must show by clear and convincing evidence that the defendant poses a high risk of flight, or a "current threat to the physical safety of a reasonably identifiable person or persons," and that no means other than remand will sufficiently prevent flight or protect the safety of the person or people at risk. The term "reasonably identifiable person or persons" is not defined within this proposal. When remand is granted, the defendant may only be held for 180 days before trial, although the period may be extended by up to 20 days at a time if the prosecution can show good cause (including a number of specifically enumerated circumstances) to do so.

- **Discovery Reform:** The Executive proposes an automatic discovery system, wherein information must be disclosed within 15 or 30 days of arraignment, without the need for written demands by the defendant. Material that the prosecution intends to use to impeach the defendant at trial must be disclosed 15 days prior to jury selection, rather than immediately before, as current law provides. The proposal also expands the list of material that the prosecution is required to disclose and explicitly requires the disclosure of all reports prepared by law enforcement. Protective orders to block the release of information would be available if the release of information would pose a danger to the integrity of evidence or a risk of physical harm, intimidation, or other dangers to a witness.

Prosecutors would only be allowed to redact information in order to protect an ongoing case, although little guidance is given regarding redaction. Defendants would be able to challenge redactions. If a party has failed to comply with the discovery procedure, the

judge may give the jury an instruction allowing the jury to draw an adverse inference against the party that failed to follow procedure, along with other remedies provided under current law. The proposal also expands witness tampering and witness intimidation crimes to provide a Class A felony level of each.

- **Expanded Merit Time and Limited Credit Time Allowances:** The budget would create new merit time and limited credit time allowance programs. The new merit time allowance would provide for a shortened sentence upon completion of two semesters of six credits of college classes. Merit time allowances allow inmates to appear before the parole board to ask for early release, prior to the date on which they would otherwise be eligible for parole (or, in the case of determinate sentences, when they would otherwise not be eligible for parole).

The limited credit time allowance programs would provide for shortened sentences for completion of certain cosmetology, barber, computer operator, or Thinking for a Change cognitive behavioral treatment programs, when the inmate completes certain requirements and earns the applicable certificate. Limited time credit allowances allow for inmates who are serving indeterminate sentences to be eligible for parole six months earlier than they would be otherwise, and allow for inmates serving determinate sentences to be eligible for conditional release six months earlier than they would be otherwise.

- **Geriatric Parole:** The Executive Budget would establish geriatric parole for people over the age of 55 who are physically or mentally incapacitated by a medical condition worsened by age, and who pose no reasonable probability of re-offense or threat to society. Further, an inmate would not be eligible for release if release would “deprecate the seriousness of the crime.” To be eligible for geriatric parole, a person must not be serving a sentence of life without parole or a sentence on a conviction of Murder in the First Degree or Aggravated Murder, and must have served at least half of their sentence or minimum sentence. While this parole would typically be granted at an inmate’s normal parole hearing, the proposal also authorizes DOCCS to investigate, on its own accord or at the request of an inmate or inmate’s lawyer or family, whether an inmate should be assessed and referred to the Parole Board for consideration of geriatric parole.
- **Child Victims Act:** The Governor includes in his budget proposal a version of the Child Victims Act. This particular version eliminates the criminal statute of limitations for sexually related felony offenses against a minor, which is currently five years, but leaves the current statute of limitations in place for non-felony sexually related offenses. The proposal extends the civil statute of limitations for sexually related offenses, which is currently the plaintiff’s 21st birthday, to fifty years after the offense for claims against individuals.

The Executive Budget eliminates the requirement of filing a notice of claim with the state, local government, or school district within 90 days of the incident before suing them for a claim involving a sexually related felony offense, but the proposal appears to

subject claims against these institutions to the current statute of limitations of the plaintiff's 21st birthday. The Executive Budget would create a one-year revival window for plaintiffs whose claim regarding a sexually related felony offense was previously time barred.

- **Civil Asset Forfeiture Reform:** The Executive Budget eliminates the ability of law enforcement to bring civil asset forfeiture proceedings against persons not charged with a felony and requires conviction of the defendant before a court may grant forfeiture of the defendant's assets. If the criminal action does not end in conviction of the defendant, law enforcement must return any property seized. If a court grants forfeiture, the law enforcement agency must report the demographic information of the defendant to the State Division of Criminal Justice Services.
- **Full Day Workday for Trial Courts:** The Executive Budget would require all state-paid trial judges to certify monthly that the judge performed judicial duties at an assigned court location for at least eight hours on each workday, performed authorized duties in an authorized court-related activity at an assigned location, or was on authorized leave. The Chief Administrator of the Courts would be responsible for ensuring compliance with the certifications requirement. The State Comptroller would periodically audit the certifications.
- **Lower Interest Rates on Judgments:** This proposal would lower the statutory interest rate on civil judgments and accrued claims from 9% to the one-year United States Treasury Bill rate, which was about 1.8% as of January 16, 2018. The FY18 Executive Budget included a similar proposal that only applied to judgments against municipal corporations, public housing authorities, the state, and other public corporations. Both houses of the Legislature rejected the proposal, and the Enacted Budget did not include it.
- **Excess Medical Malpractice Insurance Coverage Program Extender:** The Executive Budget extends the Physicians' Excess Medical Malpractice Insurance Program, which provides an additional layer of coverage to physicians with hospital privileges who maintain a certain level of primary coverage.
- **Department of State Expedited Handling Fees:** The Executive Budget extends for one year the authority of the Secretary of State to charge additional fees for expedited special handling of documents.
- **Service of Process on Business Entities:** The Executive Budget shifts the burden of serving legal process on corporations, cooperative corporations, redevelopment companies, condominium boards, associations, limited partnerships, limited liability partnerships, limited liability companies, real estate brokers, and not-for-profit corporations from the Secretary of State to the plaintiff. Current law allows the plaintiff to serve the Secretary of State as an agent of the entity, and the Secretary then mails the process to the business. Under the Executive proposal, the plaintiff must mail the process on the entity and deliver the process personally to the Department of State.

- **Filing Requirements for Co-Op Transfers:** The Executive Budget would require purchasers or transferees of a co-op apartment, or a controlling interest in an entity with an interest in real property, to file a real property transfer report with the Department of Taxation. The Executive claims this is necessary because transfers of co-op shares and entities do not involve the recording of a deed, as sales of other real property do. Requiring the filing of a real property transfer report in these cases would facilitate the issuance of STAR checks (in the case of co-ops), and the valuation of complex properties (in the case of entity transfers).
- **Armory Rental Account Enterprises Fund:** The Executive Budget proposal establishes the Armory Rental Account enterprises fund for the Division of Military and Naval Affairs' budget. The account will allow DMNA to rent out or otherwise charge for the use of armories by outside entities when they are not in use by New York's military forces.

Specifically, the State Comptroller and the Department of Taxation and Finance would establish the fund jointly. All moneys paid as rent would be deposited to the fund, to be available and used by the adjutant general for services and expenses of the office in relation to the maintenance and operation of armories. In addition to their uses during emergencies, several states already allow military armories to be rented out to non-state entities to help offset the cost of maintaining them when they are not otherwise in use.

- **Hire-A-Vet Tax Credit Extender:** The Executive Budget proposal extends the Hire-A-Vet tax credit program for two years, through 2020. The credit would be available to qualified taxpayers for hiring veterans who commence employment on or after January 1, 2014 and before January 1, 2020.

The Hire-A-Veteran credit is equal to 15% of the total wages paid to the disabled veteran during their first full year of employment, up to \$15,000 total, or 10% of the total wages paid to a veteran who is not disabled, up to \$5,000 per veteran. To claim the credit, the employer must have the veteran certify that he or she meets the requirements of a qualified veteran on form DTF-75.

Health and Mental Hygiene Fact Sheet

Appropriations

- **Medicaid:** The Executive Budget provides \$70.1 billion for the New York State Medicaid Program. These funds are expected to provide services for approximately 6 million individuals.
- **Health Care Reform Act:** The Executive Budget establishes the Healthcare Shortfall Fund and provides \$1 billion in appropriation authority. This reserve account would be funded through insurance conversion proceeds.
- **Minimum Wage:** The Executive Budget includes \$703 million in new funding to support the direct cost of FY 19 minimum wage increases for health care workers that provide services reimbursed by Medicaid on behalf of the Department of Health.
- **Life Sciences Laboratory Public Health Initiative:** The Executive Budget provides \$600 million and continues support for a life sciences laboratory, which will develop life science research, innovation and infrastructure through a joint effort between Empire State Development and the Department of Health.
- **Mental Hygiene:** The Executive Budget includes \$120 million for increased respite services, additional employment and day program opportunities and additional independent and certified residential services. The Executive also continues to support the transition from institutional types of care to community-based services including housing programs and additional supportive housing beds. The Executive also proposes a jail based restoration program.

Article VII

- **Retail Practices:** The Executive Budget authorizes the establishment of “retail practices” that would provide limited health services and treatments within the main premises of the retail businesses (such as a CVS).
- **CHIP:** The Executive Budget authorizes the State to make changes to the Child Health Plus (CHP) program if Congress reduces funding for CHP on or after October 1, 2017. DOB and DOH must identify the amount of federal funding that has been withheld and make any programmatic changes that may be necessary to address the loss of funding.
- **Reduce the Risk of Exposure To Lead Paint:** The Executive Budget requires municipalities to report lead inspection and remediations to the Department of Health and requires local code enforcement officers to conduct regular inspections of residential and non-residential properties for risk of lead paint exposure.

- **Capital Support for Healthcare Transformation:** The Executive Budget establishes a third round of funding (\$425 million) for the Health Care Facility Transformation Program to support capital projects, debt retirement, working capital and other non-capital projects that lead to the transformation of the healthcare system.
- **Opioid Epidemic Surcharge:** The Executive Budget establishes a surcharge of 2 cents per morphine milligram equivalent sold. This revenue will be directed to a newly created opioid prevention, treatment and recovery account.

HEALTH AND MENTAL HYGIENE AGENCY DETAILS

Health and Mental Hygiene All Funds Appropriations				
Agency	Available FY 18	Appropriations Recommended FY 19	\$ Change	% Change
Department of Health	\$147,832,233,100	\$153,464,661,100	\$5,632,428,000	3.7%
Office of Medicaid Inspector General	\$50,021,000	\$50,021,000	\$0	0.0%
Total All Health	\$147,882,254,100	\$153,514,682,100	\$5,632,428,000	3.7%
Office of Alcoholism and Substance Abuse Services	\$706,710,000	\$786,972,000	\$80,262,000	10.2%
Developmental Disabilities Planning Council	\$4,760,000	\$4,760,000	\$0	0.0%
Justice Center for the Protection of People with Special Needs	\$54,544,000	\$56,404,000	\$1,860,000	3.3%
Department of Mental Hygiene	\$600,000,000	\$600,000,000	\$0	0.0%
Office of Mental Health	\$4,133,452,000	\$4,245,883,000	\$112,431,000	2.6%
Office for People with Developmental Disabilities	\$4,508,196,000	\$4,698,066,000	\$189,870,000	4.0%
Total All Mental Hygiene	\$9,300,952,000	\$9,605,113,000	\$304,161,000	3.2%
All Agency Totals	\$157,183,206,100	\$163,119,795,100	\$5,936,589,000	3.6%

Department of Health

The Executive Budget includes \$153.5 billion in All Funds Support for the Department of Health, which represents a two year appropriation. This funding represents an increase of \$5.6 billion, or 3.7 % over FY 18. This level of funding would support 5,463 FTEs, which is a 381 FTE year-to-year increase.

Public Health

Early Intervention (EI): The Executive Budget includes several reform measures for the EI program that would result in \$3.2 million in State savings. Details of these proposals are as follows:

- \$1.9 million in savings by requiring insurers to cover services that are included in the child's insurance policy;
- \$850,000 in savings realized from improved screenings and evaluations;

- \$459,000 in savings by requiring insurers to consider Individual Family Service Plans (IFSP) signed by a provider as part of a medical necessity review; and
- \$50,000 in savings by requiring EI providers to appeal insurer denials.

Program Consolidations: The Executive Budget recommends consolidating 30 public health programs into four separate funding pools for similarly functioning programs; this consolidation would result in State savings of \$9.2 million and a 20% reduction in funding (Please see chart at the end of this section for a complete breakdown of this consolidation proposal).

New York State of Health (Exchange): The Executive Budget includes \$694 million in All Funds support for operation of the exchange. The Exchange began accepting enrollees on October 1, 2013. To date, over 4.1 million individuals have enrolled in the program, thereby reducing the number of uninsured New Yorkers by 4.7%.

Other Public Health Initiatives: The Executive Budget includes several other healthcare related proposals, including the following:

- \$19.9 million in savings by eliminating the 1.9% cost-of-living-adjustment (COLA) to certain Department of Health providers;
- \$1.5 million in savings by modernizing the American Indian Health Pharmacy benefits;
- \$13.1 million in savings by shifting Family Planning to the Department of Financial Services (DFS);
- \$1 million in savings by shifting rape crisis services to the Department of Criminal Justice Services (DCJS);
- \$6 million in funding to shift the Nurse-Family Partnership program from the Office of Temporary and Disability Assistance to DOH;
- \$6.5 million to fund for awards recommended by the Empire State Stem Cell Board; and
- \$16.1 million in State Operations funding to support an additional 381 FTEs throughout the Department. These new positions are associated with the State takeover of Medicaid administration from local governments, operational support for surveillance and certification activities, and to conduct background checks for health home care managers.

Roswell Park Cancer Institute: The Executive Budget transfers \$15.3 million from local assistance spending to capital appropriations. This action maintains Roswell's total operating subsidy at \$102.6 million.

Health Care Reform Act (HCRA):

- \$1 billion for the Healthcare Shortfall Fund to be funded by health care insurance windfall profits and the resulting proceeds from healthcare not-for-profit conversions to for-profit. These funds would be used to address the potential loss of \$2 billion in federal funding for the Child Health Insurance Program (CHIP) and the Essential Health Plan;
- \$6.9 million in savings by eliminating the Empire Clinical Research Investigator Program (ECRIP); and
- \$850,000 in savings by eliminating hospital resident audits.

Medical Assistance Program

Medical Assistance (Medicaid) Program: The Executive Budget recommends \$70.1 billion in appropriations for the Medicaid program, an increase of \$1.6 billion or 2.5% over FY 18. The State share for the Medicaid program under the global cap is \$18.9 billion, representing an increase of \$593 million or 3.2% over the FY 18 spending cap of \$18.3 billion. In addition, the Executive Budget recommends extending the Medicaid global cap for one year, through FY 2020.

The Executive Budget maintains fiscal relief to local governments as a result of the takeover of Local Medicaid growth. For FY 19 local governments would receive approximately \$3.3 billion in relief as follows:

- \$1.5 billion for New York City; and
- \$1.8 billion for the rest of State.

Medicaid Redesign Team (MRT): The Executive Budget includes fiscally neutral recommendations from the MRT for New York State's Medicaid Program. Highlights of the Executive's recommendations include the following:

Pharmacy Savings Actions: The Executive includes several initiatives that would protect consumers as well as \$45.23 million in State savings. Details are as follows:

- \$11.28 million in savings from reducing coverage for over the counter (OTC) drugs;
- \$17.85 million in savings from reducing inappropriate prescribing. Specifics are detailed below:
 - \$5.4 million in savings through the elimination of prescriber prevails under the fee for service (FFS) Medicaid program;
 - \$12 million in savings through the elimination of prescriber prevails under the Medicaid managed care program; and
 - \$450,000 in savings through the establishment of a Comprehensive Medication Management (CMM).
- \$1.1 million in savings by reducing the use of opioid drugs by 20% by the year 2020;
- \$5 million in savings by establishing a Medication adherence program; and
- \$10 million in savings through the performance of a rebate risk assessment.

Long Term Care Savings Actions: The Executive Budget proposes several initiatives under long-term care that would result in State savings of \$180.8 million, including the following:

- \$73.5 million in State savings by limiting eligibility for Managed Long term care plans to those who require less than 6 months in a nursing home;
- \$28.1 million in State savings by increasing Social Adult Day Health benefit efficiency;
- \$13.7 million in State savings by limiting the number of Licensed Home Care Service Agency (LHCSA) contracts with a Manage Long Term Care plan;
- \$10 million in State savings by imposing penalties on poor performing nursing homes;
- \$7.5 million in savings by improving the way Nursing home case mix index increases are provided;
- \$18.9 million in savings by providing relief from burdensome regulations;

- \$4.8 million in savings by requiring 120 days of continuous enrollment in a community based long term care plan in order to remain eligible for a plan;
- \$4.4 million in increased funding to enable Nursing Homes to increase the number of Assisted Living Program beds; and
- \$7.81 million in State savings by requiring spousal support.

Managed Care Savings Actions: The Executive Budget includes several managed care initiatives that would result in \$70.3 million in State savings, including the following:

- \$10 million in savings by increasing penalties on managed care plans that fail to meet values based payment targets;
- \$33.3 million in savings from establishing a Health Home Quality, Innovation and Performance program;
- \$7.5 million in State savings by reducing the overutilization of laboratory services;
- \$7.5 million in State savings by reducing Medicaid rates for providers without value based payment contracts; and
- \$2 million in State savings by requiring managed care plans to submit performing provider system (PPS) partnership plan.

Other Cost Saving Actions: The Executive Budget also includes various proposals or initiatives resulting in \$100.15 million in State savings, including:

- \$19.5 million in savings by reforming transportation services under the Medicaid program, detailed as follows:
 - \$6 million in savings by carving transportation services out of the Managed Long Term Care (MLTC) rate;
 - \$4 million in savings by eliminating rural transit assistance;
 - \$7.4 million in savings by carving transportation services out of the Adult Day Health Care (ADHC) program;
 - \$3 million in savings by eliminating the supplemental ambulance rebate payments;
 - \$5.4 million in state savings by reducing the Medicaid transportation fee for New York City (NYC) liveries; and
 - \$6.3 million in State funding is provided for an increase in the ambulance fee paid to providers. This additional funding would offset the above-mentioned reductions.
- \$30 million in savings by improving the integrity of the Medicaid program. This would be achieved by expanding the Office of Medicaid Inspector General's authority to: recover overpayments to Medicaid managed care; allowing for recovery of overpayments from managed care organization (MCO) subcontractors; and imposing fines on MCO's;
- \$12.6 million in savings by reducing account receivable balances;
- \$6.7 million in savings by reducing the Capital component of rates paid to providers;
- \$5 million in savings by reducing unnecessary utilization of services;
- \$5 million in savings by establishing retail clinics;
- \$5 million in savings by authorizing certified registered nurse anesthetists (CRNA);
- \$5 million in savings by removing origin site requirements in the Tele-health program;

- \$4.5 million in savings by utilizing best practices regarding emergency room diversion and inpatient discharge;
- \$900,000 in savings from the Medicaid portion of Early Intervention Reforms; and
- \$1.2 million in funding is provided to establish a Community Para-medicine program.

Federal Actions or Fiscal Pressures on the Medicaid Global Cap: The Executive Budget includes other funding proposals under the Medicaid program, including the following:

- \$425 million to increase the global cap target;
- \$35 million to restore prior 1% across-the-board rate reduction to nursing homes;
- \$45.4 million in additional funding for the vital access provider (VAP)/value based payment quality improvement (VBP-QIP) programs;
- \$10 million for the cost of an enrollment reconciliation process; and
- \$175 million to the Federal government because of disallowances and audits.

Essential Plan (EP) Impact: Congress, despite several attempts, has failed to repeal and replace the federal Affordable Care Act (ACA). Therefore, the President plans to withhold costs sharing reduction (CSR) payments to States for the essential health plan. Withholding CSR payments to New York State would result in a shortfall of approximately \$1 billion dollars. The Executive Budget proposes to offset this shortfall by **\$281.5 million (State share)** through a series of actions, including transferring the remaining balances in the EP trust fund, transferring appropriate EP expenditures to the Medicaid program, and converting VBP-QIP spending.

Other Investments: \$1.5 million is provided for the First Thousand Days initiative, which would expand access services to improve health outcomes for children in the Medicaid program.

Capital Funding

- \$425 million in new funding is included to establish the Statewide Health Care Transformation program III. These funds would be used as follows:
 - Essential health care providers including \$60 million for community based providers, with \$20 million being set-aside for Assisted Living Program beds;
 - \$45 million for residential healthcare facilities; and
 - The remaining funds would be available for healthcare facilities to transform to fiscally sustainable systems of care.
- \$600 million in new funding is included to support a life sciences laboratory public health initiative. These funds would be used to construct a state of the art facility in the Capital Region.

Office of Medicaid Inspector General

The Executive Budget recommends \$50.0 million in All Funds support for the Office of Medicaid Inspector General, which is consistent with FY 18 Levels. This funding level maintains the agency workforce at 426 FTEs.

Public Health Program Consolidation			
Programs	FY 19 Projected Cash Amount	FY 19 Revised Cash Amount	Reduction
DISEASE PREVENTION AND CONTROL - 8 Programs	\$13,532,000	\$10,826,000	(\$2,706,000)
Obesity & Diabetes Consolidation	\$5,970,000		
Public Health Campaign (Tuberculosis Only)	\$3,845,000		
Healthy Neighborhoods	\$1,495,000		
Childhood Asthma Coalitions	\$930,000		
Hypertension	\$506,000		
Health Promotion Initiatives	\$430,000		
Hypertension Prevention	\$186,000		
Children's Asthma	\$170,000		
MATERNAL AND CHILD HEALTH - 6 Programs	\$2,904,000	\$2,324,000	(\$580,000)
Prenatal Care Assistance Program (PCAP)	\$1,835,000		
Genetic Disease Screening	\$487,000		
Physically Handicapped Children Program	\$170,000		
Maternity and Early Childhood Foundation	\$227,000		
Sickle Cell	\$170,000		
Sudden Infant Death Syndrome (SIDS)	\$15,000		
PUBLIC HEALTH WORKFORCE - 10 Programs	\$26,824,000	(\$21,462,000)	(\$5,362,000)
Worker Retraining	\$9,160,000		
Rural Health Care Access Development	\$7,700,000		
Rural Health Network Development	\$4,980,000		
GME DANY Ambulatory Care Training	\$1,800,000		
GME AHEC	\$1,662,000		
GME DANY Diversity in Medicine	\$1,244,000		
Workforce Studies	\$148,000		
Upstate Medical (SUNY)	\$15,000		
Gateway Institute (CUNY)	\$83,000		
Statewide Health Broadcasts	\$32,000		
HEALTH OUTCOMES AND ADVOCACY - 6 Programs	\$2,682,000	\$2,147,000	(\$535,000)
Poison Control	\$1,520,000		
Cardiac Services	\$522,000		
Enriched Housing	\$380,000		
Hospital Cost Report	\$120,000		
Falls Prevention	\$114,000		
Long Term Care Community Coalitions	\$26,000		
TOTAL CONSOLIDATION (30 Programs)	\$45,942,000	\$36,759,000	(\$9,183,000)

All Mental Hygiene

The Executive Budget includes \$9.3 billion in All Funds support for all mental hygiene related areas. This is a \$304.1 million or 3.2% increase from FY 18.

Office of Alcoholism and Substance Abuse Services

The Executive Budget recommends \$787 million in All Funds support, an increase of \$80.3 million, or 10.2% over FY 18. This increase is primarily attributed to the following: salary increases of direct care workers, minimum wage increases and increases in supportive housing. This funding supports 738 FTEs, which is consistent with last year's levels.

State Operations: The Executive Budget includes \$89.9 million in State Operations funding on a cash basis, which reflects an increase of \$3.3 million over FY 18. This includes \$2.1 million in increased funding attributable to fringe benefits and indirect costs of the agency, \$1.2 million in increased funding due to collective bargaining increases and personal service (PS) updates.

Local Assistance: The Executive Budget provides \$458.9 million in local assistance funding on a cash basis, which reflects an increase of \$17.9 million over FY 18. Highlights of the proposals under Local Assistance are as follows:

- \$10.3 million increase to support the salary increases of direct care workers;
- \$7 million increase is attributed to the costs of minimum wage increases;
- \$3.5 million for the creation of seven new problem gambling resource centers;
- \$2.8 million for 200 new residential treatment beds;
- \$1.1 million for the full annualization of initiatives included as part of the FY 18 Budget. These funds would be used to support initiatives such as: family support navigators, adolescent club houses, and outpatient treatment program slots;
- \$4.5 million in savings is attributed to the elimination of spending for the startup costs of the 24/7 open access centers; and
- \$2.5 million in savings from the elimination of legislative additions, as follows:
 - \$2 million for Substance Abuse Prevention and Intervention Specialist (SAPIS) in New York City through the Department of Education;
 - \$175,000 for the New York State Alliance of Boys and Girls Club, Inc.;
 - \$100,000 for the Thomas Hope Foundation;
 - \$100,000 for Save the Michaels of the World, Inc.;
 - \$50,000 for the National Committee for the Furtherance of Jewish Education; and,
 - \$25,000 for the Camelot of Staten Island, Inc.

Capital: The Executive Budget recommends \$55.1 million in capital funding on a cash basis, which reflects an increase of \$4.7 million over FY 18. This increase would be used to support the development of new beds and treatment slots, as well as maintain and renovate community based programs and State-operated facilities.

Developmental Disabilities Planning Council

The Executive Budget recommends \$4.8 million in All Funds support, consistent with FY 18 levels. This funding level supports 18 FTEs.

Justice Center for the Protection of People with Special Needs

The Executive Budget recommends \$56.4 million in All Funds support, an increase of \$1.9 million, or 3.3% over FY 18. This funding level would maintain 441 FTEs.

Office of Mental Health

The Executive Budget recommends \$4.2 billion in All Funds support, which represents an increase of \$112.4 million, or 2.6% over FY 18. This funding level would support 13,628 FTEs, which is a 275 reduction from FY 18 levels. This staff reduction is primarily attributed to the restructuring of State operated facilities, and the creation of jail based restoration programs.

State Operations:

- \$11.6 million increase for collective bargaining increases and personal service (PS) updates;
- \$9.5 million State savings from restructuring of State operated facilities, including inpatient and outpatient facilities;
- \$3.5 million savings attributed to a reduction in overtime and personal service spending; and,
- \$1.7 million savings as a result of the jail based restoration proposal.

Local Assistance:

- \$850,000 in spending is attributed to the creation of a jail based restoration program for certain defendants. Funds would be available to local county jails that want to participate in this program to assist them with the costs of infrastructure improvements;
- \$31.6 million in increased funding is provided for the cost of salary increases for direct care workers;
- \$6.6 million in increased funding is attributed to the costs of the minimum wage increase;
- \$15.5 million in increased funding is attributed to the loss of federal dollars from the balance incentive program. State dollars would be provided for Home Community Based Waiver slots; and mobile integration teams;
- \$14.4 million in increased funding for reinvestment in to community based services;
- \$13.9 million in increased funding to develop 1300 new community beds under the NY/NYIII program;
- \$13 million in increased funding for the creation of adult home beds, as follows:
 - \$3 million for the full annualization of 300 beds established as part of the FY 18 Budget;
 - \$5 million for the creation of 500 new beds for FY 19; and
 - \$5 million for a new peers/assessment process.
- \$10 million in increased funding to enhance residential stipends; and

- \$6.01 million in State savings is attributed to the elimination of FY 18 legislative additions, as follows:
 - \$400,000 for Crisis Intervention Teams;
 - \$400,000 for FarmNet;
 - \$250,000 for Children’s Prevention and Awareness Initiatives;
 - \$200,000 for ComunLife, Inc.;
 - \$175,000 for South Fork Mental Health Initiative;
 - \$100,000 for Mental Health Association in New York State;
 - \$100,000 for North Country Behavioral Health Care Network;
 - \$50,000 for Global Trauma Research, Inc.;
 - \$45,000 for Mental Health Association of Genesee and Orleans County;
 - \$3.09 million for services and expenses of the Joseph P. Dwyer Veteran Peer to Peer Services Program, according to the following sub schedule:
 - \$185,000 each for Broome, Chautauqua, Dutchess, Erie, Jefferson, Monroe, Nassau, Niagara, Onondaga, Orange, Putnam, Rensselaer, Rockland, Saratoga, Suffolk, and Westchester;
 - \$170,000 for the University at Albany School of Social Welfare; and
 - \$1 million for services and expenses related to the expansion of Crisis intervention services and diversion programs.

Capital:

- \$50 million in increased funding is provided for the development of new crisis beds; and
- \$10 million in savings is attributed to the elimination of FY 18 Legislative additions for services and expenses of not for profit agencies licensed, certified or approved by the office of mental health, to support the preservation, restructuring, or expansion of children’s behavioral health services.

Office for People with Developmental Disabilities

The Executive Budget recommends \$4.7 billion in All Funds support, an increase of \$189.9 million, or 4% over FY 18. This funding level would support 18,580 FTEs, a 32 FTE reduction. This would be accomplished through attrition.

State Operations:

- \$15.2 million in savings is attributed to collective bargaining increases, attrition, and personal service (PS) updates; and
- \$18.5 million in savings is achieved through the full annualization of the downsizing of State Operated developmental centers (DC) and Intermediate Care Facilities (ICF).

Local Assistance:

- \$90 million increase for salary increases for direct care workers;
- \$29.9 million increase attributed to the increase in the minimum wage;
- \$29.9 million increase attributed to the loss of federal dollars from the balance incentive program. State dollars would be provided for the Systemic Therapeutic Assessment Resources and Treatment (START) program;

- \$60 million in State funds is recommended by the Executive, which would generate \$120 million in total funding. This increase would be used for: certified housing supports communities; support for additional independent living services; day programs and employment opportunities; and respite services. Details are as follows:
 - \$30 million in increased State funding for the full annualization of service growth that was included as part of the FY 18 Budget; and
 - \$30 million in increased State funding for the development of new service growth.
- \$45.8 million in savings is realized by maximizing Federal dollars through an enhanced FMAP on Care Coordination Organization (CCO)/Health Homes (HH);
- \$16.5 million in State savings by maximizing Medicaid dollars for Intermediate Care Facilities (ICF) to Individualized Residential Alternatives (IRA) conversions; and
- \$9 million in savings by revising the reimbursement to not-for-profits to adjustments for supplemental aid.

Capital:

- \$10.4 million in increased spending to invest in the electronic health records (EHR) system.

Article VII

- **Retail Practices:** The Executive Budget authorizes the establishment of “retail practices” that would provide limited health services and treatments within the premises of the retail businesses (such as a CVS). The retail practice must be staffed at all times by a physician, physician assistant, or nurse practitioner and must be “sponsored” by a corporation, hospital, or clinic system. The retail practices are authorized to provide services related to treating minor illnesses, wellness treatment, administration of opioid antagonists, and limited mental health screening and referrals. They may not do any procedures involving sedation or anesthesia, provide care to children under 2, or give vaccinations to those under 18 years of age.
- **Reduce the Risk of Exposure to Lead Paint:** The Executive Budget requires municipalities designated as areas of “high risk” for lead poisoning to report lead inspections and remediations to the Department of Health. DOH and the Department of Housing and Community Renewal must also work with local code enforcement officers to conduct regular inspections of residential and non-residential properties at risk of lead paint exposure. Additionally, this bill adds a presumption that all paint in structures built before January 1, 1978 are presumed to contain lead paint and therefore have to be maintained so the paint does not deteriorate.
- **Early Intervention Reforms:** The Executive Budget makes several reforms to the Early Intervention System including decreasing the time a child gets services, requiring better notification to parents about screening and evaluation procedures, and streamlining the evaluation process by setting forth procedures for determining a child’s need for EI services. In addition, insurers must cover EI services (and therefore make Medicaid a

payor of last resort). Providers must appeal insurance denials before submitting claims to local services districts (through Medicaid) for coverage.

- **Continued Capital Support For Healthcare Transformation:** The Executive Budget establishes a third round of funding for Health Care Facility Transformation in the amount of \$425 million to support capital projects, debt retirement, working capital and other non-capital projects that lead to the transformation of the health care system. Of this, \$60 million will be made available for community-based providers, with \$20 million of that available specifically for assisted living facilities. An additional \$45 million of the \$425 million will be available to residential health care facilities.
- **Medicaid Redesign Team Recommendations:** The Executive Budget continues the implementation of several Medicaid Redesign Team recommendations including:
 - Hospital Initiatives – Extends the Indigent Care Pool through December 31, 2019, creates performance targets for hospitals to reduce potentially preventable emergency department visits, and increases the cap on physical therapy visits from 20 visits per year to 40;
 - Medicaid Managed Care Initiatives – Authorizes incentive payments to enrollees for wellness activities and avoiding unnecessary hospitalizations, requires criminal background checks for health home employees, and requires managed care plans to submit a partnership plan or have their rates cut;
 - Pharmaceutical Initiatives – Extends pharmacy drug cap through 2020, increases pharmacy dispensing fees to comply with federal law, requires a treatment plan for those on opioids for longer periods of time, authorizes a voluntary comprehensive medication management plan to allow pharmacists to manage the dosage and frequency of a patient’s prescribed medication, and eliminates “prescriber prevails” protections;
 - Other Long-Term Care Savings - Imposes an annual 2% penalty on nursing homes that consistently perform poorly, redistributes Assisted Living Program (ALP) slots to counties where there are no ALP slots or where occupancy is over 85%, imposes “spousal support” obligations, and limits the minimum level of resources for non-residential spouses of Medicaid long-term care recipients;
 - Regulatory Modernization Initiatives:
 - Authorizes Community Paramedicine in which Emergency Medical Personnel, in collaboration with a health care provider, provides post-discharge, non-emergency care following hospital admissions to minimize rehospitalization;
 - Authorizes licensed healthcare providers to provide integrated primary care of mental health or substance abuse services pursuant to multi-agency

regulations so that the provider will not have to obtain multiple licenses from different agencies; and

- Expands the definition of “originating site” for Telehealth purposes to include a patient’s residence and allow for credentialed alcoholism and substance abuse counselors and early intervention providers to use telehealth services.
- **Medicaid Fraud Provisions:** The Executive Budget expands the authority of the Medicaid Inspector General (OMIG) to impose fines upon managed care organizations for failing to refer suspected provider fraud to OMIG and for systematically submitting incorrect data to OMIG. In addition, the State False Claims Act is amended to increase the minimum and maximum civil penalties for the submission of false or fraudulent Medicaid claims to comply with updates to federal law.
 - **Child Health Plus:** The Executive Budget adds language to authorize the Commissioner of Health to make programmatic changes to the Child Health Plus program in the event federal funding is reduced or eliminated. The Director of Budget and DOH Commissioner must identify the amount of reduced funding and may develop a plan to continue covering eligible children with state-only funds. The Director of Budget and DOH Commissioner must notify the legislature of the total reduction of federal funds and the plan, if any, to address the funding reduction.
 - **Restoration To Competency In Local and State Operated Jails:** The Executive Budget authorizes county and state run prisons to opt-in to a program to develop residential mental health pod units within local jails for the housing, treating, and eventual restoration of felony defendants to mental competency as they await trial. \$850,000 in state funding grants will be made available to help in the development of these units. Currently, felony defendants that are deemed not competent to stand trial must receive treatment in a psychiatric hospital, general hospital or outpatient setting.
 - **Defers COLA for OMH, OPWDD, OASAS Providers:** The Executive Budget continues the deferral of a scheduled COLA for OMH, OPWDD, and OASAS providers for fiscal year 2018-19. In addition, when a COLA is implemented beginning April 1, 2019, it will continue for three years until March 31, 2022 using the Consumer Price Index (urban).
 - **Opioid Epidemic Surcharge:** The Executive Budget establishes a surcharge on the first sale of all opioids in the State in the amount of 2 cents per morphine milligram equivalent sold. Sales to chemical abuse or dependence facilities would be exempted. This revenue will be directed to a newly created opioid prevention, treatment and recovery account. This account will be used for providing support for opioid treatment, recovery, prevention and education services. It is estimated that revenue generated from this surcharge will be approximately \$127 million in FY 19.

- **Other Miscellaneous Provisions:** The Executive Budget also contains the following provisions:
 - Extends the Physicians Excess Medical Malpractice Program through 2019;
 - Extends Medicaid Global Cap for one year through 2020;
 - Extends prescription drug price increase ceiling until 2023;
 - Discontinues the 1.9% COLA for DOH workers, and defers COLA for human services workers for one year;
 - Eliminates the ECRIP physician training program and the requirement for hospital resident hour working audits;
 - Authorizes the Commissioner of Health to make Medicaid rate adjustments to managed care plans that have excess reserves;
 - Extends authorization for the Office of Mental Health to reinvest savings from inpatient bed closures (estimated at \$110,000 per bed) into community mental health services;
 - Extends authority of the Office of Mental Health and Office for People with Developmental Disabilities facility directors to act as representative payees for the cost of a resident's care and treatment, and clarifies that doing so does not violate a facility director's fiduciary duty; and
 - Authorizes a managed care organization to affiliate with a non-profit entity for care coordination services.

Campaign Finance and Ethics Fact Sheet

- **Require Disclosure of Online Political Communications & Digital Ads:** Amends the definition for “political communication” to include paid internet and digital advertising, as well as display the name of the person or entity who paid for the ad.
- **Automatic Voter Registration & Early Voting:** These provisions would create a system of automatic voter registration for qualified individuals who apply for a driver’s license, renewal, or identification card. This proposal also establishes a system of early voting in each county throughout the state.
- **Same-Day Voter Registration:** This constitutional amendment would allow New Yorkers to register and vote on the same day. Thirteen other states and the District of Columbia allow same-day registration.
- **Term Limits for Elected Officials:** This constitutional amendment creates four-year legislative terms for members of the Senate and the Assembly. The amendment would also impose eight-year term limits for members of the legislature, Governor, Lieutenant Governor, Attorney-General, and Comptroller.
- **Limit Outside Income for Members of the State Legislature:** This proposal effectively restricts any outside earned income a member of the state legislature could earn to 15% beyond the member’s statutorily set salary and requires legislators to seek advice from the Legislative Ethics Commission (“LEC”) before earning any outside income in excess of \$5,000 per year.
- **Closes the “LLC Loophole”:** This proposal would reduce Limited Liability Corporation (“LLCs”) contribution limits to \$5,000 in the aggregate each year.
- **Require Local Elected Officials to File Financial Disclosure Requirements:** This bill requires local elected officials who earn more than \$50,000 per year in a government salary, as well as all County Executives, County Managers, and all Chairs of County Boards of Supervisors to file financial disclosure statements.
- **Implement Various Campaign Finance Reforms & Public Financing:** This proposal would enact a voluntary system of full public financing, reduce campaign contribution limits, lower contribution limits to soft money “housekeeping accounts,” lower “hard money contributions to party accounts, require additional disclosure by “bundlers,” limit party or constituted committee transfers and spending limits on individual candidates, and require additional disclosure/reporting of contributions or loans.
- **Comprehensive FOIL Reform:** This proposal incorporates the state legislature into the provisions of FOIL and expedites FOIL appeals, amongst other things.
- **Inspector General (“IG”) Jurisdiction Over Procurements:** Amends the Executive

Law to make it clear that the IG has jurisdiction to investigate organizations affiliated with SUNY & CUNY.

- **Inspector General Jurisdiction to Investigate State Procurements:** This proposal provides the state Inspector General with jurisdiction to independently oversee implementation and enforcement of financial control policies at SUNY and CUNY.
- **Appointment of a Chief Procurement Officer:** The Executive is proposing the creation of a Chief Procurement Officer (“CPO”) to oversee the integrity and uniformity of procurement practices across the state and ensure state procurement staff are prepared and positioned to conduct effective and ethical procurements.
- **Prohibits Campaign Contributions by Those Seeking State Procurements:** Amends the Election Law to prohibit individuals, organizations or business entities (as well as any subsidiaries directly or indirectly controlled) that submit bids, quotes, or responses to state contract offers from making campaign contributions to any officeholder in the branch of government awarding the contract.

CAMPAIGN FINANCE AND ETHICS DETAILS

The Executive has once again re-introduced a stand-alone article VII bill that contains many of the same ethics and campaign finance reform proposals he has included in his annual State-of-the-State and Executive Budget over the past several years. Nearly all of these proposals are old. None of these proposals have been acted upon by the Senate.

- **Require Disclosure of Online Political Communications & Digital Ads:** This new proposal amends the definition for what is considered a “political communication” to include paid internet and digital advertising. Ads must clearly display the name of the person or entity who paid for it and whether or not the ad was authorized by the candidate. Those entities that purchase digital ads would also be required to register as an independent expenditure committee. Foreign entities are prohibited from registering as an independent expenditure committee.

Any online platform must also maintain, and make available for inspection, a complete record of any request to purchase an ad online in excess of \$500. Such record must include: (1) a copy of the ad; (2) a description of the audience targeted; (3) date and time that the ad is first displayed; (4) number of views generated by the ad; (5) name and contact information for the person purchasing the ad; and (6) average rate charged for the ad. The bill does not state how long said records must be kept.

Any provider such as a cable station, online website or radio station that fails to comply with these provisions would be subject to a civil penalty of up to \$1,000 per violation.

- **Automatic Voter Registration & Early Voting:** These proposals would create a system of automatic voter registration for qualified individuals who apply for a driver’s license, renewal, or identification card and authorize early voting.

Applications would be automatically forwarded to local boards of elections, unless an applicant affirmatively chose to opt out of registering. Declinations to register would be kept confidential and apply when the applicant affirmatively checks a box indicating that he or she does not wish to be registered to vote next to their signature.

The State Board of Elections (“SBOE”) and Department of Motor Vehicles (“DMV”) would be responsible for jointly developing a new form that would serve as the actual application. The bill prohibits these new forms from containing duplicative information. The new forms would require specific statutory information currently required when registering to vote such as an attestation, eligibility requirements, and information on potential penalties for perjury. Statements must also include information about an applicant’s right to privacy as well as information requesting help and on how to file complaints.

These forms would also effectively act as a “change of address” for voters already registered who have moved to a different part of the state. The DMV would be

responsible for bearing the costs associated with these new forms.

The DMV must transmit the voter registration portion of the form to the appropriate board of elections within 10 days of receipt. Forms received closer to election dates would have to be transmitted in an expedited fashion. Registrants would be entitled to vote so long as a local Board received the application at least 20 days prior to any given election. The applicable local Board of Elections would be responsible for thereafter notifying applicants that their application has been received and either processed or rejected.

The State Board of Elections would be empowered to develop rules and regulations to further carry out these requirements. The SBOE would also be responsible for developing training and promotional materials on this new program. The DMV commissioner would have to designate a specific employee to oversee statewide implementation of this new program at the local DMV level as well.

- **Early Voting:** This proposal establishes a system of early voting in each county throughout the state. Currently, New York is one of only thirteen states where early voting is not available and an excuse is required to vote via absentee ballot.

At least one polling location would have to be made available with additional locations, up to seven, for every 50,000 registered voters in each respective county. Local Boards could always establish more than seven sites and a BOE office can qualify as an early voting location. Upon a majority vote of any Board however, the number of early voting sites may be reduced if a reasonable determination is made that the number of sites is still sufficient to meet voter demand.

Early voting locations would have to be opened for a period of thirteen days prior to any special, primary, or general elections and staffed equally on a bi-partisan basis. Early voting would end the second day prior to any election. Polls would have to be opened at least 8 hours between 7 a.m. and 8 p.m. each week day with at least one polling place remaining open until 8 p.m. at least 2 week days in each week leading up to an election. Moreover, polls would be required to remain open on weekends for at least 5 hours between 9 a.m. and 6 p.m. on each Saturday, Sunday and on legal holidays before an election.

Voters would be qualified to vote for all offices he or she is qualified and entitled to at any early voting location in his or her respective county.

Local boards of elections would be responsible for including information about early voting in their publications and also through online portals. Local boards of elections would have to develop early voting procedures, subject to approval by the SBOE.

Early voting locations and hours of operation for each general election must be designated by May 1st of each year and in any event, no later than 45 days before any

primary or special election.

Ballots cast during early voting would not be canvassed or examined until after the close of the polls on election day. The local board of elections would be responsible for securing all ballots and scanners at the close of each day of early voting.

Finally, the SBOE would be given wide latitude to enact any rule or regulation necessary for the implementation of early voting. The Executive estimates costs associated with implementation of early voting to be \$6.4 million statewide. No appropriation is included in the budget for this program.

- **Require Members of the Legislature to Obtain an Advisory Opinion Before Earning Outside Income:** The Executive is proposing legislation which amends the Public Officers Law to require all legislators to seek an advisory opinion from the Legislative Ethics Commission (“LEC”) before earning any outside income in excess of \$5,000 per year. A designee from the Office of Court Administration (“OCA”) would also serve on the Legislative Ethics Commission solely for the purpose of reviewing and responding to requests for formal advisory opinions on issues pertaining to outside income.
- **Closes the So Called “LLC Loophole”:** This proposal would define Limited Liability Companies (“LLCs”) as corporations, effectively reducing their contribution limits to \$5,000 in the aggregate each year. Under current law, LLCs are treated as individuals for purposes of campaign contribution limits and therefore subject to a much higher donor limit. The bill also requires the identity of all direct and indirect LLC owners/contributors be disclosed and any contributions made by the LLC be attributed to each member, in proportion to that member’s ownership interest. Such information must be filed with the State Board of Elections by December 31st of each year. The SBOE shall enact regulations to explicitly prevent the avoidance of this new rule.
- **Requires Local Elected Officials to File Financial Disclosure Requirements:** This proposal requires local elected officials who earn more than \$50,000 per year in a government salary, as well as all County Executives, County Managers, and all Chairs of County Boards of Supervisors to file the same financial disclosure statements that state employees file. The forms would be filed with the Joint Commission on Public Ethics (“JCOPE”). Municipal employees would provide the same information in their financial disclosure statements as state employees, including his or her spouse’s or partner’s income. JCOPE’s jurisdiction would be limited to solely the collection and filing of these forms, absent very limited circumstances.
- **Implements Various Campaign Finance Reforms & Public Financing:** This proposal makes the following changes to the state’s campaign finance laws:
 - (1) Enact a voluntary system of full public financing;
 - (2) Reduce campaign contribution limits;
 - (3) Lower contribution limits to soft money “housekeeping accounts” from unlimited to \$25,000;

- (4) Lower “hard money” contributions to party accounts from \$62,500 to \$25,000;
- (5) Require additional disclosure by “bundlers” of campaign contributions;
- (6) Limit party or constituted committee transfers and spending limits on behalf of individual candidates to \$5,000 per election, except under limited circumstances;
- (7) Require contributions or loans in excess of \$1,000 be reported within sixty days; and
- (8) Require additional disclosure of loans.

- **Public Financing of Elections:** This proposal would create a new the Public Financing System (PFS), and Public Financing Unit (PFU) within the State Board of Elections (BOE). This new unit would be responsible for administering and enforcing a new system of public campaign financing. The proposal also establishes new contribution limits for participating and non-participating candidates.

For PFS Participating Committees or Candidates: Contributions are limited to \$6,000 in the aggregate for the primary of a candidate or committee, and \$6,000 in the aggregate for any general election to statewide office. State Senate candidates are limited to \$4,000 for primary or general elections (\$8,000 total), and State Assembly candidates are limited to \$2,000 for primary or general elections (currently \$2,500 for both). PFS participating candidates for any office may also contribute three times the applicable limit of their own money to their authorized campaign committee.

For Non-Participating Committees or Candidates: Statewide office contributions are limited to \$10,000 for primary and \$15,000 for general elections. State Senate candidates are limited to \$5,000 for primary or general elections for a total of \$10,000. The limits for Assembly candidates, which are currently \$4,500 for primary or general elections, are \$3,000 for each for a total of \$6,000. The limit that any non-family contributor can make to any party or constituted committee is lowered from \$62,500 to \$25,000. No family limit contribution could exceed \$100,000.

Transfers are limited to \$5,000 in cash and support from parties, except that an unlimited amount can be transferred or spent in support from funds comprising no more than \$500 from each contributor a party accepts.

New Title II to the Election Law: This section of the bill creates the PFS, justified through Legislative findings that reform of the campaign finance system are critical to the restoration of, and public confidence in, the state’s democratic process. A voluntary public finance system will encourage qualified candidates to participate in the electoral process.

Under the PFS, any primary, special or general election for the four statewide offices and the Senate and Assembly will be covered. The new system will begin with primary elections occurring in 2020. Participating candidates benefit from a 6-1 contribution match with public funds - \$6.00 for every \$1.00 of eligible contributions for the first

\$175.00 of eligible private funds per contributor, up to the limits.⁵

NYS Campaign Finance Fund – Revenue and Payments: The legislation would establish the NYS Campaign Finance Fund (CFF) in the joint custody of the State Comptroller and the Commissioner of Tax and Finance. The CFF will receive revenues from a personal income tax check-off surcharge, sweeps from the abandoned property fund, the General Fund, and “any other moneys transferred to the Fund,” as well as private contributions.

Beginning with the taxable year starting on January 1, 2018, a CFF \$40 check-off will appear on the personal income tax form, which, if checked, will reduce the individual tax liability by this amount. In addition, in January of each general election year, or six weeks prior to any special state election, the Comptroller will transfer all moneys from the APF to the CFF. Any excess remaining on March 31st following the general election will be transferred back.

Funds are to be paid out to participating committees by the Comptroller on vouchers approved by the BOE within 4 days of receipt by the Comptroller’s Office. Any shortage in the CFF is to be paid by the Comptroller through General Fund – again within 4 days of receipt. Beginning in 2019, any surplus in the CFF that exceeds 25% of disbursements over the 4-year election cycle reverts to the General Fund.

Eligibility and Matchable Contributions: A candidate may have *only one* authorized committee. To qualify, he/she must: be running in a covered election with an opponent; be certified by the BOE in the form of an affidavit setting forth acceptance of agreement to comply with the program’s terms and conditions, *submitted at least four months prior to the election*; meet all requirements to have his/her name on the ballot; not make use of personal funds or property, or property jointly held with a spouse or unemancipated child (see above); and continue to abide by post-election requirements.

Further, candidates must raise a certain amount in *matchable contributions* to meet the *eligibility threshold*” for the office they seek⁶. Matchable contributions are any contribution or portion of a contribution for a covered election in the same election cycle by a natural person who is a US citizen and resident of NY State that has been reported in full to the BOE. The eligibility threshold for the respective office must be reached, as follows:

- Governor: \$650,000 in matchable contributions, with at least \$6,500 in amounts between \$10 and \$175 per contributor from residents of NYS;
- Lieutenant Governor (LG), Attorney General (AG), and Comptroller: \$200,000/2,000 from NYS residents of amounts between \$10-\$175;
- Senate: \$20,000/200 of amounts between \$10-\$175 from residents of the district; and

⁵ Contributions must be verified by the Public Financing Unit within 4 days of receiving the reported contribution. Payments will be made electronically into the committee account.

⁶ A candidate who meets the requirements for the primary will be deemed eligible for any other election for the same office in the same calendar year.

- Assembly: \$10,000/100 of amounts between \$10-\$175 from residents of the district.

Non-matchable contributions include:

- in-kind contributions;
- contributions in the form of a purchase paid for an item with intrinsic or enduring value;
- transfers from a party or constituted committee;
- contributions from a previous election cycle;
- illegal contributions;
- contributions from minors;
- contributions from vendors for campaigns;
- contributions from registered lobbyists; and
- unitemized contributions.

*Caps on Public Financing Matching Funds*⁷: The aggregate amount of matching funds that a candidate may receive is limited, depending on the office sought. Those limitations are as follows:

- Limits in a primary election for respective offices
 - Governor: not to exceed (NTE) \$8,000,000
 - AG, Comptroller, and Lieutenant Governor: NTE \$4,000,000
 - Senate: NTE \$375,000
 - Assembly: \$175,000
- Limits in a general election for respective offices:
 - Governor and LG combined: NTE \$10,000,000
 - AG, Comptroller: NTE \$4,000,000
 - Senate: NTE \$375,000
 - Assembly: \$175,000

Restrictions on Expenditures

- The use of public funds is restricted. Public funds may not be used for any expenditure:
 - in violation of the law;
 - in excess of fair market value for services, materials or other things of value;
 - made after the candidate has been finally disqualified from the ballot;
 - made after the candidate's opponent has been disqualified from the general or special election ballot;
 - cash payment;
 - in support of another committee or candidate;
 - in support or opposition to any other candidate or committee outside the office sought;

⁷ Total amount to the candidate's authorized committee in the election cycle

- gifts, except brochures, buttons, signs or other printed campaign material;
- legal fees to defend a criminal charge;
- payments to immediate family members; or
- made to challenge the validity of any petition.

Reporting and Review: Any contribution or loan of \$1,000 or more must be disclosed within 48 hours, in addition to its inclusion on the next applicable filing statement. In addition to the reporting requirements already provided in the Election Law, each authorized and political committee (participating or non-participating) must report every March 15th and May 15th of each election year.

For all committees (participating or non-participating), every contribution of \$500 or more must include the occupation and business address of each contributor, lender and intermediary.

Participating candidates have the option of filing as often as once a week to receive matching funds at the earliest possible time.

Audits, Reports and Enforcement: Sections 14-208 through 14-210 provide for the powers and duties of the BOE. Under those provisions, the Public Financing Unit of the Board will work with the Chief Enforcement Counsel to enforce provisions that include rendering advisory opinions, developing a program of public information and candidate education, promulgating rules and regulations; and maintaining an interactive, searchable database available on the website.

The BOE must also audit all candidates receiving public funds within 2 years of the election – costs borne by the committee, using public, private or a combination of funds. Candidates who run in both primary and general elections must maintain a 3% balance of public funds to comply with the audit. The audit can find overages, requiring repayment by committee, unless the overage was the BOE's fault, in which case it will be deducted from any future payment by the BOE to the committee. If Fund payments exceed committee expenses in the same calendar year, then the committee must repay the Fund no later than 27 days after all committee liabilities are paid, or on the day the final audit is complete.⁸

The BOE must also review and evaluate the effect of public financing on elections, and submit a report to the Legislature every 3 years, beginning on January 1, 2021. Said report must include a list of candidates, contributions, loans and expenditures, the amount of matching funds made, spent and repaid, an analysis of the effects on private financing, and further recommendations.

Violations of any provision are subject to civil penalty of up to \$15,000. The knowing and willful submission of a false statement constitutes criminal conduct – a misdemeanor,

⁸ The candidate and Treasurer are jointly and severably liable for any repayments to the BOE.

in addition to any other penalty under this or any other section of law. Issues are to be contested in the Supreme Court of Albany County.

- **Comprehensive Freedom of Information Law (“FOIL”) Reform:** This proposal incorporates the state legislature into the provisions of FOIL, and expedites FOIL appeals, amongst other things.

Specifically, the bill amends the definition of “state legislature” in the Public Officers law to include any members, officers, representatives and employees. A new definition is added for the term “Respective house of the state legislature” as well. Such term is defined to mean, “the New York state senate, New York state assembly, and any corresponding committee, subcommittee, joint committee, select committee, or commission thereof, and any members, officers, representatives and employees thereof.” The bill then incorporates these two terms into current law to make the current FOIL law effectively applicable to the state legislature. Each respective house would be responsible for promulgating rules and regulations effectuating these changes.

The bill also adds several new exceptions to FOIL disclosure requirements including contracts between labor unions and public employers, for critical infrastructure, communications between legislators and constituents, as well as certain materials exchanged within the state legislature that do not fit into several enumerated categories.

The bill also adds an affirmative duty onto agencies and the state legislature to publish online, to the extent practicable, records or portions of records that would be available to the public. Agencies and the legislature would also be able to determine when said records could be removed when they are no longer of substantial interest. The committee on open government would be responsible for promulgating regulations on this issue.

The timeframe in which to challenge an adverse determination or FOIL denial is also expedited under this proposal. Litigation to challenge such a denial would be given a preference and would have to be brought on for argument within forty-five days of the commencement. Any notice of appeal to the Appellate Division of an adverse FOIL decision in the Supreme Court would also be entitled to a preference. A notice of appeal would have to be filed within 15 days of service on the other party or filing of the notice of entry. In no event shall an appeal take more than 60 days. Finally, an appeal would be deemed abandoned if a record and brief are not served and filed within 30 days of any appeal.

A previous version of this proposal also included a section addressing attorney’s fees in cases of FOIL litigation. That issue has been removed from this proposal.

- **Inspector General (“IG”) Jurisdiction over SUNY & CUNY Foundations:** This proposal would amend the Executive Law to make it clear that the state Inspector General has jurisdiction to investigate any organization or foundation formed for the benefit of, or controlled by, the State University system and the City University system, including

research foundations.

- **Inspector General Jurisdiction Pertaining to State Procurements:** This proposal defines the term “state procurement,” and provides the Inspector General with jurisdiction to investigate any alleged corruption, fraud, criminal activity, conflicts of interest, or abuse by officers, employees and contracted parties of, or with, the state that are related to procurements.
- **Implementation of Financial Controls at SUNY & CUNY:** This proposal provides the state Inspector General with jurisdiction to independently oversee implementation and enforcement of financial control policies at SUNY and CUNY. The IG would require each affiliated nonprofit organization or foundation adopt written policies, including by-laws, designed to prevent corruption, fraud, criminal activity, and conflicts of interest.

Failure of any affiliated nonprofit or foundation to comply with this directive renders the organization ineligible for state aid or assistance from SUNY or CUNY until the IG has certified that the entity has come into compliance.

- **Appointment of a Chief Procurement Officer:** The Executive is proposing the creation of a new state Chief Procurement Officer (“CPO”) to oversee the integrity and uniformity of procurement practices across the state and ensure state procurement staff are prepared and positioned to conduct effective and ethical procurements. He or she would be appointed by, and serve at, the pleasure of the Executive. The CPO would also serve as the 22nd member of the state procurement council.

The CPO would have authorization to review any procurement and report on the suspicion or an allegation of corruption, fraud, conflicts of interest, criminal activity, and abuse. He or she would report any alleged malfeasance to the Inspector General’s office.

- **Prohibits Campaign Contributions by Those Seeking State Procurements:** This proposal would amend the Election Law to prohibit individuals, organizations or business entities (as well as any subsidiaries directly or indirectly controlled) that submit bids, quotes, or responses to state contract offers from making campaign contributions to any officeholder in the branch of government awarding the contract.

The prohibition would start when the bid or RFP is released or posted, continue while the decision is pending, and for six months following the contract award and approval by any state governmental agency. The prohibition would extend to any officeholder or candidate of a state government entity such as the Senate or Assembly. The state contracting agency would be responsible for including a notice of this prohibition as well as the date when the restriction commences on any written bid forms.

A person who evinces an intent to violate this new law would be subject to a civil penalty the greater of up to \$10,000, or an amount equal to 200% of the contribution.

- **Improved Transparency of Vendors:** This proposal directs OGS, OITS, the State Comptroller, and Attorney-General to work together in an attempt to address how feasible it would be to assign single identifying codes to contractors, vendors, and other payees as well as track such entities. The study would be due to the Governor and legislature on or before September 1, 2018. This proposal would enact an unconsolidated law.

Stand-Alone Constitutional Amendments

- **Establish Limits on Outside Income for Members of the State Legislature:** This executive proposal effectively restricts any outside earned income a member of the state legislature could earn to 15% beyond the member's statutorily set salary.
- **Same-Day Voter Registration:** This constitutional amendment would allow New Yorkers to register and vote on the same day. Thirteen other states and the District of Columbia allow same-day registration.
- **Term Limits for Elected Officials:** This constitutional amendment creates four-year legislative terms for members of the Senate and the Assembly. The amendment would also impose eight-year term limits for members of the legislature, governor, lieutenant governor, attorney-general, and comptroller.

Women's Agenda Fact Sheet

- **Reproductive Health:** The Executive Budget requires insurers to cover all FDA-approved contraceptive drugs and products as prescribed by a healthcare professional, expands access to oral contraception, and allows for 12 months of oral contraception to be dispensed at one time. Provisions related to the criminalization of abortion would also be removed from state law.
- **Constitutional Equal Rights:** Sex would be added as a protected class in the state's constitutional equal protection clause, to be included with the current constitutional classes of race, color, creed, or religion.
- **Sexual Harassment-** The Executive proposes a multi-pronged approach to combating sexual harassment in the workplace, including restrictions on contractual limits for private sector employees, disclosure requirements by state contractors, prohibitions on public moneys being used for harassment settlements or non-disclosure agreements in the public sector, a new uniform anti-harassment policy for all public employers, explicit inclusion of sexual harassment as a violation of Public Officers Law, and a new investigative unit within JCOPE to handle investigations of claims of sexual harassment.
- **Maternal and Young Adult Health:** The Executive Budget creates a Maternal Mortality Review Board that would review every maternal death in New York and make recommendations to the Commissioner of Health on preventing maternal death. The Executive proposal would require SED, in consultation with the Department of Health, to create a grade K-12, age-appropriate curriculum on healthy relationships, including topics such as sexual harassment, assault, self-esteem, and teen dating violence. Membership on the State Board of Medicine would also include an expert in addressing women's health, and an expert in reducing health disparities among demographic subgroups. Free feminine hygiene products would be available to public students grades 6-12.
- **Protection from Crime:** The Executive Budget extends the length of time that forensic rape kits must be stored by hospitals from at least 30 days to at least 5 years, or when the victim turns 19 (whichever is longer). The survivor must also be notified at least 30 days prior to the evidence being destroyed. Anyone convicted of certain domestic violence offenses would be ineligible for a firearm license, and surrender of firearms by the same individuals would be required. New crimes for coercing a person into providing sexual or intimate images would also be established.
- **Changing Stations:** Under the Executive Budget, all new or substantially renovated buildings with publicly-available bathrooms would be required to provide baby changing stations in both men's and women's bathrooms.

WOMEN'S AGENDA DETAILS

The Governor has proposed a slate of initiatives as part of a comprehensive Women's Rights initiative. The following proposals have been included in either an omnibus stand-alone Article VII bill, or as a separate constitutional amendment.

- **Comprehensive Contraception Act:** The Executive Budget requires insurance companies to cover all FDA-approved contraceptives prescribed by a healthcare provider (including emergency contraception), a 12 month supply of contraception at one time, voluntary sterilization procedures, patient education and counseling on contraception, and follow-up services related to contraceptive drugs, devices, or procedures. The bill also prohibits deductibles or co-pays for contraception, requires contraception insurance coverage to extend to a covered spouse or domestic partner and dependents, and expands the types of providers who may administer or dispense emergency contraception to include licensed midwives, registered professional nurses, and pharmacists.
- **Removes Abortion Provisions from Penal Law:** The Executive Budget removes provisions related to the criminalization of abortion from the Penal Law. In addition, the proposal removes provisions requiring abortions that occur after the 12th week of pregnancy be performed in hospitals and in the presence of a 2nd physician, the prohibition on the sale of contraception to a minor under 16, and removes other references to criminalized abortion throughout New York State law.
- **Constitutional Protection:** A separate constitutional amendment is proposed to add “sex” to the list of protected classes under the State Constitution. The current constitutional classes include of race, color, creed, or religion. By adding gender to this list, any law that does not provide equal treatment on the basis of gender would be deemed unconstitutional. This protection would likely strengthen gender equity laws, as current law generally provides exceptions to equal treatment based on the federal constitutional law doctrine of “equivalent worth”, which provides some allowance in differences in treatment based on gender more than differences in treatment based on race.
- **Sexual Harassment:** The Governor has proposed a multi-pronged initiative that would address sexual harassment in the workplace. For private sector employees, this legislation would prohibit the use of a required written contract that restricts or limits the employee's ability to bring a claim of sexual harassment to a court or administrative body. This prohibition would not apply to employees of small businesses (less than four employees), and a collective bargaining agreement that applied an arbitration clause to a sexual harassment claim would be exempted from this provision. State contractors would also be required to disclose on an annual basis the number of sexual harassment violations or claims against the company or individual employees, the number of settlement agreements with non-disclosure clauses, and a description of any training provided to workers about harassment on an annual basis. OGS would produce an annual report with aggregate numbers for all state contractors.

In the public sector, the Governor's proposal would prohibit the state or any municipality from indemnifying an employee who is sued for a claim of sexual harassment. Besides from ending taxpayer dollars for such purposes, the use of non-disclosure agreements in settlements would also be prohibited unless specifically requested by the victim. Additionally, an act of sexual harassment would be formally included as a specific violation of the Public Officers Law, which explicitly subjects a violator to a maximum \$10,000 penalty per violation. The Executive includes some language that implies that a violation of the anti-sexual harassment provision of the Public Officers Law would be grounds for removal where applicable. This provision could apply to an agency appointee or someone otherwise at the at-will appointment of an Executive authority.

A new, uniform anti-harassment policy would be created to apply to all public employers. The uniform policies would include a time-frame for the investigation of all claims, with a 90 day investigation period required. The investigation would be handled by a designated appointee, who may not have a stated conflict of interest in the case. After the 90 day period, a 30 day period thereafter by legal counsel would be utilized to make a recommendation of disposition of the case. The investigative report would include certain required information, and would disclose the identities of the relevant parties. In the Legislature, a verified complaint would be automatically sent to the Legislative Ethics Commission for further sanction. The policy would be provided to employees and would include other information about an employee's rights to legal remedies. Any provisions in conflict with a collective bargaining agreement would be preempted by the provisions of the CBA.

- **Maternal Mortality Review Board:** The Executive Budget creates a Maternal Mortality Review Board that would review every maternal death in New York, develop strategies to address severe maternal morbidity and racial disparities in maternal outcomes, and make recommendations to the Commissioner of Health on preventing maternal death. The board will be composed of at least 15 members appointed by the Commissioner of Health and meet at least twice a year. The Commissioner is also authorized to request information associated with maternal mortality from agencies, local health departments, hospitals, birthing facilities and medical examiners to further the work of the board.
- **Extend Storage Timeline for Forensic Rape Kits:** The Executive Budget extends the length of time that forensic rape kits must be stored by hospitals from at least 5 years or when the victim turns 19 (whichever is longer). Current law only requires the evidence to be stored for 30 days at the hospital. The bill requires that within 30 days of the collection, the survivor must be notified that the evidence will be discarded after 5 years. This notification must be repeated at least 30 days prior to the evidence being destroyed.
- **Free Feminine Hygiene Products in Public Schools:** The Executive Budget requires feminine hygiene products be made available in school restrooms to students in grades 6-12. The products must be provided at no charge to students.

- **Baby Changing Stations Accessible to Men and Women:** This Executive Budget proposal will require new or substantially renovated buildings with public restrooms to provide baby changing tables accessible to both genders. The Uniform Fire Prevention and Building Code would be amended to require at least one safe, sanitary, and convenient diaper changing station, deck, table or other amenity that is available for use by both male and female occupants on each floor level containing a public restroom in all newly constructed or substantially renovated buildings.
- **Revocation of Ability to Possess Firearms for People Convicted of Domestic Abuse:** This proposal would establish mechanisms to prevent anyone convicted of certain domestic violence offenses from being eligible for a firearm license. If a defendant is convicted of certain enumerated crimes committed against a member of his or her same family or household, the defendant will become ineligible for a firearms license. In order to establish that the crime was committed against a member of the same household or family, the prosecution must serve notice to that effect upon the defendant within 45 days of arraignment, and then prove the relationship beyond a reasonable doubt at a hearing. The proposal also requires that when a temporary order of protection is issued (generally at arraignment) or an order of protection is violated, the court must order the suspension of the defendant's firearms license and the surrender of the defendant's firearms.
- **New Sex Extortion and Revenge Porn Crimes:** The Executive Budget establishes a new series of crimes for coercing a person into providing sexual or intimate images. A person would commit Sexual Extortion in the Third Degree, a Class E felony punishable by up to four years in prison, by compelling another to show his or her intimate parts or engage in sexual contact, in whole or in part to satisfy the defendant's sexual gratification. The defendant must compel the victim by causing the victim to fear that the defendant will harm the victim's health, safety, business, career, financial condition, reputation or personal relationships. The crime is elevated to a Class D felony, punishable by up to seven years in prison, if the victim is under 17 years old, and is elevated to a Class C felony, punishable by up to 15 years in prison, if the victim is under 15 years old.

This proposal also creates a Class A misdemeanor for what is frequently called "revenge porn." A person would be guilty of Unlawful Publication of Sexual Images if he or she either publishes, broadcasts, or otherwise disseminates images of the sexual or intimate parts of a person known to him or her; or if the actor uses the threat of publication of these images without consent as a means to compel another person to engage in conduct, and the person depicted in the images experiences serious emotional distress as a result of either the publication or the compulsion. In either event, the actor must have the intent to harm or cause emotional distress to another person.

- **State Board of Medicine Includes Experts in Women's Health:** The Executive Budget requires that at least one physician appointee to the State Board of Medicine be an expert on reducing health disparities among demographic subgroups and at last shall be an expert on women's health.

Human Services, Aging, and Housing Fact Sheet

Appropriations

- **Affordable and Homeless Housing Initiative:** The Executive Budget continues to support the creation and preservation of 100,000 units of affordable housing and 6,000 units of supportive housing.
- **Tenant Protection Unit:** The Executive Budget includes a line item appropriation of \$4.5 million for the Tenant Protection Unit.
- **Enhanced Multidisciplinary Teams (EMDTs):** The Executive continues the \$500,000 add for enhanced multidisciplinary teams (EMDTs) to maintain and expand the EMDT program. EMDTs are a partnership among public, profit and non-profit organizations, with the goal of working collaboratively to improve the process of protecting victims of financial exploitation and abuse, as well as improve the outcomes of complex elder abuse cases.
- **Raise the Age:** The Executive includes \$100 million in appropriation authority, and \$50 million in OCFS capital funding to support implementation of Raise the Age.
- **Child Care Subsidies:** The Executive restores \$7 million in child care subsidy funding that was eliminated in FY 18, bringing funding back to the FY 17 level of \$806 million.
- **Child Welfare Services Cap:** The Executive proposes to cap the State share of reimbursement for child welfare services costs to New York City at their estimated FY 2018 State share of \$320 million. The Executive projects this will result in a \$17 million savings to the State.
- **Legislative Adds:** The Executive eliminates all FY 18 legislative adds, including additional program funding for child care facilitated enrollment, the Kinship Navigator, and child advocacy centers.
- **Affordable Housing and Homelessness:** The Budget continues funding to support full implementation of the five-year investment for the Affordable and Homeless Housing Plan, which will create new housing opportunities for individuals in need of supportive services and provide resources to support vulnerable populations in securing stable housing. The Executive proposal also includes appropriations language that would require local social services districts to engage in planning activities related to street outreach, homelessness prevention activities, rapid rehousing, and ongoing housing stability for the formerly homeless. The proposal would authorize OTDA to withhold funding for local social services districts that fail to implement an effective outreach program.

- **Summer Youth Employment Program (SYEP):** The Executive increases funding for the SYEP by \$4 million for a total appropriation of \$40 million. The increase is intended to allow the State to continue the program, while keeping pace with the increase in the minimum wage. No new slots will be created despite the additional funding.
- **At-Risk Youth:** The Executive provides \$1 million in funding for at risk youth, with a focus on unaccompanied children entering the United States. The funding is intended to be used for medical and mental health care, addiction treatment services, trauma and family counseling, language training, and other community supports.
- **Child Welfare Services Cap:** The Executive proposes to cap the State share of reimbursement for child welfare services costs to New York City at their estimated FY 2018 State share of \$320 million. The Executive projects this will result in a \$17 million savings to the State.
- **Legislative Adds/Temporary Assistance to Needy Families (TANF) Initiatives:** The Executive eliminates all FY 18 legislative adds, including funding for various TANF initiatives.

Article VII

- **Cost of Living Adjustment (COLA):** The Executive eliminates the statutory FY 19 1.9% cost of living adjustment (COLA) increase for providers, for a projected savings of \$3.8 million.
- **Close to Home:** The Budget proposes to extend the “Close to Home” initiative for another five years until March 2023.
- **Closure of the Ella McQueen Reception Center:** The Executive proposes to authorize the closure of the OCFS Ella McQueen Reception Center located in Brooklyn, which receives youth for initial evaluation and facility assignment before being transferred for placement. The proposal authorizes the closure of the facility on 30 days’ notice to the Speaker of the Assembly and the Temporary President of the Senate.
- **OCFS Authority to Contract with BOCES:** The Executive extends OCFS’ authority to contract with BOCES for an additional three years until June 30, 2021. BOCES provides educational and technical educational services to youth in OCFS custody.
- **DASNY Authority to Provide Capital Construction Services to OCFS:** The Executive authorizes the Dormitory Authority of the State of New York (DASNY) to provide capital construction services to OCFS for various capital projects.
- **HIV/AIDS Rent Cap for Entire State:** The Executive authorizes a 30% rest of state

HIV/AIDS rent cap. The proposal would enable counties outside of New York City, where the cap is currently in effect, to opt-in to restrict the client contribution to 30% of their income toward shelter costs. In counties where the cap would result in Medicaid savings, the State could require the cap.

- **Pass-Through Authorization of any Federal SSI and COLA:** The Executive increases the personal needs allowance (PNAs) for public assistance recipients receiving care in various living arrangements. Proposed increases range from \$1-\$4. Additionally, the Executive amends current law to reflect an increase in federal SSI payments and authorization for an increase in 2019, due to any increases at the federal level.
- **Housing:** The Executive Budget continues the Affordable and Homeless Housing Capital Plan with \$44 million in excess MIF reserves, and requires Mobile Home Park Registrations for Tenants and Residents for purposes of STAR tax exemptions.

HUMAN SERVICES, AGING AND HOUSING AGENCY DETAILS

Human Services and Housing All Funds Appropriations				
Agency	Available FY 18	Appropriation Recommended FY 19	\$ Change	% Change
State Office for the Aging (SOFA)	\$250,787,500	\$247,994,500	(\$2,793,000)	(1.11%)
Division of Human Rights (DHR)	\$18,153,000	\$18,153,000	\$0	0.0%
Office of Children and Family Services (OCFS)	\$3,907,861,927	\$3,800,689,250	(\$107,172,677)	(2.74%)
Office of Temporary and Disability Assistance (OTDA)	\$5,648,791,000	\$5,729,863,000	\$81,072,000	1.44%
Office of the Welfare Inspector General (OWIG)	\$1,262,000	\$1,412,000	\$150,000	11.89%
All Fund Non-Housing	\$9,826,855,427	\$9,798,111,750	(\$28,743,677)	(0.29%)
Division of Housing and Community Renewal	\$816,024,000	\$410,482,000	(\$405,542,000)	(49.7%)
State of New York Mortgage Agency	\$209,428,010	\$222,665,010	\$13,237,000	5.9%
All Funds Housing	\$1,025,452,010	\$633,147,010	(\$392,305,000)	(38.2%)

The Executive Budget recommends an All Funds appropriation for human services and housing of \$10.4 billion, a decrease of \$421 million or 4% from FY 18.

State Office for the Aging (SOFA)

The Executive Budget recommends an All Funds allocation of \$248 million for SOFA, which is a \$2.8 million or 1.11% decrease from FY 18. This change, in part, results from the discontinuation of one-time legislative adds. The Executive recommends a workforce of 95 FTEs, which remains unchanged from FY 18.

The Executive Budget proposal includes:

- \$29 million for Community Services for the Elderly (CSE), unchanged from FY 18;
- The elimination of the FY 19 statutory 1.9% cost of living adjustment (COLA) increase for providers, for a projected savings of \$3.8 million; and
- The continuation of the \$500,000 FY 18 legislative add for enhanced multidisciplinary teams (EMDTs) to maintain and expand the EMDT program.

Office of Children and Family Services (OCFS)

The Executive Budget recommends \$3.8 billion in All Funds appropriations for OCFS, a \$107 million, or 2.7% decrease from FY 18. This net decrease primarily reflects the elimination of

\$41.4 million to New York City for the Close to Home program; a \$5.4 million decrease related to the closure of the Ella McQueen Reception Center; a \$30 million increase in General Fund support for child care subsidies, of which \$23 million resulted from an equal decrease in TANF fund support; a decrease in new capital appropriations for Raise the Age from \$110 million (remains in the budget as a reappropriation) to \$50 million, and the elimination of FY 18 legislative adds.

The Executive Budget recommends a workforce of 2,907 FTEs, which is a 58 FTE decrease from FY 18 and is related to the closure of the Ella McQueen Reception Center.

The Executive Budget includes the following additional initiatives:

- Implements Raise the Age of criminal responsibility from age 16 to age 18. The Executive Budget includes \$50 million in capital for facility buildout, and \$100 million to support facility placements and reform measures, such as comprehensive diversion, probation, and programming services for 16 and 17 year old youth who will be involved in the juvenile justice system;
- Reauthorizes the Close to Home initiative, while not extending the State's obligation to reimburse New York City for youth placed in non-secure and limited-secured placement settings. This results in \$41.4 million in savings to the State;
- Authorizes the closure of the Ella McQueen Reception Center located in Brooklyn. Cost savings to the State is expected to be \$5.4 million;
- Restores \$7 million in child care subsidy funding that was eliminated in FY 18, bringing funding back to the FY 17 level of \$806 million; and
- Capping the State share reimbursement to New York City for child welfare costs at \$320 million, the City's estimated FY 18 State share reimbursement amount.

Office of Temporary and Disability Assistance (OTDA)

The Executive Budget recommends an All Funds appropriation of \$5.7 billion for OTDA. This is an increase of \$81 million, or 1.44% from FY 18. The increase primarily reflects increased authority to accommodate updated public assistance caseload projections. The Executive also recommends a workforce of 2,006 FTEs for OTDA, maintaining FY 18 workforce levels. The Executive Budget proposal includes:

- A continuation of funding to support full implementation of the five-year investment for the Affordable and Homeless Housing Plan, which will create new housing opportunities for individuals in need of supportive services and provide resources to support vulnerable populations in securing stable housing;
- A comprehensive homeless services plan, which will require local social services districts to engage in planning activities related to street outreach, homelessness prevention activities, rapid rehousing, and ongoing housing stability for the formerly homeless. The State would require local social services districts to engage with ongoing efforts, set reasonable goals that are data-driven and uniquely tailored to the needs of its communities, and to report regularly on progress made. The budget also contains

appropriations language that authorizes OTDA to withhold funding for districts that fail to implement an effective outreach program;

- A 30% ‘rest of state’ HIV/AIDS rent cap for public assistance recipients living with a medically diagnosed HIV infection. The budget proposal enables counties outside of New York City to opt-in to restrict the client contribution to 30% of their income toward shelter costs. New York City already has the 30% rent cap in effect. The proposal also allows for the establishment of the rent cap program in rest of state counties if offsetting savings are available from Medicaid services;
- A \$4 million increase in Summer Youth Employment Program funding for a total allocation of \$40 million, to ensure that the State can continue to serve the approximately 19,000 youth employed in 2017, while keeping pace with the increase in the minimum wage;
- A full shift in funding for the Nurse-Family Partnership Program from OTDA to the Department of Health. In FY 2018, OTDA provided the program with \$3 million in TANF funding; and
- The elimination of funding for various TANF initiatives. (See TANF chart below)

TANF Initiatives (Thousands)				
Program	FY 18 Enacted Budget	FY 19 Executive Proposal	\$ Change	% Change
ACCESS - Welfare-to-Careers	\$800	\$0	(\$800)	(100.0%)
Advanced Technology Training and Information Networking (ATTAIN)	\$4,000	\$0	(\$4,000)	(100.0%)
Career Pathways	\$2,850	\$0	(\$2,850)	(100.0%)
Centro of Oneida	\$25	\$0	(\$25)	(100.0%)
Child Care CUNY	\$141	\$0	(\$141)	(100.0%)
Child Care Demonstration Projects (UPS)	\$2,488	\$0	(\$2,488)	(100.0%)
Child Care Demonstration Projects (NYC)	\$6,000	\$0	(\$6,000)	(100.0%)
Child Care Subsidies	\$349,659	\$326,659	(\$23,000)	(6.58%)
Child Care SUNY	\$193	\$0	(\$193)	(100.0%)
Flexible Fund for Family Services	\$964,000	\$964,000	\$0	0.0%
Non-Residential Domestic Violence	\$3,000	\$3,000	\$0	0.0%
Nurse Family Partnership	\$3,000	\$0	(\$3,000)	(100.0%)
Preventive Services	\$1,570	\$0	(\$1,570)	(100.0%)
Rochester-Genesee Regional Transportation Authority	\$82	\$0	(\$82)	100.0%
Strengthening Families through	\$200	\$0	(\$200)	(100.0%)

Stronger Fathers				
Summer Youth Employment Program	\$36,000	\$40,000	\$4,000	11.11%
Wage Subsidy	\$475	\$0	(\$475)	(100.0%)
Wheels for Work	\$144	\$0	(\$144)	(100.0%)
Total TANF Initiatives	\$1,374,627	\$1,333,659	(\$40,968)	(2.98%)

Office of the Welfare Inspector General (OWIG)

The Executive Budget recommends an All Funds appropriation of \$1.4 million, an increase of \$150,000, or 11.89% from FY 18. This increase is attributable to the establishment of three special revenue other (SRO) accounts for funding received through a Federal Equitable Sharing agreement. This is not an increase in general funds. The Executive Budget also recommends that the FY 18 staffing level of 7 FTEs remain unchanged in FY 19.

Division of Housing and Community Renewal (DHCR)

The Executive Budget recommends an All Funds appropriation of \$410.5 million, which is a decrease of 49.7%; however, this reduction is the result of a significant increase in funding in FY 18 as part of the five-year Affordable and Homeless Housing Plan to create and preserve 100,000 affordable housing units and at least 6,000 units of supportive housing. The Executive Budget includes explicit funding of \$4.5 million for the Tenant Protection Unit. Traditional housing programs, such as the low-income weatherization program, have their funding continued at levels consistent with FY 18. The Executive Budget maintains the 682 FTEs from FY 18.

The Executive Budget also includes general “sweep” language authorizing the Director of the Division of Budget to increase or decrease some appropriations for HCR to any other department, agency, or public authority.

State of New York Mortgage Agency

The Executive Budget recommends an All Funds appropriation of \$222.7 million for SONYMA, which is an increase of \$13.2 million over FY 18. This reflects an increase in receipts from the Mortgage Insurance Fund Reimbursement Program.

Article VII

- **Five-Year Straight Extender of “Close to Home” Initiative:** The Executive Budget calls for a straight five-year extender of the juvenile justice “Close to Home” initiative. First implemented during FY 13, the “Close to Home” program was designed to keep New York City youth adjudicated as juvenile delinquents close to their home residence, by placing them in the local custody and supervision of the city’s Administration for Children’s Services (ACS) for various residential and supportive services. As the program is slated to expire on March 31, 2018, the Executive proposes to extend the

program for an additional five years to March 31, 2023.

Additionally, the Executive Budget eliminates the state's share for reimbursement costs associated with the Close to Home program. Currently, the state pays for 62% of the costs, while the City of New York pays the remaining 38%. This change results in a \$41.4 million cost shift from New York state to the City of New York, as the city will be responsible for all expenditures associated with this initiative.

- **Authorization to Close the Ella McQueen Reception Center:** Located in Brooklyn, New York, the Ella McQueen Reception Center is an initial intake center for all non-secure and limited-secure juvenile delinquents placed with the Office for Children and Family Services (OCFS). Juvenile delinquents receive various medical and educational assessments for approximately two weeks, before transfer to another facility. Over the last three months, the center has operated significantly below capacity. The Executive proposal provides statutory language allowing OCFS to close the center. Within thirty days prior to the closure, OCFS must provide notice to the Speaker of the Assembly and the Temporary President of the Senate, along with a public notice on their website. The closure of the reception center is projected to save \$5.4 million and result in a reduction of 58 FTEs.
- **Three-Year Straight Extender of the Youth Development Program:** The Executive Budget calls for a three-year extender of the Youth Development Program. In 2013, two delinquency programs (the Youth Delinquency Prevention Program and the Special Delinquency Prevention Program) within OCFS were consolidated into a new Youth Development Program with restructured administration and increased program flexibility. Under the Youth Development Program, each local social services district is required to submit a comprehensive plan detailing how the district will meet its various youth development needs and anticipated performance outcomes of programs and services. As the program was scheduled to expire on December 31, 2018, the Executive budget proposes to extend it until December 31, 2021.
- **Three-Year Straight Extender for OCFS Authority to Contract with BOCES:** The Executive Budget proposal calls for a three-year extender of OCFS's authority to contract with the Board of Cooperative Educational Services (BOCES) to provide educational services to youth in OCFS juvenile justice facilities. BOCES provides special education, music, art, foreign language and technical education services to youth in OCFS' custody. As the overall contract for services was set to expire on June 30, 2018, the Executive Budget proposes to extend this authority for an additional three years to June 30, 2021.
- **Allows DASNY to Provide Capital Construction Services to OCFS:** The Executive Budget proposal amends current Public Authorities Law to add the Office of Children and Family Services (OCFS) to the list of eligible entities to whom the Dormitory Authority of the State of New York (DASNY) is authorized to provide capital design and construction services. Currently, the Office of General Services (OGS) is the only state agency authorized to provide these services to OCFS. This authorization will allow

OCFS to utilize both OGS and DASNY for capital design and construction services for their youth facilities.

- **Personal Needs Allowance and Pass-Through Federal SSI and COLA:** The Executive Budget proposes to statutorily raise the personal needs allowance (PNA) and monthly Supplemental Security Income (SSI) standard of need for various New Yorkers who receive this assistance. Personal needs allowances (PNAs) are monies provided to individuals receiving family care, residential care, or care in a facility for the mentally disabled. The allowances are intended for clothing and other incidental expenses for the public assistance recipient. The proposed language provides an average increase of \$3-\$4 per month per individual, dependent on level of care and provides authorization for these amounts to be increased in 2019, as per any increases at the federal level. This is an annual budgetary occurrence and will take effect December 31, 2018.

Additionally, the Executive puts forth language codifying the increase in Social Security Income (SSI) payments, due to the recent federal 2% Cost of Living Increase (COLA). Beginning in January 2018, the monthly SSI amount has increased approximately \$15 for single individuals and \$22-30 for couples (dependent on the residential living arrangement). The proposed budget language reflects this increase.

- **Statewide Rent Cap for Public Assistance Recipients Living with HIV/AIDS:** The Executive Budget proposes to authorize all local social services districts, outside of New York City, to opt-in to limit a public assistance recipient's rental contribution to 30% of their unearned/earned income, if the recipient is medically diagnosed with HIV or AIDS. Under current Social Services law, only New York City is allowed to offer this rental benefit to recipients with HIV or AIDS. In the alternative, the counties are permitted to establish a rental assistance program, if offsetting savings are available from Medicaid services. This benefit is designed to allow these individuals to retain more of their income for other non-shelter necessities.
- **Deferral of Human Services COLA:** The Executive Budget defers the statutory COLA for human services agencies for another year (April 1, 2018 through March 31, 2019). The Executive projects the deferment of a 1.9% COLA will save the state \$19.12 million.

This proposal also directs the commissioners of the Office for People with Developmental Disabilities (OPWDD), the Office of Mental Health (OMH), and the Office of Alcoholism and Substance Abuse Services (OASAS) to develop the COLA using the actual U.S. consumer price index (C.P.I.) for all urban consumers, beginning in April 2019 and continuing until March 2022. In the FY 18 budget, the time period for development of the COLA using this methodology was 2018 through 2021. The current budget resets the 3-year time frame to begin in 2019.

- **Continuing the Affordable and Homeless Housing Capital Plan:** The Executive Budget authorizes the State of New York Mortgage Agency to access \$44 million in

excess Mortgage Insurance Fund (MIF) reserves. This includes support for the Rural Rental Assistance Program (\$23.6 million), the Neighborhood and Rural Preservation Programs (\$12.0 million), and the Homeless Housing Programs (\$8.3 million).

The budget continues to move forward on the Governor's \$20 billion, five-year, Affordable and Homeless Housing Plan as planned. This year's budget does not make any changes to that plan.

- **Mobile Home Park Registrations for Tenants:** The Executive Budget requires mobile home park owners to file registration statements on a more frequent basis, and to include the names of all residents and tenants residing in the park, for purposes of administering the STAR credit and STAR exemption programs.

This legislation would provide the Division of Housing and Community Renewal with added powers and duties to enforce and ensure compliance with these expanded registration requirements. Data from the registrations would be transmitted to the Department of Taxation and Finance.

Transportation and Public Authorities Fact Sheet

Appropriations

- **DOT Capital:** The Budget provides \$4.3 billion for the fourth year of the Department of Transportation's \$27.1 billion capital plan. This funding will continue to support improvements to highways, bridges, rail, aviation, and non-MTA transit infrastructure.
- **Capital Aid for Localities:** The Executive Budget proposes a preservation of \$438.1 million of the Consolidated Highway Improvement Program (CHIPS) and \$37.8 million for the Marchiselli program. The Executive Budget proposes \$200 million to fund BRIDGE NY and PAVE NY.
- **Upstate Transit Aid:** The Executive Budget proposes \$204 million in operating support for upstate transit systems and \$320 million for Non-MTA downstate systems. The budget includes \$8 million to fund the first phase for trans-Hudson public transportation serving Rockland and Westchester counties, known as the Lower Hudson Transit Link.
- **State Transit Operating Aid for MTA:** The Executive Budget proposes approximately \$4.9 billion, an increase of \$334 million from FY 18. The Budget includes \$3.4 billion in transit aid and about \$1.4 billion from the Payroll Mobility Tax.
- **Subway Action Plan:** The Executive Budget proposes providing half of the \$836 million investment to fund the first phase of the New York City Subway Action Plan. This contribution includes \$194 million in operating aid, \$60 million from the Payroll Mobility Tax (PMT), and \$174 million in capital assistance.
- **Capital Funding:** The Executive Budget proposes \$1.5 billion in FY 19, in addition to the \$4.4 billion authorized in the FY 17 and FY 18 appropriation.

Article VII

- **MTA Property Tax Capture:** The Executive Budget would allow the MTA to capture up to 75% of new revenue from increased property taxes near large MTA capital projects in New York City, including phases one through four of the Second Avenue Subway, East Side Access, Penn Station Access, and 125th Street Metro-North and subway stations.
- **NYC Funding of Subway Capital Needs:** The Executive Budget would create a statutory obligation for New York City to pay for all of New York City Transit's capital needs. The Executive Budget also requires the City to match any State funds appropriated to fund repairs and construction of the subway in response to a disaster emergency declared by the Governor, such as the Governor's state of emergency declaration in June 2017.

- **MTA Payroll Tax:** The Executive Budget would direct the Comptroller to deposit revenues from the MTA Payroll Tax directly into the MTA Finance Fund, without the need for legislative appropriation in future years.
- **MTA Expedited Procurement:** The Executive Budget proposes loosening procurement rules for contracts under \$1 million for the MTA to expedite the Authority's procurement procedures.
- **Road Safety:** The Executive Budget proposes several changes to promote driver and passenger safety, including:
 - Allowing junior license holders to drive a vehicle in New York City under very limited circumstances;
 - Banning drivers under 18 from operating a motor vehicle while using a portable electronic device or a hand-held or hands-free mobile phone;
 - Requiring all backseat passengers to wear seat belts;
 - Requiring school bus passengers under the age of eight to wear a seat belt; and
 - Authorizing local governments within the Metropolitan Commuter Transportation District, the Long Island Railroad, and the Metro-North Commuter Railroad to install cameras to monitor and fine vehicles failing to stop at railroad grade crossings. Where the LIRR or Metro-North collect a fine, they must pay it to the county or municipality with jurisdiction over the crossing.
- **Design Build Expansion:** The Executive proposes to expand the authorization to use design-build contracts to additional state agencies and proposes opening up design-build contracts to capital projects funded in part by state funds.
- **Autonomous Vehicle Testing:** The Executive Budget extends autonomous vehicle testing indefinitely. The Executive Budget removes the requirement that tests take place under the direct supervision of the New York State Police. Beginning on April 1, 2020, the Department of Motor Vehicles may authorize autonomous vehicle tests without a natural person in the vehicle. The Executive Budget would also repeal the requirement that drivers, including of non-autonomous vehicles, keep at least one hand on the wheel while the vehicle is in motion, effective April 1, 2020.
- **Dedicated Highway & Bridge Trust Fund Sweep:** The Executive Budget redirects several revenue streams from the Dedicated Highway & Bridge Trust Fund's Special Obligation Reserve & Payment Account into the State's General Fund, though it leaves some revenue streams in place.

TRANSPORTATION AND PUBLIC AUTHORITIES AGENCY DETAILS

Transportation Agencies All Funds Appropriations				
Agency	Available FY 18	Appropriation Recommended for FY 2019	\$ Change	% Change
Department of Transportation	\$12,136,025,300	\$9,840,947,600	(\$2,295,077,700)	(18.9%)
Metropolitan Transportation Authority	\$3,995,085,000	\$2,585,292,000	(\$1,409,793,000)	(35.3%)
Department of Motor Vehicles	\$343,979,000	\$362,199,000	\$18,220,000	5.3%
Total Transportation	\$16,475,089,300	\$12,788,438,600	(\$3,686,650,700)	(22.4%)

The Executive Budget proposes \$12.8 billion in All Funds appropriations for State Agencies within the transportation functional area, a \$3.7 billion, or 22.4% decrease from available FY 18 levels. This decrease reflects significant reductions in funding for the Department of Transportation and Metropolitan Transportation Authority.

Department of Transportation

The Executive Budget proposes All Funds appropriations totaling \$9.8 billion for the Department of Transportation (DOT), a \$2.3 billion, or 18.9% decrease from FY 18. This decrease is largely due to \$1.2 billion in FY 18 non-recurring New York Works capital project appropriations that will be disbursed over multiple fiscal years.

The Executive Budget proposes a DOT staffing level of 8,523 FTEs, an increase of 70 FTEs from FY 18. This increase is comprised of 50 FTEs to assist with snow and ice control, and 20 FTEs to assist with highway maintenance.

New York Works: The Executive Budget shows a significant decrease in capital appropriations due to \$1.2 billion in non-recurring FY 18 New York Works capital appropriations to assist in the acceleration of projects within the Capital Plan. The FY 18 Budget provided funding for the following transportation projects:

- \$564 million to improve access to John F. Kennedy (JFK) International Airport; and
- \$600 million in identified federal funds to accelerate projects including:
 - A new Schenectady Amtrak station;
 - Study options to transform I-81 in Syracuse;
 - Replacement of the Scajaquada Expressway in Buffalo;
 - Complete the replacement of the Kosciuszko Bridge in Brooklyn and Queens; and
 - Revitalize the Route 32/ Route 17 Interchange near Woodbury Commons Outlets.

2015 – 19 Capital Plan: The Executive Budget provides \$4.3 billion for the fourth year of DOT’s \$27.1 billion capital plan that began in FY 16. This funding will continue to support improvements to highways, bridges, rail, aviation, and non-MTA transit infrastructure. The proposed disbursement of this \$4.3 billion is as follows:

Transportation Obligations (Amounts in \$ Millions)			
Obligations	FY 18 Estimated	FY 19 Proposed	Yr.-To-Yr. Change
Core Highway Program (Including Design/Build Contracts)	2,533	2,476	(57)
Van Wyck - Kew / Hunts Pt-Bruckner	1,162	0	(1,162)
Administration w/ Aviation Bureau	76	77	1
State Forces Engineering/ Program Mgmt.	465	485	20
Preventive Maintenance	372	356	(16)
Maintenance Facilities	18	32	14
Other Federal Programs	25	25	0
Rail Development	72	72	0
Aviation Systems	27	17	(10)
Non-MTA Transit	105	85	(20)
Capital Aid to Localities	543	478	(65)
Local Pave/Bridge NY	200	200	0
Legislative Acceleration	130	0	(130)
Federal Acceleration	600	0	(600)
Executive Budget	6,328	4,303	(2,025)

Capital Aid to Localities: The Executive Budget proposes a preservation of \$438.1 million of the Consolidated Highway Improvement Program (CHIPS) and \$37.8 million for the Marchiselli program. The CHIPS program provides aid to cities, counties, towns and villages on a formula basis, while the Marchiselli program helps local governments meet required matching requirements on federally funded projects. The Executive Budget proposes \$200 million to fund BRIDGE NY and PAVE NY, \$100 million respectively. The BRIDGE NY and PAVE NY programs provide additional state aid for local bridge and highway projects.

State Transit Operating Aid and Mass Transit Initiatives: The Executive Budget provides \$5.4 billion to transit systems.

The Executive Budget proposes \$206 million in operating support for upstate transit systems and \$324 million for Non-MTA downstate systems. The budget includes \$8 million to fund the first phase for trans-Hudson public transportation serving Rockland and Westchester counties, known

as the Lower Hudson Transit Link. A further breakdown of transit operating assistance is as follows:

FY 19 State Transit Operating Assistance				
Downstate Aid				
Operator	Adjusted Appropriation FY 18	Executive Recommendation FY 19	\$ Change	% Change
MTA Total *	\$4,486,027,000	\$3,494,171,800	-\$991,855,200	-22.1%
Rockland	\$3,365,900	\$3,467,200	\$101,300	3.0%
Staten Island Ferry	\$32,835,300	\$33,824,100	\$988,800	3.0%
Westchester	\$55,112,600	\$56,772,200	\$1,659,600	3.0%
Nassau	\$66,657,800	\$68,665,000	\$2,007,200	3.0%
Suffolk	\$25,927,400	\$26,708,100	\$780,700	3.0%
NYC DOT	\$87,747,100	\$90,389,400	\$2,642,300	3.0%
MMCB LH TL	\$0	\$8,000,000	\$8,000,000	-
Formulas	\$31,829,100	\$32,787,500	\$958,400	3.0%
Non-MTA Total	\$303,475,200	\$320,613,500	\$17,138,300	5.6%
DOWNSTATE SUBTOTAL	\$4,789,502,200	\$3,814,785,300	-\$974,716,900	-20.4%
Upstate Aid				
CDTA	\$35,725,100	\$36,800,000	\$1,074,900	3.0%
CNYRTA	\$32,610,900	\$33,592,900	\$982,000	3.0%
RGRTA	\$39,596,300	\$40,788,600	\$1,192,300	3.0%
NFTA	\$51,436,600	\$52,985,500	\$1,548,900	3.0%
Formulas	\$39,323,200	\$40,507,400	\$1,184,200	3.0%
UPSTATE SUBTOTAL	\$198,692,100	\$204,674,400	\$5,982,300	3.0%
STOA TOTAL	\$4,988,194,300	\$4,019,459,700	-\$968,734,600	-19.4%

* This funding reflects appropriations in the FY 19 Executive Budget for MTA transit aid. The Executive Budget proposes the shift of the Payroll Mobility Tax to fund MTA directly; the MTA is expected to receive approximately \$1.4 billion from the Payroll Mobility Tax.

Transfers to the General Fund: The Executive Budget transfers \$376 million from the Dedicated Highway and Bridge Trust Fund (DHBTF) to the General Fund to support snow and ice control, the bus safety program, the motor carrier safety program, and the rail safety program.

Metropolitan Transportation Authority

The Executive Budget proposes All Funds appropriations totaling \$2.6 billion for the Metropolitan Transportation Authority (MTA), a \$1.4 billion, or 35.3% decrease from FY 18.

This decrease reflects significant reductions to the Metropolitan Transportation Authority Support Program.

MTA Operating Aid: The Executive Budget proposes approximately \$4.9 billion in FY 19 MTA Operating Aid, a \$334 million increase over FY 18. The Executive Budget includes \$3.4 billion in state transit aid as well as approximately \$1.4 billion in revenue projections that is expected to be generated from the Payroll Mobility Tax, which the Executive proposes to move out of the state budget to instead directly fund the MTA.

The Executive Budget provides \$25.3 million to offset MTA costs for the Reduced Fare for School Children Program for New York City, the same level as FY 18.

The Budget also provides \$10.3 million in General Fund appropriations to continue the Verrazano Bridge residential and commercial toll rebate program that includes \$3.3 million for an additional 24 cent rebate to residents (roughly 5%) with the rest of the funding dedicated to the current 86 cent residential rebate and commercial rebate program. In FY 2018, the amount appropriated for the rebate program was \$6.4 million for an additional 45 cents rebate to resident; therefore the Executive Budget proposes a \$3.1 million decrease. The Governor has stated that this program would be permanent although there is no budget language to this effect.

Subway Action Plan: In 2017, the MTA published the NYC Subway Action Plan to assess a reorganization plan and provide further clarification of the MTA's capital needs for cars, tracks, and signaling. The Subway Action Plan is composed of two parts: a short-term stabilization plan and a long-term modernization plan.

The Executive Budget proposes providing half of the \$836 million investment to fund the first phase of the NYC subway action plan. The contribution includes \$194 million in operating aid, \$60 million from the Payroll Mobility Tax (PMT), and \$174 million for capital assistance.

MTA Capital Funding: The \$29.9 billion 2015 – 2019 MTA capital plan includes State support totaling \$8.6 billion. The capital plan includes improvements to capital facilities operated by the New York City Transit Authority, Long Island Railroad, Metro-North Railroad, the MTA Bus Company, and other system-wide initiatives. The Executive Budget provides \$1.5 billion in FY 19 in addition to the \$4.4 billion authorized in the FY 2017 and the FY 2018 appropriation. The FY 2016 budget appropriated \$1 billion: Of that figure, \$750 million went to support the MTA's 2015 – 19 core capital program, with the remaining \$250 million used to advance the MTA Penn Station Access Project.

Department of Motor Vehicles

The Executive Budget proposes All Funds appropriations of \$362 million for the Department of Motor Vehicles (DMV), an \$18 million or 5.3 % increase over FY 18. This increase primarily reflects additional staffing costs for an anticipated increase in license renewal volumes as part of the license renewal cycle reaching a peak. The Executive Budget proposes a workforce of 2,345 FTEs for the Department, an increase of 89 FTEs from FY 18 levels.

Dedicated Highway & Bridge Trust Fund: The Executive Budget directs \$246 million of Dedicated Highway and Bridge Trust Fund (DHBTF) revenues to support DMV expenses. This represents a \$14 million increase over DMV support provided by DHBTF in FY 18. DMV fees provide more than \$2 billion annually to the State and localities, including approximately \$795 million to the DHBTF.

The DHBTF is the primary source of State funding for transportation capital infrastructure. The appropriation from the DHBTF for the Department of Motor Vehicles would primarily support expenses associated with the Department's administrative functions and initiatives. The Executive Budget proposal requires cash transfers of approximately \$193 million from the General Fund to support the DHBTF.

Article VII

- **MTA Property Tax Capture:** The Executive Budget would allow the MTA to capture revenue from increased property taxes near large MTA capital projects in New York City. The MTA would create “transportation improvement subdistricts” extending for up to one mile from phases one through four of the Second Avenue Subway, East Side Access, Penn Station Access, and 125th Street Metro-North and subway stations. It could create new subdistricts around New York City projects that have a projected cost of \$100 million or more. The City would then have to pay the MTA either 50% or 75% (the legislation has contradictory provisions) of any increase in property taxes paid within the subdistrict from the time the subdistrict is established (not the time the project is finished).
- **NYC Funding of Subway Capital Needs:** The Executive Budget would create a statutory obligation for New York City to pay for all of New York City Transit's capital needs. Furthermore, the Executive Budget requires the City to match any State funds appropriated to fund repairs and construction of the subway in response to a disaster emergency declared by the Governor, such as the Governor's state of emergency declaration in June 2017.
- **MTA Payroll Tax:** The Executive Budget would direct the Comptroller to revenues from the Metropolitan Commuter Transportation Mobility Tax (MTA Payroll Tax) directly into the MTA Finance Fund, without the need for legislative appropriation in future years. Currently, the revenues go to the MTA Financial Assistance Fund Mobility Tax Trust Account, and the Legislature must appropriate the money to the MTA.
- **MTA Expedited Procurement:** The Executive Budget proposes loosening procurement rules for the MTA to expedite the Authority's procurement procedures. The Executive Budget would:
 - Eliminate the 15-day waiting period for public authorities after notifying Empire State Development of a contract of \$1 million or more with a foreign business enterprise;

- Eliminate the sealed bidding and board approval requirements for New York City Transit and MTA contracts under \$1 million;
 - Eliminate the board approval requirement for Triborough Bridge Authority contracts under \$1 million; and
 - Authorize the MTA Board to terminate or modify any service or funding agreement that does not have a defined duration term or a term of longer than 20 years.
- **Road Safety:** The Executive Budget proposes several changes to promote driver and passenger safety, including:
 - Allowing junior license holders to drive a vehicle equipped with dual brake controls in New York City from 5 AM to 9 PM if accompanied by a parent, guardian, or driving school instructor who is at least 21 and has a driver’s license. Current law completely bans junior license holders from driving in New York City;
 - Banning drivers under 18 from operating a motor vehicle while using a portable electronic device or a hand-held or hands-free mobile phone. Current law allows non-commercial drivers to use a cell phone if it is hands-free or if the vehicle is not moving. The Executive Budget also excludes GPS receivers from the definition of “portable electronic device”;
 - Requiring all backseat passengers to wear seat belts. Current law only requires backseat passengers under sixteen to wear a seat belt;
 - Requiring school bus passengers under the age of eight to wear a seat belt. Current law only requires seat belts for children under seven. This change would conform the school bus requirements to those of other vehicles; and
 - Authorizing local governments within the Metropolitan Commuter Transportation District, the Long Island Railroad, and the Metro-North Commuter Railroad to install cameras to monitor and fine vehicles failing to stop at railroad grade crossings. Where the LIRR or Metro-North collect a fine, they must pay it to the county or municipality with jurisdiction over the crossing.
- **Autonomous Vehicle Testing:** The Executive Budget extends the autonomous vehicle testing regime enacted as part of the FY18 Budget through April 1, 2020. The Executive Budget removes the requirement that tests during this period take place under the direct supervision of the New York State Police. Beginning on April 1, 2020, the Department of Motor Vehicles may authorize autonomous vehicle tests without a natural person in the vehicle. The Executive Budget would also repeal the requirement that drivers, including of non-autonomous vehicles, keep at least one hand on the wheel while the vehicle is in motion, effective April 1, 2020.
- **Design Build Expansion:** The Executive proposes to expand authorization to use design-build contracts to the following state agencies – the Dormitory Authority (DASNY), the Urban Development Corporation (d/b/a Empire State Development), the Office of General Services (OGS), the Department of Health (DOH), and the Olympic Regional Development Authority (ORDA) - for the capital projects located in the state and related

to physical infrastructure. The proposal removes language limiting the Infrastructure Investment Act to infrastructure owned by the State, thus opening up design-build contracts to capital projects funded in part by state funds. The Executive's proposal would also allow the authorized state agencies to utilize single source contracting and bond their projects, if necessary. The proposal limits OGS and DOH's authorization to use design-build only if the project cost exceeds \$10.0 million.

- **Dedicated Highway & Bridge Trust Fund Sweep:** The Executive Budget redirects several revenue streams from the Dedicated Highway & Bridge Trust Fund's Special Obligation Reserve & Payment Account into the State's General Fund, though it leaves some revenue streams in place.
- **Federal Motor Carrier Safety Regulations Enforcement:** The Executive Budget would allow the Department of Motor Vehicles to suspend a motor carrier's registration if the US Department of Transportation issues an out-of-service order against the motor carrier. The Executive claims this is necessary to comply with federal regulations. Furthermore, the Executive Budget would increase fines on motor carriers from \$5,000 to up to \$25,000 for multiple violations of state laws within eighteen months.
- **Commercial Facilities at Highway Rest Stops:** The Executive Budget would allow the Commissioner of Transportation to include commercial facilities at roadside rest areas along state highways. Rest areas are currently limited to water, sanitary facilities, parking, non-commercial facilities, and vending machines. The Executive claims this is necessary to offer TASTE NY facilities, but the legislation does not limit the commercial facilities to that purpose.
- **Federal Subway Safety Regulations Enforcement:** The Executive Budget would empower the State Public Transportation Safety Board (PTSB) to enforce federal regulations relating to "rail fixed guideway public transportation systems," which the Executive identifies as the NYC Transit Authority and the Niagara Frontier Transportation Authority in Buffalo. The Executive claims this is necessary to comply with federal law and receive federal grants.
- **Thruway Authority Fiber Optic System Access:** The Executive Budget would allow the Thruway Authority to provide access to its fiber optic system through set fee agreements, rather than requiring a publicly advertised competitive bidding process. The Executive claims this will prevent a single high bidder from gaining control of the whole system at the expense of millions of New Yorkers.
- **Inspection Fees for Certain For-Profit Vehicles:** The Executive Budget would authorize the Department of Transportation to collect a \$120 fee for the semi-annual inspections of for-profit tour and charter bus fleets, ambulettes, and other large passenger vans and limousines. The Department of Transportation already collects fees on commercial truck and rail inspections.

- **DOT Fiber Optic Cable Access:** The Executive Budget would allow the Department of Transportation to collect rents from fiber optic utilities for access to the state's right of way. The bill forbids fiber optic utilities from passing the state charge down to the customer. It also directs all rents to the Dedicated Highway and Bridge Trust Fund's Special Obligation Reserve and Payment Account. Finally, it waives any fee for access for providers participating in the New NY Broadband Program.
- **Reporting of NYC Traffic Violation Fines:** The Executive Budget removes authority granted to the State Comptroller to regulate reporting formats for New York City regarding traffic violation fines. According to the Executive, the Department of Motor Vehicles already makes reports on New York City's behalf.
- **Internet Pre-Licensing Course Pilot:** The Executive Budget creates a five-year pilot program for an internet pre-licensing course for potential drivers. Providers of approved internet accident prevention courses could apply to provide a pre-licensing course for a fee of up to \$7,500. Potential drivers would pay a fee of up to \$8 to take the course. All fees would go to the Dedicated Highway & Bridge Trust Fund.

Economic Development and Energy Fact Sheet

Appropriations

- **Life Science Public Health Laboratory:** The Executive Budget provides \$600 million in capital funding in FY 19 to ESDC for the construction of the Life Science Public Health Laboratory in the Capital District, an increase from \$150 million last year.
- **High Technology Innovation and Economic Development Infrastructure Program:** The Executive Budget proposes \$300 million in capital funding for FY 19 to ESDC for a new program called the High Technology Innovation and Economic Development Infrastructure Program.
- **Regional Economic Development Council Initiative:** The Executive Budget proposes \$150 million in capital funding for FY 19 to ESDC for the Eighth Round of the Regional Economic Development Councils, and proposes \$70 million in Excelsior Job Credits in FY 19. The proposed Excelsior Job Credit funding is off-budget.
- **New York Works Economic Development Fund:** The Executive Budget proposes \$200 million in capital funding for FY 19 to ESDC for the New York Works Economic Development Fund as part of the New York Works Initiative, this amount is unchanged from FY 18 Budget. This appropriation would support projects that facilitate an employer's ability to create new, or retain existing, jobs. It would also fund infrastructure investments necessary to attract new businesses or expand existing businesses.
- **Promote NY Tourism:** The Budget proposes \$44.5 million in funding for FY 19 to ESDC, a reduction of \$25.0 million from the FY 18 Budget, to promote New York state as a tourism destination, attract and expand business investment and job creation, the Global NY Initiative and trade missions, and for promoting START-UP NY program. No more than 60% of these funds should be used for advertising outside the state.
- **Minority and Women-Owned Business Development:** The Executive Budget proposes \$635,000 in aid to localities funding for FY 19 for the Minority and Women-Owned Business Development and Lending Program within ESDC and adds 5 staffers in FY 19 to the Division of Minority and Women's Business Development.

Article VII

- **MWBE Extender and Expansion:** The Executive proposes to extend the sunset provision of the MWBE program for 5 years, to December 31, 2023; creates a Workforce Diversity program; and establishes MWBE fraud as a criminal offense.
- **NYPA Renewable Energy Sales:** The Executive proposes to authorize the NYPA to develop, purchase, and sell renewable energy to public entities and its current customers.

ECONOMIC DEVELOPMENT AND ENERGY AGENCY DETAILS

Economic Development and Energy Agency Appropriations				
Agency	Available FY 18	Appropriation Recommended for FY 19	\$ Change	% Change
Empire State Development Corporation	\$2,675,896,000	\$1,358,188,000	(\$1,295,473,000)	(48.4%)
Department of Economic Development	\$92,556,000	\$82,630,330	(\$9,925,670)	(10.7%)
Department of Public Service	\$101,422,000	\$95,422,000	(\$6,000,000)	(5.9%)
NYS Energy Research and Development Authority	\$15,575,000	\$17,000,000	\$1,425,000	9.1%
Total All Funds Economic Development and Energy Agencies	\$2,885,449,000	\$1,553,240,330	(\$1,309,973,670)	(45.4%)

Overview

The Executive Budget proposes \$2.9 billion in All Funds appropriations for State Agencies within the economic development and energy functional area in FY 19, a \$1.3 billion (or 45.4%) decrease from available FY 18 Budget levels. This decrease largely reflects a \$1.3 billion decrease to the Empire State Development Corporation for one-time capital funding provided in FY 18.

Empire State Development Corporation

The Executive Budget proposes All Funds appropriations totaling \$1.36 billion for the Empire State Development Corporation in FY 19, a decrease of \$1.3 billion (or 49.0%) from FY 18, which mostly reflects one-time capital funding provided in the FY 18 Budget.

Life Science Public Health Laboratory: The Executive Budget provides \$600 million in capital funding in FY 19 for the construction of the Life Science Public Health Laboratory in the Capital District. In the FY 18 Budget, \$150 million was provided for this project.

High Technology Innovation and Economic Development Infrastructure Program: The Executive Budget proposes \$300 million in capital funding for FY 19 for a new program called the High Technology Innovation and Economic Development Infrastructure Program. This program would promote research and development of innovative technologies and leverage

private investment. It would fund advanced science and technology, economic development, infrastructure, manufacturing and other initiatives that create or retain jobs.

Regional Economic Development Council Initiative: The Executive Budget proposes \$150 million in capital funding for FY 19 for the Eighth Round of the Regional Economic Development Councils, unchanged from FY 18 Budget. The Executive Budget proposes \$70 million in Excelsior Job Credits in FY 19, unchanged from FY 18 Budget. The proposed Excelsior Job Credit funding is off-budget.

New York Works Economic Development Fund: The Executive Budget proposes \$200 million in capital funding for FY 19 for the New York Works Economic Development Fund as part of the New York Works Initiative, this amount is unchanged from FY 18 Budget. This appropriation would support projects that facilitate an employer's ability to create new, or retain existing, jobs. It would also fund infrastructure investments necessary to attract new businesses or expand existing businesses.

Promote NY Tourism: The Executive Budget proposes \$44.5 million in aid to localities funding for FY 19, a reduction of \$25.0 million from the FY 18 Budget, to promote New York state as a tourism destination, attract and expand business investment and job creation, support economic development initiatives, Global NY Initiative and trade missions, and for advertising and promoting START-UP NY program. No more than 60% of these funds should be used for advertising and promotion outside NY state.

Minority and Women-Owned Business Development and Lending Program: The Executive Budget proposes \$635,000 in aid to localities funding for FY 19 for the Minority and Women Owned Business Development and Lending Program, unchanged from the FY 18 Budget. This program provides financial assistance to Minority and Women-Owned Business Enterprises (MWBE) in the State, as well as to projects and programs that assist the development of entrepreneurship among minority persons and women in New York State.

International Trade Program: The Executive Budget proposes to transfer the International Trade Program from the Department of Economic Development to ESDC.

Market New York: The Executive Budget proposes to transfer the Market New York program from the Department of Economic Development to ESDC. The Executive Budget provides \$8 million for capital appropriation to support tourism marketing plans and projects that best demonstrate regional collaboration among counties and promote regional attractions. This program is part of the Market NY Program. In addition, \$10.3 million in aid to localities funding is provided for Market NY. No aid to localities funding was provided for this program last year.

Entrepreneurial Assistance Program: The Executive Budget provides a \$1.8 million aid to localities appropriation for the Entrepreneurial Assistance Program, the same level of funding provided last year. The Entrepreneurial Assistance Program establishes Entrepreneurial Assistance Centers in local communities to provide instruction, training, technical assistance and

support services to individuals who have recently started their own business or are interested in starting a business.

Retention of Professional Football in Western New York (Buffalo Bills): The Executive Budget provides \$2.3 million in capital funding for this initiative, an increase of \$27,000 over last year. The Executive Budget proposal also provides \$4.6 million in associated aid to localities funding, unchanged from last year.

Urban and Community Development Program: The Executive Budget provides a \$3.4 million aid to localities appropriation for the Urban and Community Development Program, the same level of funding as last year. This program offers development assistance with preference given to projects located in highly distressed communities and for projects where other public or private funding sources are not available.

Federal Community Development Financial Institutions Program: The Executive Budget provides a \$1.5 million aid to localities appropriation for the Federal Community Development Financial Institutions Program, a decrease of \$300,000 from last year. The purpose of ESD's Community Development Financial Institution (CDFI) Assistance Program is to strengthen and expand the capacity, products, and services of certified CDFIs' lending programs for small businesses and/or minority and women-owned business enterprises, minority and women business enterprises throughout New York State.

Clarkson-Trudeau Partnership: The Executive Budget provides a \$5 million capital appropriation, the same level as last year, to support the ongoing partnership between the State, Clarkson University, and the Trudeau Institute to form a world-class biotech enterprise.

Empire State Economic Development Fund: The Executive Budget provides a \$26.2 million capital appropriation, the same level as last year, for the Empire State Economic Development Fund. This is a flexible program, providing a range of assistance to businesses, municipalities, IDAs and other economic development organizations to ensure that the diversity of business needs are being met by the State.

Department of Economic Development

The Executive proposes \$82.6 million in All Funds for FY 19 for the Department of Economic Development, a decrease of \$9.9 million from FY 18, reflecting reduced spending from the non-recurrence of one-time Legislative adds and a shift of the International Trade and Market New York programs to the Empire State Development Corporation. The Executive Budget proposes to increase staff levels by 5 in FY 19 for a total staff of 158. These 5 new staffers would be added to the Division of Minority and Women's Business Development.

Division of Minority and Women's Business Development: The Executive Budget adds 5 staffers in FY 19 to the Division of Minority and Women's Business Development within the Department of Economic Development.

Centers of Excellence: The Executive Budget provides \$8.7 million in aid to localities funding for FY 19 for the Centers of Excellence within the Department of Economic Development, a reduction of \$2.0 million from FY 18 Budget a reduction of \$2.0 million from the FY 18 Budget due to the non-recurrence of one-time Legislative adds.

Centers for Advanced Technology: The Executive Budget provides \$13.8 million aid to localities funding for the Centers for Advanced Technology (CAT) the same level of funding as last year. The CAT program, created in 1983, facilitates a continuing program of basic and applied research, development and technology transfer in multiple technological areas, in collaboration with and through the support of private industry.

Innovation Hot Spots and Incubators Program: The Executive Budget proposes a \$5 million aid to localities appropriation for the Innovation Hot Spots and Incubators Program, the same level as last year. Through a competitive process, NYSTAR has designated 10 Innovation Hot Spots-- one for each of New York's economic development regions--and 20 Certified Business Incubators, which receive funding to reach a greater number of early-stage companies.

Technology Development Organization: The Executive Budget provides \$1.4 million in aid to localities funding for Technology Development Organization matching funds, the same funding level as last year. The Technology Development Organization is part of the New York Manufacturing Extension Partnership (NY MEP), which is a network of organizations that provide growth and innovation services to small and mid-sized manufacturers in every corner of the state to help create and retain jobs, increase profits, and save time and money. NY MEP is part of the National Institute of Standards and Technology's (NIST) Hollings Manufacturing Extension Partnership and is supported through a combination of federal and state funding.

Industrial Technology Extension Service: The Executive Budget provides \$921,000 in aid to localities funding for the Industrial Technology Extension Service, the same funding level as last year. The Industrial Technology Extension Service is also part of the New York Manufacturing Extension Partnership (NY MEP) whose functions are described above.

Focus Center: The Executive Budget provides \$3.0 million in aid to localities funding for SUNY Polytechnic Institute Focus Center and the Rensselaer Polytechnic Institute Focus Center, unchanged from last year. The Focus Center-New York supports semiconductor research at SUNY Albany and Rensselaer Polytechnic Institute.

High Technology Matching Grants Program: The Executive Budget provides \$6.0 million in aid to localities funding for the High Technology Matching Grants Program, unchanged from last year. This program leverages resources from federal or private sources to promote high technology.

Training and Business Assistance Program: The Executive Budget provides \$9.5 million for the Training and Business Assistance Program, unchanged from last year. This program is part of the Federal Manufacturing Extension Partnership Program.

Marketing and Advertising Program: The Executive Budget provides \$7.8 million for the Marketing and Advertising Program, a \$6.6 million reduction from last year mostly due to transferring Market NY from DED to ESDC.

Department of Public Service

The Executive Budget proposes \$95.4 million in All Funds for FY 19 for the Department of Public Service, a reduction of \$6.0 million (or 5.9%) in State Operations from FY 18. This reduction is due to the elimination of one-time funding to reconcile outstanding General State Charges. The Executive recommends a staffing level of 520, unchanged from FY 18 levels.

NYS Energy Research and Development Authority

The Executive Budget proposes \$17.0 million in All Funds for FY 19 for NYSERDA, an increase of \$1.4 million (or 9.0%) from FY 18, to meet the State's requirements of a federal cost sharing agreement with the U.S. Department of Energy relating to management and administration of the nuclear fuel reprocessing plant in West Valley, NY.

Article VII

- **Economic Development Fund Extender:** The Executive would extend the the Urban Development Corporation (UDC) authority to administer the Empire State Economic Development Fund for one year, to July 1, 2019, as has been done annually since 2012.
- **Extend the General Loan Powers of the Urban Development Corporation:** The Executive proposes to extend the general loan powers of the UDC for an additional year, to July 1, 2019. This authorization has been extended annually since SFY 1997-98.
- **MWBE Extender and Expansion:** The Executive proposes to extend the sunset for the MWBE program for 5 years, to December 31, 2023, as well as the following changes:
 - Expands participation of MWBE program to all municipalities in the state, mandating that municipalities set goals on contracts and report to the Director of the Division of Minority and Women's Business Development in the Department of Economic Development (Director);
 - Creates a workforce diversity program with aspirational goals by county for minority group members and women, with each state-funded contract required to set a workforce diversity goal for the project;
 - Establishes MWBE fraud as a criminal offense, ranging from a Class A misdemeanor, punishable up to 1 year in local prison, to a Class D felony, punishable up to 7 years in state prison.
 - Doubles the discretionary purchasing threshold from small businesses, MWBE's or service disabled veteran-owned businesses to \$400,000 from \$200,000 for all agencies and authorities;

- Doubles the minimum contract amount whereby MWBE program goals kick in, from \$25,000 to \$50,000 for non-construction contracts, and from \$100,000 to \$200,000 for construction contracts;
 - Gives the Director the authority to set a higher Personal Net Worth (PNW) requirement by regulation;
 - Excludes an individual's ownership in a holding company from the PNW calculation, and replaces the exclusion of equity in personal residence with the exclusion of the cash value of the personal residence in PNW calculation;
 - Expands authority of Statewide Advocate to investigate complaints from MWBE's about agencies and contractors, as well as audit agencies; and
 - Requires agencies to submit a remedial plan if they fail to make a good faith effort to maximize MWBE participation.
- **Cable Television/Utility Assessment:** The Executive Budget proposes to authorize certain expenses associated with the Department of Health's public service education program to be reimbursed by a cable television assessment, and authorize expenses of the Departments of Agriculture and Markets, Environmental Conservation, State, and the Office of Parks, Recreation and Historic Preservation related to oversight of utilities to be reimbursed by a utility assessment. This provision was in last year's Enacted Budget.
 - **Utility Assessment to Fund Certain NYSERDA Programs and for Other Purposes:** The Executive Budget would authorize NYSERDA to finance its Energy Research, Development and Demonstration Program, its Energy Policy and Planning Program, the Department of Environmental Conservation's (DEC) climate change program and the Department of Agriculture and Markets' Fuel NY program, from an assessment on gas and electric companies not to exceed \$19.7 million. In addition, NYSERDA may transfer \$825,000 to the University of Rochester laboratory for laser energetics. Last year's Enacted Budget had the same provisions.
 - **NYPA Energy Projects:** The Executive would allow NYPA to offer energy management related services to any of its customers, including State agencies and municipalities. The Executive would also:
 - Include energy management, distribution or control projects and services; energy supply security, resiliency and reliability projects and services; and energy procurement programs for public utilities into the definition of "energy related projects, programs and services," and
 - Include entities formed for the purpose of facilitating the delivery, implementation or management of energy-related projects, programs and services, such as a not-for-profit corporation, in the definition of "public entity."
 - **NYPA Renewable Energy Sales:** In an effort to advance the goals of the State's Clean Energy Standard, (which requires 50% of the state's energy to come from renewable resources by 2030), the budget would authorize the NYPA to develop renewable energy projects, purchase renewable energy, and allocate and sell that renewable energy to public entities and its current customers.

Labor & Workforce Fact Sheet

Appropriations

- **Growth in State Workforce:** The Governor would increase the state’s workforce by approximately 200 FTEs, and backfill at least 1,800 positions authorized in previous appropriations that have remained vacant.
- **Unemployment Rates:** Due to a decrease in unemployment rates, total Department of Labor appropriations are reduced by \$86 million in the Executive Budget.
- **Legislative Training Adds:** The Executive Budget does not include numerous appropriations added by the Legislature for various employment and training programs, which totaled \$15.3 million in FY 18.
- **World Trade Center Sick Worker Reimbursement:** The Executive Budget includes a new \$1 million appropriation to support reimbursements for municipalities providing paid sick leave to some officers with qualifying World Trade Center illnesses.

Article VII

- **Secure Choices Retirement Program:** The Executive Budget proposes the creation of a voluntary savings program administered by the Deferred Compensation Board. This “public-option” style retirement plan would allow private-sector employees who lack access to retirement options to contribute a percentage of their earnings to the plan, which would grow based on investment performance and offer a savings mechanisms for a low administrative cost.
- **New York Youth Jobs Tax Credit:** The Governor increases the total credits available to employers who hire youth under the current program by 50%. The program would also include stricter paperwork verification to monitor employers taking the credit, and would allow the Department of Labor to set preferences for high-growth industries and employers who provide employee benefits and a career ladder.
- **State Retiree Healthcare Cuts:** The Executive advances two proposal as in previous years that would reduce state expenditures on healthcare for state retirees. One proposal would cap Medicare Part B premium reimbursements at current levels, while the other would eliminate reimbursements for higher-income earning retirees enrolled in Medicare.

LABOR AND WORKFORCE AGENCY DETAILS

Labor and Workforce All Funds Appropriations				
Agency	Available FY 18	Appropriation Recommended for FY 19	\$ Change	% Change
Department of Labor	\$3,702,324,000	\$3,617,292,000	(\$85,032,000)	(2.4%)
Office of Employee Relations	\$4,860,000	\$4,860,000	\$0	0.0%
Public Employment Relations Board	\$3,984,000	\$3,984,000	\$0	0.0%
Workers' Compensation Board	\$195,430,000	\$216,543,000	\$21,113,000	9.8%
Department of Civil Service	\$55,488,000	\$56,488,000	\$1,000,000	1.8%
Deferred Compensation Board	\$892,000	\$892,000	\$0	0.0%
General State Charges	\$4,044,109,000	\$7,182,108,000	\$3,137,999,000	43.7%
Division of Human Rights	\$18,153,000	\$18,153,000	\$0	0.0%
Total	\$8,022,240,000	\$11,099,320,000	\$3,075,080,000	27.7%

The Executive Budget proposes \$11.1 billion in All Funds appropriations, which is an increase of \$3.1 billion over FY 18 Budget levels. The largest factor for this increase is changes made in the General State Charges budget, which, among other functions, funds state employee and retiree fringe benefits. The Executive Budget shifts the funding for certain state employees' fringe benefits from the respective state agencies to the General Fund, as opposed to each state agency funding those fringe benefits in their respective budgets.

Department of Labor

The Executive Budget recommends \$3.7 billion for the Department of Labor (DOL), a decrease of \$85 million from FY 18 levels, which results from a reduction in estimated unemployment insurance claims due to improved economic conditions. The Executive Budget recommends a staffing level of 2,990 FTEs for DOL, which is unchanged from the FY 18 level.

The Executive Budget also includes general "sweep" language authorizing the Director of the Division of Budget to increase or decrease certain appropriations for HCR to any other department, agency, or public authority.

Employment and Training Programs: The Executive Budget proposes \$155.3 million in funding for the Workforce Innovation and Opportunity Act (WIOA), which represents a decrease of \$12.3 million from FY 18. WIOA is a federal law that promotes federal job training in partnership with states and Local Workforce Investment Boards, and is the main vehicle for

dedicated worker training programs. Funding for WIOA is tied to the unemployment rate, which continues to drop year-over-year.

The Executive Budget does not include \$15.3 million for various training and workforce development programs previously funded in FY 18 as added by the Legislature. These training programs include, but are not limited to, the AFL-CIO Workforce Development Institute, Displaced Homemakers, Cornell ILR, and YouthBuild.

Strengthening Workforce Development: The Executive proposed, as part of his State of the State address, several items relating to workforce development. First, the Executive proposed establishing a new \$175 million Consolidated Funding Application (CFA) for workforce investment in emerging fields through the Regional Economic Development Councils (REDCs). This would be a higher level of funding for workforce development than has previously been included through the REDCs. Funding for this specific purpose does not appear to be explicitly appropriated in the Executive Budget, but language authorizing transfers or sweeps may suffice for funding purposes. Several pre-existing pots of money, including \$69 million for the Pay for Success initiative, have been identified by the Division of Budget as the source of funds for the CFA awards.

Second, the Executive proposed creating a new Office of Workforce Development, which would have a Director, but this, too, was not lined out in the budget proposal. Other announcements included a new “one-stop shop to help workers and businesses navigate workforce development programs,” and employing data analytics to target local workforce needs. Whether and how these items are included in the budget, perhaps in 21- or 30-day amendments, is something that will be monitored.

Workers’ Compensation Board

The Executive Budget recommends \$216.5 million in All Funds appropriations for the Workers’ Compensation Board, which represents an increase of \$21.1 million compared to FY 18. \$20 million of this increase is to fund IT/Business Process Redesign projects, including a medical portal and business information system replacement. The Executive also recommends staffing at 1,110 FTEs, which is the same as FY 18.

Department of Civil Service

The Executive Budget recommends \$56.5 million in All Funds appropriations for the Department of Civil Service, an increase of \$1 million from FY 18. The additional \$1 million is for reimbursement of municipalities or public authorities for the cost of providing sick leave for officers and employees with a qualifying World Trade Center condition, which is the result of a new law – Chapter 273 of the Laws of 2017. The Executive Budget also recommends maintaining 350 FTEs, the same level as FY 18.

Deferred Compensation Board

The Executive Budget recommends \$892,000 in All Funds appropriations for the Deferred Compensation Board, which is unchanged from FY 18. The Executive also maintains the 4 FTE staff level as in FY 18.

Office of Employee Relations

The Executive Budget recommends \$4.9 million in All Funds appropriations for the Office of Employee Relations, which is unchanged from FY 18. In addition, the Executive maintains FY 18 staffing level of 37 FTEs.

Public Employment Relations Board

The Executive Budget recommends \$4.0 million in All Funds appropriations for the Public Employment Relations Board, which is unchanged from FY 18. The Executive Budget also maintains 33 FTEs, consistent with FY 18.

General State Charges and State Workforce

The Executive Budget recommends All Funds appropriations totaling \$7.2 billion for various charges paid in support of the state workforce and other state expenses. As noted above, this is a significant increase (43.7%) compared to FY 18, and is the result of a shift in funding for employees' fringe benefits from certain state agencies to the general fund; this is a technical change to consolidate the funding of these benefits, and it may even create room for additional programmatic funding in these agencies while also keeping them within the Governor's self-imposed two-percent cap.

General State Charges Budget – Appropriation Summary			
General Fund	FY 18	Appropriation Recommended for FY 19	\$ Change
Health Insurance	\$3,815,140,000	\$4,098,743,000	\$283,603,000
Pensions	\$2,257,247,000	\$2,265,900,000	\$8,653,000
Social Security	\$884,106,000	\$942,641,000	\$58,535,000
Workers' Compensation Benefits	\$478,965,000	\$576,320,000	\$97,355,000
Employee Benefit Funds	\$95,434,000	\$100,695,000	\$5,261,000
Dental Insurance	\$65,021,000	\$65,021,000	\$0
Unemployment Insurance	\$16,696,000	\$16,696,000	\$0
All Other (Disability, Survivors, IPP, etc.)	\$36,138,000	\$39,205,000	\$3,067,000
Employee Benefits	\$7,648,747,000	\$8,105,221,000	\$456,474,000

Taxes/PILOTs	\$281,815,000	\$287,703,000	\$5,888,000
Litigation	\$198,594,000	\$209,684,000	\$11,090,000
Other Fixed Costs	\$480,409,000	\$497,387,000	\$16,978,000
Gross GF Appropriation	\$8,129,156,000	\$8,602,608,000	\$473,452,000
Fringe Benefits Billings (Escrow)	(\$2,769,921,000)	\$0	(\$2,769,921,000)
SUNY Fringe Benefits Suballocation	(\$1,615,626,000)	(\$1,721,000,000)	(\$105,374,000)
	(\$4,385,547,000)	(\$1,721,000,000)	(\$2,664,547,000)
Net GF Appropriation	\$3,743,609,000	\$6,881,608,000	\$3,137,999,000
Fiduciary Fund Appropriation	\$300,500,000	\$300,500,000	\$0
All Funds Appropriation	\$4,044,109,000	\$7,182,108,000	\$3,137,999,000

The Executive Budget proposes a total State workforce of 182,565, which is a net increase of 201 positions from FY 18. When accounting for vacancies in the State workforce, and assuming 100% employment at year-end of FY 19, the actual participants in the State workforce could increase by over 2,000 FTEs from December 2017 actuals to March 2019. Approximately 1,800 positions have gone unfilled in the past year, but are otherwise authorized via state appropriations. Additional information can be found in the below table.

New York State Full-Time Employees			Change	
Category	3/31/18 (est.)	3/31/19 (est.)	Number	Percent
Subject to Direct Executive Control	118,512	118,705	193	0.2%
University Systems	59,350	59,358	8	0.0%
Independently Elected Agencies	4,502	4,502	0	0.0%
Total	182,364	182,565	201	0.1%

A breakdown of the increases and decreases in the State workforce is below:

- 381 FTE increase in the Department of Health to support the continued take-over of Medicaid Administration from counties, operational support and other programs;
- 275 FTE decrease in the Office of Mental Health due to attrition;
- 89 FTE increase in the Department of Motor Vehicles for continued implementation of the federal the Real ID Act;
- 71 FTE decrease in the Department of Corrections and Community Supervision and 32 FTE decrease in the Office for People with Developmental Disabilities due to attrition;
- 70 FTE increase in the Department of Transportation for snow and ice services;
- 58 FTE decrease in the Office of Children and Family Services due to attrition;
- 35 FTE increase for the Division of Homeland Security and Emergency Services or emergency management operations and counter terrorism activities;

- 30 FTE increase in the State Police for the Sexual Offense Evidence Kit program and the MS-13 Anti-Gang Initiative; and
- 24 FTE increase in various other agencies.

Workforce Impact Summary				
FY 2016 Through FY 2018				
	As of 3/31/17	As of 3/31/18	Expected 3/31/19	Net Difference
Major Agencies				
Children and Family Services, Office of	2,932	2,965	2,907	(58)
Corrections and Community Supervision, Dept of	29,189	29,254	29,183	(71)
Education Department, State	2,590	2,692	2,692	0
Environmental Conservation, Department of	2,956	2,945	2,945	0
Financial Services, Department of	1,325	1,382	1,382	0
General Services, Office of	1,755	1,915	1,915	0
Health, Department of	4,853	5,082	5,463	381
Information Technology Services, Office of	3,486	3,406	3,406	0
Labor, Department of	2,861	2,990	2,990	0
Mental Health, Office of	14,221	13,903	13,628	(275)
Motor Vehicles, Department of	2,184	2,256	2,345	89
Parks, Recreation & Historic Preservation, Office of	1,752	1,749	1,763	14
People with Developmental Disabilities, Office for	18,958	18,630	18,598	(32)
State Police, Division of	5,645	5,711	5,741	30
Taxation and Finance, Department of	3,946	3,978	3,978	0
Temporary and Disability Assistance, Office of	1,973	2,006	2,006	0
Transportation, Department of	8,487	8,453	8,523	70
Workers' Compensation Board	1,122	1,110	1,110	0
Subtotal - Major Agencies	110,235	110,427	110,575	148
Minor Agencies	7,672	8,085	8,130	45
Subtotal - Subject to Direct Executive Control	117,907	118,512	118,705	193
City University of New York	13,635	13,547	13,549	2
State University Construction Fund	144	146	152	6
State University of New York	45,316	45,657	45,657	0
Subtotal - University Systems	59,095	59,350	59,358	8
Audit and Control, Department of	2,647	2,663	2,663	0
Law, Department of	1,787	1,839	1,839	0
Subtotal - Independently Elected Agencies	4,434	4,502	4,502	0
Grand Total	181,436	182,364	182,565	201

Division of Human Rights

The Executive Budget recommends an All Funds appropriation of \$18.1 million for the Division of Human Rights, which is unchanged from FY 18. The Executive also recommends keeping staffing levels at 164 FTEs, unchanged from FY 18.

Article VII

- **New York Youth Jobs Tax Credit:** The Executive proposes an increase in the value of the tax credits available to employers who hire at-risk youth under the New York Youth Jobs Tax Program (formerly the Youth Works program). The current credit of \$500 a month for the first six months of employment would be increased to \$750 per month for the first six months, or from \$250 per month to \$375 per month for a part-time employee. For the next six months of work, the credits would increase from \$1,000 to \$1,500 total, or from \$500 to \$750 for a part-time employee. For the next year after the first year of employment, the credits would increase from \$1,000 to \$1,500 total or from \$500 to \$750 for part-time employment. As a result the total credit would increase for hiring an at-risk youth for two years of employment from \$5,000 or \$2,500 for part-time employment to \$7,500 or \$3,750 for part-time employment.

The budget also provides a new requirement for the employer to be audited and approved for credits by the Department of Labor. DOL would be given access to tax and finance information, and would receive a report from the employer demonstrating that the employer had satisfied all eligibility requirements and information necessary to compute the credit. The Commissioner would make a specific determination confirming the employment of a qualifying individual and the value of the credit based on the employment of such individual.

DOL would also be given new authority to establish guidelines and criteria for program participation, which includes the ability to give industry/occupational/or regional preferences. The bill specifically suggests that clean energy, healthcare, advanced manufacturing, and conservation employers could receive preference, as well as employers offering advancement and employee benefit packages.

- **Secure Choices Savings Program:** The Governor proposes a program similar to legislation carried by Senator Savino (S.4344B) which would establish the “Secure Choices Savings Program.” This program essentially allows private-sector employees to opt-in to a defined contribution savings program, similar to an IRA or 401(k) account. The program would be managed by the Deferred Compensation Board, an agency that currently managed deferred compensation 475(b) retirement plans (i.e., a retirement plan funded by deferring earned income into a special savings account with no employer match). An employer who does not offer a retirement plan of any sort could opt to be a “participating employer”, and offer an automatic payroll deduction for an employee who participated in the Secure Choices program. The automatic contribution rate would be set

at 3% of wages, though annual contributions to the account would be limited to \$7,000 per year (an amount set as the maximum tax-exempt income by the IRS).

The Secure Choices program would be an investment-based plan, and beneficiaries would have no constitutional protection for specific amounts. Beneficiaries could set investment strategies, and similar to the state's deferred compensation plan, the ultimate value of the plan would be the balance in the account based on savings and investment performance. The program would be administratively funded by a small surcharge on investment income, and start-up costs would similarly be funded through a charge on the investment funds.

This program is subject to complication federal regulations and an uncertain regulatory environment. The federal Employee Retirement Income Security Act (ERISA) preempts states from regulating private-sector "employee benefit plans". Under the Obama Administration, the Department of Labor had preemptively announced that it would allow similar public-option retirement plans to be offered by states and cities. However, the Trump Administration has revoked that "safe harbor" regulatory guidance. As a result, the Governor's plan is entirely voluntary, which the initial plan proposed by Senator Savino would have automatically enrolled all employees of employers lacking retirement plans unless such an employee affirmatively opted out of the plan.

- **Retiree Healthcare Costs:** As in the past several years, the Governor advances proposals to increase healthcare costs on current public sector employees and retirees. One provision in the Executive Budget would cap the reimbursement of Medicare Part B premiums at \$134/month, the 2017 maximum rate. Under current law, all state retirees who vest lifetime health benefits and reach the age of 65 are enrolled in Medicare Part B in lieu of the state's own health insurance. The state then reimburses state retirees for their Medicare Part B costs. Because premium rates are set by the federal government, the reimbursement amount has increased over the years and increases automatically. This change would freeze the reimbursement rate, and force the Legislature to negotiate for a statutory change in order to increase the premium reimbursement. Freezing reimbursements would save the state \$2 million in 2020, \$11 million in 2021, and \$22 million in 2022.

The Governor also proposes the elimination of all reimbursements for Medicare-enrolled retirees who pay the additional premiums for higher income beneficiaries (Income Related Monthly Adjustment Amount or "IRMAA"). IRMAA premiums are charged to individuals who earn at least \$85,000 a year, or married couples who earn at least \$170,000 a year. These premiums are also automatically paid, and have increased in the past year due to a change in the cut-off for the highest income band at the federal level. Eliminating IRMAA premiums would save the state \$2.7 million in 2019 and at least \$11 million every year thereafter.

The following chart outlines the premium costs on the basis of income paid by the state for current state retirees.

Single Retirees	Married Retirees	2018 Retiree Premiums	IRMAA Premium	Total Premium
Up to \$85,000	Up to \$170,000	\$134.00	N/A	\$134.00
\$85,001- \$107,000	\$170,001- \$214,000	\$134.00	\$53.50	\$187.50
\$107,001- \$135,000	\$214,001- \$267,000	\$134.00	\$133.90	\$267.90
\$135,001- \$160,000	\$267,001- \$320,000	\$134.00	\$214.30	\$348.30
Over \$160,001	Over \$320,001	\$134.00	\$294.60	\$428.60

- State Insurance Fund Investments:** The Executive proposes new requirements for the State Insurance Fund in handling investments of its surplus funds. This provision would require SIF to invest up to 25% of its surplus funds in nationally-recognized securities and up to 10% of surplus funds in certain American businesses and real property assets as set forth by the Insurance Law for non-life insurance surplus asset investment. Additionally, SIF could invest any port of the up to 50% of surplus funds that are invested in safer securities to be within diversified index funds. The bill would also make clear that any funds appropriated by the state to the State Insurance Fund may not be treated as surplus funds to be subject to investment.
- Information Technology Civil Service Appointments:** The Governor is given the authorization to issue a term appointment without competitive examination to temporary IT services, for an appointment of up to 5 years and up to 300 FTE appointments. Under this provision, a permanent competitive employee who is qualified for the term appointment can take precedence for the appointment before the term appointment is processed. The authority to hire these positions would expire in 2023, and any positions created in this manner would be the first to be eliminated in the case of layoffs. There is additional language in this section that appears to provide the authority to move these titles or potentially other provisional titles into competitive examination titles unilaterally. The supporting documents to the budget claim that this authority is needed to allow provisional titles to take a competitive examination and attempt to fill competitive titles during or at the end of the five-year period. However, the language is unclear as to this limitation and may provide additional authority to the Department of Civil Service. Further information on this provision has been requested.

General Government Fact Sheet

Appropriations

- **\$100 Million for DOS Capital:** The Executive Budget provides \$100 million to the Department of State to to fund a third round of Downtown Revitalization Capital Projects.
- **General Government Held flat:** The Executive Budget continues flat funding from FY 18 levels for General Government entities like the Executive Chamber, Office of the Lieutenant Governor and the Office of Information Technology Services.

Article VII

- **Amend Racing Operations:** This proposal amends several different sections of law pertaining to racing operations by the New York Racing Association (“NYRA”). Specifically, NYRA would be authorized to double the amount of reserve funds it keeps, permit, under limited circumstance nighttime thoroughbred racing, and create a new committee to review equine testing and research.
- **Allow Use of Breeding Funds for Equine Care:** This proposal amends the Racing law to allow funds from the Thoroughbred Breeding and Development fund as well as the Agriculture and NYS Horse Breeding Development fund to be used for the aftercare of retired racehorses. This is a revenue neutral proposal.
- **Changes the Statutory Tax Rate and Distribution Formula for VLT Operators:** This proposal amends the various statutes governing Video Lottery Terminal (VLT) tax rates and distribution of monies derived from Video Lottery Gaming. Amending these formulas will result in an additional \$20 - \$22 million in revenue to the state.
- **Creates A New On-Premises Hotel License For Hotels Without Full Service:** The Executive proposes amending the Alcohol Beverage Control Law (“ABCL”) to permit hotels that do not have a sit down restaurant to serve alcohol via room service and stock said beverages in mini fridges.
- **New Alcohol License for Production and Sale of Mead and Braggot:** This proposal would create a new license under the ABCL for the production and sale of mead and braggot.
- **Creation of a New Exporter License for Alcoholic Beverages:** This proposal would create a new license for those businesses that only purchase and export NYS made alcoholic beverages and do not sell to wholesalers or retailers in the state.

GENERAL GOVERNMENT AGENCY DETAILS

2019 General Government Agency Appropriations				
Agency	Available FY 18	Appropriation Recommendation for FY 19	\$ Change	% Change
Alcoholic Beverage Control	\$13,313,000	\$13,313,000	\$0	0.0%
Audit and Control	\$346,239,000	\$354,382,000	\$8,143,000	2.35%
Department of Financial Services	\$414,368,963	\$433,302,963	\$18,934,000	4.57%
Department of State	\$157,256,000	\$247,745,000	\$90,489,000	57.54%
Division of the Budget	\$50,711,000	\$49,184,000	(\$1,527,000)	(3.01%)
Executive Chamber	\$17,854,000	\$17,854,000	\$0	0.0%
Office of General Services	\$1,281,800,000	\$1,207,125,000	(\$74,675,000)	(5.83%)
Office for Information Technology Services	\$854,129,000	\$854,629,000	\$500,000	0.6%
Office of Lieutenant Governor	\$630,000	\$630,000	\$0	0.0%
Department of Taxation and Finance	\$451,593,400	\$456,593,400	\$5,000,000	1.1%
Division of Tax Appeals	\$3,040,000	\$3,040,000	0	0%
Gaming Commission	\$330,684,000	\$359,584,000	\$28,900,000	8.7%
Board of Elections	\$11,559,000	\$16,559,000	\$5,000,000	43.3%
Joint Commission on Public Ethics	\$5,582,000	\$5,582,000	\$0	0.0%
Total All General Government Agencies	\$3,938,699,363	\$4,019,523,363	\$80,764,000	2.05%

The Executive Budget provides \$4 billion in All Funds appropriations for all general government agencies, a \$80.7 million or 2% increase over FY 18.

Gaming Commission/Racing & Wagering

The Executive Budget recommends \$359.6 million All Funds for the Commission, an increase of \$28.9 million, or 8.7% over FY 18. The Executive Budget recommends a \$100,000 decrease in State Operations Funds as the Commission adjusts funds designated for the Racing Fan Advisory

Council, and a \$29.0 million increase (13.4%) in Aid to Localities due to the uncertainty of Tribal State Compact and commercial gaming revenues and timing of payments to localities. The Executive Budget recommends an appropriation of \$186 million for Tribal State Compact Revenue, which represents the local share of the State's estimated revenues from Native American casinos. In addition, the Executive Budget recommends an appropriation of \$60 million, which represents the local share of the State's estimated revenues from commercial gaming revenues. The Executive Budget recommends a workforce of 411 FTEs for the Commission, an increase of 7 FTEs compared to FY 2018.

Gaming Receipts & Estimates (in millions)					
Component	FY 17	FY 18	Difference FY 17 & FY 18	FY 19 (estimated)	Difference FY 18 & FY 19
Traditional Lottery Games	2322.0	2301.0	(21.0)	2294.0	(7.0)
Video Lottery Terminals	958.2	958.2	0.0	906.8	(51.4)
Commercial Gaming	38.2	98.2	60.0	160.0	61.8
Tribal/State Compact	206.8	200.0	(6.8)	200.0	0.0
Fantasy Sports	3.2	5.0	1.8	5.0	0.0
Total:	3528.4	3562.4	40.8	3565.8	3.4
Education	3313.2	3340.6	27.4	3333.8	(6.8)
Local	86.8	97.8	13.4	108.0	10.2
General Fund	128.4	124.0	0.0	124.0	0.0

Video Lottery Terminals

The State allows all seven harness racing tracks and one thoroughbred horse track to operate approximately 18,000 Video Lottery Terminals (VLTs) at Video Lottery Gaming (VLG) facilities located on those race facilities. The NYS Gaming Commission owns and operates the VLTs used at the VLG facilities. All State revenue derived pays for the regulation of the VLTs and VLG facilities and to state support for schools. The tracks are also allowed to keep a commission for operating the VLG facility. The names and locations of the facilities, the amount of machines at each facility, the statutory commission percentages paid to each facility operator and the total net win can be found in the VLG Facility Commission Rate chart below.

Pursuant to Tax law 1617-a(a)(4) Resorts World can designate up to 1,000 VLT machines as Nassau OTB VLTs. Effective on October 15, 2016 Resorts World designated 460 VLTs as such. Actual payments to Nassau OTB by Resorts World are subject to a hosting agreement between both entities.

Harness Track/VLT Facility⁹	Net Win	No. of VLTs	Commission Rate
Resorts World Casino (Queens)	\$ 11,949,556	5,590	38%
Saratoga Gaming and Raceway (Saratoga Springs)	\$ 2,043,474	1,706	31%
Vernon Downs Casino and Hotel (Vernon)	\$ 466,619	767	41%
Nassau Off Track Betting at Resorts World (Queens)	\$ 3,028,885	460	35%
Monticello Casino and Raceway (Monticello)	\$ 813,190	1,110	41%
Hamburg Casino at the Fairgrounds (Hamburg)	\$ 1,002,227	898	41%
Empire City Casino at Yonkers Raceway (Yonkers)	\$ 10,643,442	5,222	31%
Finger Lakes Casino and Raceway (Farmington)	\$ 1,548,521	1,549	31%
Batavia Downs Casino (Batavia)	\$ 843,069	838	35%
Jake's 58 Hotel & Casino (Islandia)	\$ 3,412,376	1,000	35%
Total:	\$ 35,751,359	19,140	

Department of Taxation and Finance

The Executive Budget recommends \$461.5 million in All Funds appropriations (\$262.2 million General Fund; \$194.4 million Other Funds) for the Department of Taxation and Finance. This is an increase of \$5 million, or 1.1% from FY 18. This increase is driven by a change at the Federal level with respect to equitable sharing funds. However, the net appropriation utilization will remain at FY 18 levels as the existing appropriation authority transitions to the new sub-funds. The Executive Budget recommends a workforce of 3,978 FTEs for the Department, consistent with FY 18 levels.

Division of Tax Appeals

The Executive Budget recommends a \$3.0 million General Fund appropriation and a workforce of 27 FTEs for the Division of Tax Appeals, both unchanged from FY 18.

Alcoholic Beverage Control

The Executive Budget proposes an All Funds appropriation of \$13.3 million. The workforce of 120 FTEs is reduced by 7 FTEs from FY 18 levels, due to the elimination of vacant positions.

⁹ The chart represents the number of Video Lottery Terminals (VLTs) at each facility as well as commission rate to be split between the state and operator for the week ending 1-13-18. The commission rate includes payments to the VLG facility operator as well as a 7.50% payment to horse race purses and a 1.50% to the breeder's fund. The Resorts World Casinos commission also includes a 3% contribution to NYRA Racing Operations and a 4% contribution to NYRA Capital expenditures.

Audit and Control

The Executive Budget recommends an All Funds appropriation level of \$354.4 million for the Department of Audit and Control, an increase of \$8.1 million from FY 18. This increase reflects the following proposals:

- In 2016, \$6 million was included in the Executive Budget to begin the development of the capital initiative that would fully fund the statewide Payroll System replacement project; an additional \$4.7 million is included in this year's budget proposal to complete the aforementioned project;
- \$394,000 for a new Achieving a Better Life Experience (ABLE) Program;
- \$2,091,000 for a new Maintenance Undistributed (MU) appropriation within the Administration Program;
- \$396,000 for a new MU appropriation for Abandoned Property Audits; and
- \$641,000 for a new MU appropriation within the Chief Information Officer Program;

The Executive Budget estimates a total workforce of 2663 FTEs for the end of FY 19; unchanged from FY 18.

Department of Financial Services

The Executive proposes \$433.3 million in All Funds appropriations for the Department, which is an increase of \$18.9 million from FY 18 level. This increase primarily reflects general salary increases, IT upgrades and an increase in the cost of supported programs, offset by natural reductions in the cost of the Healthy NY Program. This increase is reflected in both the state operations (\$15 million) and aid to localities (\$4 million) budgets:

- \$1.5 million – Administration salary growth personal service/fringe benefits;
- \$2.5 million - IT upgrades;
- \$3 million – Banking Program (salary growth personal service/fringe);
- \$8 million - Insurance Program (salary growth ps/fringe/nonpersonal service reestimates); and
- \$4 million - Reduction in Healthy NY and HMO Direct Pay Spending/year to year change in existing programmatic funding for the Department of Health suballocation/planned phase out of COBRA Entertainment Workers Subsidy/Interchanged Federal Appropriation.

The Executive Budget recommends a workforce of 1,382 FTEs for the Department, unchanged from FY 18 levels.

Department of State

The Executive Budget recommends All Funds appropriations of \$247.7 million, an increase of \$90.5 million from FY 18. This increase results from the addition of capital funding for a third round of the Downtown Revitalization Initiative (\$100 million) along with adjustments for salary

increases (of \$121,000), offset by a non-recurring FY 18 appropriation (\$10 million) for the Liberty Defense Program. This budget includes allocations for the Authorities Budget Office.

Proposed Department appropriation changes:

- Authorities Budget Office (Salary Growth personal service) - \$121,000;
- Federal Consumer Protection (new Federal Reimbursement funding for the Public Service Commission/community fire protection outreach) - \$51,000;
- Public Service Account (increased Advocacy activity) - \$322,000;
- New Federal Grant for AmeriCorp (Antipoverty reduction initiative) - \$2.5 million:
 - This add is part of the Empire State Poverty reduction Initiative
 - These funds are in addition to the existing \$25 million in State support
 - This allocation would disburse approximately \$1 million annually
 - It supports AmeriCorp workers in 16 different counties and uses a methodology determined by DOS that is based on population and poverty levels;
- One-time Liberty Defense add (not new money – still getting in contracts) – \$10,000,000;
- One time legislative add (PULP) – \$505,000;
- Downtown Revitalization Capital Projects Initiative (Round 3)- \$100,000,000; and
- One-time add for maintenance and repair (Ellenburg and Plattsburgh) – \$2,000,000

FTE Positions changes:

- The Executive Budget recommends a workforce of 526 FTEs, an increase of 1 FTE from FY18 levels.

Division of the Budget

The Executive Budget recommends an All Fund appropriation of \$49.2 million; a decrease of \$1.5 million over FY 18. This reduction reflects:

- (\$1 million) – Decrease due to the moving of the AG Expert Witness Program appropriation from DOB’s budget to the General State Charges budget. This fund transfer does not affect the Expert Witness Program’s ability to use the appropriation in any way, but merely moves it out of the DOB; and
- (\$527,000) – This reduction reflects the elimination of \$527,000 for membership dues to the Council of State Governments (\$469,000), National Conference of State Legislators (\$48,000), and National Conference of Insurance Legislators (\$10,000); reduction offset by increases to both fringe benefits and indirect costs.

The Executive Budget recommends a workforce of 261 FTEs for the Division, unchanged from FY 18.

Executive Chamber

The Executive proposes All Funds appropriations of \$17.9 million for the support of the Office of the Governor. There are 136 FTEs assigned to the Office of the Governor, which is unchanged from FY 18.

Office of Lieutenant Governor

The Executive Budget recommends a \$630,000 All Funds appropriation with a workforce of 7 FTEs, unchanged from FY 18.

Office for Information Technology Services

The Executive Budget recommends \$855 million in All Funds appropriations, an increase of \$500,000 from FY 18. The Executive Budget includes \$582.8 million in General Fund support for the Internal Service Fund (ITS); the General Fund appropriation levels are determined by the amounts transferred from agencies participating in ITS consolidation.

- Special Revenue Fund appropriations increased by \$500,000, attributed to the administration of Federal grants for the Geographic Information Systems (GIS) program to ITS administering Federal grant funds for Geographic Information System functions transferred to the agency;
- The Internal Service Fund (ISF) appropriations remains flat at \$151.6 million. ISF has \$211.3 million in reappropriation authority; and
- The ITS Innovation Fund appropriation is held flat at \$85.7 million. The Internal Service Fund has Capital reappropriation authority of \$157.4 million.

The Executive proposes a workforce of 3,406, which remains flat from the previous fiscal year.

Joint Commission on Public Ethics

The Executive Budget provides \$5.5 million for JCOPE, the same level as in FY 18. The Joint Commission will support 52 FTEs in FY 19, no change from FY 18. While JCOPE includes a 2017 agency authorization to utilize \$200,000 in funds for a sexual harassment reporting hotline, no additional funding has been proposed to support any new JCOPE proposals included in the Women's Agenda (described in further detail above).

Office of General Services

The Executive Budget proposes an All Funds appropriation of \$1.2 billion, a decrease of \$75 million. This decrease is largely due to the return to previous funding levels from prior FY 2018 non-recurring capital projects, including the Cogeneration Plant/Microgrid and the Office Space Optimization Fund.

The FY 19 All Funds net decrease of \$75 million is reflected of:

- (\$8 million) – Personal service shift to Capital for maintenance titles (92 FTEs and hourlies);
- \$3.5 million – Restacking operational costs;
- (\$50,000) – Shift of GovBuy Forum to the Enterprise Fund;
- \$275,000 – Expansion of the GovBuy Forum;
- \$200,000 – Gift shop expansion for E-Z Pass;
- \$14 million – PS shift from GF (including Fringe/Indirect) to Capital Projects;
- \$3 million – Anticipated additional design and construction projects; and

- (\$87.6 million) – Cogeneration Plant/Microgrid (reappropriated).

The Executive Budget recommends a workforce of 1,915, unchanged from FY 18.

State Liquor Authority

The Executive Budget proposes \$13.3 million in All Funds appropriations for the agency, which is unchanged from FY 18.

State Board of Elections

The Executive Budget recommends \$16.6 million in All Funds for the agency, which represents a \$5 million increase from FY 18. This increase will be used to protect election infrastructure from cyber-related threats.

Article VII

- **Changes to NYRA Operating Provisions:** In consideration of the franchise to run thoroughbred racing at New York's three tracks (Aqueduct, Belmont, and Saratoga) NYRA must remit an annual fee to the state. The fee is commonly referred to as the NYRA franchise fee and is due by April 5th of each year. The method for calculating this fee is contained in statute and based off several factors such as net income, amounts received by NYRA for capital expenditures, debt payments, and operating cash. Under current law, NYRA is only allowed to keep up to 45 days worth of operating cash, before paying any remaining funds over to the state as part of its franchise fee agreement.

NYRA would deduct 90 days worth of actual operating expenses rather than just 45 days from the amount of money sent to the state as part of NYRA's franchise fee. The end result of this change will therefore result in a net loss to the state of a certain percentage of the franchise fee.

In addition, NYRA would be authorized to conduct thoroughbred racing at Belmont Park on Thursdays, Fridays, and Saturdays after sunset, until 10:30pm. Such races would have to coordinate start times with racing operations at the Yonkers Harness track. It should be noted this proposal was included in the Executive's budget proposal last year but was denied by the legislature. Authorization for night racing would sunset four years following commencement of the first race. Finally, the part calls for the creation of an advisory committee to study the structure for equine drug testing and research. These report recommendations would be due to the Governor and Legislature no later than December 1, 2018.

- **Use of Breeding Funds for Equine Aftercare:** This proposal amends the Racing law to allow funds from the Thoroughbred Breeding and Development fund as well as the Agriculture and NYS Horse Breeding Development fund ("Breeding Fund") to be used for the aftercare of retired racehorses.

Established in 1973, the Breeding Fund is a public benefit corporation that oversees the registration process for foals and stallions, and distributes incentives in the form of awards. At the heart of the program is more than \$17 million that the Fund pays out annually in breeder, owner and stallion owner awards, and in purse enrichment to the state's tracks. The incentives provided by the Fund are financed from within the racing industry itself, using a small percentage of the total monies wagered through the pari-mutuel system on thoroughbred racing in New York State. The Fund also obtains revenue from a small percentage of Video Lottery Terminal (VLT) monies from the Resorts World Casino at Aqueduct, and from VLTs at Finger Lakes Race Track.

The Agriculture and New York State Horse Breeding Development Fund (the Fund) is a public benefit corporation established in 1965 to promote agriculture through the breeding of standardbred horses and the conduct of equine research within the State. The Fund receives a percentage of the industry's betting handle to manage the NYSS program and to perpetuate its mission. Each respective fund would have the authority to determine what amount, in any, would be used to support and promote this ongoing care. This proposal is revenue neutral.

- **Simulcasting Rate Extension:** Part GG extends the state's current simulcasting rates for another year. The 2013-14 Executive budget proposed making the current rates permanent, which the legislature rejected. Simulcasting rates have been extended on a year-to-year basis in the budget each year thereafter.
- **Eliminate Transfer Language for Video Lottery Gaming:** The Executive proposes repealing "hold harmless" transfer language in current law, which was initially included as part of the Upstate Gaming Economic Development Act of 2013. At the time of its enactment, this statute was intended to maintain "base revenue" from video lottery gaming for education in light of casino gaming coming online and reducing the amount of revenue generated from VLTs due to increased gaming competition. The Executive argues the transfer is cumbersome and does not have the intended effect. Moreover, since gaming revenue ultimately goes towards education aid anyway, the provision is redundant.
- **Streamline & Amend Tax Rates That Apply For VLT Operators (Part II):** This proposal amends various statutes that set the tax rates for Video Lottery Terminals (VLT) and the distribution of monies derived from Video Lottery Gaming. Amending these formulas will result in an additional \$20 - \$22 million in revenue to the state that would otherwise be kept by VLT operators.

Under current law, VLT tax rates vary on a facility-by-facility basis. Monies are removed from the total amount wagered, after payout of prizes for gaming administration by the agency, marketing allowances, capital awards, operator commissions, and finally racing support payments. The remaining amount of funds are then directed to education.

The Executive is proposing to overhaul this entire section of law, consolidate several of these statutory funding streams into one category and update several provisions that currently relate in an excess distribution to the Saratoga and Finger Lakes facilities.

- **New On-Premises Hotel License for Hotels Without Full Service:** The Executive proposes amending the Alcohol Beverage Control Law (“ABCL”) to permit hotels that do not have a sit down restaurant to serve alcohol via room service and stock said beverages in mini fridges. Under current law, an establishment wishing to serve alcohol in this manner must have a full kitchen that can prepare meals. A hotel would still have to have a liquor license, as required by ABCL section 64-a. Such a license entitles establishments to sell beer, wine, and liquor. In order to qualify for this license a hotel must regularly keep food available for sale, including items such as soups or, sandwiches, as well as other fresh, frozen, or other pre-cooked items.

This proposal is similar to S6119 (Murphy), which was recently reported from committee. That bill is at the request of the State Liquor Authority.

- **New Alcohol License for Production and Sale of Mead and Braggot:** This proposal would create a new license under the ABCL for the production and sale of mead and braggot. Mead is an alcoholic beverage created by fermenting honey with water, sometimes with various fruits, spices, grains, or hops. The alcoholic content ranges from about 3.5% ABV to more than 20%. The defining characteristic of mead is that the majority of the beverage's fermentable sugar is derived from honey. It may be carbonated, or naturally sparkling, dry, semi-sweet, or sweet. Braggot is a form of mead made with both honey and barley malt. It typically uses 1/3 or more malt and may have as much as 50% malt.

This new license would authorize a holder to operate a meadery, manufacture such items, sell such items at bulk, and at retail, conduct tastings, store and sell gift items, amongst other things. Under current law, similar licenses already exist for farm breweries, farm cideries, farm distilleries, and farm wineries.

- **Creation of a New Exporter License for Alcoholic Beverages:** This proposal would create a new license for those businesses that only purchase and export NYS made alcoholic beverages and do not sell to wholesalers or retailers in the state. Under current law, any business that wishes to conduct this type of exporting business must apply for a wholesale license, which is broader in scope and more expensive.

The holder would be explicitly authorized to purchase alcoholic beverages from licensed manufacturers solely for the purpose of exporting said beverages outside of the state. The annual fee for this license would be \$125.

- **Regulating Student Loan Servicers:** The Executive Budget requires the Department of Financial Services to establish a regulatory framework to license student loan servicers. The framework includes language on licensing, record keeping, examinations and

penalties by the Department. The Governor also establishes prohibited practices for debt consultants instead of licensing requirements for the industry. Lastly, this proposal calls for prohibiting State agencies from suspending or denying the issuance of professional licenses for individuals behind or in default of their student loans.

Local Government Fact Sheet

Appropriations

- **Local Government Assistance:** All Funds for Local Government Assistance increases by \$220.2 million (28%), due to the addition of \$225 million to fund the state match of local savings under the Countywide Shared Services Property Tax Savings Plan. The Executive Budget reduces Miscellaneous Financial Assistance by \$3 million, and eliminates \$1.8 million in Village Per Capita Aid.
- **AIM:** Aid and Incentives to Municipalities (AIM) funding remains flat from FY 18.
- **STAR Program:** The Executive Budget caps the School Tax Relief (STAR) benefit at zero-percent growth and makes participation in the Income Verification Program (IVP) mandatory for Enhanced STAR recipients for the 2019 Assessment Roll, saving a total of \$84 million.

Article VII

- **Countywide Shared Services Panels:** The Executive Budget makes the shared services panel created by the FY 18 Budget permanent. There would be no matching state grants for shared services savings as there are for shared services plans developed and implemented in 2018 and 2019.
- **County Planning and Zoning Functions:** The Executive Budget authorizes municipalities to delegate land use, planning, and zoning functions to their county. The proposal requires an amendment to the Statute of Local Governments, which the Legislature must pass in two consecutive calendar years to take effect, pursuant to the State Constitution.
- **Brownfield Opportunity Areas:** The Executive Budget proposes simplifying the Brownfield Opportunity Area application process by eliminating the need for a pre-nomination study and folding some of those activities into the nomination process. The Executive Budget also authorizes state assistance for up to 90% of the cost of pre-development activities to advance brownfield opportunity area revitalization, such as marketing, studies, outreach, and zoning changes.
- **Community Service Block Grant Local Share:** The Executive Budget would eliminate the state requirement that recipients of Community Service Block Grants (CSBG) secure a 25% local share.
- **STAR Benefit Freeze:** The Executive Budget proposes a freeze on School Tax Relief benefit growth.

- **Property Tax Cap Certification:** The Executive Budget repeals provisions related to the Property Tax Freeze Credit, which expired in 2016. It reenacts provisions requiring local governments and school districts to certify that the local government or school district complies with the tax cap. The reenactment appears to make the certification mandatory in a way that effectively removes a local government or school district's ability to override the tax cap.
- **Limit on Taxation of State Lands:** The Executive Budget would sets the growth rate of any property tax levied on state lands to 2% or the rate of inflation, whichever is less. After the initial assessment, the state lands would no longer be assessed annually, since the tax levy would be set by statute. The lands would also be included in the exempt portion of the assessment roll, even though they are taxed.
- **Partial Payment of Property Taxes:** The Executive Budget would require counties to approve partial payment of property tax programs enacted by local governments and school districts when the county provides property tax services to the municipality, such as tax bill preparation or tax collection accounting software. In counties where the county collects taxes on behalf of its municipalities, the county would have sole authority to establish a partial payment program.
- **Uniform Wireless Facilities Siting:** The Executive Budget creates a new regime for uniform rules for wireless providers accessing municipal right of ways. It bans exclusive use arrangements and limits the fees municipalities can charge. The legislation also limits the restrictions, approval procedures, and fees municipalities may place on small and micro wireless facilities.

LOCAL GOVERNMENT ASSISTANCE DETAILS

Funding Source	Adjusted Appropriation FY 18	Executive Recommendation FY 19	\$ Change	% Change
General Fund	\$790,122,963	\$1,010,352,613	\$220,229,650	28%
Fiduciary Funds	\$30,000,000	\$30,000,000	\$0	0%
Total	\$820,122,963	\$1,040,352,613	\$220,229,650	27%

The Executive Budget recommends \$1.04 billion in All Funds appropriations for local government assistance programs. This includes \$754 million in General Fund support to Local Governments, \$30 million in Fiduciary Funds to cover contingency appropriation requirements, and \$225 million to fund the state's match of county savings under the County-wide Shared Services Property Tax Savings Plan. Overall, this represents an increase of \$220.2 million from the FY 18 All Funds appropriation level.

Program	FY 18 Enacted Budget	FY 19 Executive Proposal	\$ Change	% Change
AIM Base Level Funding	\$715,000,000	\$715,000,000	\$0	0.0%
CREG and CETC	\$35,000,000	\$35,000,000	\$0	0.0%
Local Government Efficiency Grant Program	\$4,000,000	\$4,000,000	\$0	0.0%
Aid to Municipalities with Video Lottery Gaming	\$28,885,313	\$28,885,313	\$0	0.0%
County-wide Shared Services	\$0	\$225,000,000	\$225,000,000	100%
Miscellaneous Financial Assistance	\$5,220,350	\$2,250,000	\$(2,970,350)	(57.9%)
Small Government Assistance	\$217,300	\$217,300	\$0	0.0%
Village Per Capita Aid	\$1,800,000	\$0	\$(1,800,000)	(100.0%)
Program Totals	\$790,122,963	\$1,010,352,613	\$220,229,650	27.8%

AIM Funding: Aid and Incentives to Municipalities (AIM) funding to cities, towns and villages is maintained at \$754 million, including \$715 million in Base Level Grants to municipalities, \$35 million for Citizen Empowerment Tax Credits (CETC) and Citizens Re-Organization Empowerment Grants (CREG), and \$4 million for the Local Government Efficiency Grant Program (LGEG).

Aid to Municipalities with Video Lottery Gaming Facilities: Funding is maintained at \$28.9 million, with \$19.6 million going to the City of Yonkers, and \$9.3 million going to other qualifying cities.

Miscellaneous Financial Assistance: The Executive Budget also includes \$2.3 million to compensate Madison County for the Yellow Brick Road Casino.

Small Government Assistance: The Executive Budget maintains allocations for the Small Government Assistance programs for the Counties of Essex, Franklin and Hamilton in the amount totaling \$217,300.

FY 19 Executive Budget Aid and Incentives for Municipalities (AIM)				
Municipalities	FY 18 Executive and Enacted Budgets	FY 19 Executive Budget	\$ Change	% Change
Cities	\$647,093,629	\$647,093,629	\$0	0%
Towns	\$47,900,909	\$47,911,167	\$10,258	0%
Villages	\$19,737,163	\$19,726,905	\$10,258	0%
Total AIM	\$714,737,163	\$714,731,701	\$0	0%

Article VII

- **Countywide Shared Services Panel:** The Executive Budget makes the shared services panel created by the FY 18 Budget permanent, with some tweaks. The chief executive of the county would be able to invite representatives from fire districts and fire protection districts to the panels. The panels would have more flexibility with deadlines under the new statute, but would be required to submit a report to the Secretary of State by January 15 of each year, beginning in 2020. There would be no matching state grants for shared services savings, as there are currently.
- **Shared Town Justices:** The Executive Budget allows two or more adjacent towns within a county to enter an agreement to elect and share one or more town justices, and eliminates the requirement for state legislative approval to share town justices. Currently, towns may only share a single town justice and the Legislature must approve the plan.
- **County Planning and Zoning Functions:** The Executive Budget authorizes cities, towns, and villages to delegate land use, planning, and zoning functions to their county. Currently, counties can only perform ministerial land use functions. The Executive Budget also authorizes the creation of county planning commissions, zoning boards of appeal, and other entities to implement such intermunicipal agreements. In the case of a county planning commission, the county legislative body would appoint seven members to staggered three-year terms. The proposal requires an amendment to the Statute of Local Governments, which the Legislature must pass in two consecutive calendar years to take effect, pursuant to the State Constitution.
- **Brownfield Opportunity Areas:** The Executive Budget proposes simplifying the Brownfield Opportunity Area application process by eliminating the need for a pre-nomination study and folding some of those activities into the nomination process. The Executive Budget also authorizes state assistance for up to 90% of the cost of pre-

development activities to advance brownfield opportunity area revitalization, such as marketing, studies, outreach, and zoning changes.

- **Community Service Block Grant Local Share:** The Executive Budget would eliminate the state requirement that recipients of Community Service Block Grants (CSBG) secure a 25% local share. The federal government does not require a local match for CSBGs, which is a federal anti-poverty program administered by the State.
- **Lake Ontario Flood Relief Program Flexibility:** The Executive Budget would amend the Lake Ontario Flood Relief Program enacted in 2017 to provide flexibility for the use of funds in each facet of the program. Last year's \$45 million package included three programs: a commercial program for small businesses and rental properties, a residential program for homeowners, and a municipal program for local governments. The enacting legislation capped each program at \$15 million, but the Executive Budget would allow unspent money in one program to be spent in another program.
- **STAR Benefit Freeze:** The Executive Budget proposes a freeze on School Tax Relief benefits by capping benefit growth at 0%. Current law already capped STAR benefit growth at 2% beginning in the 2011-12 school year. STAR benefits have grown about 33% since FY 02.
- **Mandatory Income Verification Program for Enhanced STAR:** The Executive Budget would mandate participation in the Income Verification Program for Enhanced STAR recipients (senior citizens) and eliminate the option for recipients to prove their income by bringing an income tax return to the assessor's office as part of the annual renewal application. The Department of Taxation and Finance administers the Income Verification Program, which does not require an annual reapplication for recipients who file personal income tax returns. Recipients must submit income documentation directly to the Department rather than their local assessor.
- **Property Tax Cap Certification:** The Executive Budget repeals obsolete provisions related to the Property Tax Freeze Credit, which expired in 2016. It reenacts the Freeze Credit provisions requiring local governments and school districts to certify with the State Comptroller and Commissioner of Taxation and Finance that the local government or school district is in compliance with the tax cap, however. The certification reenactment appears to make the certification mandatory in a way that effectively removes a local government or school districts ability to override the tax cap.
- **Limit on Taxation of State Lands:** The Executive Budget sets the growth rate of any property tax levied on state lands to 2% or the rate of inflation, whichever is less. After the initial assessment, the state lands would no longer be assessed annually, since the tax levy would be set by statute. The lands would also be included in the exempt portion of the assessment roll, even though they are taxed.

- **Partial Payment of Property Taxes:** The Executive Budget requires counties to approve partial payment of property tax programs enacted by local governments and school districts when the county provides property tax services to the municipality, such as tax bill preparation or tax collection accounting software. In counties where the county collects taxes on behalf of its municipalities, the county would have sole authority to establish a partial payment program. The FY 18 Budget broadened authority for municipalities to enact partial payment programs, but caused unexpected problems for counties that provide property tax services to municipalities.
- **Property Tax Payment Deadline Extension for Senior Citizens:** The Executive Budget allows municipalities to grant a 5-day extension on property tax payment deadlines for senior citizens receiving the Enhanced STAR Credit. Under current law, municipalities may only grant the extension for those receiving the Enhanced STAR Exemption.
- **STAR Exemption Certifications:** The Executive Budget grants the Department of Taxation and Finance an extra five days to compute and certify STAR exempt amount for school districts that levy taxes based on prior year assessment rolls. This is necessary due to the availability of inflation information from the federal government relating to such rolls.
- **Limitation on STAR Credit for Married Couples:** The Executive Budget prevents married couples from claiming STAR Credits on multiple residences unless the couple is legally separated. This limitation already applies for the STAR Exemption, and the Executive asserts that the Credit legislation only omitted the limitation due to an oversight.
- **Telecom Mass Property Assessments:** The Executive Budget extends State authority to determine assessment ceilings for telecommunications property for four years. It also accelerates the rate at which the assessment ceilings can deviate from the property's 2014 assessed value.
- **Uniform Wireless Facilities Siting:** The Executive Budget creates a new regime for uniform rules for wireless providers accessing municipal right of ways. It bans exclusive use arrangements and limits the fees municipalities can charge. The legislation also limits the restrictions, approval procedures, and fees municipalities may place on small and micro wireless facilities.

Environment, Agriculture and Parks Fact Sheet

Appropriations

- **\$300 Million Environmental Protection Fund:** The Executive Budget proposes to maintain EPF appropriations at \$300 million for the third consecutive fiscal year.
- **Agriculture Aid to Locality Program Reductions:** The Executive Budget reduces local assistance programs by \$11.5 million and eliminates 34 legislatively added programs.
- **Farm to School Expansion:** The Executive Budget doubles Farm to School program spending from \$750,000 to \$1.5 million.
- **Food Inspection System Modernization:** The Executive Budget proposes \$2.6 million for technological upgrades to digitize and centralize DAM's regional food inspection reporting systems.
- **\$90 Million NY Works Capital for State Parks:** The Executive Budget proposes \$90 million in additional New York Works capital appropriations for state park system infrastructure improvements and plans to contract out \$176 million in projects in FY 19.
- **\$50 Million for Hudson River Park Trust Capital:** The Executive Budget proposes a new \$50 million capital appropriation to complete construction of the Hudson River Park.
- **\$60 Million for Additional ORDA Capital Improvements:** The Executive proposes to add to last year's \$38 million capital investment in State-run ski centers as well as the Lake Placid Olympic Sports Complex.

Article VII

- **Long Island Central Pine Barrens:** The Governor proposes alternative language for the Long Island Central Pine Barrens, following his veto of the bill that passed the legislature in 2017. The proposal removes sections of land that were previously included.
- **Empire Forests for the Future Initiative:** The Executive Budget proposes reforming the existing 480-a forest tax exemption to encourage sustainable management of privately owned forests and open space. The proposal includes two new grants for sustainable forestry and a procurement preference for wood products grown or created in New York.
- **Food Donation and Food Scraps Recycling:** This provision would require high-volume food waste generators to donate edible, unsold foods to local charities, and send inedible excess food waste to organics recyclers. This proposal would not apply to New York City, which passed its own similar statute, but would preempt any other local law to this effect.

ENVIRONMENT, AGRICULTURE AND PARKS AGENCY DETAILS

Environment, Agriculture and Parks Agency All Funds Appropriations				
Agency	Available FY 18	Executive Recommended FY 19	\$ Change	% Change
Department of Environmental Conservation	\$3,885,746,000	\$1,244,159,000	(\$2,641,587,000)	(68.0%)
Department of Agriculture and Markets	\$228,711,000	\$162,008,000	(\$66,703,000)	(29.2%)
Office of Parks, Recreation and Historic Preservation	\$444,720,000	\$435,892,000	(\$8,828,000)	(2.0%)
Hudson River Park Trust	\$0	\$50,000,000	\$50,000,000	-
Olympic Regional Development Authority	\$42,043,000	\$70,090,000	\$28,047,000	66.7
Total	\$4,601,220,000	\$1,962,149,000	(\$2,639,071,000)	(57.4%)

The Executive Budget proposes \$2 billion in All Funds appropriations for the major agencies comprising the Environment, Agriculture and Parks functional area in FY 19, a \$2.6 billion or 57.4% decrease from FY 18. This reduction is largely due to non-recurring FY 18 capital project appropriations that will be spent over multiple fiscal years. Staffing levels are flat across environmental agencies with a negligible increase (14 FTEs) in OPRHP associated with additional federal grant funding.

Department of Environmental Conservation

The Executive Budget proposes \$1.2 billion in All Funds appropriations for the Department of Environmental Conservation (DEC) in FY 19, a \$2.6 billion or 68% decrease from FY 18. This reduction is largely due to a non-recurring FY 18 appropriation for the 2017 Clean Water Infrastructure Act (\$2.5 billion) and a non-recurring FY 18 increase in DEC NY Works capital funding from \$40 million to \$70 million.

Major environmental capital projects announced by the Governor in January 2018 -such as combating harmful algal blooms in upstate lakes (\$65 million), completing the first phase of comprehensive upgrades to the Niagara Falls Wastewater Treatment Facility (\$20 million), and

containing the Northrup Grumman contamination plume (\$150 million)- will draw from existing DEC programs and resources, and be expended over a number of fiscal years.

\$300 Million Environmental Protection Fund: The Executive Budget provides \$300 million for the EPF for the third consecutive year, following a historic \$123 million increase in FY 17. While EPF line items are ultimately determined through budget negotiations, the Executive proposes the following FY 19 funding levels of note:

- \$30 million- Open Space Preservation (\$6.3 million decrease);
- \$20.5 million- Climate Change Mitigation and Adaptation programs (\$1.6 million increase);
- \$12.5 million- Zoos, Botanical Gardens, and Aquaria (\$2.5 million decrease);
- \$6.5 million- Hudson River Estuary Management (\$1.5 million increase);
- \$8 million- Environmental Justice programs (same as FY 18);
- \$5 million- Bay Park wastewater treatment outfall pipe (same as FY 18); and
- \$800,000- Pollinator Protection Programs (same as FY 18).

The Executive Budget also includes the following new EPF program carve-outs of note:

- \$700,000- Lake George Park Commission facilities construction;
- \$500,000- Community Forest Program;
- \$500,000- Empire Forest Incentive Program Grants;
- \$250,000- LI Central Pine Barrens Prescribed Fire Program; and
- \$250,000- Cornell Pesticide Management Education Program.

Northrup Grumman Plume: The Governor committed in the State of the State to fast-tracking DEC implementation of a mitigation action plan to fully contain a harmful contaminant plume, containing 1,4 Dioxane among 24 hazardous compounds, emanating from U.S. Navy and Northrup Grumman Bethpage manufacturing facilities in Oyster Bay, Nassau County. The Governor has cited \$150 million to fully contain and treat the contaminant plume. Projected spending for FY 19 is not yet available, however the Executive has identified existing Superfund appropriations (\$100 million annually for total program) as the funding source. Under the State Superfund program, State remediation costs are recoverable from responsible parties.

\$23 Million RGGI Sweep: The Executive Budget transfers \$23 million in Regional Greenhouse Gas Initiative (RGGI) carbon auction proceeds from NYSERDA clean energy and energy efficiency programs to the General Fund. This is a \$15 million reduction from the FY 18 Budget, which included a separate \$15 million transfer of future RGGI proceeds to increase contingency funding for communities impacted by electric generation plant closures, in addition to a \$23 million General Fund transfer. The prior budget year, FY 17, saw a \$68 million RGGI transfer to three different funds, including a \$23 million transfer to the General Fund.

Department of Agriculture and Markets

The Executive Budget proposes \$162.0 million in All Funds appropriations for the Department of Agriculture and Markets (DAM) in FY 19, a \$66.7 million or 29.2% decrease from FY 18. This reduction is largely due to non-recurring FY 18 appropriations for a NYS Fair exposition

center (\$50 million) as well as \$5 million each for local fairs and animal shelters. The Executive Budget also eliminates \$11.5 million (22%) in prior year local assistance appropriations added by the legislature.

\$11.5 Million Reduction to Ag Local Assistance Programs: The Executive Budget includes the standard elimination of prior year legislative additions and line item enhancements for local assistance agricultural programs. Program eliminations include a number of Cornell research initiatives as well as agricultural business consulting and marketing services. The Executive proposes to eliminate 34 programs previously funded in FY 18, including five Cornell research programs pertaining to honeybees, maple, vegetables, onions, and berries (\$585,000 total) and a Cornell Farm Labor Law Specialist (\$200,000). Notable programs incurring significant reductions include:

- \$400,000- Farm Viability Institute (\$1.5 million decrease);
- \$8.3 million- Ag Migrant Childcare (\$1 million decrease);
- \$4.4 million- Cornell Diagnostic Lab Services (\$1 million decrease);
- \$206,000- NYS Apple Growers Association (\$544,000 decrease);
- \$822,000- Cornell Pro-Dairy (\$378,000 decrease);
- \$1.3 million- Cornell Ag Education Programs (\$338,000 decrease); and
- \$713,000- Wine and Grape Foundation (\$307,000 decrease).

Expanded Farm to School Program: The Executive Budget doubles the State's investment in the Farm to School Program from \$750,000 to \$1.5 million (by including a new \$750,000 appropriation in SED's local assistance budget). This program, which has to date awarded \$850,000 to 108 participating school districts (324,000 students), supports transporting and storing locally produced food, hiring of farm-to-school coordinators, and training kitchen staff on new crop food preparation. The FY 19 expanded program is projected to support an additional 18 projects and 328,000 students.

\$2.6 Million Modernized Food Inspection System: DAM is partnering with the Office of Information Technology Services to digitize and centralize the Department's food inspection reporting system to improve inspector communication and minimize time spent on clerical work. The Department expects this new digital reporting system to increase site inspections and potentially increase Department compliance fee and penalty revenue. This IT initiative expands a recent DAM technology upgrade from its smaller plant inspection unit, which, through disseminating tablets and digitizing its reporting system, achieved productivity gains among its decentralized staff. This food inspection initiative also follows the Department's recent conversion to a letter grading system (similar to that used for restaurants) to make compliance evaluations more accessible to the public.

Office of Parks, Recreation and Historic Preservation

The Executive Budget proposes \$435.9 million in All Funds appropriations for the Office of Parks, Recreation and Historic Preservation (DEC) in FY 19, an \$8.8 million or 2.0% decrease from FY 18. This reduction is largely due to a non-recurring FY 18 increase in OPRHP NY Works capital from \$90 million to \$120 million, offset by \$16 million in additional FY 19

federal grants (funding 14 FTEs) and \$6 million in increased State Park Infrastructure Fund (SPIF) receipts due to increased State Park attendance.

\$90 Million NY Works Parks Capital: The Executive Budget returns the annual NY Works Parks Capital appropriation to the traditional \$90 million level following a one-year spike to \$120 million in FY 18. This is the seventh consecutive year of Parks appropriations (totaling \$634 million) as part of the Governor's Parks 2020 program, which will result in over \$900 million invested in the State Park System by 2020. The State Capital Plan projects \$176 million in OPRHP contractual commitments in FY 19, suggesting that the disbursements of prior year appropriations are ramping up. One specific project for which available OPRHP capital reappropriation authority has been identified is the completion of phase 1 of the new Jamaica Bay State Park (projected \$15 million State investment) slated to open in 2019.

Hudson River Park Trust

\$50 Million for the Hudson River Park: The Executive Budget provides \$50 million to the Hudson River Park Trust to help build out the remainder of the Park and maintain existing facilities. This new discrete appropriation is a significant increase from the traditional EPF line item for the Park, which provided \$3.2 million in FY 18 and \$2.5 million in FY 17 (the Executive provides an additional \$1 million in EPF support in FY 19 for \$51 million total). The Hudson River Park Trust also has \$86 million available in State reappropriation authority dedicated to Hudson River Park capital improvements. The Governor announced in October of 2017 that the State would commit resources to complete the 4.5 mile park and protect its marine estuary in an effort to settle an ongoing dispute over the development of pier 55 (14th Street). Trust members have previously indicated that finishing the remaining thirty percent of park development would cost \$200 million in total.

Olympic Regional Development Authority

The Executive Budget proposes \$70.1 million in All Funds appropriations for the Olympic Regional Development Authority (ORDA) in FY 19, a \$28 million or 67% increase from FY 18. This increase is due to a \$22 million increase in capital support over FY 18 (from \$38 million to \$60 million) and \$6 million in additional operational support (from \$4 million to \$10 million). ORDA also annually receives \$2.5 million in capital funding from OPRHP's NY Works allocation as well as a \$1 million carve out for Belleayre Mountain within the EPF State Land Stewardship Line. The Executive also proposes to extend Design-Build authority to ORDA.

This 2-year \$100 million investment is a significant contribution to ORDA and North Country economic development. ORDA manages the Lake Placid Olympic Complex, nearby Gore and Whiteface Mountain ski centers, as well as the Belleayre ski center in the Catskill Mountains. The Governor has focused on modernizing ORDA's ski centers (including the recently completed Catskill Thunder Gondola) and adding year-round amenities to help compete both nationally and internationally. Recent reports suggest that a more favorable 2017 season snowfall paired with an avalanche of State capital investment has helped ORDA rebound from longstanding and well-documented operational losses.

Article VII

- **Empire Forests for the Future Initiative:** The Executive Budget proposes a new Empire Forests for the Future Initiative to encourage sustainable management of privately owned forests and open space. This proposal would reform and begin to phase out an existing private forest tax exemption known as 480-a, and create a new 480-b that would include a simplified enrollment process, expand eligibility, and lower the amount of assessment valuation eligible for the exemption. The proposal also establishes two competitive grant programs, one for municipalities and non-for-profits to purchase lands for protection, and one for landowners to alleviate costs of forest management practices. This proposal also creates a procurement preference for New York State wood products.
- **Food Waste Donation and Recycling:** The Executive Budget proposes to require single locations generating two tons per week or more of excess food to sort food waste into excess edible food for donation and food scraps for organic recycling. Subject food waste generators may include supermarkets, restaurants, correctional facilities, higher education facilities, and hospitals, among others. This statewide proposal is similar to the existing New York City statute, which requires certain large organic generators to separate and recycle organic waste. This bill would not apply to New York City, which recently passed its own similar statute, but would preempt any other local statute to this effect.
- **Long Island Central Pine Barrens:** The Executive Budget modifies the land included in the previously proposed Long Island Central Pine Barrens expansion. The Senate and the Assembly passed a bill in 2017 to add certain land to the Central Pine Barrens, but the bill was vetoed by the Governor due to concerns about portions of private land that were included. This proposal is the Governor's alternative solution, which removes two sections of land that were included in the original bill, but permits the inclusion of the remaining designated land.
- **Permanent Administrative Transfer of Agricultural and Dairy Market Order Programs:** The Executive Budget proposes to permanently extend the administrative transfer of agricultural and dairy Market Order Programs from the Department of Agriculture and Markets to the Empire State Development Corporation (ESDC). ESDC has administered this program over the last two years per FY 17 budget legislation. Market orders are agreements by agricultural or dairy producers to levy an assessment on their goods to support common benefits such as research and development and marketing. In addition to the dairy market order, there are four agricultural market orders currently in place for apples, sour cherries, onions, and cabbage.