



## 2018 New York State Budget Passed

After weeks of negotiation, we are proud to announce an ontime fiscal year 2018-19 state budget was adopted on Friday, March 30th. Throughout the budget process, we stood strong to make sure our state's families and communities were our top priority. The 2018-19 state budget is \$168.3 billion and includes a nearly \$1 billion increase in education funding, invests in infrastructure and transportation repairs, protects New Yorkers from federal tax changes and institutes meaningful sexual harassment policy reforms.

"The budget deficit forced us to make some difficult decisions this year but I am confident that our spending plan ensures that New Yorkers will have the services and help that they rely on," said Assemblymember Robert Rodriguez.

Throughout budget negotiations Assemblymember Rodriguez made sure that East Harlem's needs were represented. The Assemblymember is happy to announce that included in the budget was the Secure Choice Savings Program Act, legislation of which he championed in the Assembly over the last few years. The Assemblymember also helped to secure additional capital funding for NYCHA and additional funding for the East River Waterfront/ Pier 107 project.

The budget is a detailed blueprint on how New York will continue to build and invest in our future through innovation and opportunity.

## **Investing in Public Education**

The 2018-2019 state budget builds on the Assembly's commitment to ensuring every New York student receives a quality education by providing a total of \$26.6 billion in education funding. That's an increase of \$914 million – or 3.6 percent – over the previous year and a 36 percent increase since 2012. This includes a \$618 million increase in Foundation Aid for a total of \$17.8 billion.

The FY2018-2019 budget also included several education investments that will directly benefit our communities:



#### K-12

- \$50 million increase for community schools
- \$15 million increase to expand pre-K
- \$2 million to create safe and supportive school environments that prevent bullying
- \$1.5 million for adult literacy education
- \$500,000 for teacher diversity pipeline pilot
- \$500,000 English Language Learner Class size reduction pilot program

#### **Higher Education**

- \$32.2 million for the Educational Opportunity Program (EOP)
- \$35.5 million for the Higher Education Opportunity Program (HEOP)
- \$15.8 million for Science and Technology Entry Program (STEP)
- \$11.9 million for Collegiate Science and Technology Entry Program (CSTEP)

#### **Protecting NYCHA Tenants**

The budget provides \$250 million for the New York City Housing Authority (NYCHA) to make capital repairs, including replacing and updating heating equipment, as well as weatherization and other critical maintenance projects.

"The past winter proved to be harsh to our City's NYCHA residents. Heat and hot water outages were wide spread across developments. We cannot allow New York's most vulnerable residents to live in such deplorable conditions. That's why this budget invests in NYCHA and allows NYCHA to use design-build which will save money and reduce the time spent making improvements. This money is only a start to addressing the issues," noted Assemblymember Rodriguez. "We support an independent monitor of NYCHA, something that's never been done. Sadly, NYCHA's lack of transparency and failure to improve conditions in their developments reveals the need for more oversight and I am fighting to make sure that we get that. The state has contributed \$550 million in support of NYCHA, and we need to make sure things get done quickly, and done right."

The State Budget also allows NYCHA to use the design-build procurement process, which would expedite boiler replacements and other construction and repair projects by consolidating both



the design and construction of a project into a single contract.

Eighty percent of NYCHA residents were without heat at some point between Oct. 1 and Jan. 22. "This is detrimental to each resident's living conditions, health and safety and interferes with families' work and school obligations," the Assemblymember said.

### **Funding the MTA Subway Action Plan**



Millions of New Yorkers rely on bus and subway services to get around the city, but conditions have become a nightmare. The 2018-19 state budget fully funds the Metropolitan Transportation Authority's (MTA) Subway Action Plan – for a total of \$836 million – to make emergency repairs and enhance subway performance. New York State and New York City will share the responsibility of funding the initiative.

"While the MTA Subway Action Plan addresses some of the MTA's deficiencies, more needs to be done to ensure that the MTA

has a dedicated funding stream to improve infrastructure and capital projects like the Second Avenue Subway Phase 2," said Assemblymember Rodriguez. "I would have liked to see more of a consensus on congestion pricing, which would offer more equitable tolling and major potential to fund MTA improvements and projects, but the for-hire vehicle surcharge is an important first step."

The plan also expands select bus services throughout the city so residents can get around more easily and reach their destinations on time. The budget establishes a long-term funding stream for New York City public transportation, the budget enacts a \$2.75 surcharge on for-hire vehicles, \$2.50 for yellow cabs and \$0.75 for pooled trips below 96th Street in Manhattan. Additionally, the plan provides funding to install no less than 50 new traffic monitoring cameras on Transit Authority buses to reduce congestion and increase safety on our

roads.

Assemblymember Rodriguez is the lead sponsor of MoveNY [A306B/S6287A], and the lead sponsor of a for hire vehicle surcharge [A1755] as alternatives to fund the transit crisis and meet the MTA's capital needs. Important in this budget are a lockbox, transparency measures, a fund to address transit deficiencies in the outer boroughs, and a working group to consider additional measures including congestion pricing in the future. Many of these measures were part of the MoveNY legislation.

# The Secure Choice Savings Program Act Passes the State Legislature

Assemblymember Robert J. Rodriguez (D-Manhattan) announced the inclusion of the Secure Choice Savings Program Act in the New York State FY 2018-19 budget. The measure was included in the State Public Protection and General Government bill that passed both houses. The Secure Choice Savings Program is designed to allow employers of small businesses access to voluntary state administered IRA retirement plans for their employees in order to safeguard their economic stability.

"The Secure Choice Savings Program will provide much needed access to retirement plans that can prevent poverty later in life and get New Yorkers on track to financial stability," said Rodriguez. "New York State has taken a big step today in addressing the retirement crisis and found a progressive solution that will help ensure that everyone can save for retirement. I thank my colleagues for standing with me and helping to pass this important measure in this year's budget."

The Secure Choice Savings Program Act (A4982B/S4344B)

was introduced in 2015 by Assemblymember Rodriguez and State Senator Diane Savino and gained immense bipartisan support with 86 cosponsors in the Assembly and 20 cosponsors in the State Senate. The measure was also widely supported by AARP, NYPIRG, 1199SEIU, Effective NY and other advocate groups.

About 52 percent of New York workers ages 18 to 64 in the private sector work for businesses that do not offer a retirement plan. Small business employees with fewer than 100 employees are much less likely to have access to a plan – 71 percent compared to 35 percent, respectively.

The compounding crisis crosses all income and ethnic groups and education levels: 67 percent of Hispanic and 52 percent of African American workers lack access to any kind of structured plans. The Secure Choice Savings Program will close the gap and allow all New Yorkers access to a retirement plan in the workplace.

#### **Design-Build**

Our city's infrastructure is crumbling due to lack of funding and an arduous procurement process. The Center for an Urban Future estimates that New York City requires \$47 billion to completely restore its infrastructure. In addition, many city agencies are required to stagger the design and construction proposals for large-scale construction projects, adding extra bureaucratic steps that make it harder to improve our home.

Design-build is a commonsense solution to accelerate this process and spur construction, allowing city agencies to use a streamlined method of procurement on major projects.

Design-Build saves taxpayers money and time. The Federal Highway Administration has found that Design-Build reduced a project's completion time by 14 percent and on average shrunk costs by three percent. In this year's budget the design-build procurement method was approved on a project by project basis for New York City and will be used to make repairs at NYCHA developments, create new jails to replace Rikers Island and on the reconstruction of the Brooklyn Queens Expressway.



#### Fighting Back Against Homelessness

While every New Yorker should have a roof over their head when they go to sleep at night, the unfortunate reality is that many people across the state don't have a place they can call home and therefore must brace the unpredictable New York weather on a regular basis looking for somewhere to sleep. Homelessness is a crisis in New York State, which is why the budget continues the state's affordable and homeless housing and services initiative. The funding will continue to support the creation or maintenance of the program's 100,000 units of affordable housing and 6,000 units of supportive housing.

#### **Protecting Affordable Health Care**



total of \$25 million.

To ensure the public health programs New Yorkers rely on can continue providing care to the communities they serve, the budget allocates \$9.19 million to protect 30 public health programs from consolidation. The Assembly also fought to restore funding for Community Health Advocates, which helps New Yorkers understand their health insurance and access the health care services they need, HIV/AIDS Community Service Programs, family planning services and the Nurse Family Partnership.

Additionally, the budget restores \$25.82 million to protect Managed Long Term Care (MLTC) and adult day health care transportation services.

The budget also included a measure to impose a levy on the sale of the nonprofit health insurance company Fidelis to the for-profit company, Centene, which will capture \$2 billion over the next four years.

The budget addresses rising drug and health insurance costs so that more New Yorkers have access to the health care they need. It restores \$29.13 million for pharmacy initiatives, including:

- \$17.4 million restoration to existing prescriber prevails provisions, which ensure patients and their doctors have the final say in choosing medication in managed care and feefor-service plans; and
- \$11.28 million to reject the executive budget proposal to limit coverage for over-the-counter (OTC) drugs and increase OTC co-payments.

The budget also protects the hospitals and facilities that provide critical care to New York's most vulnerable. It provides:

- A total of \$525 million in health transformation capital funding; and
- An increase of \$15 million for enhanced safety-net facilities that provide care to large Medicaid populations, for a



## **Supporting Seniors' Health and Well-Being**

The state budget restores \$8.16 million to support long-term care. It also restores \$7.81 million to preserve spousal refusal, ensuring couples do not lose their life savings in the event a spouse becomes ill and needs nursing home care, and rejects the proposal to limit the amount of resources a community spouse

is allowed to retain.

Additionally, the budget restores \$13.99 million in hospital and nursing home reductions, protecting hospital and nursing capital reimbursements. It also restores \$12 million in managed care reductions.



#### **Combating Opioid Abuse**

The approved budget also establishes the Opioid Stewardship Fund to provide \$100 million in funding for heroin and opioid treatment, prevention and recovery services. The program would require manufacturers and distributors licensed to sell or distribute opioids in the State of New York to deposit an amount of money based on their eligible opioid sales in the state into the Opioid Stewardship Fund and ensure that the cost is borne by the manufacturers and distributors, not the consumers

The plan also restores \$2 million to fund the Substance Abuse Prevention and Intervention Specialist (SAPIS) program in New York City through the Department of Education. An addi-

tional \$1.5 million is allocated to establish a behavioral health ombudsman program to assist insured enrollees with coverage issues related to mental health or substance use disorders. The budget also includes \$1.5 million for various programs related to substance use disorder treatment, prevention and recovery.



# East Harlem Waterfront Project/Pier 107

Creating open spaces and access to the East River Waterfront has been one of my top district priorities. This year, I was able to secure an additional \$500,000 in capital funding for Pier 107 on the East River. This money is an investment in East Harlem community park space and brings us one step closer to our goal of revitalizing one of our most under-utilized recreational assets in the district.

These appropriations will be added to the \$3.5 million in funds I have already raised in the last few years, moving our efforts in the right direction towards realizing our community vision and expanding our ability to address necessary repairs on the waterfront. Our East River Waterfront Task Force will continue fighting to ensure our esplanade reaches its full potential for all of El Barrio to enjoy.

## **Standing Up Against Sexual Harassment**

The state budget takes steps long overdue to address and combat sexual harassment and provide more recourse for victims.

It includes legislation to ensure that employers across the state have comprehensive policies to combat sexual harassment in the workplace. Moreover, the measure bars confidentiality clauses in any settlement except when specifically requested by the victim. It also allows a state or local government that has paid a victim for a sexual harassment claim on behalf of a public employee to recover payment from the employee responsible for the harassment. Further, it would ban mandatory arbitration agreements for claims of sexual harassment.



# Protecting New Yorkers from Federal Tax Changes

The state budget includes measures designed to blunt the impact of the federal tax plan, which increases taxes on many middle-class families by restricting state and local tax deductibility.

One measure creates state-operated charitable contributions funds designed to help improve health care and educational outcomes for all New Yorkers. Taxpayers who donate to the funds can claim these contributions as deductions on their state and federal tax deductions, as well as claim a state tax credit equal to 85 percent of the donation amount. School districts and local governments would be allowed to create similar charitable funds that would offer local property tax deductions equal to a percentage of the contribution amount.

The budget also creates a new Employer Compensation Expense Tax (ECET) that employers would have the option of participating in. The ECET is a 5 percent tax on all annual payroll expenses in excess of \$40,000 per employee, and would be phased in over a three-year period. The new tax would cut personal income taxes on earnings and a new tax credit would ensure that employees subject to the ECET do not see a decrease in take-home pay.

# **Ensuring Access to Legal Counsel for Immigrants and the Indigent**

The 2018-19 state budget includes the first installment of funding for a six-year plan enacted in 2017 to increase the state's investment in public defense legal services to ensure that all New Yorkers have equal access to quality representation.

Specifically, the budget includes an increase of \$50 million for public defense services. When fully funded in 2023, the state's investment will increase funding to counties and New York City for public defense services by approximately \$250 million annually. This investment will vastly improve the quality of public defense services and will ensure defendants have counsel at arraignment, establish new caseload standards so that attorneys can devote sufficient time and attention to each case, and ensure that attorneys receive effective training and have the necessary qualifications and experience.

The 2018-19 state budget also provides an additional \$5 mil-

lion in funding for the Liberty Defense Project to provide vital legal services to immigrants.

The plan also provides:

- \$4.5 million in additional funding for civil and immigrant legal services;
- \$750,000 for Prisoners' Legal Services;
- \$600,000 for the Public Utility Law Project, which provides legal representation for low-income utility consumers; and
- \$500,000 for additional alternatives to incarceration programs.

Assemblymember Rodriguez noted that while the vital criminal justice reforms he helped pass in the Assembly budget proposal and early voting were not included in the final budget, the Assembly will continue fighting to increase fairness and equality in the system.