



THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

HERMAN D. FARRELL, JR.  
Assemblyman 71<sup>st</sup> District

Room 923  
Legislative Office Building  
Albany, New York 12248  
518-455-5491  
FAX: 518-455-5776

CHAIRMAN  
Ways and Means Committee

COMMITTEE  
Rules

Black, Puerto Rican, Hispanic and  
Asian Legislative Caucus

January 27, 2014

Dear Colleagues:

I am pleased to provide you with this year's edition of *Yellow Book*, which represents a review and analysis of the Executive Budget proposal for State Fiscal Year (SFY) 2014-15. This document is intended to provide the Members of the Committee, Members of the Assembly, and the general public with an overview of the fiscal and policy proposals that comprise the Executive Budget, as expressed in legislation submitted by the Governor on January 21, 2014. This publication is accessible on our website: <http://assembly.state.ny.us/Reports/WAM/2014yellow/>.

*Yellow Book* is the Assembly's preliminary review of the Executive Budget, as required by Section 53 of the Legislative Law. Its publication marks the beginning of the Assembly's review of the Governor's budget proposal, and should serve as an informational resource for Members as we participate in public, joint legislative fiscal committee hearings on the budget—our next step in the budget process.

This document is divided into several sections which are intended to place the Executive Budget in context, by providing a broad review of the financial plan and revenues, and implications for spending, capital initiatives and debt. The review also includes an analysis of the current condition of the national and state economies.

Speaker Silver and I know that you share our goal of enacting an on-time budget premised on a principle of fairness to all New Yorkers. At the same time we will continue to reinforce our commitment to the education of our children, to protecting our communities and to providing necessary support to the most vulnerable among us.

As the Legislature begins its work on the State Fiscal Year 2014-15 Budget, I would like to express appreciation to all of my Assembly colleagues for the time and commitment you will dedicate to creating and enacting this year's budget. I would also like to thank the public for their participation as well. Finally, I would like to express my thanks to the staff of the Ways and Means Committee for their outstanding efforts to produce this document, and for their support to our conference throughout the year.

Sincerely,

A handwritten signature in blue ink, appearing to read "Herman D. Farrell, Jr.", written in a cursive style.

HERMAN D. FARRELL, JR.

**A REVIEW AND ANALYSIS  
OF THE  
2014-15 EXECUTIVE BUDGET**

**YELLOW BOOK**

**January 2014**

**Herman D. Farrell, Jr.  
Chairman  
Assembly Ways and Means Committee**

Prepared by the  
Assembly Ways and Means Committee Staff

Matthew A. Howard  
Secretary to the Committee

Steven A. Pleydle  
Deputy Secretary to the Committee

Audra A. Nowosielski  
Director of Economic Studies

Blake G. Washington  
Director of Budget Studies

Michael L. Johnson  
Counsel to the Committee



**A Review and Analysis  
of the  
2014-15 Executive Budget**

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# BUDGET SNAPSHOT: FINANCIAL PLAN



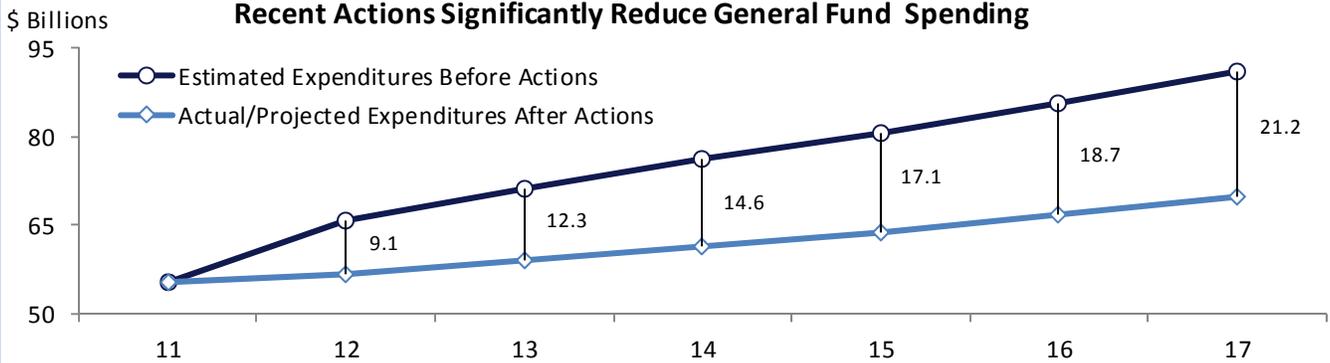
**All Funds Spending Total: \$142.1 billion. Growth of \$1.3 billion or 0.9%.**

**General Fund Total: \$63.6 billion. Growth of \$2.1 billion or 3.4%.**

**Budget Closes a 2014-15 General Fund Gap of \$1.74 billion.**

**Projected Surplus:**  
 2015-16 \$155 million  
 2016-17 \$165 million  
 2017-18 \$173 million.

## Recent Actions Significantly Reduce General Fund Spending



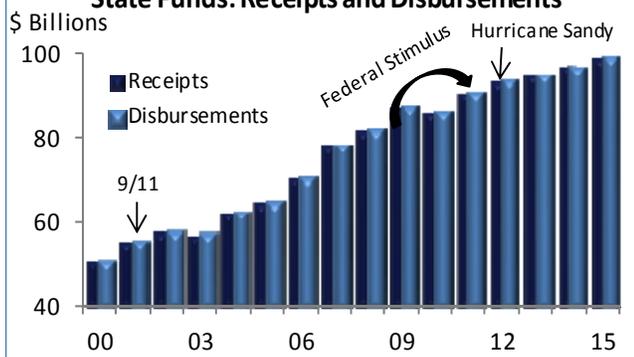
## All Funds Disbursements



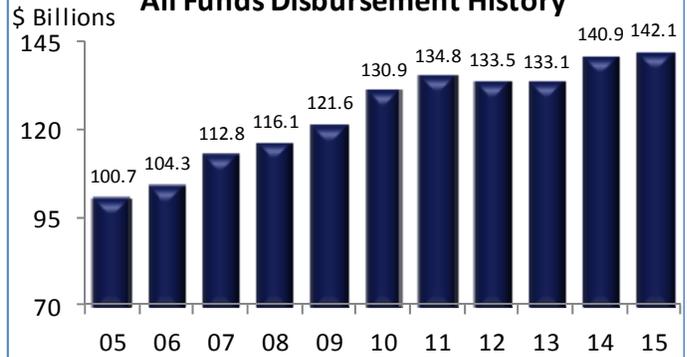
## All Funds Receipts



## State Funds: Receipts and Disbursements



## All Funds Disbursement History



Sources: NYS Division of the Budget; NYS Office of the State Comptroller.

# BUDGET HIGHLIGHTS: FINANCIAL PLAN



- **State Fiscal Year (SFY) 2013-2014 Close Out:** The Executive Budget projects a General Fund surplus of \$310 million, due to stronger than expected tax collections in January 2014. This surplus is carried forward into SFY 2014-2015.
- **All Funds Spending:** Including costs associated with Hurricane Sandy (\$2.4 billion) and the Affordable Care Act (\$2.6 billion), the All Funds budget for SFY 2014-15 is estimated at \$142.1 billion.
- **Closing the SFY 2014-15 Budget Gap:** The Executive Proposal includes recommendations that are intended to close an estimated \$1.742 billion General Fund budget gap in SFY 2014-15. These actions are comprised of \$1.9 billion in spending revisions and \$286 million in resource changes and would be offset by \$486 million in tax actions.
- **General Fund Reserves:** The Executive estimates the SFY 2014-15 General Fund closing balance will be \$1.7 billion, which maintains \$1.1 billion in the Tax Stabilization Reserve Fund, \$21 million in the Contingency Reserve Fund and \$175 million in the Rainy Day Reserve. There is little change from the SFY 2013-14 closing balance of \$1.8 billion.
- **Current Services Out-Year Estimates:** The Executive's forecast are calculated at \$1.7 billion for 2014-15, \$2.9 billion for 2015-16, \$2.9 billion for 2016-17, and \$3.9 billion for 2017-18.
- **Estimated Out-Year Surpluses:** Out-year budget estimates are based on the actions and assumptions of the Executive Budget with a balanced budget for 2014-15; surpluses of \$155 million for SFY 2015-16, \$165 million for 2016-17, and \$173 million for 2017-18. Tax actions and available revenue would still require further budget actions to balance the out-year budgets and produce the surpluses with cuts of \$1.7 billion in SFY 2015-16, \$2.4 billion in SFY 2016-17, and \$3.6 billion in SFY 2017-18.
- **Tax Actions:** The Executive proposes various tax actions that, when phased in within the next three years, will reduce receipts by \$486 million in SFY 2014-15; \$1.6 billion on SFY 2015-16; and \$2.1 billion in SFY 2016-17.



# BUDGET REVIEW AND ANALYSIS: FINANCIAL PLAN



State Finance Law requires the Executive to provide a detailed multi-year Financial Plan to the Legislature with submissions of the Executive Budget. The Financial Plan must meet certain requirements including the General Fund be balanced on a cash basis for the upcoming fiscal year.

The State uses a Governmental Funds system of accounting which includes the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds. In addition, the Executive Budget displays the proposed budget in two other classifications: State Operating Funds, which consists of General Fund, Debt Service Funds, and Special Revenue Fund, that are paid with State Revenues; and State Funds which consist of State Operating Funds plus Capital.

Table 1

	2013-14	2014-15	Difference	Percent
General Funds	\$61,460	\$63,563	\$2,103	3.4%
State Operating Funds	\$90,498	\$92,027	\$1,529	1.7%
State Funds	\$96,624	\$98,874	\$2,250	2.3%
All Funds	\$135,350	\$137,168	\$1,818	1.3%
All Funds Adjusted*	\$140,865	\$142,141	\$1,276	0.9%

Note: All Funds Adjusted includes extraordinary federal aid associated with Hurricane Sandy and the Affordable Care Act.

The Executive proposes a \$142.1 billion All Funds budget for State Fiscal Year (SFY) 2014-2015. This represents an increase of \$1.3 billion, a growth of 0.9 percent. Notably, this includes extraordinary federal aid for Superstorm Sandy and the Affordable Care Act. Without this federal aid, the All Funds budget grows by 1.3 percent.

General Fund spending is projected at \$63.6 billion, an increase of \$2.1 billion or a growth of 3.4 percent increase over SFY 2013-14. Spending increased in Local Assistance grants primarily for School Aid and Medicaid. Additionally, the State's annual pension payment increases by \$284 million, a 7.4 percent increase over last year.

State Operating Funds spending is projected at \$92.0 billion. This represents an increase of \$1.5 billion, a 1.7 percent increase over SFY 2013-14, consistent with the Executive two percent growth benchmark. State Funds spending is projected at \$98.9 billion, \$2.3 billion or 2.3 percent growth over last year.

Table 2

**Executive Budget Financial Plan  
2014-15  
(\$ in Millions)**

	Executive General Fund	Executive State Funds	Executive All Funds
<b>OPENING BALANCE</b>	<u>1,803</u>	<u>4,278</u>	<u>4,063</u>
<b>RECEIPTS:</b>			
Personal Income Tax	29,669	44,131	44,131
User Taxes and Fees	6,714	15,481	15,481
Business Taxes	5,630	7,854	7,854
Other Taxes	1,192	3,328	3,328
Total Taxes	<u>43,205</u>	<u>70,794</u>	<u>70,794</u>
Licenses, Fees, etc.	817	817	817
Abandoned Property	655	655	655
ABC License Fees	56	56	56
HCRA		4,537	4,537
Lottery		3,325	3,325
Medicaid		788	788
Motor Vehicle Fees	155	566	566
Reimbursements	219	219	219
State University Income		4,383	4,383
Investment Income	30	30	30
Other Transactions	1,925	9,753	9,939
Total Miscellaneous Receipts	<u>3,857</u>	<u>25,129</u>	<u>25,315</u>
Federal Grants	0	79	45,792
PIT in Excess of Revenue Bond Debt Service	9,162		
Tax in Excess of LGAC Debt Service	2,640		
Sales Tax Bond Fund	2,918		
Real Estate Taxes in Excess of CW/CA Debt Service	657		
All Other	1,064		
Total Transfers from Other Funds	<u>16,441</u>		
<b>TOTAL RECEIPTS</b>	<u>63,503</u>	<u>96,002</u>	<u>141,901</u>
<b>DISBURSEMENTS:</b>			
School Aid	18,253	21,469	24,417
Higher Education	2,842	2,874	2,882
All Other Education	2,039	2,052	3,016
STAR	0	3,429	3,429
Medicaid - DOH	11,643	16,758	44,255
Public Health	730	1,713	3,124
Mental Hygiene	1,440	2,909	3,045
Children and Families	1,643	1,646	2,614
Temporary & Disability Assistance	1,226	1,226	4,738
Transportation	98	4,833	4,873
Unrestricted Aid	764	764	764
All Other	1,108	2,857	5,739
Total Local Assistance Grants	<u>41,786</u>	<u>62,530</u>	<u>102,896</u>
Personal Service	5,879	12,584	13,214
Non-Personal Service	1,961	5,583	6,566
Total State Operations	<u>7,840</u>	<u>18,167</u>	<u>19,780</u>
General State Charges	5,265	7,367	7,668
Debt Service	1,119	5,688	5,688
Capital Projects	1,439	5,122	6,109
State Share Medicaid	1,488		
SUNY Operations	970		
Other Purposes	3,656		
Total Transfers to Other Funds	<u>8,672</u>		
<b>TOTAL DISBURSEMENTS</b>	<u>63,563</u>	<u>98,874</u>	<u>142,141</u>
<b>Other Financing Sources (uses):</b>			
Transfers from Other Funds		31,027	30,311
Transfers to Other Funds		(28,497)	(30,364)
Bonds and Note proceeds		306	306
Net Financing Sources		<u>2,836</u>	<u>253</u>
Excess/(Deficiency) of Receipts over Disbursements	<u>(60)</u>	<u>(36)</u>	<u>13</u>
<b>CLOSING BALANCE</b>	<u>1,743</u>	<u>4,242</u>	<u>4,076</u>

## Closing the SFY 2014-15 Executive Budget Gap

The Executive Proposal closes an estimated \$1.74 billion General Fund budget gap in SFY 2014-15, comprised of: \$1.9 billion in spending changes and \$286 million in resource changes. These actions, however, include \$156 million for new initiatives, the largest of which is support for the Universal Prekindergarten Program.

Table 3

<b>General Fund GAP-Closing Plan</b>				
<b>(\$ in Millions)</b>				
	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>CURRENT SERVICES GAP ESTIMATES</b>	<b>(1,742)</b>	<b>(2,889)</b>	<b>(2,948)</b>	<b>(3,887)</b>
<b>Spending Changes</b>	<b>2,098</b>	<b>2,794</b>	<b>3,375</b>	<b>3,604</b>
Agency Operation	358	708	990	1,342
Local Assistance	1,624	1,976	2,267	2,104
Capital Projects/Debt Management	116	110	118	158
<b>Resource Changes</b>	<b>286</b>	<b>441</b>	<b>(153)</b>	<b>(539)</b>
Resource Changes	(24)	31	(153)	(129)
Surplus Available from FY 2014	310	0	0	0
Tax Credit Timing	0	410	0	(410)
<b>SURPLUS/GAP ESTIMATE BEFORE BUDGET ACTIONS</b>	<b>642</b>	<b>346</b>	<b>274</b>	<b>(822)</b>
Tax Actions	(486)	(1,644)	(2,082)	(2,124)
Initiatives	(156)	(232)	(394)	(499)
<b>Total New Budget Actions</b>	<b>(642)</b>	<b>(1,876)</b>	<b>(2,476)</b>	<b>(2,623)</b>
<b>SURPLUS/GAP SUBTOTAL AFTER BUDGET ACTIONS</b>	<b>0</b>	<b>(1,530)</b>	<b>(2,202)</b>	<b>(3,445)</b>
Adherence to 2% State Operating Funds Spending Benchmark	0	1,685	2,367	3,618
<b>EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE</b>	<b>0</b>	<b>155</b>	<b>165</b>	<b>173</b>

## Multi-Year General Fund Estimates

Table 4

<b>Multi-Year General Fund Estimates</b> <b>(\$ in Millions)</b>				
	<b>Executive Mid-Year</b>	<b>Executive Surplus</b>	<b>Tax Actions</b>	<b>Executive Proposal</b>
2014-15	(1,742)	486	(486)	0
2015-16	(2,889)	1,389	(1,234)	155
2016-17	(2,948)	2,247	(2,082)	165
2017-18	(3,887)	2,707	(2,534)	173

The proposed gap closing actions described above reduce the gap to zero in SFY 2014-15, with small surpluses in the out-years. These surpluses are based on the assumption that the Executive will propose and the Legislature will enact a budget that holds State Operating funds spending to two percent in the out-years. As shown above, these surpluses would be larger without the proposed tax actions.

### Spending Changes

The Executive proposes to reduce the gap using spending controls of \$1.9 billion primarily through savings in Local Aid of \$1.6 billion and by holding departmental operations spending flat with limited exceptions. The State is also saving significant amounts through special education reforms and annual costs attributed to State-share Medicaid.

Spending control actions will also include \$116 million in Debt Management savings by continuing competitive bond sales and refundings that meet the state's savings criteria, in addition to the Metro Mass Transportation Operating Aid debt service offset.

### Resource Changes

The Executive also estimates \$286 million in receipt changes in SFY 2014-15. This is primarily attributed to the \$310 million surplus from higher than expected tax receipts in SFY 2013-14 and offset by \$125 million reduction in tax forecasts in SFY 2014-15. In addition, forecasts for Miscellaneous Receipts \$33 million and Other Revenues \$71 million have been revised upwards.



## Tax Actions

The Executive proposes a set of tax reductions which total \$2.1 billion by year three. These include: Personal Income Tax \$1.3 billion; Business Tax \$267 million; and Other Taxes \$612 million.

## General Fund Reserves

The Executive Budget projects \$1.74 billion in reserves at the end of SFY 2014-15, representing a \$60 million decrease from SFY 2013-14. The Tax Stabilization Reserve Fund is a constitutionally restricted fund that can only be used in the event of a revenue shortfall or deficit during a fiscal year. The balance of \$1.1 billion in the Tax Stabilization Reserve Fund is 1.8 percent of the value of the General Fund.

Table 5

<b>Estimated General Fund Closing Balance</b>		
<b>(\$ in Millions)</b>		
	<b>2013-14</b>	<b>2014-15</b>
Tax Stabilization Reserve Fund	1,131	1,131
Statutory Rainy Day Reserve Fund	175	175
Contingency Reserve Fund	21	21
Community Projects Fund	68	-
Reserved for Debt Management	363	363
Reserved for Labor Agreements	45	53
<b>Total</b>	<b>1,803</b>	<b>1,743</b>



# BUDGET SNAPSHOT: EDUCATION

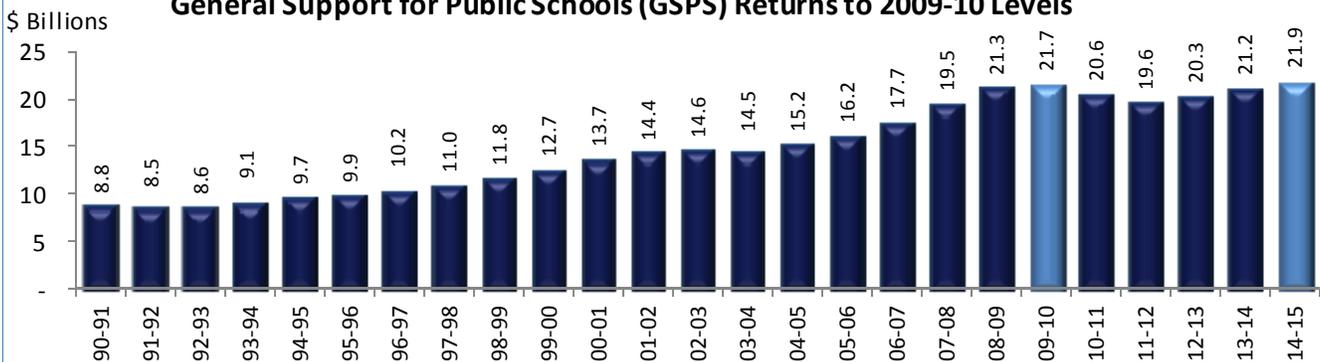


**\$807 million or 3.8% increase in General Support for Public Schools**

**\$100 million increase for Full-Day Prekindergarten in SFY 2014-15, growing to \$500 million by SFY 2018-19**

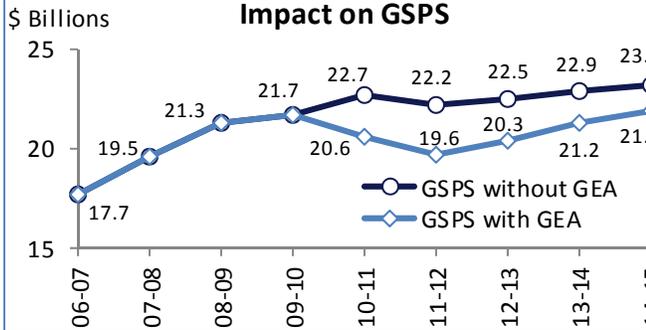
**\$2 billion Smart Schools Bond Act for technology investments and Prekindergarten classrooms**

**General Support for Public Schools (GSPS) Returns to 2009-10 Levels**

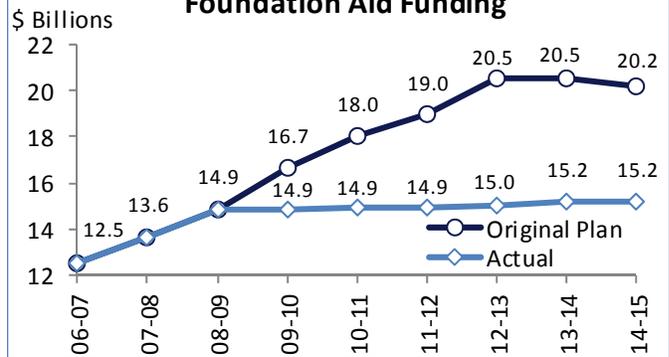


Note: 2014-15 is Executive Proposal.

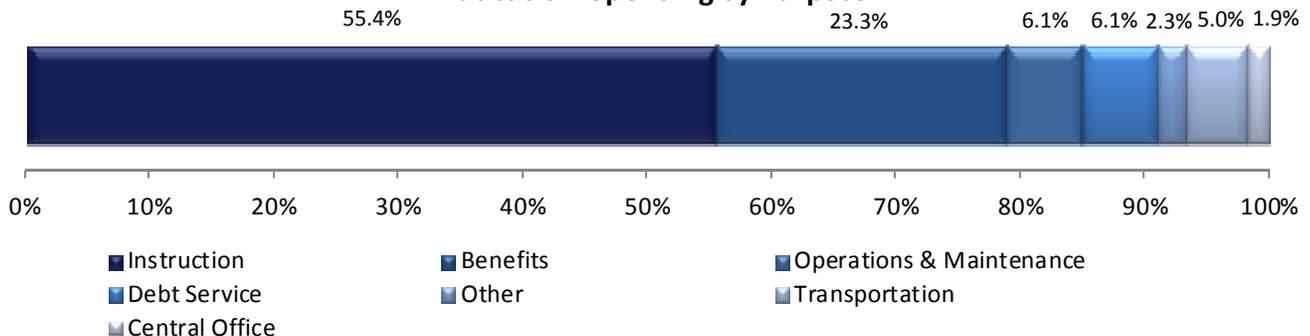
**Gap Elimination Adjustment Impact on GSPS**



**Foundation Aid Funding**



**Education Spending by Purpose**



Note: 2014-15 is Executive Proposal.

Sources: NYS Education Department; NYS Division of Budget Excel funding.

# BUDGET HIGHLIGHTS: EDUCATION



- **General Support for Public Schools (GSPS) (\$807 million):** The Executive proposes a year-to-year GSPS increase of \$807 million or 3.8 percent, increasing aid from \$21.08 billion to \$21.88 billion for School Year (SY) 2014-15. This increase is comprised of \$682 million for School Aid, \$100 million for Full-Day Prekindergarten programs, \$20 million for Performance grants, and \$5 million for Pathways in Technology and Early College (P-Tech) High Schools.
- **School Aid (\$682 million):** The Executive provides a School Aid increase of \$682 million, with over 70 percent allocated to high need school districts. The \$682 million allotment is made up of: \$323 million in a Gap Elimination Adjustment restoration; \$285 million for expense based aids reimbursement; and \$74 million for an unallocated Fiscal Stabilization Fund.
- **Statewide Universal Full-Day Prekindergarten (\$100 million):** The Executive Budget proposal includes the first installment of a new \$1.5 billion commitment to full-day Prekindergarten programs. For the 2014-15 SY, the Governor proposes \$100 million, targeting the highest need students.
- **Teacher Excellence Fund (\$20 million):** The Executive Budget would provide funding for teachers with “highly effective” ratings, who would be eligible for annual supplemental compensation of up to \$20,000.
- **P-Tech High Schools (\$5 million):** The Executive Budget would expand the P-Tech High School program to create additional placements for high performing, at-risk students.
- **Smart Schools Bond Act (\$2 billion):** The Executive proposes a \$2 billion General Obligation bond act to invest in classroom technology, broadband infrastructure, and new Prekindergarten classroom space. This proposal would be brought before the voters in November 2014.
- **After School Program (\$720 million over five years):** The Executive proposal would dedicate a total \$720 million in casino revenue over five years for after school programs, starting with \$160 million in SY 2015-16.



# BUDGET REVIEW AND ANALYSIS: EDUCATION



The State Education Department (SED) is the administrative agency of the Board of Regents. SED administers school aid, regulates school operations, maintains a performance based accountability system, certifies teachers, and administers a host of other educational programs. These programs include special education services, cultural education programs, higher and professional education programs, vocational rehabilitation, and adult career and continuing education services. SED's primary mission is to raise the knowledge, skills, and opportunities of all the people in New York.

New York State has roughly 3.2 million PreK-12 students, including nearly 2.7 million children in 694 public school districts, and over 400,000 children in nonpublic schools. These districts include 674 major public school districts, Special Act school districts and school districts with fewer than eight teachers, plus 37 Boards of Cooperative Educational Services (BOCES). New York State provides more than \$21 billion in General Support for Public Schools for instructional and operational purposes, allowing school districts to provide educational services to children statewide.

**Table 6**

Agency	Appropriations				5-year Trend
	2013-14	2014-15	Change	Change	
	Adjusted	Exec Request			
State Education Department*	52,494.47	60,094.65	7,600.17	14.48	

\*NOTE: These amounts comprise a 2-year appropriation.

**Table 7**

Agency	Disbursements				5-year Trend
	2013-14	2014-15	Change	Change	
	Adjusted	Exec Request			
State Education Department	26,752.06	27,926.72	1,174.66	4.39	

Table 8

<b>School Aid (\$ in Millions)</b>	
	<b>2014-15 Exec. Request</b>
Expense Based Aids and Grant Programs	285.00
Gap Elimination Adjustment Restoration	323.00
Fiscal Stabilization Fund - Unallocated	74.00
<b>Subtotal: Formula-Based Aids and Certain Grants</b>	<b>682.00</b>
<b>New Initiatives</b>	
Statewide Universal Full-Day Prekindergarten	100.00
New Performance Programs	
Teacher Excellence Fund	20.00
P-TECH	5.00
<b>Year to Year GSPS Increase</b>	<b>807.00</b>
Smart Schools Bond Act	2,000.00

**General Support for Public Schools: Formula Based Aids**

Under the Executive proposal, overall School Aid would be increased by \$807 million to \$21.88 billion, reflecting a 3.8 percent growth in GSPS. Over 70 percent of this increase would be directed to high need school districts. This increase is allocated to a Gap Elimination Adjustment (GEA) restoration of \$323 million, expense-based aids of \$285 million, an unallocated \$74 million Fiscal Stabilization Fund, a full-day Prekindergarten expansion of \$100 million and \$25 million for Performance programs. Funding for the GEA restoration is based on several factors, including fiscal capacity, student need, and enrollment growth. The 2014-15 School Aid increase does not include an increase in Foundation Aid.

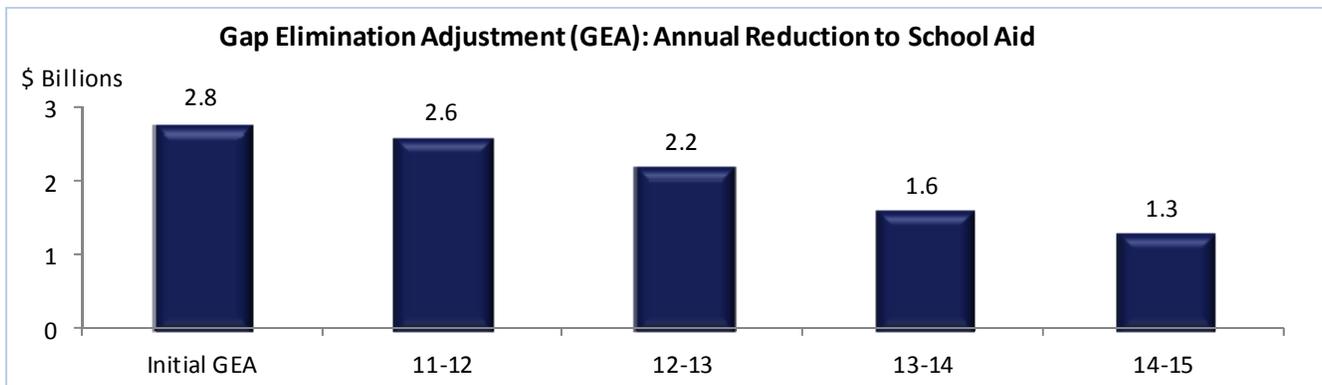


Figure 1

School Aid is appropriated on a two-year basis for the 2014-15 and 2015-16 State Fiscal Years at a total of \$29.58 billion; in addition, there is an appropriation of \$5.27 billion for the remaining 2013-14 and prior school year obligations.

Currently, the Education Law provides for growth in GSPS by a statewide personal income growth index (PIGI), which was set at 3.1 percent for the 2014-15 School Year. The Executive proposal exceeds the PIGI growth level by \$125 million, providing a year-to-year increase of \$807 million, or 3.8 percent.

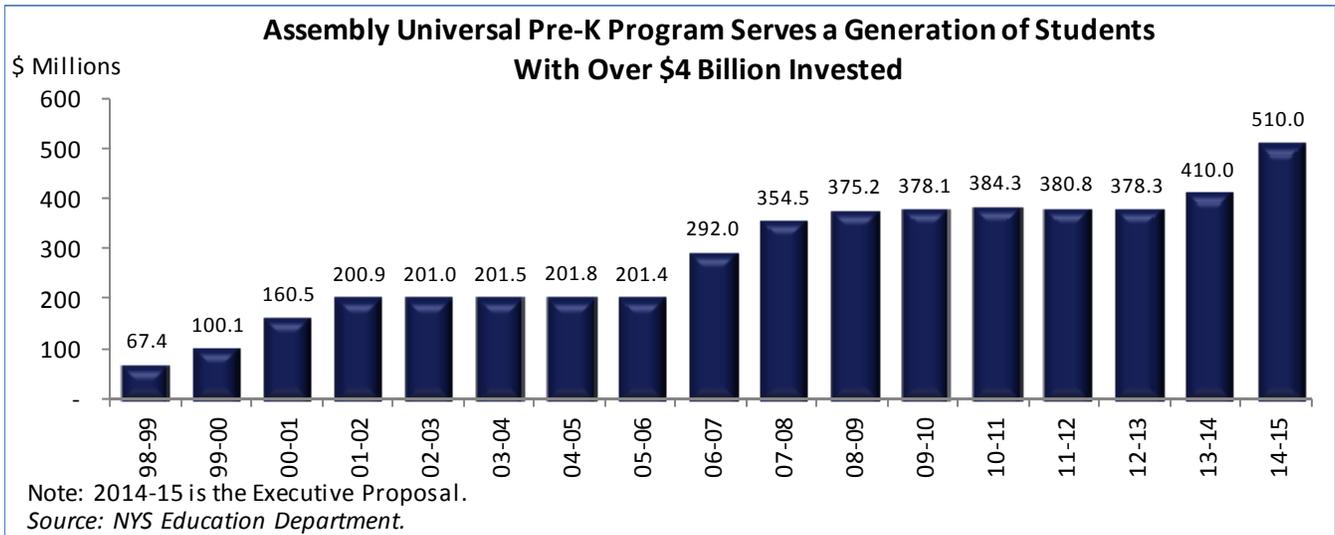


Table 9

## General Support for Public Schools

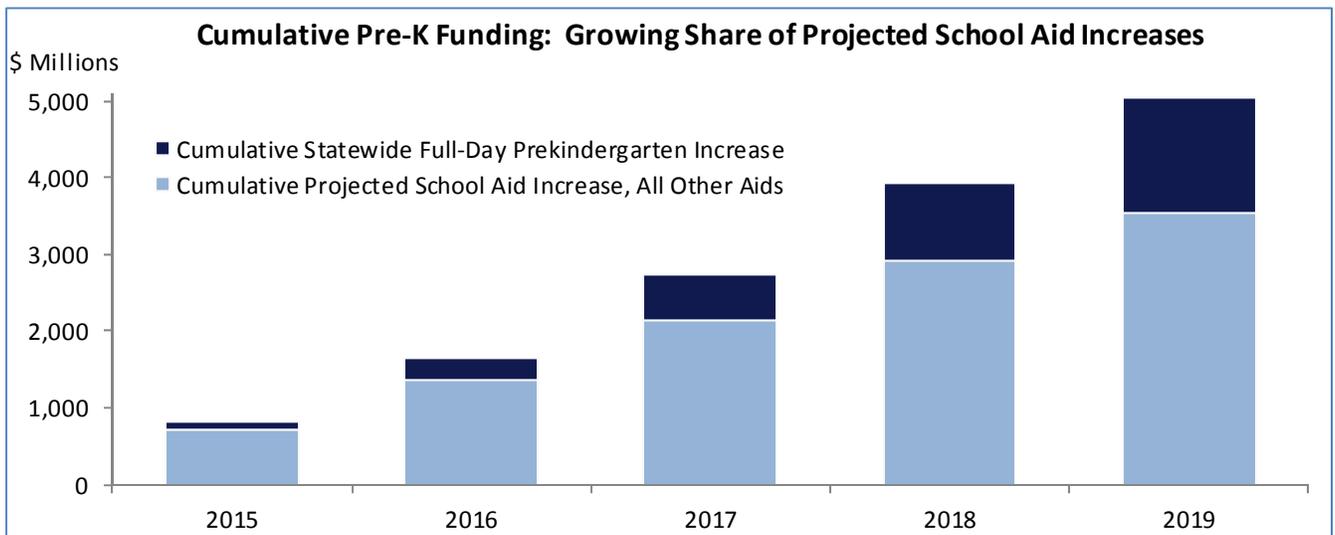
AID CATEGORY	2013-14 School Year (\$ in Millions)	2014-15 School Year (\$ in Millions)	\$ Change (\$ in Millions)	% Change
<b>Formula-Based Aids</b>				
Foundation Aid	15,182.12	15,182.12	0.00	0.00
Excess Cost - High Cost	530.32	547.09	16.77	3.16
Excess Cost - Private	330.93	372.34	41.41	12.51
Reorganization Operating Aid	8.48	8.20	(0.28)	-3.30
Textbooks	177.22	180.21	2.99	1.69
Computer Hardware	37.63	38.62	0.99	2.63
Computer Software	45.69	46.59	0.90	1.97
Library Materials	18.88	19.44	0.56	2.97
BOCES	735.42	761.45	26.03	3.54
Special Services	199.13	204.38	5.25	2.64
Transportation	1,635.69	1,724.99	89.30	5.46
High Tax	223.30	223.30	0.00	0.00
Universal Prekindergarten	385.03	385.03	0.00	0.00
Academic Achievement Grant	1.20	1.20	0.00	0.00
Supplemental Educational Improvement Grant	17.50	17.50	0.00	0.00
Charter School Transitional Aid	33.13	29.24	(3.89)	-11.74
Full-Day Kindergarten	19.32	2.35	(16.97)	-87.84
Academic Enhancement Aid	8.32	8.32	0.00	0.00
Supplemental Public Excess Cost	4.31	4.31	0.00	0.00
Gap Elimination Adjustment	(1,638.78)	(1,315.48)	323.30	-19.73
Building Aid/Reorganization Building	2,722.64	2,839.11	116.47	4.28
<b>Total Formula-Based Aids</b>	<b>20,677.48</b>	<b>21,280.31</b>	<b>602.83</b>	<b>2.92</b>
Statewide Universal Full-Day Prekindergarten	0.00	100.00	100.00	NA
	<b>20,677.48</b>	<b>21,380.31</b>	<b>702.83</b>	<b>3.40</b>
Teachers of Tomorrow	25.00	25.00	0.00	0.00
Teacher-Mentor Intern	2.00	2.00	0.00	0.00
Student Health Services	13.84	13.84	0.00	0.00
Roosevelt	12.00	12.00	0.00	0.00
Urban-Suburban Transfer	2.73	2.73	0.00	0.00
Employment Preparation Education	96.00	96.00	0.00	0.00
Homeless Pupils	21.23	22.23	1.00	4.71
Incarcerated Youth	21.00	22.00	1.00	4.76
Bilingual Education	12.50	12.50	0.00	0.00
Education of OMH / OPWDD Pupils	76.00	78.00	2.00	2.63
Special Act School Districts	2.70	2.70	0.00	0.00
Chargebacks	(40.50)	(42.00)	(1.50)	NA
Use of Prior Year Competitive Grant Funding	0.00	(25.00)	(25.00)	NA
Fiscal Stabilization Fund	0.00	74.00	74.00	NA
BOCES Aid for Special Act Districts	0.70	0.70	0.00	0.00
Learning Technology Grants	3.29	3.29	0.00	0.00
Native American Building	5.00	5.00	0.00	0.00
Native American Education	43.21	45.87	2.66	6.16
Bus Driver Safety	0.40	0.40	0.00	0.00
	<b>297.10</b>	<b>351.26</b>	<b>54.16</b>	<b>18.23</b>
<b>Total Formula-Based Aids and Grant Programs</b>	<b>20,974.58</b>	<b>21,731.57</b>	<b>756.99</b>	<b>3.61</b>
Performance Grants	100.00	150.00	50.00	50.00
<b>School Year Total</b>	<b>21,074.58</b>	<b>21,881.57</b>	<b>806.99</b>	<b>3.83</b>

**Statewide Universal Full-Day Prekindergarten (\$100 million):** The Executive Budget proposes a five year phase-in of state support for Full-Day Prekindergarten programs. For the 2014-15 SY, the Governor proposes \$100 million for Prekindergarten programs, targeting the highest need students. This would augment the grant of \$25 million enacted in 2013-14 for Full-Day Prekindergarten, as well as the \$385 million appropriation for the current Universal Prekindergarten Program, which originally proposed by the Assembly.



**Figure 2**

This proposal for a universal Full-Day Prekindergarten program is expected to grow by \$100 million each year, for an overall investment of \$1.5 billion over a five-year period. The 2014-15 Executive Budget appropriates the full \$1.5 billion but does not propose a specific allocation or method to distribute the funding.



**Figure 3**



Under the Executive’s Statewide Full-Day Prekindergarten proposal, as funding is phased-in over the next five years, the cumulative amount for Prekindergarten programs would comprise an increasingly larger share of GSPS increases.

**Smart Schools Bond Act (\$2 billion):** The Executive proposes a \$2 billion General Obligation Bond Act to provide grants for schools to invest in classroom technology projects, such as projects to expand high-speed broadband or wireless internet connectivity for school buildings, or learning technology hardware for classroom and student use, such as whiteboards, servers, desktops, laptops, and tablets. Funding would also be made available to expand high-speed broadband or wireless connectivity in the local community, including school buildings and campuses.

In addition, the funding would be available to expand the availability of instructional space for prekindergarten students. Under the Executive proposal, the funding would be distributed proportionally to school districts on the basis of each district’s 2013-14 School Aid.

**After School Programs (\$720 million over five years):** The Executive budget proposes spending of \$720 million over five years to create or expand after school programs. Approximately \$160 million would be provided in SY 2015-16. These funds would be paid out of expected State casino revenues. The Executive does not provide an allocation of these funds to school districts.

**Teacher Excellence Fund (\$20 million):** The Executive proposal would establish a program to offer annual supplemental compensation of up to \$20,000 for teachers deemed “highly effective” on Annual Professional Performance Review ratings. School districts would submit applications to the Commissioner, which must be consistent with collective bargaining agreements. Preference would be given to applications that prioritize teachers in buildings with the greatest academic need and positions that are difficult to staff.

**P-Tech High Schools (\$5 million):** The Executive Budget would expand the P-TECH program, which provides STEM (Science Technology Engineering and Mathematics) focused education in grades “9-14” for high performing, at-risk students. Students completing the program would receive both a high school diploma and an Associate’s degree. The Commissioner would be required to ensure regional diversity of grant recipients and to prioritize programs that serve students in academically challenged school districts.

**Preschool Special Education (4410):** The Executive Budget proposes three changes to the Special Education Itinerant Teacher (SEIT) program, that would: limit payment to program operators for only those services that are actually provided; provide reimbursement rates on a regional basis; and permit the New York City (NYC) School District to set rates for its 4410 providers for a five-year period within State maximums.

**Nonpublic Schools:** The Executive proposes a Nonpublic School Aid increase of \$5.23 million or 3.8 percent, over the prior year to provide a total of \$142.79 million to Nonpublics in State Fiscal Year (SFY) 2014-15. Additionally, the Executive would continue a \$4.5 million grant for Safety Equipment for Nonpublic Schools, and a \$922,000 appropriation for Academic Intervention Services.

**Teacher Resource and Computer Training Centers:** The Executive proposal discontinues \$14.2 million in funding for Teacher Resource and Computer Training Centers.

### **State Education Department**

**State Operations:** The Executive proposes All Funds appropriations of \$60.09 billion, an increase of \$7.6 billion, or 14.48 percent over the SFY 2013-14 level. The Executive recommends support for 2,721 Full Time Equivalent (FTE) positions, an increase of 58 FTEs over the SFY 2013-14 level.

**Other School Programs:** The Executive proposal includes funding of \$1 billion for Preschool Special Education (4410) programs, which is an increase of \$59 million over SFY 2013-14; \$362.5 million for Summer School Handicapped Programs, an increase of \$24 million; and \$96.2 million for Private Schools for the Blind and Deaf, which is a decrease of \$900,000 from the SFY 2013-14 level.



**Table 10**

Other Public Elementary and Secondary Education Programs	2013-14	2014-15	\$ Change (\$ in Millions)	% Change
	Enacted (\$ in Millions)	Exec. Request (\$ in Millions)		
Targeted Prekindergarten	1.30	1.30	0.00	0.0%
Children of Migrant Workers	0.09	0.09	0.00	0.0%
Adult Basic Education	1.84	1.84	0.00	0.0%
Adult Literacy Education	6.29	5.29	(1.00)	-15.9%
Lunch/Breakfast Programs	34.40	34.40	0.00	0.0%
Nonpublic School Aid	137.57	142.79	5.23	3.8%
Nonpublic School Safety Equipment	4.50	4.50	0.00	0.0%
New York State Center for School Safety	0.47	0.47	0.00	0.0%
Health Education Program	0.69	0.69	0.00	0.0%
Academic Intervention Services for Nonpublic Schools	0.92	0.92	0.00	0.0%
Extended School Day/School Violence Prevention	24.34	24.34	0.00	0.0%
Primary Mental Health Prevention	0.89	0.89	0.00	0.0%
Summer Food Program	3.05	3.05	0.00	0.0%
Consortium for Worker Education	13.00	11.50	(1.50)	-11.5%
Charter School Start Up Grants	4.84	4.84	0.00	0.0%
Smart Scholars Early College High School Program	0.00	2.00	2.00	NA
Student Mentoring and Tutoring Program	0.49	0.49	0.00	0.0%
Postsecondary Aid to Native Americans	0.60	0.60	0.00	0.0%
New York State Historical Association—National History Day	0.10	0.00	(0.10)	-100.0%
Small Government Assistance to School Districts	1.87	1.87	0.00	0.0%
Math and Science High Schools	1.38	1.38	0.00	0.0%
County Vocational Education and Extension Boards	0.93	0.93	0.00	0.0%
Center for Autism and Related Disabilities – SUNY Albany	0.99	0.74	(0.25)	-25.3%
Just for Kids – SUNY Albany	0.24	0.24	0.00	0.0%
Say Yes to Education Program	0.35	0.35	0.00	0.0%
National Board for Professional Teaching Standards	0.62	0.37	(0.25)	-40.5%
Teacher Resource Centers	14.26	0.00	(14.26)	-100.0%
Deferred Action for Childhood Arrivals	1.00	1.00	0.00	0.0%
Project Rise	0.30	0.00	(0.30)	-100.0%
Community Services Project	0.35	0.00	(0.35)	-100.0%
New York Council of the Humanities	0.45	0.00	(0.45)	-100.0%
Executive Leadership Institute	0.15	0.00	(0.15)	-100.0%
Community Learning Schools	0.70	0.00	(0.70)	-100.0%
Project Witness Program	0.35	0.00	(0.35)	-100.0%
Supplemental Valuation Impact Grants	6.87	0.00	(6.87)	-100.0%
Prior Year Claims/Fiscal Stabilization Grants	32.79	32.79	0.00	0.0%
<b>Total</b>	<b>298.98</b>	<b>279.68</b>	<b>(19.31)</b>	<b>-6.5%</b>

## Higher Education and the Professions

The Executive proposes maintaining SFY 2013-14 level funding for the following opportunity programs administered by SED in SFY 2014-15:

- \$24.99 million for the Higher Education Opportunity Program;
- \$12.92 million for the Liberty Partnerships Program;
- \$11.12 million for the Science and Technology Program (STEP); and
- \$8.43 million for the Collegiate Science and Technology Program (CSTEP).

The Executive proposes maintaining funding levels for other higher education programs as follows:

- \$35.13 million for Unrestricted Aid to Independent Colleges and Universities (Bundy Aid);
- \$941,000 for the High Needs Nursing Program;
- \$598,000 for the Postsecondary Aid to Native Americans Program;
- \$450,000 for the Teacher Opportunity Corp Program; and
- \$368,000 for the National Board for Professional Teaching Standards Certification Grant Program.

In addition, language is added to various appropriations in the Office of the Professions that would require an electronic tax clearance for any license that goes through electronic licensing to confirm that applicants do not owe the State more than \$500.

## Adult Career and Continuing Education Services Program

The Executive proposal maintains SFY 2013-14 funding levels for Case Services at \$54 million; Independent Living Centers at \$12.36 million; College Readers Aid at \$294,000; and Supported Employment at \$15.16 million.



## Cultural Education Program

The Executive proposes decreased funding for Aid to Public Libraries of \$81.63 million, by discontinuing the additional funding of \$4 million added in the SFY 2013-14 Enacted Budget. Additionally, the Executive proposes to continue funding of \$1.3 million for reimbursement to public libraries for costs associated with the MTA Mobility tax.

The Executive proposal also provides funding for Educational Television and Radio of \$14 million, maintaining support at SFY 2013-14 funding levels.

## Other Programmatic Support

The Executive proposal would maintain the following 2013-14 increases: \$1.5 million for the administration of the high school equivalency diploma exam for a total of \$5.16 million and \$172,000 for the conservation and preservation of library materials and the Talking Book and Braille Library for a total of \$693,000.

The Executive recommends Article VII legislation that would provide for the following:

**Expansion of the Dignity for All Students Act:** The proposal would require school districts to institute additional reporting requirements and steps which principals and superintendents must follow when a pattern of harassment, bullying or discrimination has occurred. The legislation requires the Commissioner to implement intervention protocols when the Commissioner receives a report of a pattern of harassment, bullying or discrimination. In addition, upon the receipt of substantial evidence of failure by the principal or superintendent to fulfill his or her statutory requirements, or has failed to report a pattern of harassment, bullying or discrimination, the Commissioner shall initiate removal proceedings.

Finally, the legislation extends certain human rights law protections to students attending public school districts, BOCES, public colleges, or public universities and non-sectarian private schools.

**Smart Schools Bond Act:** The Executive proposal would authorize State debt issuance of up to \$2 billion. Under this initiative school districts would be required to submit Smart Schools investment plans to a review board for approval prior to spending bond proceeds on a Smart Schools project. It would also establish a formula by which bond funds would be available to school districts. Further, the proposal would establish a Smart Schools bond fund within the State Finance law that provides for the Comptroller to apply a weighted probable life to such projects.

**Teacher Excellence Fund:** The Executive proposal would authorize the Commissioner to award grants, up to \$20,000, to teachers rated “highly effective” on the annual professional performance review. In making awards, the Commissioner would be required to prioritize awards for teachers in buildings with the greatest needs, in difficult-to-staff subject/certification areas, and to teachers at critical points in their careers. School districts would only be eligible if the district has entered into an agreement with its respective collective bargaining unit representing teachers.

**Special Education:** The Executive proposal would authorize a school district, private school or Board of Cooperative Educational Services to apply to SED 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 that would be impacted by the waiver and the parents must be provided an opportunity to submit written comments.

This proposal would require the Commissioner to establish regional tuition rates for Special Education Itinerant Teacher (SEIT) program services based on approved actual costs. Approved preschool special education programs would only be reimbursed for SEIT services based on actual attendance of preschool children receiving such services. In addition, the City of New York would be authorized to establish local tuition rates for preschool SEIT programs and services, provided that such rates do not exceed the rates set by the Commissioner.

**School District Consolidation Incentives:** The Executive proposal would authorize school districts that propose a reorganization to choose a one-year deferment or multi-year phase-in of a new merged tax rate when the reorganization would have an impact on those tax rates. Districts would be required to adopt a resolution after conducting a public hearing prior to the reorganization vote.

**School Aid Implementation:** The Executive proposal would continue the Contract for Excellence program by requiring all school districts that submitted a contract for the 2013-14 SY to submit a contract for the 2014-15 SY unless all schools within the district are reported as being in good standing academically. In addition, the Executive proposal would:

- Freeze certain school aid formulas for expense based aids for both 2014-15 and 2015-16 SY to the lesser of the Executive run or revised data;
- Maintain existing provisions for the Teachers of Tomorrow program in the NYC school district for the 2014-15 SY;
- Maintain special education class size waivers for school districts;



- Extend provisions requiring that the NYC school district provide afterschool transportation to students in grades K-6 who attend regularly scheduled academic classes from 9:30 AM until 4:00 PM, with certain limitations;
- Extend the use of a different pupil count in determining a district's basic contribution for districts with high concentration of non-resident pupils;
- Provide for the continuation of the Consortium for Worker Education (CWE) setaside within the Employee Preparation Education (EPE) program at the reduced level of \$11.5 million;
- Continue the current provisions relating to the conditional appointment of school employees in School districts, BOCES and charter schools through the SY 2014-15;
- Extend State laws that conform to federal No Child Left Behind requirements;
- Continue provisions for the school bus driver training grant program;
- Continue existing provisions for the support of public libraries;
- Continue existing provisions for the Chapter 1 advance;
- Continue existing provisions for a lottery accrual due to a change made by the Government Accounting Standards Board regarding the Teacher Retirement System pension contribution;
- Continue the authorization for the Rochester City School District to purchase health services from BOCES;
- Continue existing setaside provisions for Magnet Schools, Attendance Improvement and Dropout Prevention, and Teacher Support Aid within Foundation Aid; and
- Eliminate the provision to freeze charter school tuition to 2010-11 levels.





# BUDGET SNAPSHOT: HEALTH

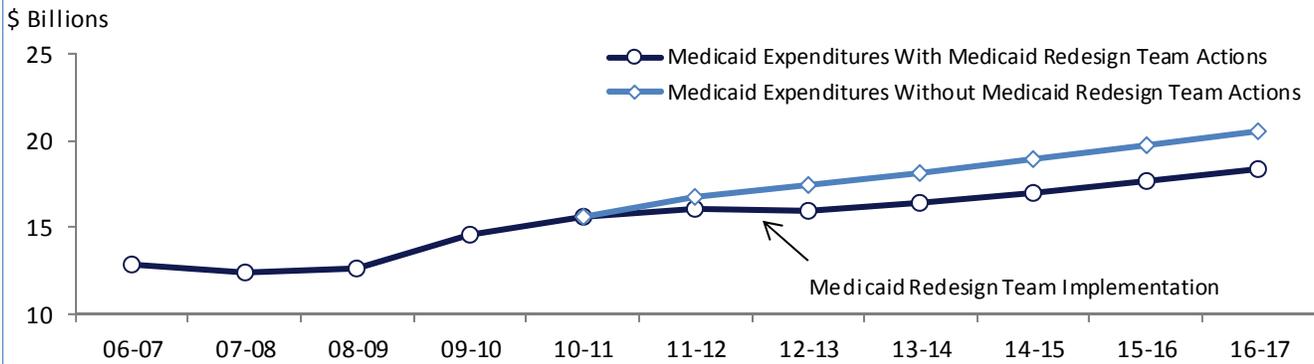


**Medicaid enrollment is projected to total 5.8 million in SFY 2014-15, an increase of 6.3% from the previous year.**

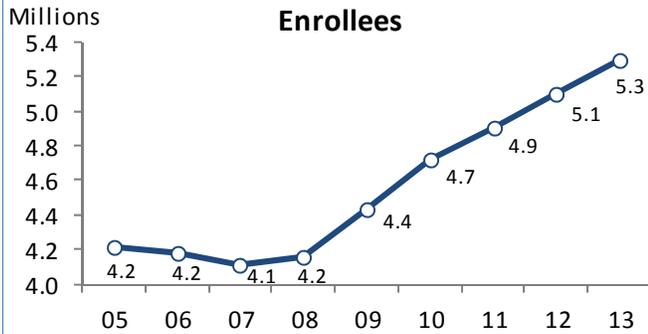
**The elderly and disabled comprise 25% of the Medicaid population yet account for 66% of total expenditures.**

**As of January 2014, almost 329,000 individuals have enrolled in coverage through the New York Health Benefit Exchange.**

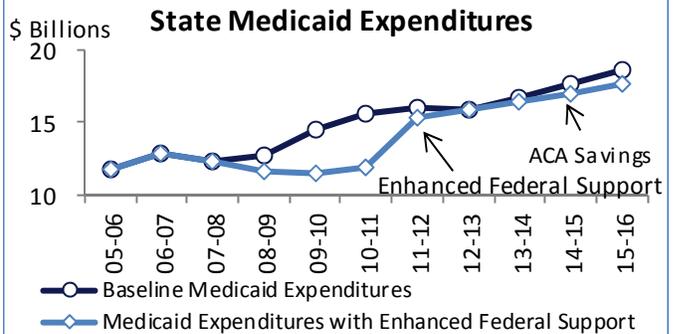
**New York Bends the Medicaid Cost Curve**



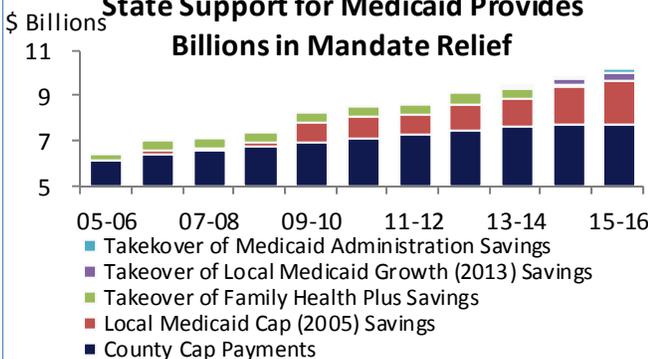
**Average Number of Medicaid Enrollees**



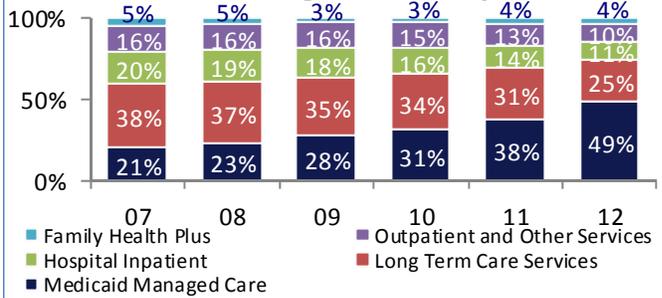
**Enhanced Federal Support Reduces State Medicaid Expenditures**



**State Support for Medicaid Provides Billions in Mandate Relief**



**Medicaid Managed Care Participation Increasing Dramatically**



Sources: NYS Division of the Budget; NYS Department of Health.

# BUDGET HIGHLIGHTS: HEALTH



- **Extension of the Medicaid Global Cap:** The Executive continues the cap on Medicaid spending through the Department of Health (DOH) and limits these expenditures to \$16.96 billion in State Fiscal Year (SFY) 2014-15 and \$17.74 billion in SFY 2015-16.
- **Reinvestment in Medicaid Providers:** The Executive Budget would restore a two percent across-the-board reduction in Medicaid provider reimbursement and would authorize DOH to distribute any available savings under the global cap to Medicaid providers.
- **Medicaid Redesign Team (MRT) Phase IV Recommendations:** In addition to the initiatives implemented over the prior three years, the Executive proposes a cost-neutral series of new MRT initiatives for SFY 2014-15.
- **Local Takeover of Medicaid Expenditure Growth:** The Executive proposal reflects the second year of a three year phase-out of growth in local Medicaid expenditures. When combined with existing limits on local Medicaid spending, counties will see a total savings of \$2.07 billion in SFY 2014-15.
- **New York State Health Benefit Exchange:** The Executive proposes to include \$54.3 million State funds support for the New York State of Health program in SFY 2014-15, which would grow to \$148.3 million in SFY 2015-16, and would support the implementation of the federal health care reform in New York State.
- **Capital Restructuring Financing Program:** The Executive proposes \$1.2 billion in new capital funding over seven years to support infrastructure improvements in health care facilities throughout New York State.
- **Restructure Public Health Care Program Funding:** The Executive proposes to consolidate 36 separate public health programs into 10 pools comprised of similar programs.



# BUDGET REVIEW AND ANALYSIS: HEALTH



The State of New York spends approximately \$58 billion annually on health care. The Department of Health’s (DOH) mission is to provide quality health services to all New Yorkers, including comprehensive health care and long-term care coverage for low and middle income individuals and families through Medicaid, Child Health Plus (CHP), and Elderly Pharmaceutical Insurance Coverage (EPIC) programs. In addition to its health insurance programs, DOH promotes and supervises public health activities throughout the State, works to reduce infectious diseases, directs a variety of emergency preparedness initiatives, and oversees all health care facilities in the State.

The Office of the Medicaid Inspector General (OMIG) works to preserve the integrity of the Medicaid program by conducting and coordinating fraud, waste and abuse control activities for all State agencies responsible for services funded by Medicaid.

The State Office for the Aging (SOFA) provides programs and services for New Yorkers that are 60 years of age and older. SOFA provides leadership and direction to 59 area agencies on aging, as well as numerous other local programs and providers that comprise the network of services to older adults.

**Table 11**

Agency	Appropriations				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Department of Health*	119,190.59	128,146.74	8,956.14	7.51	
State Office for the Aging	242.98	241.63	-1.35	-0.56	
Office of Medicaid Inspector General	66.53	56.67	-9.87	-14.83	

NOTE: The amounts above comprise a 2-year appropriation.

**Table 12**

Agency	Disbursements				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Department of Health	46,487.13	48,716.47	2,229.34	4.80	
State Office for the Aging	216.53	215.67	-0.86	-0.40	
Office of Medicaid Inspector General	63.37	56.72	-6.65	-10.49	

## Department of Health

The Executive proposes an All Funds, two year appropriation of \$128.1 billion, an increase of \$9.0 billion or 7.5 percent from the SFY 2013-14 level. The Executive recommends funding support of 5,213 full time equivalent (FTE) positions, an increase of 323 positions.

**Medical Assistance (Medicaid) Program:** The Executive budget includes total Medicaid spending of \$58.19 billion, an increase of \$2.59 billion or 4.6 percent from SFY 2013-14, which is primarily attributable to an expected increase in federal funds. The State share of DOH Medicaid expenditures is projected to comprise \$16.96 billion of overall Medicaid spending, an increase of \$540.34 million or 3.3 percent from SFY 2013-14. To support projected expenditures in SFY 2014-15 and SFY 2015-16, the Executive proposes a two-year Medicaid appropriation totaling \$120.20 billion.

Table 13

### All State Agency Medicaid Expenditure Projections (\$ in Millions)

	SFY 2013-14	SFY 2014-15	Year-to-Year Change	
			Amount	Percent
State Share	\$21,383	\$21,996	\$613	2.8%
Federal Share	\$25,448	\$27,653	\$2,205	8.7%
Local Share	\$8,779	\$8,544	(\$235)	-2.6%
<b>All Funds</b>	<b>\$55,610</b>	<b>\$58,193</b>	<b>\$2,583</b>	<b>4.6%</b>

**Health Care Reform Act (HCRA) Financing:** The Executive budget proposes HCRA to be extended through March 31, 2017. In SFY 2014-15, HCRA receipts are projected to total \$5.52 billion, an increase of \$191 million from SFY 2013-14. HCRA disbursements are also projected to total \$5.52 billion, an increase of \$173 million from SFY 2013-14.

**Medicaid Global Cap:** The Executive proposes the continuation of a Medicaid spending cap which limits growth in the DOH State Funds Medicaid spending to the 10-year rolling average of the medical component of the Consumer Price Index, currently estimated at 3.8 percent. DOH Medicaid expenditures are presently capped at \$16.42 billion in SFY 2013-14 and \$16.96 billion in SFY 2014-15. The Executive proposes to extend the Global Cap for one year and to cap SFY 2015-16 DOH Medicaid expenditures at \$17.74 billion. Authorization to allow DOH to reduce payment rates and benefits in the event that Medicaid expenditures exceed the global cap would be reauthorized for one year.

**Federal Medicaid Waiver:** The Executive Budget includes \$2 billion in appropriation authority to allow the State to distribute the first two years of funding through a potential Medicaid Waiver, which could

result in up to \$10 billion in increased federal support over the next five years. The waiver would support health care restructuring proposals designed to reduce unnecessary hospitalizations, by promoting alternative care models, increasing access to primary care and promoting health workforce development.

**Reinvestment of Medicaid Global Cap Savings:** The Executive proposes new language that would allow the Commissioner of Health to distribute any available savings under the global cap to Medicaid providers, with at least 50 percent of the funding being distributed proportionally pursuant to a formula and the remainder being distributed to financially distressed and critically needed providers.

**Restore the Two Percent Across-the-Board Medicaid Reductions:** The Executive proposes to restore the two percent across-the-board reduction in Medicaid provider reimbursement that was first enacted in SFY 2011-12. This proposal would result in the restoration of \$357 million for Medicaid providers across all sectors.

**State Assumption of Local Medicaid Expenditure Growth:** The Executive proposal reflects the second year of a three year phase-out of growth in local Medicaid expenditures that was enacted in SFY 2012-13. When combined with existing benefit of the three percent local cap and the State’s assumptions of the local share of Family Health Plus (FHP), counties will see a total savings of \$2.07 billion in SFY 2014-15.

Table 14

<b>Medicaid Takeover - Local Savings</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2013-14</b>	<b>SFY 2014-15</b>	<b>SFY 2015-16</b>	<b>SFY 2016-17</b>
Medicaid 3% Cap	\$1,261	\$1,725	\$2,105	\$2,267
Local Growth takeover	\$61	\$187	\$370	\$552
Family Health Plus	\$467	\$155	\$0	\$0
<b>Total</b>	<b>\$1,789</b>	<b>\$2,067</b>	<b>\$2,475</b>	<b>\$2,819</b>

**Medicaid Redesign Team (MRT) – Phase IV Recommendations:** The Executive Budget proposal continues the savings actions enacted as part of the SFY 2011-12 and SFY 2012-13 budgets, including: the 78 discrete cost containment initiatives recommended by the MRT; the additional recommendations developed through the MRT Workgroup process (MRT Phase II and Phase III); and the elimination of scheduled Medicaid inflationary rate increases. The Executive estimates that these actions will save the State approximately \$17.1 billion over the next five years.

In addition to continuing the initiatives implemented over the prior two fiscal years, the Executive proposes a cost-neutral series of new MRT initiatives, including new investments in health care

delivery balanced by savings resulting from pharmacy reductions, health care fraud initiatives, and other Medicaid program reductions. The Executive proposal includes:

- **Affordable Housing:** an \$18.4 million net State share increase for supportive housing initiatives, including additional State share Medicaid funding (\$11.8 million increase) and reinvested savings from recent hospital and nursing home closures and bed reductions (\$6.6 million increase);
- **Behavioral Health Proposals:** a \$60 million net State share increase is recommended, including support to facilitate the transition of children’s behavioral health services into managed care (a \$10 million increase); to integrate behavioral health and physical health (a \$7.5 million increase); to provide behavioral health inpatient rate increases that would ensure continued capacity (a \$20 million increase); to restructure Office of Alcohol and Substance Abuse Services residential payment rates (a \$2.5 million increase); to establish health home plus services for individuals in Assisted Outpatient Treatment programs (a \$5 million increase); and to develop new 1915(i) waiver services, including peer support services (a \$15 million increase);
- **Vital Access Provider (VAP) Funding:** a \$20 million net State share increase is included for restructuring grants to distressed providers to bring All Funds program funding for SFY 2014-15 to \$194 million. The Executive would also expand eligibility for these grants to include licensed home care services agencies (LHCSA);
- **Additional MRT Investments:** a \$26.1 million net State share increase, including support for the implementation of federal conditions of participation requirement for services provided in Medicaid managed care (a \$8.5 million increase); the transition of foster care into managed care (a \$2.5 million increase); expansion of health homes to the criminal justice population (a \$2.5 million increase); MRT federal waiver implementation application, development, and evaluation support (a \$3 million increase); regional health planning collaboratives (a \$3.5 million); the development and maintenance of an All Payer Claims Database (APCD) and the Statewide Health Information Network (SHIN-NY) (a \$3 million increase); expansion of tobacco cessation counseling by dentists to include non-physicians (a \$1.5 million increase); integration of Hepatitis C services into managed care (a \$1 million increase); reimbursement for harm reduction counseling services for syringe exchange programs (a \$400,000 increase); and establishment of a consumer assistance program for consumers who have enrolled in health coverage (a \$200,000 increase);
- **Pharmacy Actions:** a \$16.50 million State share reduction, including proposals to eliminate prescriber prevails provisions related to brand name drugs that have the US Food and Drug Administration (FDA) A-rate generic equivalents (a \$400,000 reduction); apply State Drug

Utilization Review (DUR) program to Medicaid managed care (a \$3.1 million reduction); allow Clinical Drug Review Program (CDRP) to require prior authorization for drugs meeting CDRP criteria prior to the DUR board's evaluation of the drug (a \$200,000 reduction); establish minimum supplemental rebate levels for fee-for-service drugs (a \$1.4 million reduction); eliminate the e-prescribing incentive payment (a \$1.5 million reduction); and require prior authorization for certain drugs where there is evidence of improper off label prescribing (a \$9.9 million reduction);

- **OMIG Fraud and Abuse Initiative:** a total \$15 million State share reduction reflects savings related to: audits and reviews of nursing home bed hold payments and residential services provided to the Office for People with Developmental Disabilities (OPWDD) population (a \$10 million reduction); a project to identify claims inappropriately denied by Medicare (a \$2.5 million reduction); and a county demonstration to review dual eligibility for home health services (a \$2.5 million reduction);
- **Other Medicaid Reductions:** a \$93.1 million State share reduction is recommended, including the elimination of spousal refusal provisions (a \$10 million reduction); basic benefit initiatives to ensure services match evidence-informed practices (a \$2.5 million reduction); program integrity initiatives (a \$2 million reduction); a cap on the increase of nursing home case mix at two percent to address upcoding of rehabilitation services (a \$21.5 million reduction); a reduction in, and/or the elimination of accounts receivable balances within two to three years (a \$16.5 million reduction); additional federal funds from the Community First Choice Option (a \$27.6 million reduction); and federal performance bonus awards for implementing Medicaid and CHP enrollment streamlining proposals (a \$13 million reduction); and
- **Spending Re-estimates and Financial Plan Relief:** a \$300 million downward spending revision reflects additional savings from prior-year MRT proposals and additional federal support under federal health reform. To provide financial plan savings, the Executive increases the Mental Hygiene Stabilization fund by \$300 million and shifts additional OPWDD expenditures under the global cap.

**Basic Health Program (BHP):** The Executive proposal would establish a BHP as authorized under the Affordable Care Act (ACA), if it is determined to be in the financial interest of the State. This program would provide health insurance coverage to individuals with incomes between 133 percent and 200 percent of the federal poverty level. The BHP would take effect January 1, 2015, and would reduce State Share Medicaid expenditures by \$300 million in SFY 2015-16 related to expanded federal support for certain excluded immigrant populations.

**Home Care Worker Wage Parity:** The Executive proposes to increase Medicaid rates to providers to assist with the home care worker wage parity requirements, which were enacted as part of the SFY 2011-12 budget. These increases would provide \$239.5 million to managed long term care plans and \$69.1 million to fee for service plans, for a total of \$308.6 million in SFY 2014-15.

**New York State Health Benefit Exchange:** The Executive proposal includes \$54.3 million in State support for the New York State of Health program, including \$28.6 million in HCRA support and \$24.9 million in Medicaid funding. State support for the Exchange is expected to increase to \$148.3 million in SFY 2015-16.

**Federal Health Care Reform:** Under the ACA, the State will begin to receive enhanced matching rates for single childless adults beginning January 1, 2014. The Executive estimates a total State benefit of \$83 million in SFY 2014-15 from this enhanced matching rate. In addition, under the ACA local districts will receive savings of \$364.7 million in SFY 2014-15.

Table 15

State and Local Relief Under the ACA (\$ in Millions)			
Fiscal Year	State Savings	Local Savings	Total
2013-14	203.1	85.9	289.0
2014-15	815.3	364.7	1,180.0
2015-16	1,010.6	424.4	1,435.0
<b>3 Year Totals</b>	<b>2,029.0</b>	<b>875.0</b>	<b>2,904.0</b>

**Public Health:** The Executive proposes a variety of public health initiatives that include new investments and savings proposals. The Executive proposal provides support for the following:

- **Roswell Park Cancer Institute:** funding is maintained at \$103 million by replacing an expiring capital grant with \$25 million in aid to localities funding;
- **Health Tax Check-Off Accounts:** an additional \$2.2 million in support is provided for Alzheimer’s, breast cancer and prostate cancer research and education activities supported through donations from State income tax returns;
- **Spinal Cord Injury Research Program (SCIRP):** support for SCIRP’s research efforts is continued at \$2 million;



- **Organ Donation:** \$200,000 is provided from the Life Pass It On Trust Fund to support a public-private partnership with the organ donation community to increase public awareness and improve consent rates;
- **Additional Insurance Revenues:** AIDS Drug Assistance Program, Cancer Services and Family Planning program funding is modified to account for individuals obtaining insurance coverage through the New York State of Health program. This proposal would result in \$3.1 million in savings in SFY 2014-15;
- **Insurance Coverage for Prenatal Care Services:** require counties to link uninsured women with health insurance coverage for prenatal care reimbursement through the General Public Health Works Program. This proposal would result in \$2 million in savings in SFY 2014-15; and
- **Resident Working Audits:** discontinue the requirement that DOH conduct audits of medical residents' working hours. This proposal would result in \$1.1 million in savings annually.

**Defer Human Services Cost of Living Adjustment (COLA):** The Executive proposes to delay, for one year, the scheduled 2.0 percent annual Health and Aging human services COLA. The proposal would generate \$11.35 million in savings, in SFY 2014-15.

**Transfer Child Health Plus (CHP) Rate Setting to DOH:** The Executive proposes to transfer CHP rate setting functions from the Department of Financial Services (DFS) to DOH, which would align rate setting with DOH's current oversight of the program and which would be consistent with Medicaid Managed Care and FHP. The proposal would generate \$16.84 million in State savings in SFY 2014-15.

**Restructure Health Care Program Funding:** The Executive proposes to consolidate 36 separate public health programs into 10 new programs that have similar functions. The proposed language would give preference to programs that already have existing contracts within DOH. These consolidated programs would continue to be funded at SFY 2013-14 levels.



Table 16

## SFY 2014-15 Executive Budget DOH Local Program Consolidation Proposal

Program	2013-14 Enacted	2014-15 Exec. Request
<b>HIV/AIDS/STD/HEP C Health Care Programs</b>	<b>\$30,316,300</b>	<b>\$30,673,000</b>
Health Care Supportive Services (includes NY NY III)	\$29,248,300	
Hepatitis C Programs	\$1,068,000	
<b>HIV/AIDS/STD/HEP C Prevention Programs</b>	<b>\$31,865,100</b>	<b>\$31,858,000</b>
HIV STD Hepatitis C Prevention	\$31,087,500	
Public Health Campaign (STD component only)	\$777,600	
<b>HIV/AIDS and STD Clinical Education Programs</b>	<b>\$3,078,000</b>	<b>\$3,196,000</b>
AIDS Clinical Education Programs	\$2,598,000	
STD Center for Excellence	\$480,000	
<b>Maternal and Child Health Programs</b>	<b>\$4,511,100</b>	<b>\$4,512,000</b>
Maternal Mortality Services	\$31,300	
Prenatal Care Assistance	\$2,296,400	
Safe Motherhood Initiative	\$34,700	
Universal Prenatal/Postpartum Home Visiting	\$1,847,000	
Maternity and Early Childhood Foundation	\$283,300	
Sudden Infant Death Syndrome	\$18,400	
<b>Public Health Workforce</b>	<b>\$301,000</b>	<b>\$301,000</b>
Public Management Leaders	\$261,600	
Statewide Health Broadcasts	\$39,400	
<b>Infectious Disease Programs</b>	<b>\$7,438,700</b>	<b>\$7,439,000</b>
Health Promotion Initiatives	\$538,200	
Rabies	\$1,456,000	
Tick-Borne Disease	\$69,400	
Public Health Campaign (TB only)	\$4,809,500	
Tuberculosis	\$565,600	
<b>Chronic Disease Prevention</b>	<b>\$9,445,300</b>	<b>\$9,446,000</b>
Obesity and Diabetes	\$6,803,300	
Childhood Asthma Coalitions	\$1,163,300	
Hypertension	\$232,300	
Children's Asthma	\$213,400	
Hypertension Prevention	\$631,700	
Adelphi University Breast Cancer	\$283,300	
Eating Disorders	\$118,000	
<b>Minority Health and Health Disparity Programs</b>	<b>\$477,200</b>	<b>\$478,000</b>
Office of Minority Health	\$266,000	
Latino Health	\$36,750	
Minority Male Wellness	\$26,950	
Racial Disparities	\$147,500	
<b>Local Health Department Public Protection</b>	<b>\$14,061,400</b>	<b>\$14,062,000</b>
Lead Poisoning Prevention	\$275,700	
Tobacco Enforcement	\$2,174,600	
Water Supply Protection	\$5,017,000	
Healthy Neighborhoods	\$1,872,800	
Childhood Lead Poisoning Prevention	\$4,721,300	
<b>Community Laboratory Programs</b>	<b>\$822,400</b>	<b>\$823,000</b>
Sickle Cell Screening	\$609,000	
Genetic Disease Screening	\$213,400	
<b>Total of All Consolidate Appropriations</b>	<b>\$102,316,500</b>	<b>\$102,788,000</b>

**Capital Projects:** The Executive proposes several new capital projects programs, including:

- \$1.2 billion over a seven year period to support infrastructure improvements in health care facilities;
- \$55 million to continue operational support for Statewide Health Information Network for New York (SHIN-NY);
- \$10 million to establish an All Payor Claims Database (APCD); and
- \$10 million to support ongoing information technology initiatives.

To support the capital expenditures related to SHIN-NY and APCD, the Executive proposes to limit the reconciliation of the covered lives assessment which would increase revenues by \$65 million.

### Article VII Proposals

**Public Health, Capital Access, and Health Care Access:** The Executive recommends Article VII legislation that would:

- provide state aid for reimbursement of prenatal clinical health care services for uninsured women, provided the municipality assists with insurance enrollment and until enrollment becomes effective;
- modify informed consent and data sharing provisions regarding HIV related testing;
- modify the composition of the Health Research Science Board;
- assist health facility restructuring activities, including a \$1.2 billion Capital Restructuring Financing Program an expansion of the Health Facility Restructuring Program, to include other providers, and authorize up to five private equity demonstration programs;
- streamline the Certificate of Need planning process and modify standards used by the Public Health and Health Planning Council in considering prospective facility operators;
- authorize and regulate alternative care delivery models, including the establishment of limited services clinics and urgent care centers;



- authorize DOH to contract out the operation of the New York State Donate Life Registry to a not-for-profit entity, and permanently extend Lauren’s Law;
- modify several provisions related to the approval and operation of adult care and assisted living facilities; and
- eliminate DOH’s requirement to audit the number of working hours of hospital residents.

**HCRA Reauthorization:** The Executive proposes to extend the authorization of HCRA for three years and to make future HCRA allocations subject to appropriation, modify the covered lives assessment reconciliation process, and extend current Physician Excess Medical Malpractice Pool provisions for one year.

**Medicaid Redesign Team Recommendations:** The Executive recommends Article VII legislation that would:

- extend the Global Medicaid Cap, establish a methodology to redistribute savings under the cap to providers and eliminate the two percent across the board Medicaid provider payment cut;
- make various changes to Medicaid Pharmacy services to limit prescriber prevails, to limit early refills, to increase drug rebates, and to limit off label use;
- authorize reinvestment of mental health savings in community based programs and promote the integration of mental health, substance abuse, and physical health services in a primary care setting;
- eliminate spousal refusal for community-based long-term care;
- establish the Medicaid fee for service rate as the default rate for nursing homes in the absence of a negotiated rate with managed care plans and limit nursing home case mix increases to two percent biannually;
- require managed care contracts with nursing homes to require standard rates of compensation be paid to employees, and require rates paid to home care providers support wage parity law increases;
- authorize Medicaid payments under the VAP program to be made to LHCSAs;
- authorize periodic updating of the base year for certain hospital inpatient units;

- modify the composition of the Medicaid Managed Care Advisory Review Panel;
- authorize the distribution of grants to establish coordination between health homes and individuals in the criminal justice system;
- authorize a pilot program with the Office of Children and Family Services and DOH to facilitate the transition of children in foster care to managed care;
- authorize establishment of a Basic Health Plan (BHP) as authorized by the Federal Affordable Care Act (ACA);
- authorize an expedited procurement process for DOH to implement various MRT and waiver initiatives;
- provide for the transition of rate setting for the CHP program from the Department of Financial Services (DFS) to DOH; and
- extend several expiring laws.

**Out of Network Protections:** The Executive recommends Article VII legislation that is intended to provide greater transparency and predictability to medical bills by requiring health insurers, physicians, and hospitals to disclose certain information regarding charges, reimbursement, and network coverage; require insurers to maintain adequate networks; hold harmless a patient who receives emergency care from a non-network provider; require insurers to provide access to out-of-network services in certain circumstances; and establish a procedure to resolve out-of-network billing disputes.

### State Office of the Aging

The Executive proposes an All Funds appropriation of \$241.6 million which is a decrease of \$1.4 million or 0.6 percent from the SFY 2013-14 level. The Executive recommends funding support of 95 FTE positions, an increase of five positions.

**Local Training Initiative:** The Executive proposes to add \$250,000 for education, professional development training, and technical assistance for area agencies on aging to improve the delivery of services.

The Executive would eliminate itemized funding for the managed care consumer assistance program and would distribute these funds pursuant to a competitive process.

## Office of the Medicaid Inspector General

The Executive proposes an All Funds appropriation of \$56.7 million, which is a decrease of \$9.9 million or 14.8 percent from the SFY 2013-14 level. The Executive recommends funding support of 484 FTE positions, unchanged from the SFY 2013-14 levels.



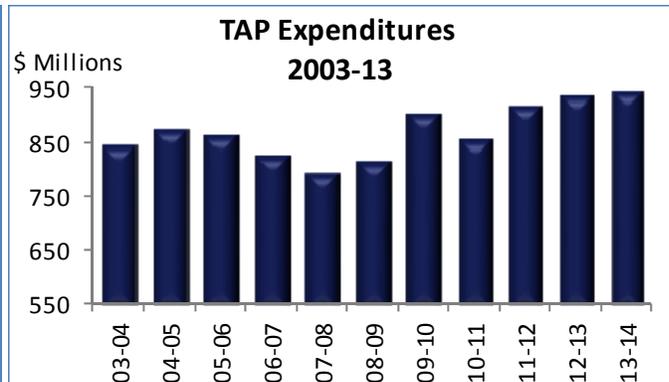
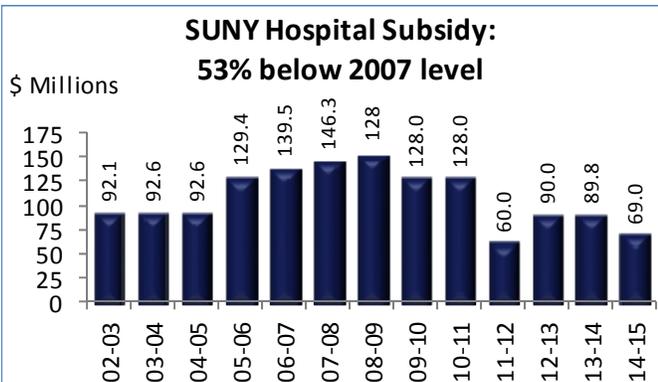
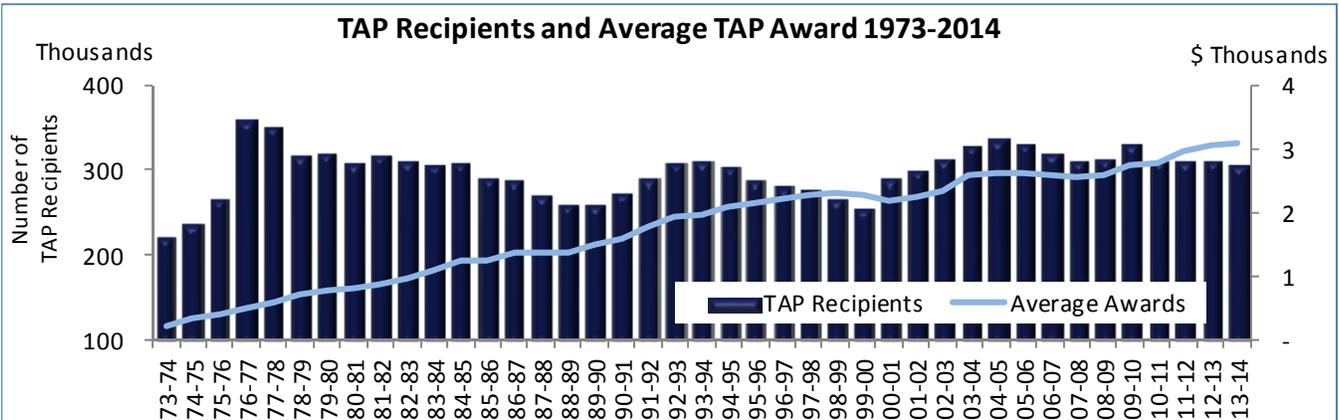
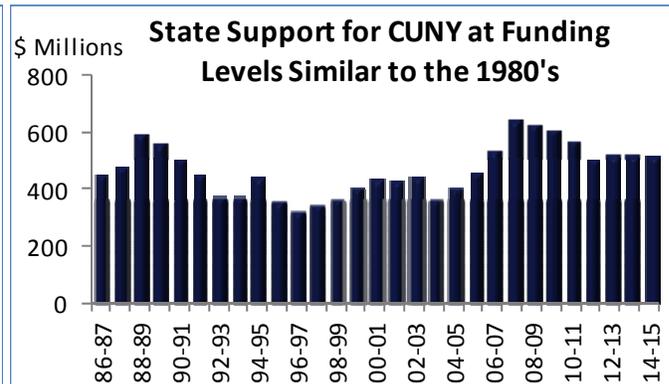
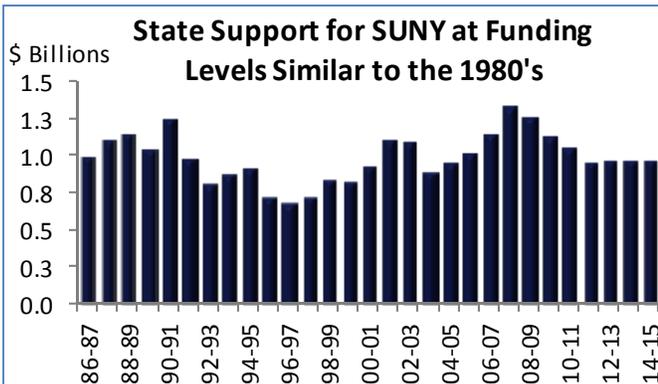
# BUDGET SNAPSHOT: HIGHER EDUCATION



**SUNY Tuition in 2014-15:**  
**\$6,170,**  
**an increase of \$300.**

**CUNY Tuition in 2014-15:**  
**\$6,030,**  
**an increase of \$300.**

**SUNY and CUNY serve a combined 730,000 students.**



Sources: NYS Division of the Budget; Higher Education Services Corporation; State University of New York; City University of New York.

# BUDGET HIGHLIGHTS: HIGHER EDUCATION



- **Support for SUNY/CUNY Operations:** The Executive recommends State operating support of \$969.1 million for State-operated campuses of the State University of New York (SUNY) and \$524.5 million for the Senior Colleges of the City University of New York (CUNY) in the 2014-15 Academic Year (AY). These levels of support are 0.2 percent below 2013-14 AY.
- **Tuition Revenue:** The Executive Budget provides tuition revenue appropriations of \$1.67 billion at SUNY and \$1.02 billion at CUNY. This is an increase of \$95 million for SUNY and \$60.8 million at CUNY, reflecting previously authorized tuition increases.
- **Maintained Support for SUNY and CUNY Community Colleges:** The Executive proposal would maintain base aid for SUNY and CUNY Community Colleges at \$2,422 per full-time equivalent student. As a result, the Executive proposal for State support for SUNY Community Colleges in the 2014-15 AY is \$448.6 million and State support at CUNY Community Colleges is recommended at \$201.4 million.
- **Science, Technology, Engineering, and Math (STEM) Scholarship Program:** The Executive proposal establishes a full-tuition scholarship for the top 10 percent of high school graduates if they choose to attend SUNY or CUNY and agree to pursue a career in a STEM field.
- **Capital for New Academic Institutions:** The Executive Budget provides a new \$10 million capital appropriation to fund planning and development costs of establishing a new School of Pharmacy at Binghamton University. In addition, \$15 million is provided under the Division of Homeland Security and Emergency Services to the fund planning and development of a new College of Emergency Preparedness, Homeland Security and Cybersecurity.
- **SUNY Hospital Subsidy:** The Executive provides a \$69 million operating subsidy for SUNY Health Science Centers, a reduction of \$20.5 million or 20.8 percent from prior year spending levels.
- **Higher Education Capital:** The Executive Budget provides \$767.2 million in new capital appropriations to SUNY, which includes \$500 million in critical maintenance project funding. CUNY is provided with \$310 million in new capital appropriations with \$258 million in critical maintenance project funding.
- **NYSUNY 2020/NYCUNY 2020 Challenge Grant Program:** The Executive proposal includes \$110 million appropriated in the Urban Development Corporation for another round of NYSUNY 2020 and NYCUNY 2020 challenge grants with \$55 million allocated to each system to be distributed through a competitive process.



# BUDGET REVIEW AND ANALYSIS: HIGHER EDUCATION



New York State’s system of public higher education consists of SUNY, which is composed of 64 campuses educating 462,000 students and CUNY which is composed of 24 campuses educating 269,000 students. Both systems include community colleges, four year institutions, and graduate and professional schools, providing a wide range of opportunities to the residents of the State. Additionally, as part of its academic mission, the SUNY system is responsible for three academic hospitals which are attached to the system’s medical schools.

The 2014-15 AY will mark the fourth year of the five year 2020 program which balances predictable tuition increases with a State commitment to maintain funding to the SUNY and CUNY systems. Additionally, for the past two years, community colleges have received funding increases on a per Full Time Equivalent (FTE) basis.

In order to assure access to educational opportunities, the Higher Education Services Corporation (HESC) administers a variety of scholarship and loan programs, including New York’s Tuition Assistance Program (TAP) which provides financial assistance to over 305,000 students attending undergraduate institutions in the State.

**Table 17**

Agency	Appropriations				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
State University of New York*	9,637.66	10,263.16	625.50	6.49	
City University of New York*	3,744.00	4,152.44	408.44	10.91	
Higher Education Services Corporation	1,133.82	1,143.79	9.97	0.88	

NOTE: SUNY and CUNY appropriations include all university resources, including tuition and other student costs.

Table 18

Agency	Disbursements				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
State University of New York	8,065.08	8,131.34	66.27	0.82	
City University of New York	1,490.84	1,526.47	35.63	2.39	
Higher Education Services Corporation	1,075.16	1,084.77	9.61	0.89	

**State University of New York:** The Executive proposes an All Funds appropriation of \$10.26 billion, which is an increase of \$625 million or 6.5 percent above the State Fiscal Year (SFY) 2013-14 level. The Executive recommends funding support of 43,342 full-time equivalent positions, which is unchanged from the SFY 2013-14 level.

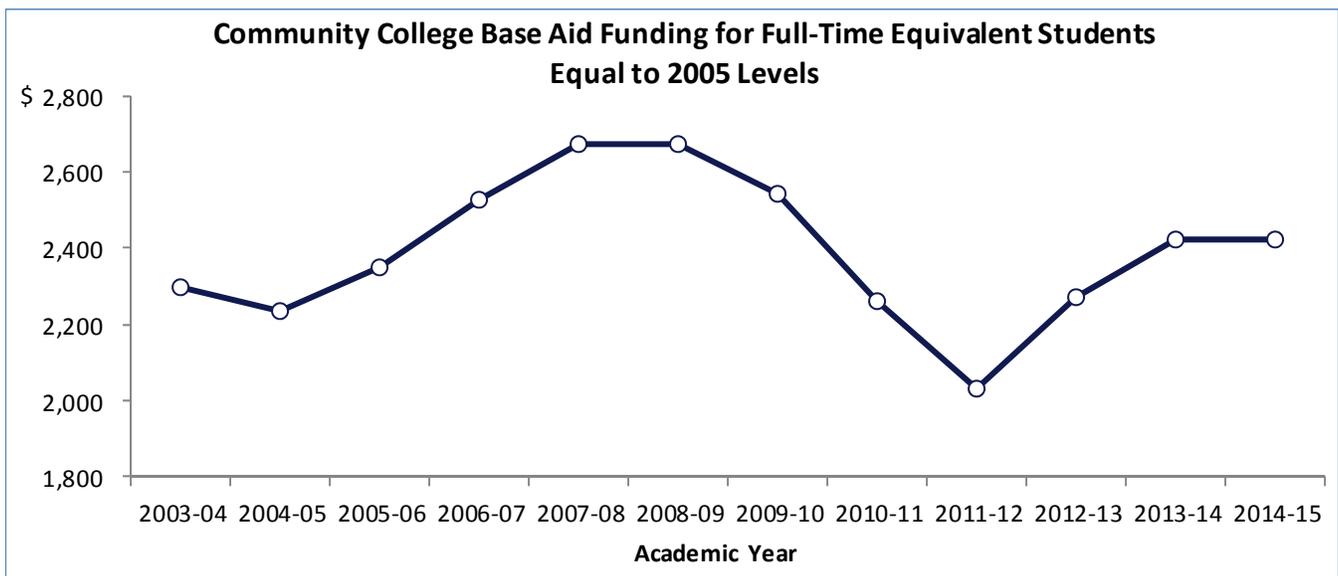
**SUNY State Operated Colleges:** The Executive provides \$969.1 million in appropriations for SUNY State Operated Colleges, a decrease of \$2.2 million in General Fund support from SFY 2013-14. The Executive provides a \$1.67 billion tuition appropriation, an increase of \$95 million from SFY 2013-14, to reflect a scheduled increase in tuition. Additionally, State funded fringe benefit payments increased by \$74.49 million to \$1.39 billion for the SUNY system.

**Opportunity Programs:** The Executive provides \$21.08 million for the Educational Opportunity Program, which is a \$632,400 decrease from SFY 2013-14. Educational Opportunity Centers (EOC) would be funded at \$51.03 million, which is the same level of funding as in SFY 2013-14. The EOC appropriation includes a \$2.0 million allocation for ATTAIN labs. A separate \$994,160 appropriation for ATTAIN labs which was contained in the 2013-14 Enacted Budget was not continued in the Executive proposal.

**SUNY Hospitals:** The Executive proposal includes \$69.26 million for SUNY Health Science Centers, a reduction of \$20.5 million from the \$89.8 million amount authorized in SFY 2013-14.

**Community College Base Aid:** The Executive proposal would continue funding Community College Base Aid at \$2,422 per FTE student, maintaining the AY 2013-14 level of support. The Executive Budget includes \$448.6 million to support base aid, which is a decrease of \$988,900 from AY 2013-14 due to a slight decrease in enrollment. Funding of \$3 million is continued for the Next Generation College Linkage Program for community colleges. The Executive proposal would connect the occupational training component of the NY Youth Works Program to the Job Linkage Program to promote the hiring of inner-city youth.





**Figure 4**

**University Wide Programs:** The Executive funds SUNY University Wide programs at \$131.7 million, which is a decrease of \$2.21 million from AY 2013-14. The decrease is a result of the previously mentioned decreases to the Educational Opportunity Program and ATTAIN labs, as well as:

- funding for an increase in class size at the Cornell Veterinary School at \$250,000, which is a decrease of \$250,000 from AY 2013-14; and
- eliminating \$333,000 in funding for the Animal Disease Lab at Cornell University.

**Other Programs:** The Executive reduces funding for child care centers by \$653,000 to \$1.0 million. Additionally, the Executive eliminates funding of \$1.73 million for the Graduate, Achievement, and Placement program and \$300,000 for Harvest New York.

**SUNY Stabilization Fund:** The Executive funds the SUNY Stabilization Fund at \$15 million. This is a two-year appropriation that was last funded in SFY 2012-13 and pays for programs that have spending patterns that do not align with the Academic Year.

### SUNY Capital

The Executive proposes \$767.2 million in Capital funding for SFY 2014-15 as part of a five-year, \$1.8 billion Capital Plan for SUNY. For SFY 2014-15 the Executive proposes the following projects:

- \$500 million for critical maintenance projects at various SUNY campuses;

- \$10 million to fund the planning and development costs for a new School of Pharmacy at Binghamton University;
- \$50 million to fund SUNY’s Residence Hall Rehabilitation Fund;
- \$32.13 million to provide for the State’s 50 percent share of projects at SUNY community colleges;
- \$25.10 million for the SUNY Construction Fund; and
- \$150 million in appropriations for campus funded projects.

**Table 19**

<b>Higher Education Capital Funding</b>	
<b>Project</b>	<b>Proposed Funding (\$ in Millions)</b>
<b>SUNY</b>	
Critical Maintenance	500.00
School of Pharmacy at SUNY Binghamton	10.00
SUNY Construction Fund	25.10
Campus Sponsored Projects	150.00
Residence Hall Rehabilitation	50.00
Community Colleges	32.13
<b>CUNY</b>	
Critical Maintenance	258.00
Project Administration	36.98
<b>Urban Development Corporation</b>	
NYSUNY 2020	55.00
NYCUNY 2020	55.00
SUNY College for Nanoscale and Science Engineering	50.00
Cornell University College of Veterinary Medicine	5.00
<b>Division of Homeland Security and Emergency Services</b>	
College of Emergency Preparedness, Homeland Security, and Cybersecurity	15.00
<b>Total</b>	<b>1,242.21</b>

In addition, capital funding is provided in other agencies for SUNY projects:

- \$55 million in the Urban Development Corporation (UDC) for another round of the NYSUNY 2020 Challenge Grant Program;



- \$15 million in the Division of Homeland Security and Emergency Services to fund the planning and development costs of a new College of Emergency Preparedness, Homeland Security, and Cybersecurity within SUNY. This institution would provide law enforcement, emergency responders, and other professionals with both academic instruction and practical skills training to allow them to better respond to natural disasters and other domestic incidents; and
- \$5 million in the UDC for the Cornell University College of Veterinary Medicine to expand and upgrade infrastructure and teaching facilities to accommodate larger class sizes.

The Executive's financial plan includes a five year capital plan for SUNY of \$1.8 billion, which would support the following:

- \$805 million for State Operated College projects, including critical maintenance;
- \$275 million for the NYSUNY 2020 Challenge Grant program;
- \$250 million for the Residence Hall Rehabilitation Fund;
- \$192.13 million for Community College Critical Maintenance Projects;
- \$136.61 million for the SUNY Construction Fund; and
- \$150 million for campus funded projects.

## CUNY

The Executive proposes an All Funds appropriation of \$4.15 billion which is an increase of \$408.44 million or 10.91 percent above SFY 2013-14 levels. The Executive recommends funding support of 13,643 FTE positions which is unchanged from the SFY 2013-14 level.

**CUNY Senior Colleges:** The Executive provides \$524.54 million in funding for CUNY Senior Colleges, a decrease of \$1.5 million in General Fund support from SFY 2013-14. The Executive provides a \$1.02 billion tuition appropriation, an increase of \$60.8 million from SFY 2013-14, reflecting a scheduled increase in tuition. Additionally, State funded fringe benefit payments increased by \$42.93 million to \$673.43 million for the CUNY system.

The Executive provides \$18.38 million for the Search for Education, Evaluation, and Knowledge (SEEK) program, which is a reduction of \$551,340 from SFY 2013-14. Additionally, the Executive funds CUNY

LEADS at \$1.0 million, reflecting no change from SFY 2013-14. The Executive funds the Joseph Murphy Institute at \$500,000 which is a decrease of \$1 million from SFY 2013-14 levels.

**Community College Base Aid:** The Executive proposal would continue funding Community College Base Aid at \$2,422 per FTE student, maintaining the AY 2013-14 levels of support. The Executive Budget includes \$201.4 million to support base aid, which is an increase of \$2.9 million over AY 2013-14.

### Capital Projects

The Executive proposes \$310.61 million in Capital funding for SFY 2014-15 as part of a five-year, \$956 million Capital Plan for CUNY. For SFY 2014-15 the Executive proposes the following projects:

- \$258 million for critical maintenance projects at various CUNY campuses;
- \$15.63 million to provide for the State's 50 percent share of projects at CUNY community colleges;
- \$21.0 million to fund Dormitory Authority services for CUNY; and
- \$15.98 million to fund the CUNY Construction Fund.

The Executive's financial plan includes a five year capital plan for CUNY of \$956 million, which would support the following:

- \$488.63 million for CUNY Senior College projects, including critical maintenance;
- \$275 million for the CUNY 2020 Challenge Grant program; and
- \$192.12 million for CUNY Construction Fund and Dormitory Authority reimbursements.

### Higher Education Services Corporation (HESC)

The Executive proposes an All Funds appropriation of \$1.14 billion, which is an increase of \$9.97 million or 0.9 percent, above SFY 2013-14 levels. The Executive recommends funding support of 292 FTE positions, which is 12 positions below SFY 2013-14 levels.



**Tuition Assistance Program (TAP):** The Executive Budget appropriates the TAP at \$956.8 million, an increase of \$6.38 million from SFY 2013-14 resulting from increased payments due to tuition increases at SUNY and CUNY.

**Science, Technology, Engineering and Math (STEM) Scholarship Program:** The Executive proposes creating a full tuition scholarship for the top ten percent of high school graduates if they choose to attend SUNY or CUNY and agree to pursue a career in a STEM field. The scholarship is projected to cost \$8 million in AY 2014-15 which is expected to grow to \$17 million in AY 2015-16. Students would have to reside in New York State for five years after graduation and work in a STEM field for those five years or the scholarship would revert into a student loan for the amount of the scholarship.

**Other Scholarships and Awards:** The Executive Budget maintains SFY 2013-14 funding levels for the Aid to Part-Time Study Program at \$14.36 million; the Patricia K. McGee Nursing Faculty Scholarship and Nursing Faculty Loan Forgiveness programs at \$3.93 million; and the Licensed Social Worker Loan Forgiveness Program at \$978,000. The Executive Budget increases funding for scholarships administered by HESC by \$3.7 million for a total of \$46.04 million in SFY 2014-15. Various scholarship programs are projected to award the following amounts:

**Table 20**

**HESC Scholarship Estimated Spending  
(\$ in Thousands)**

<b>AY 15 Scholarship Projections</b>	<b>2013-14</b>	<b>2014-15</b>	<b>Change</b>
Scholarship For Academic Excellence	11,465,035	11,756,000	290,965
Memorial Scholarships for Families of Deceased	1,259,426	1,184,918	(74,508)
Regents Award for Children of Deceased or Disabled Veterans	199,350	185,400	(13,950)
Veterans Tuition Award	7,919,750	7,710,106	(209,644)
Regents Physician Loan Forgiveness Program	790,000	790,000	-
Military Service Recognition	1,402,885	1,557,527	154,642
World Trade Center	12,991,539	12,834,908	(156,631)
Social Worker Loan Forgiveness Program	978,000	978,000	-
Flight 587 Memorial Scholarship	376,401	387,123	10,722
Math and Science Scholarship Program	712,080	945,565	233,485
Flight 3407 Memorial Scholarships	85,452	105,351	19,899
McGee Nursing Faculty Scholarship Ext.	1,339,811	1,293,899	(45,912)
Nursing Faculty Loan Forgiveness Ext.	528,000	584,000	56,000
STEM Scholarship	-	8,000,000	8,000,000
<b>Total AY Value:</b>	<b>40,047,729</b>	<b>48,312,797</b>	<b>8,265,068</b>



# BUDGET SNAPSHOT: HUMAN SERVICES

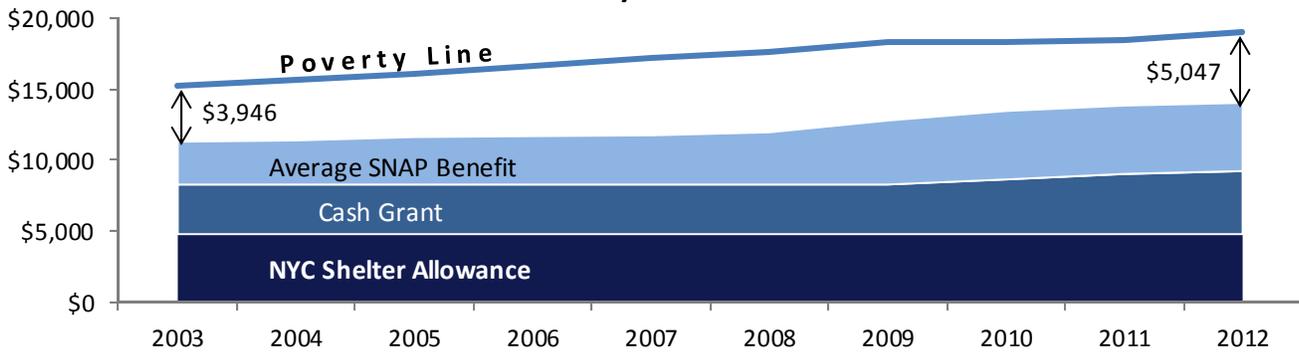


*The Executive proposes to increase the childcare block grant by \$21 million to support increased market rates and maintain the number of childcare subsidies.*

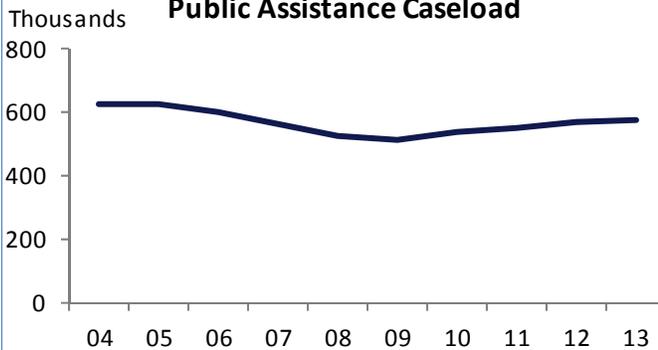
*For every preservation program dollar appropriated, NPPs raised \$45 and RPPs raised \$35 for their preservation activities within their communities.*

*In April 2011, OCFS juvenile justice facilities had 602 youths in custody. As of January 2014, there were 419 youths in custody, a decrease of 30%.*

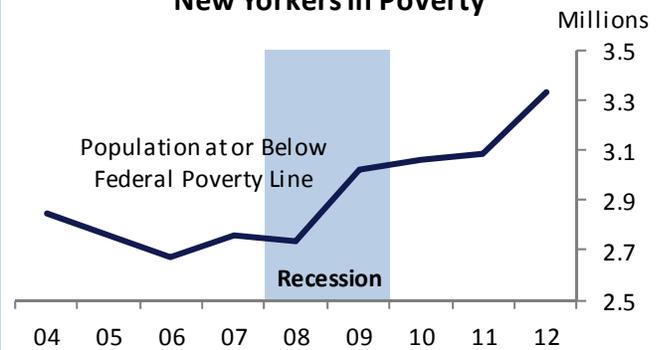
**Annual Public Assistance Grant Compared to Federal Poverty Line  
Family of Three**



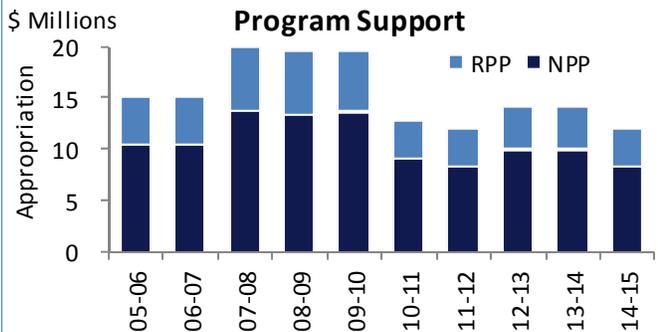
**Public Assistance Caseload**



**New Yorkers in Poverty**



**Neighborhood and Rural Preservation Program Support**



**Supplemental Nutrition Assistance Program Trends**



Sources: Division of the Budget; Office of Children and Family Services; Division of Housing and Community Renewal; Office of Temporary and Disability Assistance; United States Department of Agriculture; New York State Social Services Law; New York Codes, Rules, and Regulations; U.S. Department of Health and Human Services.

# BUDGET HIGHLIGHTS: HUMAN SERVICES



- **Child Care Funding:** The Executive Budget includes a net increase of \$21.02 million in child care subsidies in response to an increase in child care market rates, for total \$864.9 million in State Fiscal Year (SFY) 2014-15.
- **Expansion of Pay for Success:** The Executive proposal increases appropriations for Pay for Success to \$125 million, an additional \$95 million over SFY 2013-14. The Executive proposal would expand target initiatives to include the areas of early childhood development and child welfare, health care, public safety, and efforts to reduce homelessness.
- **Temporary Assistance for Needy Families (TANF) Spending:** The Executive provides \$27.5 million for the Summer Youth Employment Program and \$2 million for the Food Banks initiative, and eliminates \$18.5 million in support for TANF initiatives added by the Legislature in SFY 2013-14.
- **Housing Capital:** The Executive Budget provides an additional \$51.8 million for affordable and homeless housing initiatives.
- **Investment of Federal Storm Recovery Funds in Affordable Housing:** The Executive Budget would invest \$100 million of federal storm recovery funds to create and preserve 3,000 affordable housing units in multi-family developments. These funds would be spent off-budget and would be administered by the Housing Trust Fund.
- **Defer the Human Services Cost of Living Adjustment (COLA):** The Executive proposes to defer the planned COLA increase for human services workers of two percent to take effect in SFY 2014-15, resulting in budget-wide savings of \$105 million.



# BUDGET REVIEW AND ANALYSIS: HUMAN SERVICES



Human services agencies in New York State provide for the needs of vulnerable populations and ensure safety and equality for all New Yorkers.

Programs funded through the Office of Children and Family Services (OCFS) and the Office of Temporary and Disability Assistance (OTDA) include supportive services for individuals and families living in poverty, services for children in foster care or in need of protective interventions, support for adults and disabled individuals who are unable to work, and child care subsidies for working families.

**Table 21**

Agency	Appropriations		Change (\$ in Millions)	Change (%)	5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)			
Office of Temporary and Disability Assistance	5,726.02	5,468.49	-257.53	-4.50	
Office of Children and Family Services	3,788.41	3,836.07	47.66	1.26	
Department of Labor	6,363.79	4,575.93	-1,787.86	-28.09	
Division of Housing and Community Renewal	255.21	264.76	9.55	3.74	
State of New York Mortgage Agency	173.85	191.79	17.94	10.32	
Pay for Success	30.00	125.00	95.00	316.67	
Office of National and Community Service	30.68	30.68	0.00	0.00	
Division of Human Rights	18.01	18.01	0.00	0.00	
Division of Veterans' Affairs	17.58	17.58	0.00	0.00	
Office of Welfare Inspector General	1.16	1.16	0.00	0.00	

The Division of Veterans' Affairs assists and advocates on behalf of veterans throughout the State.

The Department of Labor protects the rights of the workforce and promotes employment opportunities for out-of-work individuals. The Division of Homes and Community Renewal creates and maintains opportunities for affordable housing.



The Division of Human Rights protects against discrimination against protected classes in education, employment, housing, and public accommodations. The Office of National and Community Service utilizes grants that promote various services including assistance to individuals with disabilities and disaster preparedness. Pay for Success initiatives call on community nonprofit service providers, philanthropic, and private sector organizations to perform services usually associated with government institutions.

Table 22

Agency	Disbursements				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Office of Temporary and Disability Assistance	5,446.38	5,099.21	-347.17	-6.37	
Office of Children and Family Services	2,949.56	2,989.85	40.29	1.37	
Department of Labor	692.69	638.66	-54.03	-7.80	
Division of Housing and Community Renewal	264.04	260.44	-3.60	-1.36	
State of New York Mortgage Agency	0.00	0.00	0.00	0.00	
Pay for Success	0.00	0.00	0.00	0.00	
Office of National and Community Service	14.69	14.91	0.22	1.50	
Division of Human Rights	13.97	14.28	0.31	2.22	
Division of Veterans' Affairs	15.44	15.23	-0.21	-1.35	
Office of Welfare Inspector General	0.63	0.97	0.34	53.97	

### Office of Children and Family Services

The Executive proposes an All Funds appropriation of \$3.84 billion, an increase of \$47.67 million or 1.3 percent over the State Fiscal Year (SFY) 2013-14 level. The Executive recommends funding support of 2,796 full-time equivalent (FTE) employees, a net reduction of 234 FTEs, related to the closure of limited secure juvenile justice facilities pursuant to the Close to Home initiative and an increase of 41 FTEs for the human services call center.

**Juvenile Justice:** The Executive includes an additional \$2.8 million in General Fund support for juvenile justice facilities. These appropriations would be sufficient to maintain existing limited secure facilities during SFY 2014-15, although an undetermined number of facilities are expected to close during



SFY 2014-15 related to the relocation of New York City youths to placements closer to their home communities. The Executive Budget reduces 275 FTE positions related to limited secure facility closures.

The Executive also provides a \$5.14 million state share increase to fund services for New York City youth pursuant to the Close to Home legislation.

**Child Care Subsidies:** The Executive provides an increase of \$84.93 million in support of the Child Care Block Grant, but reduces TANF subsidies by \$63.91 million, resulting in a net increase of \$21.02 million to fund an anticipated increase in child care market rates. The Executive also provides \$2 million in new support for child care projects to the United Federation of Teachers for quality assurance and performance.

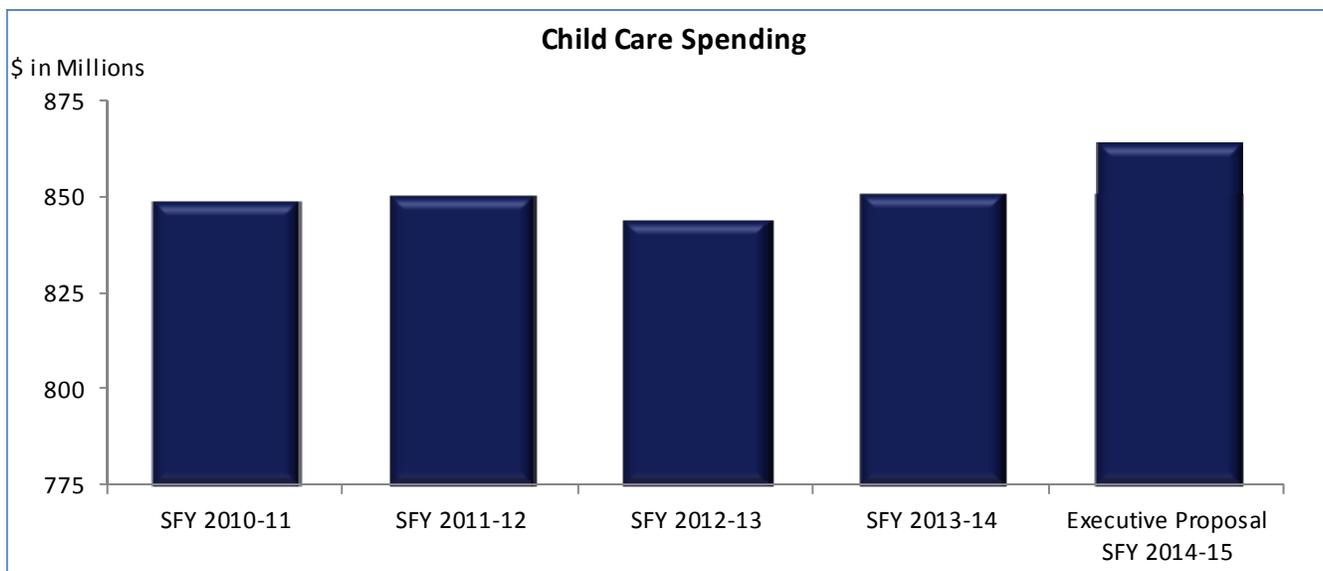


Figure 5

**Human Services Call Center:** The Executive provides a net reduction of \$30.35 million for the human services call center, which provides call services for OCFS, OTDA, the Office for People with Developmental Disabilities, the Office of Mental Health, the Office of Victim Services, the Office of Alcoholism and Substance Abuse Services and the Department of Civil Service. The reduction reflects the elimination of excess appropriation authority due to the consolidation of services. Additionally, the Executive proposes the addition of 41 FTE employees in support of the contact center initiative.

**Committee on Special Education:** The Executive proposes a \$1.63 million increase for the Committee on Special Education to fund additional claims for services.

**Community Initiatives Elimination:** The Executive eliminates \$9.74 million in funding for various community initiatives (see following table).

**Table 23**

<b>Initiative</b>	<b>2013-14 Enacted</b>	<b>2014-15 Exec. Request</b>	<b>\$ Change</b>
YDDP/SDPP	\$15,407,244	\$14,121,700	(\$1,285,544)
Child Advocacy Centers	\$5,979,900	\$5,229,900	(\$750,000)
Community Reinvestment	\$1,750,000	\$0	(\$1,750,000)
Safe Harbor for Sexually Exploited Children	\$1,650,000	\$0	(\$1,650,000)
Caseload Reducation	\$757,200	\$0	(\$757,200)
2-1-1	\$750,000	\$0	(\$750,000)
Boys and Girls Clubs	\$750,000	\$0	(\$750,000)
Settlement Houses	\$450,000	\$0	(\$450,000)
Premium Health	\$350,000	\$0	(\$350,000)
Yeled V'YaIda Early Childhood Center	\$350,000	\$0	(\$350,000)
Runaway and Homeless Youth	\$254,456	\$0	(\$254,456)
Community Action Organization of Erie County	\$250,000	\$0	(\$250,000)
CASES	\$200,000	\$0	(\$200,000)
Legal Services for Elderly and Disadvantaged	\$80,000	\$0	(\$80,000)
National Federation of the Blind for NFB - Newline	\$75,000	\$0	(\$75,000)
Helen Keller CORE	\$35,000	\$0	(\$35,000)
<b>Total</b>	<b>\$29,088,800</b>	<b>\$19,351,600</b>	<b>(\$9,737,200)</b>

**Public/Private Partnership Pilot Program:** The Executive proposal would increase funding for the Public/Private Pilot Program by \$1.41 million in order to support the annualization of current contracts. The Public/Private Pilot Program supports partnerships with community organizations to increase services to at-risk youth and to prevent involvement with the child welfare and juvenile justice programs.

**Supervision and Treatment Services for Juveniles:** The Executive proposes the establishment of a waiver to certain local social services districts to eliminate the share that local districts must contribute to the Supervision and Treatment Services for Juveniles program. Waivers would be available to districts that demonstrate financial hardship.

**Article VII:** The Executive recommends Article VII legislation that would:

- expand the services that Boards of Cooperative Educational Services (BOCES) may provide in an OCFS-operated facility to include any service provided by a BOCES. Currently, BOCES may only contract with OCFS to provide special education services; and
- extend the authorization under the Close to Home initiative for OCFS to close State-operated non-secure or limited-secure facilities from September 1, 2014, to April 30, 2015.



## Office of Temporary and Disability Assistance

The Executive proposes an All Funds appropriation of \$5.47 billion, a decrease of \$257.53 million from the SFY 2013-14 level. The Executive recommends funding support of 1,918 FTEs, a net increase of 59 FTEs, with 54 FTEs related to the takeover of Supplemental Security Income (SSI) administration and 5 FTEs in support of increases in Homeless Housing Assistance Program projects.

**Public Assistance Benefits:** The Executive Budget estimates a public assistance caseload of 564,167 recipients for SFY 2014-15, a decrease of 16,093 recipients from SFY 2013-14. A reduction in State spending for the Safety Net population in the amount of \$7.29 million is also anticipated. The Executive estimates federal TANF support for benefits in the amount of \$1.1 billion, a decrease of \$46.98 million from the SFY 2013-14 level.

**TANF Initiatives:** The Executive proposes an appropriation of \$1.3 billion for TANF initiatives, a decrease of \$82.43 million from SFY 2013-14. The Executive eliminates \$18.54 million in TANF initiatives that were enacted in SFY 2013-14 (see Table 24).

Table 24

**TANF INITIATIVES**  
(\$ in Thousands)

CATEGORY/ITEM	SFY 2013-14	SFY 2014-15	Change
	Enacted	Proposal	
FLEXIBLE FUND FOR FAMILY SERVICES	964,000	964,000	0
CHILD CARE SUBSIDIES	373,932	310,035	(63,897)
<b>TANF INITIATIVES</b>			
ACCESS - WELFARE TO CAREERS	800	0	(800)
ADVANTAGE SCHOOLS	500	0	(500)
ATTAIN	4,100	0	(4,100)
BRIDGE	102	0	(102)
CAREER PATHWAYS	750	0	(750)
CARETAKER RELATIVE/KINSHIP	101	0	(101)
CENTRO OF ONEIDA	25	0	(25)
COMM. SOLUTIONS TRANSPORTATION	112	0	(112)
EDUCATIONAL RESOURCES	250	0	(250)
EMERGENCY HOMELESS NEEDS	500	0	(500)
FACILITATED ENROLLMENT	7,265	0	(7,265)
FATHERHOOD INITIATIVE	200	0	(200)
FOOD BANKS	2,000	2,000	0
NON-RESIDENTIAL DV	1,210	0	(1,210)
NURSE-FAMILY PARTNERSHIP	2,000	0	(2,000)
PREVENTIVE SERVICES INITIATIVE	610	0	(610)
ROCHESTER-GENESSEE REGIONAL TA	82	0	(82)
SETTLEMENT HOUSES	1,000	0	(1,000)
SUMMER YOUTH EMPLOYMENT	25,000	27,500	2,500
SUNY/CUNY CHILD CARE	334	0	(334)
WAGE SUBSIDY PROGRAM	950	0	(950)
WHEELS FOR WORK	144	0	(144)
<b>Subtotal of TANF Initiatives</b>	<b>48,035</b>	<b>29,500</b>	<b>(18,535)</b>
<b>TANF FUNDING TOTAL</b>	<b>1,385,967</b>	<b>1,303,535</b>	<b>(82,432)</b>

**SSI Administration:** The Executive provides \$2.4 million for an additional 54 FTEs to support the takeover of SSI administration approved in the SFY 2012-13 budget. Appropriation authority is reduced for SSI payments by a total \$109.5 million, with \$90 million attributable to reduced administrative costs due to the takeover and \$19.5 million related to excess appropriation authority.

**Fair Hearings Chargeback:** The Executive proposal would establish performance criteria to incentivize local social services districts to properly and efficiently conduct fair hearings. In the event a district fails to meet certain performance standards, that district would be required to repay a portion of the costs incurred by the State.



**Homeless Housing Assistance Program Expansion:** The Executive proposes capital appropriations of \$63 million, a \$33 million increase over SFY 2013-14 to fund additional projects of the Homeless Housing Assistance Program. Such projects would be focused on expanding and improving the supply of permanent, transitional, and emergency housing for the homeless population. The Executive also provides for 5 FTEs related to this expansion.

**Appropriation Authority Adjustments:** The Executive reduces appropriation authority to reflect the historical level of grant awards for the following programs: Home Energy Assistance Program (\$100 million reduction); Information Technology (\$22.5 million reduction); Disability Determinations (\$14 million reduction); and Homeless Housing programs (\$500,000 reduction).

The Executive proposes Article VII language that would:

- impose sanctions on public assistance recipients that access benefits through Electronic Benefit Transfers in unauthorized locations that include any establishment licensed to sell liquor, wine or beer for off-premises consumption; any casino, gambling casino or gaming establishment; or any establishment that provides unclothed adult-oriented entertainment; and
- authorize a federal cost of living adjustment for SSI recipients that provides for an increase of \$2 to \$22 in 2015 depending on a recipient's living arrangement.

### Department of Labor

The Executive proposes All Funds appropriations of \$4.58 billion, a decrease of \$1.79 billion, or 28.09 percent from the SFY 2013-14 level. The Executive recommends support for 3,550 FTEs, which is unchanged from the SFY 2013-14 level.

**Unemployment Insurance (UI) Benefits:** The Executive proposes a \$1.75 billion decrease in UI benefits to reflect an anticipated decline in claims due to the improving economy and the expiration of the Federal Emergency Unemployment Compensation and Extended Benefit programs. The Executive proposes \$473.4 million for UI administration, a decrease of \$2.55 million. Federal administration funding decreased due to the expiration of Emergency Unemployment Compensation and Extended Benefits.

The Executive proposes a \$35 million reduction in appropriations from the UI Interest Assessment account. The Executive anticipates a lower interest payment to the federal government for UI borrowing, which is attributable to reforms made to the UI System in SFY 2014-15.

**Workforce Investment Act (WIA):** The Executive proposes increases of \$12.4 million for WIA, of which \$2.7 million is related to staff to assist dislocated workers and \$9.7 million is for Workforce Investment Boards for adult, youth and dislocated worker employment and training. These increases reflect additional federal funding.

**Labor Contact Center:** The Executive proposes a \$4.1 million decrease in funding for the Labor Contact Center, which serves as a single point of contact for the Division of Veterans' Affairs, Workers' Compensation Board, State Insurance Fund, and Empire State Development Corporation. This decrease is related to the elimination of excess appropriation authority granted in SFY 2013-14.

**Community Initiatives:** The Executive proposes a decrease of \$8.6 million, reflecting the elimination of various labor programs funded in SFY 2013-14, including a reduction in support for the Displaced Homemaker program and the New York Committee on Occupational Safety and Health.

### **Division of Housing and Community Renewal (DHCR)**

The Executive proposes All Funds appropriations of \$264.76 million, an increase of \$9.55 million, or 3.7 percent over the SFY 2013-14 level. The Executive recommends support for 683 FTEs, unchanged from the SFY 2013-14 level.

**Capital Funding:** The Executive proposes \$91.2 million in support for capital projects, an increase of \$17 million over SFY 2013-14. Specifically, the Executive provides:

- \$44.2 million for the Low Income Housing Trust Fund, an increase of \$12 million;
- \$9 million for the Homes for Working Families Program, an increase of \$2 million;
- \$4.2 million for the Main Street Program, an increase of \$2 million; and
- \$1.4 million for the Housing Opportunity Program for the Elderly, an increase of \$1 million.

**Mortgage Insurance Fund (MIF):** In Article VII language, the Executive proposes the utilization of \$75.4 in excess MIF reserves to support the following initiatives:

- \$32 million for the Mitchell-Lama Housing Project Rehabilitation, an increase of \$14.42 over the SFY 2013-14 level;
- \$20.4 million for the Rural Rental Assistance Program, unchanged from the SFY 2013-14 level;



- \$8.5 million for the Neighborhood Preservation Program (NPP), maintaining the MIF funding level from SFY 2013-14;
- \$6.8 million for the Rural and Community Investment Fund Program, an increase of \$3.25 million over the SFY 2013-14 level;
- \$3.5 million for the Rural Preservation Program (RPP), maintaining the level from the MIF in SFY 2013-14;
- \$2.5 million for the Low Income Housing Trust Fund Program, a decrease of \$500,000 from the SFY 2013-14 level; and
- \$1.75 million for the Homes for Working Families Program, unchanged from the SFY 2013-14 level.

The Executive eliminates \$2 million in funding for Urban Initiatives and \$1.5 million for the Rural Area Revitalization Program.

**Other Housing Initiatives:** The Executive proposes an increase to the Rural Rental Assistance Program of \$612,000 to provide a three percent increase for rental subsidies.

Periodic Subsidies would be funded at \$5.49 million under the Executive proposal, a decrease of \$3.21 million from the SFY 2013-14 level. This decrease is due to the expiration of debt service for certain public housing projects.

The Executive proposal includes \$4.6 million to support program oversight and application review for the State low-income housing tax credit program. A corresponding reduction of \$4.6 million is taken from DHCR administration to reflect actual spending.

The Executive proposes to eliminate Legislative adds for the Rural and Urban Community Investment Fund (\$1.85 million) and NYCHA Tenant Pilot Program (\$742,000). The Executive also reduces \$1.59 million for the NPP and \$665,000 for the RPP but provides MIF funding of \$8.5 million and \$3.5 million, respectively.

The Executive Budget would transfer \$1.23 million to the Office of Information Technology associated with the consolidation of information technology services.

## State of New York Mortgage Agency (SONYMA)

The Executive proposes an All Funds appropriation of \$191.79 million, an increase of \$17.9 million or 10.3 percent, over the SFY 2013-14 level to accommodate statutorily required guarantee payments.

The SONYMA enabling statute requires the state to guarantee payments made by SONYMA although no cash disbursements are projected to be made from this appropriation. All of SONYMA's programs and operations are supported by mortgage income, application fees, insurance premiums, and investment proceeds.

## Pay for Success

The Executive provides \$125 million in appropriation authority for Pay for Success initiatives. Of this, \$25 million would be provided directly to programming for homeless intervention. The remaining \$100 million would provide additional support to improve program outcomes in the areas of early childhood development and child welfare, health care or public safety, reflecting an increase of \$70 million over SFY 2013-14.

## National and Community Service

The Executive provides an All Funds appropriation of \$30.68 million, which maintains SFY 2013-14 funding levels. The Executive recommends support for 10 FTEs, unchanged from the SFY 2013-14 level.

## Division of Human Rights

The Executive proposes an All Funds Appropriation of \$18.01 million, which maintains funding levels from SFY 2013-14. The Executive recommends the funding support of 164 FTEs, which is unchanged from prior year levels.

The Executive proposes Article VII language to provide protection for students in all educational institutions, public or private, from discriminatory practices. Such practices include the denial of facilities to any qualified person and/or the harassment of such individual on the basis of race, color, religion, disability, national origin, sexual orientation, military status, sex, age or marital status.

## Division of Veterans' Affairs

The Executive proposes All Funds appropriations of \$17.58 million, unchanged from the SFY 2013-14 level. The Executive recommends support for 98 FTEs, unchanged from the SFY 2013-14 level.



The Executive proposes a \$250,000 increase for a study to examine the disparity between the number of small business owners who are service-disabled veterans and the number of contracts awarded by the state to service-disabled veterans. The Executive also plans a 2014 Veteran and Military Families Summit to identify areas of need and ways to better serve those who served our nation.

#### **Office of the Welfare Inspector General**

The Executive provides an All Funds appropriation of \$1.16 million, which maintains SFY 2013-14 funding levels. The Executive recommends 7 FTEs, which is unchanged from SFY 2013-14 levels.



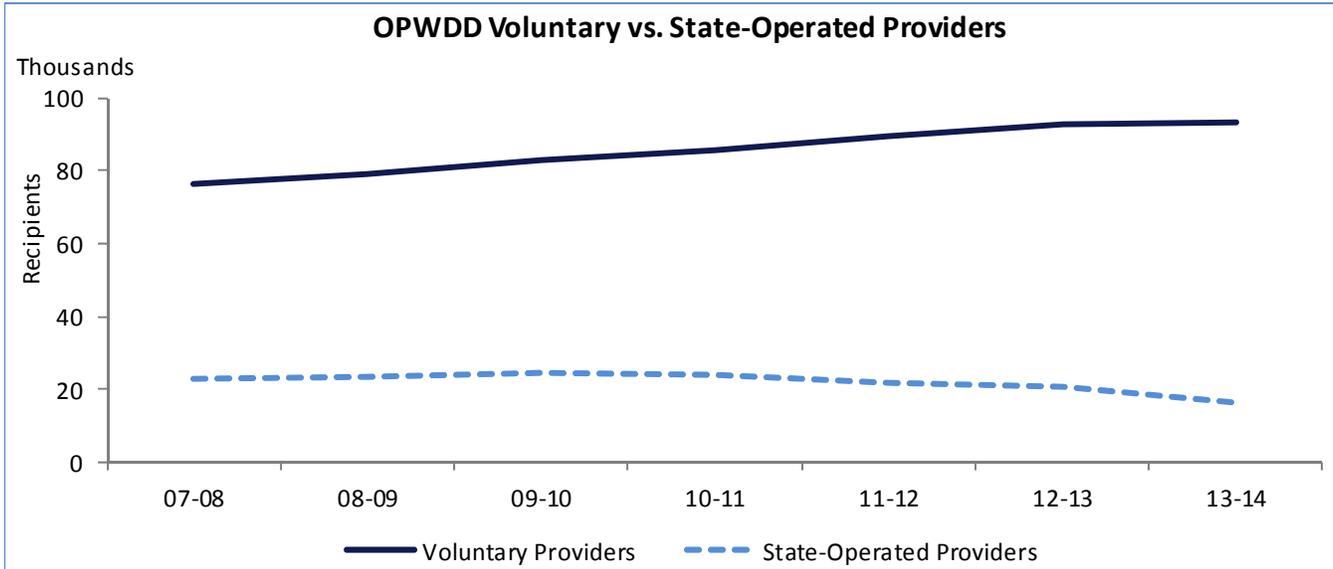
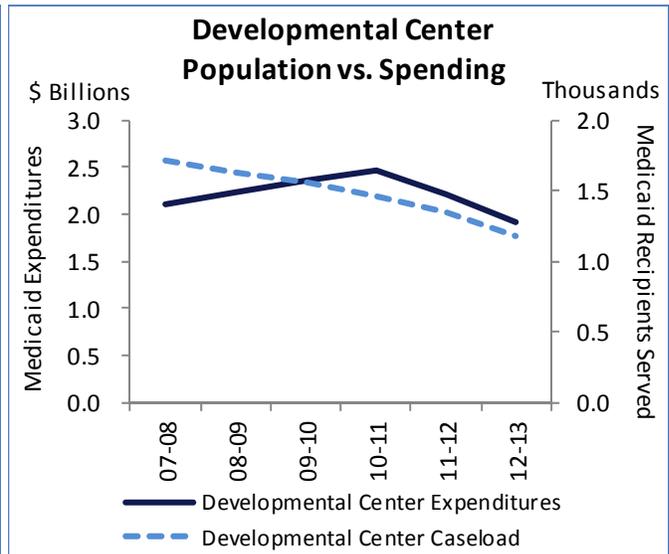
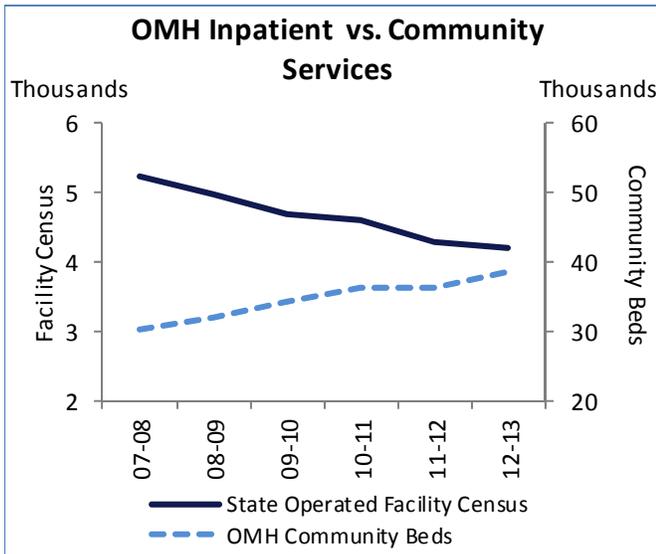
# BUDGET SNAPSHOT: MENTAL HYGIENE



**In SFY 2013-14, NYS psychiatric hospitals served 4,000 people, a reduction of 21,000 from 1980 levels.**

**In SFY 2013-14, 85% of developmentally disabled individuals received necessary services from not-for-profit providers.**

**Not-for-profit OPWDD providers cost, on average, 80% less than similar state-operated providers.**



Sources: NYS Department of Health; NYS Office of Mental Health; NYS Office for People with Developmental Disabilities.

# BUDGET HIGHLIGHTS: MENTAL HYGIENE



- **Office of Mental Hygiene (OMH) Facility Downsizing:** The Executive Budget includes \$30.3 million in savings related to the elimination of 399 beds from various State-operated OMH facilities. In addition, in State Fiscal Year (SFY) 2014-15, the Western NY Children's Psychiatric Center would close and its services would be transferred to the Buffalo Psychiatric Center. Under the Executive proposal, any additional facility closures in subsequent years would be dependent on the availability of alternative community services in the affected communities.
- **OMH Community Reinvestment:** The Executive Budget includes \$46.4 million in new support for OMH Community Services to be partially supported by savings from State facility downsizing activities, including: \$25 million to expand community programs for individuals being discharged from State psychiatric centers; \$15 million for 1,000 new supportive housing beds; and \$6.5 million to support an increase in the downstate rental stipend.
- **Office for People with Developmental Disabilities (OPWDD) Institutional Population Downsizing:** The Executive proposes to transition 300 individuals from State developmental centers to community based settings, for a savings of \$10.6 million. To support these transitions, the Executive reinvests \$9.1 million to support the development of additional community services.
- **OPWDD Out-of-State Placement Reduction:** The Executive proposal assumes \$7.7 million in savings related to the relocation of individuals from out-of-state placements back to New York State and the elimination of State tuition reimbursement for individuals who have aged out of school.
- **OPWDD Employment Programs:** The Executive proposes \$10.9 million in reductions related to promoting integrated employment for individuals currently served by day programs and reducing the use of sheltered workshops, consistent with federal requirements.
- **Defer Scheduled Cost of Living Adjustments (COLA) and Trend Factors:** The Executive proposes to delay, for one year, the scheduled 2.0 percent human services COLA and to maintain existing rates for programs under OMH and OPWDD. This action would result in \$76 million in savings across all mental hygiene agencies.

# BUDGET REVIEW AND ANALYSIS: MENTAL HYGIENE



The State of New York spends approximately \$7.4 billion annually to support its mental hygiene agencies, which include the Office for People with Developmental Disabilities (OPWDD), the Office of Mental Health (OMH), the Office of Alcoholism and Substance Abuse Services (OASAS), the Justice Center for the Protection of People with Special Needs, and the Developmental Disabilities Planning Council (DDPC).

These Agencies provide services and support to over one million individuals, including adults with serious and persistent mental illness; children with serious emotional disturbances; individuals with developmental disabilities and their families; persons with chemical dependencies; and individuals with compulsive gambling problems. In addition, the Justice Center has the primary responsibility for tracking, investigating and pursuing serious abuse and neglect complaints at facilities operated, certified, or licensed by OMH, OPWDD, OASAS, the Department of Health, the Office of Children and Family Services (OCFS), and the State Education Department (SED).

**Table 25**

Agency	Appropriations				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Office for People with Developmental Disabilities	4,642.94	4,418.61	-224.34	-4.83	
Office of Mental Health	3,596.33	3,641.30	44.97	1.25	
Office of Alcoholism and Substance Abuse Services	673.17	578.78	-94.39	-14.02	
Department of Mental Hygiene	600.00	600.00	0.00	0.00	
Commission on Quality of Care and Advocacy for Persons With Disabilities*	10.91	0.00	-10.91	-100.00	
Developmental Disabilities Planning Council	4.76	4.76	0.00	0.00	
Justice Center for the Protection of People with Special Needs*	44.86	49.64	4.78	10.66	

\*In June 2013, the Justice Center assumed the responsibility for handling serious abuse and neglect complaints from OMH, OPWDD, OASAS, DOH, OCFS, SED and the Commission on Quality of Care and Advocacy for Persons with Disabilities.

Table 26

Agency	Disbursements				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Office for People with Developmental Disabilities	3,446.53	3,457.77	11.24	0.33	
Office of Mental Health	3,263.91	3,316.13	52.22	1.60	
Office of Alcoholism and Substance Abuse Services	579.44	579.44	0.00	0.00	
Department of Mental Hygiene	0.00	0.00	0.00	0.00	
Commission on Quality of Care and Advocacy for Persons With Disabilities*	4.72	0.00	-4.72	-100.00	
Developmental Disabilities Planning Council	4.20	4.20	0.00	0.00	
Justice Center for the Protection of People with Special Needs*	37.96	41.65	3.69	9.72	

\*In June 2013, the Justice Center assumed the responsibility for handling serious abuse and neglect complaints from OMH, OPWDD, OASAS, DOH, OCFS, SED, and the Commission on Quality of Care and Advocacy for Persons with Disabilities.

**COLA and Trend Factors:** The Executive proposes to delay, for one year, the scheduled two percent human services COLA and to maintain existing rates for programs under OPWDD. This action would result in reductions of \$45 million for OPWDD providers, \$23.3 million for OMH providers, and \$7.3 million for OASAS providers.

**Office for People with Developmental Disabilities**

The Executive proposes All Funds appropriations of \$4.42 billion, a decrease of \$224 million or 4.83 percent from SFY 2013-14. The Executive recommends support for 18,293 full-time equivalent (FTE) positions, a decrease of 720 from the SFY 2013-14 level.

**Transition Individuals to the Community:** The Executive proposes a decrease of \$69.6 million in support for state-operated facilities, reflecting \$59 million in reductions related to prior year census declines and \$10.6 million related to the transition of 300 additional individuals out of State development centers and back into the community. To support the transition of these 300 individuals, the Executive proposes an increase of \$9.01 million to support the creation of additional community-based opportunities.

**Information Technology Services:** The Executive proposes \$21.36 million in increased costs related to changes in personal service costs which will be offset by transfer of information technology costs to Office of Information Technology Services (ITS).



**Out-Of-State Placements:** The Executive proposal assumes \$7.7 million in savings related to the relocation of individuals from out-of-state placements back to New York State and from the elimination of State tuition reimbursement for individuals who have aged out of school. There are approximately 100 individuals residing in out-of-state placements.

**Employment Programs:** The Executive proposes \$9.8 million in reductions related to promoting integrated employment for individuals currently served by day habilitation programs. This proposal would transition 6,500 individuals into integrated employment. In addition, the Executive proposes \$1.1 million in savings related to the elimination of sheltered workshops, consistent with federal requirements.

**Capital Projects:** The Executive proposes an increase of \$5 million to support additional fire safety projects statewide.

The Executive proposal also includes Article VII proposals that would:

- extend to certain direct staff, in non-certified settings, such as the home of an individual with development disabilities, an exemption to perform functions similar to a nurse if the individual has received training from OPWDD; and
- extend for three years the ability for OPWDD facility directors, who act as representative payees, to use an individual's funds for their care and treatment as outlined in federal law and regulations.

### Office of Mental Health

The Executive proposes an All Funds appropriation of \$3.64 billion, an increase of \$44.97 million or 1.25 percent from SFY 2013-14. The Executive recommends continued support for 14,616 FTEs, unchanged from the SFY 2013-14 level.

**State Psychiatric Facility Downsizing:** The Executive Budget assumes \$30.3 million in savings related to the elimination of 399 beds from various State-operated OMH facilities. In SFY 2014-15 the Executive proposes the closure of 18 wards, including the consolidation of the Western NY Children's Psychiatric Center into the Buffalo Psychiatric Center. Any additional facility closures in subsequent years would be dependent on the availability of alternative community services in the affected communities.

Table 27

## OMH Capacity Changes SFY 2014-15

Facility	Ward Type	County	Capacity Change
Greater Binghamton	Adult	Broome	Close 1 Ward
Elmira	Adult	Chemung	Close 1 Ward
St. Lawrence	Adult	St. Lawrence	Close 1 Ward
St. Lawrence	Children's	St. Lawrence	Close 1 Ward
Sagamore	Children's	Suffolk	Close 2 Wards
Western NY*	Children's	Erie	Close 3 Wards
Rochester	Adult	Monroe	Close 2 Wards
Manhattan	Adult	New York	Close 2 Wards
Pilgrim	Adult	Suffolk	Close 2 Wards
Buffalo*	Children's	Erie	Add 2 Wards
Buffalo*	Adult	Erie	Close 1 Ward
Bronx	Adult	Bronx	Close 1 Ward
Rockland	Adult	Rockland	Close 1 Ward
Rockland	Children's	Rockland	Close 1 Ward
Hutchings	Children's	Onondaga	Close 1 Ward
<b>Total Wards</b>			<b>Close 18 Wards</b>

\* The Western NY facility would close and consolidate with the Buffalo facility.

**Community Reinvestment:** The Executive Budget proposal includes \$46.4 million in new support for OMH Community Services to be partially supported by savings from State facility downsizing activities, including:

- \$25 million to expand a variety of community programs to support individuals discharged from state psychiatric centers;
- \$8 million for the creation of 300 new NY/NY III beds in New York City;
- \$6.5 million to support a rental stipend increase of \$550 annually for the downstate region;
- \$5 million to support the creation of 500 new supported housing units for individuals in adult homes; and
- \$2 million to support the creation of 200 new supported housing units for residents of nursing homes.

**Other State Operations Proposals:** The Executive proposes increases of \$28.2 million to pay for growth in fringe benefit costs; \$19.86 million to support increased salary costs; and \$8.2 million to



support the addition of two wards to accommodate the increase in the Sex Offender Management and Treatment Act population.

**Other Local Assistance Proposals:** The Executive proposal reflects an increase of \$20 million in Federal grants, \$9 million in savings related to the end of phase one of the Behavioral Health Organization program and the elimination of other programmatic funding.

**Capital Projects:** The Executive proposal includes a decrease in capital appropriations of \$107 million, or 54.22 percent, due to sufficient re-appropriation authority to support such costs.

The Executive proposal also includes Article VII legislation to:

- extend for three years the ability for OMH facility directors, who act as representative payees, to use an individual's funds for their care and treatment as outlined in federal law and regulations; and
- make permanent the authorization of OMH to recover Medicaid exempt income from providers of community residences.

#### **Office of Alcoholism and Substance Abuse Services**

The Executive proposes All Funds appropriations of \$579.78 million, a decrease of \$94.39 million or 14.02 percent from SFY 2013-14. The Executive recommends continued support for 762 FTEs, unchanged from the previous year.

**State Operations:** The Executive budget proposes a reduction of \$4.72 million in State Operations support, reflecting \$2.21 million in savings related to the transfer of employees to ITS and \$2.41 million in other operational efficiencies. The Executive also proposes \$1.72 million in additional federal funds to support existing programs.

**Other Reductions:** The Executive proposes \$4.6 million in savings related to continuing provider quality assessment which would be used to support the addition of 249 additional NY/NY III beds.

**Capital Projects:** The Executive proposes to decrease capital appropriations of \$91.61 million, or 93.85 percent, due to sufficient reappropriation authority for capital spending related to facility construction and maintenance.

### Justice Center for the Protection of People with Special Needs

The Executive proposes All Funds appropriations of \$50 million, an increase of \$4.88 million or 10.66 percent from SFY 2013-14. The Executive recommends support for 352 FTEs, an increase of 72 FTEs from the SFY 2013-14 level.

The Executive proposal reflects increased funding of \$4.49 million related to the annualization of agency operations. This will be offset by \$801,000 in administrative efficiencies related to cooperative agreements with other state agencies, reducing projected spending on regional office space, and maximizing shared services.

### Developmental Disabilities Planning Council

The Executive proposes All Funds appropriations of \$4.76 million, unchanged from SFY 2013-14. The Executive recommends support for 18 FTEs, unchanged from the SFY 2013-14 level.



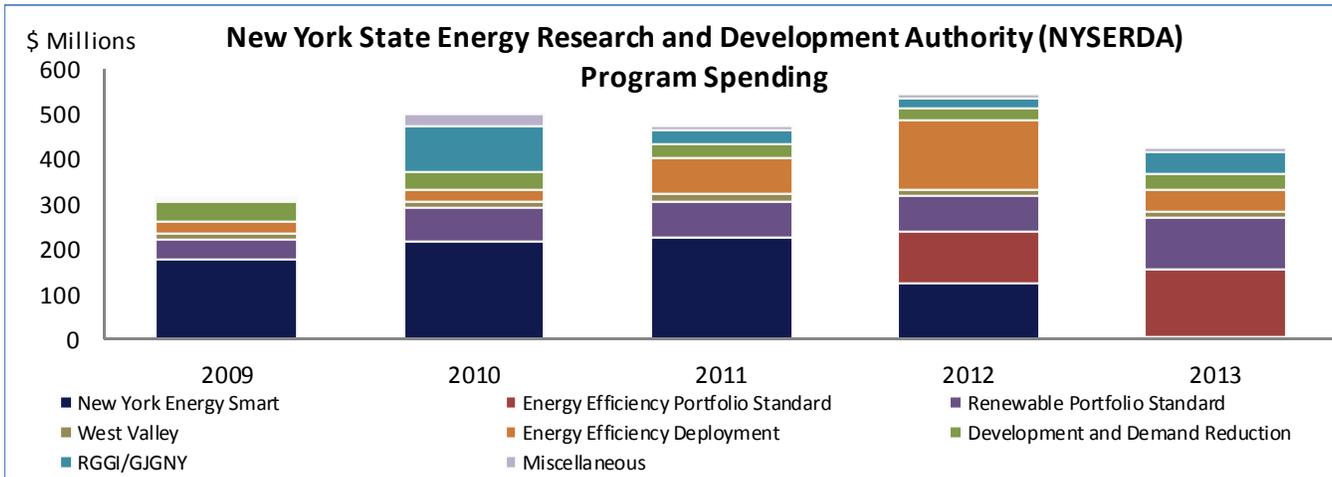
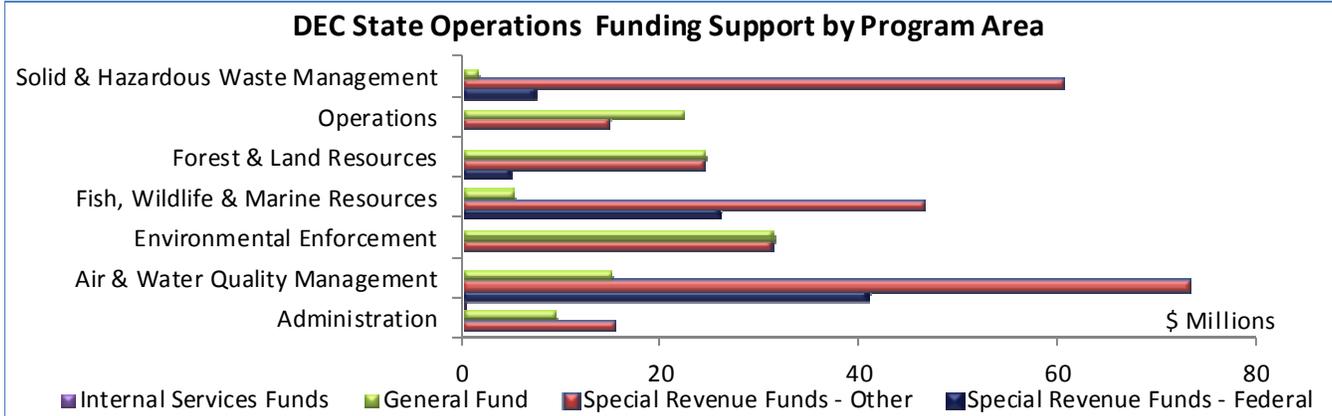
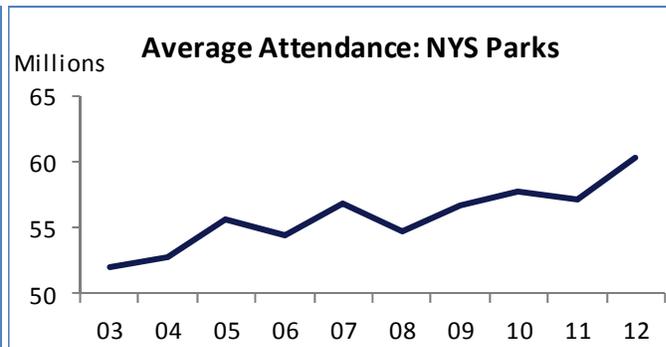
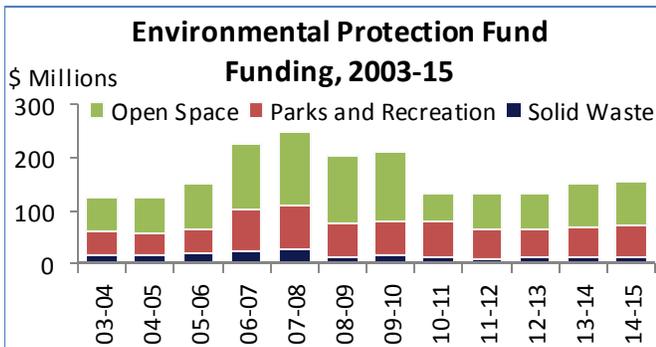
# BUDGET SNAPSHOT: ENVIRONMENT, AGRICULTURE AND ENERGY



**23% of New York State's land is used for agriculture.**

**New York State park attendance in 2012 was 60 million.**

**Nearly 17% of New York State's electrical power comes from renewable sources.**



Source: NYS Division of Budget, Office of Parks, Recreation, and Historic Preservation, NYSEERDA.

# BUDGET HIGHLIGHTS: ENVIRONMENT, AGRICULTURE AND ENERGY



- **State Superfund and Brownfield Cleanup Program:** The Executive Budget proposes a new \$100 million appropriation to continue the State Superfund program, which includes \$10 million to address municipally owned brownfields.
- **Environmental Protection Fund (EPF):** The Executive Budget proposes \$157 million for the EPF, an increase of \$4 million from State Fiscal Year (SFY) 2013-14. Appropriations include \$14 million for solid waste programs, \$58 million for parks and recreation, and \$85 million for open space programs.
- **Long Island Office of the Department of Public Service (DPS):** The Executive provides \$5.5 million in new funding for the establishment of a Long Island office within DPS to oversee electric utility service in the counties of Nassau and Suffolk.
- **Temporary Utility Assessment (18-a):** The Executive proposes to reduce the Temporary State Energy and Utility Service Conservation Assessment by \$200 million per year, over the next three years by eliminating the assessment on industrial utility customers and by accelerating the phase out of the assessment for all other utility customers.
- **Adventure License:** The Executive proposes a series of actions to increase participation in hunting and fishing activities.
- **New York Works Capital Funding:** The Executive provides \$132.5 million in New York Works funding to environmental agencies and the Department of Agriculture.
- **Modifying Oversight:** The Executive proposal would authorize DPS to modify its operations in oversight of cable television franchises, utility companies, and telephone corporations.



# BUDGET REVIEW AND ANALYSIS: ENVIRONMENT, AGRICULTURE AND ENERGY



New York State has a variety of agencies entrusted with protecting our natural environment and aiding in the protection and productivity of its land. The State also has an interest in ensuring an adequate supply of energy is available to all New Yorkers and that protections are in place to guard against unreasonable practices.

The Department of Environmental Conservation's (DEC) mission is to conserve and improve the State's natural resources and environment and to prevent, abate, and control water, land and air pollution. DEC's responsibilities include the administration of a portion of the state's Environmental Protection Fund (EPF) and the Clean Water/Clean Air Bond Act of 1996. The DEC also manages more than 770,000 acres of State Forests, in addition to the Adirondack Forest Preserve.

The Adirondack Park Agency ensures the overall protection, development, and use of the natural resources of the Adirondack Park. The Olympic Regional Development Authority (ORDA) works to maximize visitation to the Adirondack region by operating its venues to promote environmental awareness and safe recreation. ORDA administers the post-Olympic program for the sports facilities used to host the 1980 Olympic Winter Games, and it manages Gore Mountain in Warren County, operates the Whiteface Mountain ski area located in the Town of Wilmington, and, as of 2012, Belleayre Mountain in the Catskills.

The Department of Agriculture and Markets is charged with fostering a competitive and safe New York food and agriculture industry to benefit producers and consumers. Its major responsibilities include encouraging growth and prosperity in the State's agriculture and food industry, conducting various inspection and testing programs to enforce laws on food safety and animal and plant health and accuracy in labeling. The Department also acts to preserve the use of agriculture resources and foster agricultural environmental stewardship, to improve soil and water quality, and to operate the annual State Fair.

The Public Service Commission (PSC) is responsible for regulating the rates and services of the State's public utilities, overseeing the siting of major electric and gas transmission lines and facilities, and ensuring the safety of natural gas and liquid petroleum pipelines. In 2013, PSC's responsibilities were expanded to include Long Island Power Authority oversight. The New York State Energy Research and Development Authority (NYSERDA) is a benefit corporation that is responsible for the management of energy research, development, and demonstration programs funded by assessments on gas and

electric utilities. NYSERDA also administers federal grant programs related to energy efficiency, issues tax-exempt bonds on behalf of private energy supply companies for environmental improvements, and carries out the programmatic and regulatory functions of the former State Energy Office. Since NYSERDA is funded primarily through various off-budget revenues, most NYSERDA programs are not included in the Executive Budget.

The Office of Parks, Recreation and Historic Preservation (OPRHP) is responsible for the conservation, protection, and enhancement of New York State’s natural, historic and cultural resources. OPRHP provides recreational and interpretive opportunities for New York State residents and visitors at 178 parks and 35 historic sites across the state. Within OPRHP, the State Historic Preservation Office is tasked with helping communities identify, evaluate, preserve, and revitalize their historic, archaeological, and cultural resources.

**Table 28**

Agency	Appropriations				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Department of Environmental Conservation	898.95	1,004.41	105.46	11.73	
Office of Parks, Recreation and Historic Preservation	346.93	385.69	38.76	11.17	
Department of Agriculture and Markets	166.14	163.65	-2.48	-1.49	
Department of Public Service	85.64	89.32	3.67	4.29	
Energy Research and Development Authority	53.23	28.33	-24.90	-46.78	
Adirondack Park Agency	5.09	5.09	0.00	0.00	
Olympic Regional Development Authority	5.42	11.22	5.80	107.09	
Hudson River Valley Greenway Communities Council	0.32	0.32	0.00	0.00	
Greenway Heritage Conservancy	0.17	0.17	0.00	0.00	



Table 29

Agency	Disbursements				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Department of Environmental Conservation	919.13	875.61	-43.52	-4.74	
Office of Parks, Recreation and Historic Preservation	281.89	291.94	10.05	3.57	
Department of Agriculture and Markets	100.77	103.19	2.42	2.40	
Department of Public Service	72.68	76.77	4.09	5.63	
Energy Research and Development Authority	25.02	40.76	15.74	62.92	
Adirondack Park Agency	4.79	4.64	-0.15	-3.11	
Hudson River Park Trust	7.00	0.00	-7.00	-100.00	
Olympic Regional Development Authority	4.26	10.06	5.80	136.23	

**New York Works:** The Executive proposal includes \$135 million in new support for capital projects under the Program, as noted below:

Table 30

New York Works Capital Funding (\$)			
AGENCY	2013-14 Appropriation	2014-15 Appropriation	Change
Ag and Markets	2,500,000	2,500,000	-
Office of Parks, Recreation and Historic Preservation	47,500,000	90,000,000	42,500,000
<i>Olympic Regional Development Authority</i>	<i>2,500,000</i>	<i>2,500,000</i>	-
Department of Environmental Conservation	40,000,000	40,000,000	-
<b>Total New York Works Funding for Environment and Energy</b>	<b>92,500,000</b>	<b>135,000,000</b>	<b>42,500,000</b>

### Department of Environmental Conservation

The Executive Budget proposes an All Funds appropriation of \$1 billion, an increase of \$105 million, or 11.7 percent from the SFY 2013-14 level. The Executive recommends support of 2,917 Full Time Equivalent (FTE) positions, an increase of 1 position from the SFY 2013-14 level.

**Brownfield Cleanup and State Superfund:** The Executive Budget proposes a new \$100 million appropriation to continue the State Superfund program, which includes \$10 million to address

municipally owned brownfields through the Environmental Restoration Program. It also extends the Brownfields program for 10 years and modifies the Brownfields Cleanup tax credit program.

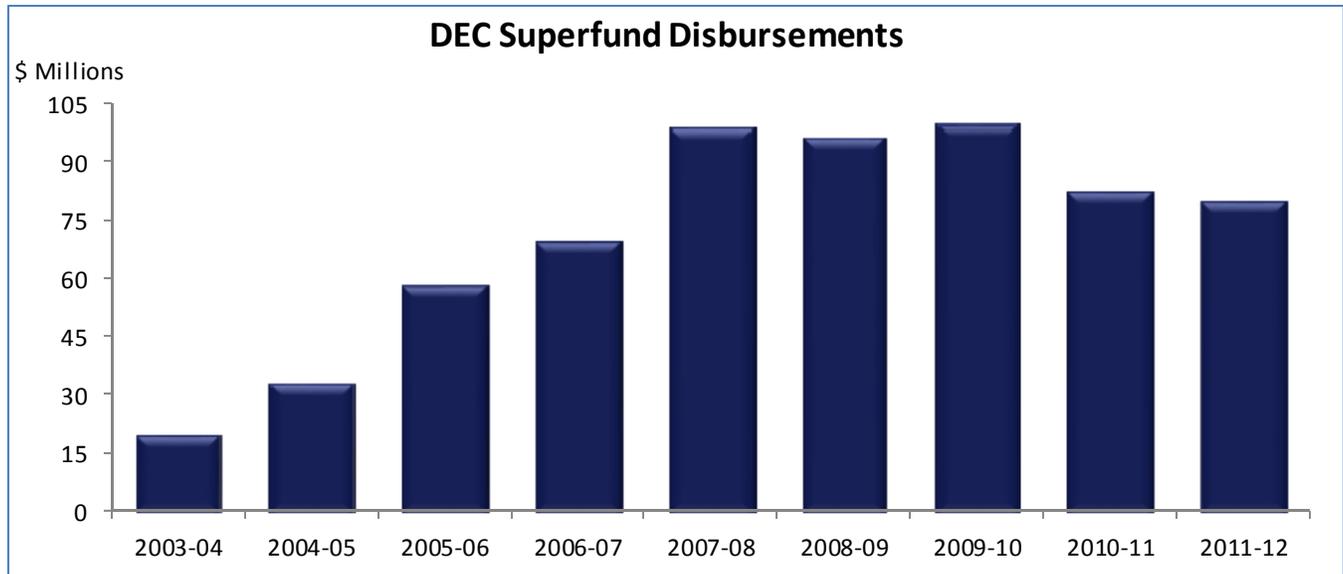


Figure 6

**Environmental Protection Fund (EPF):** The Executive Budget proposes \$157 million for the EPF, an increase of \$4 million from 2013-14. Appropriations include \$14 million for solid waste programs, \$58 million for parks and recreation, and \$85 million for open space programs.

**Adventure License:** The Executive Budget proposes a \$2.5 million appropriation for a New York Adventure License, which would provide for optional icons denoting all of an individual’s lifetime Hunting and Fishing license designations on their driver’s license. Additionally, the proposal creates a 7-day fishing license, as well as 3- and 5-year hunting and fishing licenses and includes an increase in the number of promotional hunting and fishing days. The Executive also proposes to authorize the use of crossbows and would allow DEC to subcontract the printing of hunting and fishing guides.

**E-Licensing:** The Executive proposes to use \$1.1 million from the Conservation Fund for continued implementation of an e-licensing system.

**Other Programs:** The Executive proposes to eliminate funding for the Cornell Research Station at Shackleton Point (\$78,000), Cornell Community Integrated Pest Management (\$500,000) and Invasive Species and Water Dredging (\$350,000).



Table 31

<b>2014-15 Environmental Protection Fund</b>				
<b>(\$ in Thousands)</b>				
	<b>2013-14 Enacted</b>	<b>2014-15 Executive</b>	<b>Change</b>	<b>% Change</b>
<b>SOLID WASTE</b>				
Landfill Closure/ Gas Management	250	250	-	
Municipal Recycling	7,000	7,000	-	
Pollution Prevention Institute	3,250	3,250	-	
Secondary Marketing	1,000	1,000	-	
Natural Resources Damages	155	1,300	1,145	738.7
Pesticide Database	1,000	1,200	200	20.0
<b>Solid Waste</b>	<b>12,655</b>	<b>14,000</b>	<b>1,345</b>	<b>10.6</b>
<b>PARKS &amp; REC</b>				
Waterfront Revitalization	12,500	12,500	-	
<i>Inner City/Underserved</i>	6,250	6,250	-	
Municipal Parks	15,500	15,500	-	
Hudson River Park (HRP)	3,000	2,000	(1,000)	-33.3
Public Access & Stewardship	16,600	17,600	1,000	6.0
<i>Belleayre</i>	500	500	-	
ZBGA	10,250	10,350	100	1.0
<b>Parks &amp; Rec</b>	<b>57,850</b>	<b>57,950</b>	<b>100</b>	<b>0.2</b>
<b>OPEN SPACE</b>				
Land Acquisition	20,000	20,150	150	0.8
<i>Land Trust Alliance</i>	1,575	2,000	425	27.0
<i>Urban Forestry</i>	500	1,000	500	100.0
<i>Resiliency Planting Program</i>	-	250	250	
Smart Growth	400	400	-	
Farmland Protection	13,000	14,000	1,000	7.7
Agricultural Waste Management	1,000	1,500	500	50.0
Biodiversity Stewardship	500	500	-	
Albany Pine Bush Commission	2,000	2,000	-	
Invasive Species	4,600	4,600	-	
<i>Lake George</i>	100	450	350	350.0
LI Pine Barrens Commission	1,100	1,100	-	
Oceans & Great Lakes Initiative	4,750	4,800	50	1.1
Water Quality Improvement Program	6,945	6,800	(145)	-2.1
<i>Suffolk County **</i>		2,000	2,000	
LI South Shore Estuary Reserve	900	900	-	
Non-Point Source Poll Cont	18,700	18,700	-	
<i>Agricultural</i>	14,200	14,200	-	
<i>Non-Agricultural</i>	4,500	4,500	-	
Soil & Water Conservation Districts	3,500	4,500	1,000	28.6
Finger Lake; Lake Ontario Watershed	1,300	1,300	-	
Hudson River Estuary Plan	3,800	3,800	-	
<i>Mohawk River *</i>	800	800	-	
<b>Open Space</b>	<b>82,495</b>	<b>85,050</b>	<b>2,555</b>	<b>3.1</b>
<b>TOTAL EPF</b>	<b>153,000</b>	<b>157,000</b>	<b>4,000</b>	<b>2.6</b>
* 13-14 New Categories				
** 14-15 New Categories				

The Executive proposes Article VII legislation to make permanent the pesticide product registration fees as well as the timeframes for pesticide product registration review and modifies pesticide reporting requirements. The law is scheduled to expire on July 1, 2014.

### Office of Parks, Recreation and Historic Preservation

The Executive Budget proposes an All Funds appropriation of \$385.7 million, an increase of \$38.8 million, or 11.2 percent from the SFY 2013-14 level. The Executive recommends support of 1,737 FTE positions, an increase of 18 positions from the SFY 2013-14 level. The Executive proposes to increase OPRHP's staff by 18 positions; 14 FTEs will be provided to implement OPRHPs expanded capital program and 4 FTEs will be provided as a result of increased federal funding for OPRHPs historic preservation activities.

The Executive eliminates funding for the Putnam Visitor's Bureau (\$60,000) and the Saratoga-Washington on the Hudson (\$100,000) initiative.

The Executive Budget recommends \$225 million in State Operations, a decrease of \$6 million from the SFY 2013-14 levels. This decrease is due to scheduled collectively bargained salary settlements negotiated last year. The Executive Budget recommends \$148.8 million in capital funding, an increase of \$45 million from the SFY 2013-14 levels reflecting a \$45 million increase in support for New York Works capital projects.

### Department of Agriculture and Markets

The Executive Budget proposes an All Funds appropriation of \$163.7 million, a decrease of \$2.5 million, or 1.5 percent from the SFY 2013-14 level. The Executive recommends support of 486 FTE positions, unchanged from the SFY 2013-14 level.

**Agricultural Programs:** The Executive Budget recommends \$18.5 million in Aid to Localities funding which is a decrease of \$2.7 million from SFY 2013-14. This year-to-year change is primarily due to the decrease or elimination of legislative additions.



Table 32

## Executive Budget 2014-15 Proposed Aid To Localities Appropriations

Local Assistance Account	2013-14 Appropriation	2014-15 Appropriation	\$ Change
<b>Cornell Diagnostic Lab</b>			
“Core” Diagnostic Lab	3,750,000	4,425,000	675,000
Cornell University State Cattle Health Assurance Program	360,000	360,000	0
Cornell University Quality Milk Production Services Program	1,174,000	1,174,000	0
Cornell University Johne's Disease Program	480,000	480,000	0
Cornell University Rabies Program	250,000	50,000	(200,000)
Cornell University Avian Disease Program	252,000	252,000	0
<b>Other Cornell Programs</b>			
Cornell University Agriculture in the Classroom	80,000	80,000	0
Cornell University Future Farmers of America	192,000	192,000	0
Cornell University Association of Agricultural Educators	66,000	66,000	0
Cornell University Farm Family Assistance	584,000	384,000	(200,000)
Cornell University Geneva Experiment Station for State Seed Inspection Program	128,000	128,000	0
Hop Evaluation and Field Testing Program	40,000	40,000	0
Cornell University Golden Nematode Program	62,000	62,000	0
Cornell University Integrated Pest Management	500,000	500,000	0
Cornell University Pro-dairy Program	822,000	822,000	0
<b>Other Programs</b>			
Ag Child Care (Migrant)	6,521,000	6,521,000	0
Local Fairs	340,000	340,000	0
New York Wine and Grape Foundation	1,000,000	713,000	(287,000)
New York Farm Viability Institute	1,500,000	400,000	(1,100,000)
Dairy Profit Teams	150,000	150,000	0
Dairy Profit Teams/ NY FVI	220,000	0	(220,000)
New York State Apple Growers Association	1,000,000	206,000	(794,000)
Maple Producers Association	125,000	0	(125,000)
Tractor Rollover Protection Program	100,000	0	(100,000)
Northern NY Agricultural Development	500,000	0	(500,000)
Eastern Equine Encephalitis Program	150,000	0	(150,000)
Turfgrass Environmental Stewardship	150,000	0	(150,000)
North Country Low Cost Vaccine	20,000	0	(20,000)
NY Christmas Tree Farmers	100,000	0	(100,000)
NYS Berry Growers Association	200,000	0	(200,000)
Long Island Farm Bureau	200,000	0	(200,000)
Genesee County Ag. Academy	100,000	0	(100,000)
Island Harvest Food Bank	25,000	0	(25,000)
Taste NY	0	1,100,000	1,100,000

The Executive Budget proposes \$1.1 million in funding for the Taste-NY program, which promotes locally grown or produced food and beverages by making them readily available across the State at high traffic retail venues located at rest areas, airports and train stations. This program was previously funded in Economic Development.

**Food Safety:** The Executive proposes that the Department of Agriculture and Markets reduce inspections for retail food stores that present a low risk to public health, to require an inspection at least once in every 24 month period rather than the current, annual inspection requirement.

**Other State Operations:** The Executive Budget proposes a net increase of \$1.2 million in General Fund State operating spending for SFY 2013-14 for a total of \$33.3 million. This increase is a result of a variety of factors including scheduled collectively bargained salary increases, an increase in funding for the e-licensing program, and a variety of transfers of FTE positions into and out of the General Fund.

**Capital Funding:** The Executive proposes \$3 million in capital appropriations to support the New York State Fair, the same funding level as SFY 2013-14. In addition, the Executive proposes \$5 million to expand and upgrade infrastructure and teaching facilities at the Cornell University College of Veterinary Medicine to accommodate larger class sizes. This project would be funded through the Urban Development Corporation.

The Executive proposes Article VII legislation that would provide for the following:

- **License Renewal:** to authorize Agriculture and Markets to withhold the renewal of a food processing license to establishments that have outstanding penalties of \$2,400 or more; and
- **Emergency Power for Gas Stations:** to require retail gasoline outlets located within a half mile of major interstates in upstate New York to have emergency back-up power capacity. The proposal would authorize NYSERDA to provide federal Sandy recovery funds and other available resources for the costs of pre-wiring transfer switches and generators. This proposal is an expansion of requirements for downstate gas stations that were enacted in 2013.

### Department of Public Service

The Executive Budget proposes an All Funds appropriation of \$89.3 million, an increase of \$3.7 million, or 4.3 percent above SFY 2013-14 level. The Executive recommends support of 527 FTE positions, an increase of 4 positions from the SFY 2013-14 level.

**Long Island Office of the Department of Public Service (DPS):** The Executive Budget proposes \$5.5 million in new funding for the creation of a Long Island office within DPS to oversee electric utility service on Long Island, in compliance with Chapter 173 of the Laws of 2013. The 10 additional employees funded in this budget will result in a total of 39 DPS employees assigned to the oversight of Long Island's electric service.



**Intervenor Funds:** The Executive Budget proposes appropriating \$5.75 million for the intervenor account, a decrease of \$1 million from SFY 2013-14. This decrease is due to an expected decline in the number of proceedings requiring intervenors.

The Executive proposes Article VII legislation that would provide for the following:

- **Temporary Utility Assessment (18-a):** to reduce the Temporary State Energy and Utility Service Conservation Assessment by \$200 million in SFY 2014-15 by eliminating the assessment on industrial utility customers and reduces the assessment by \$100 million in SFY 2015-16 and 2016-17 by accelerating the phase out of the assessment for all other utility customers;
- **Modifying Oversight:** to authorize the Department of Public Service to modify operations in its oversight of cable television franchises, utilities and telephone corporations; and
- **Continuing Funding for Public Health Education:** to continue the authorization for the Department of Health to finance the public health education program with revenues generated from an assessment on cable television companies.

#### **NYS Energy Research and Development Authority (NYSERDA)**

The Executive Budget proposes an All Funds appropriation of \$28.3 million, a decrease of \$24.9 million, or 46 percent, from the SFY 2013-14 level.

The Executive Budget recommends \$12 million in Capital funding for NYSERDA, a decrease of \$25 million from the SFY 2013-14 levels. This decrease reflects the discontinuation of a \$25 million appropriation for the Cleaner, Greener Communities program that was included in the SFY 2013-14 Budget. In addition, the Executive Budget proposes funding the Federal match for West Valley at \$12.1 million, an increase of \$100,000.

The Executive also provides the following Article VII proposals:

- to transfer \$913,000 from NYSERDA to the General Fund to offset New York State's debt service requirements for West Valley; and
- to continue authorization for NYSERDA to finance a portion of its research, development and demonstration, and policy and planning programs, and to finance the DEC's climate change program, from an assessment on gas and electric corporations.

### Adirondack Park Agency

The Executive Budget proposes an All Funds appropriation of \$5.1 million, unchanged from the SFY 2013-14 level. The Executive recommends support of 54 FTE positions, also unchanged from the SFY 2013-14 level.

### Olympic Regional Development Authority

The Executive Budget proposes an All Funds appropriation of \$11.2 million, an increase of \$5.8 million, or 107 percent above the SFY 2013-14 level.

**Winter Sports Education Trust Fund:** The Executive proposes a reduction of \$75,000 in SFY 2014-15, a decrease of \$1.81 million from SFY 2013-14. The decrease results from last year's one-time access to the Fund's principal balance. The Executive would continue to fund the Olympic Training Center Account at the SFY 2013-14 levels of \$75,000.

**Capital Funding:** The Executive proposes \$6.9 million in new capital funding for energy efficiency upgrades and renovation projects.



# BUDGET SNAPSHOT: TRANSPORTATION

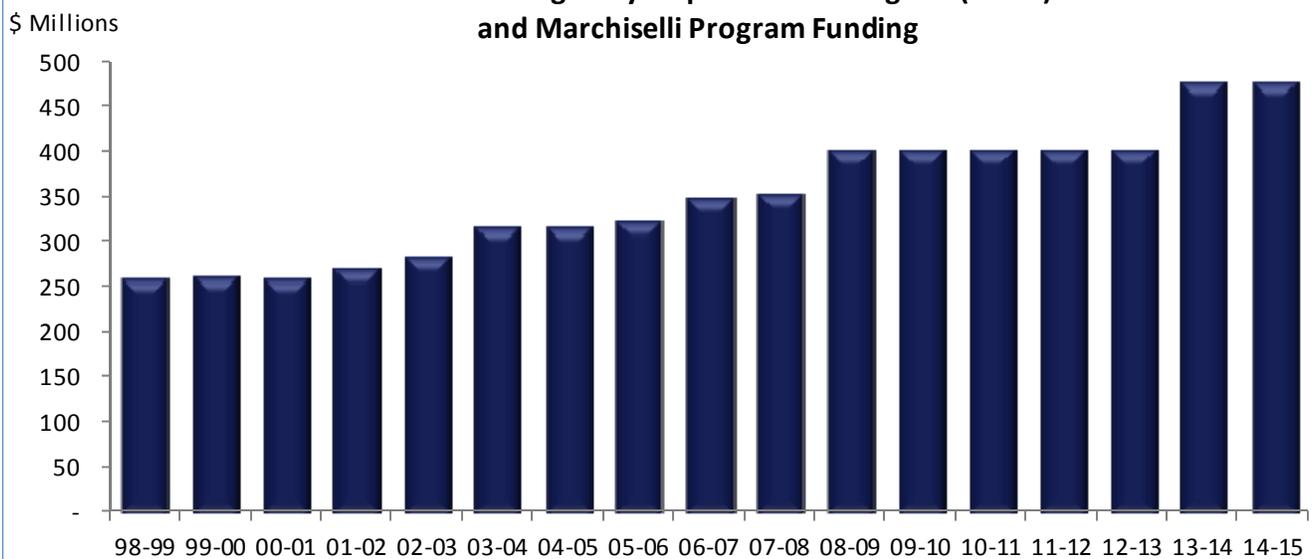


*In 2012, MTA's annual subway ridership of 1.65 billion was higher than any year since 1950.*

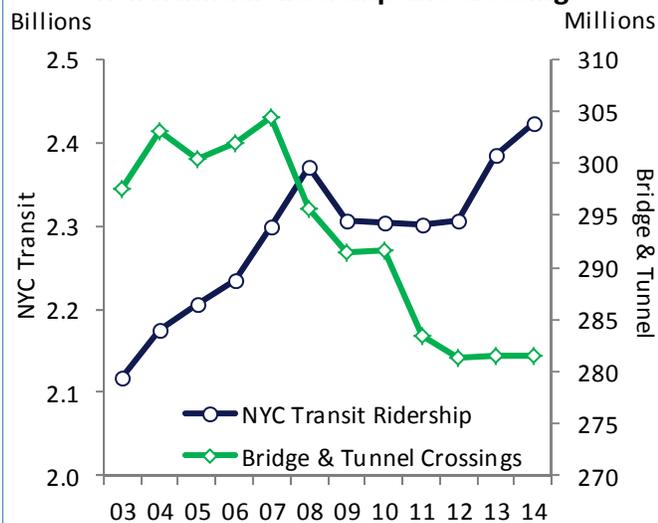
*The Thruway toll from Albany to Buffalo is \$12.45 for a passenger vehicle, up 5% from 2010.*

*65.5% of bridges in New York State are in good or excellent condition.*

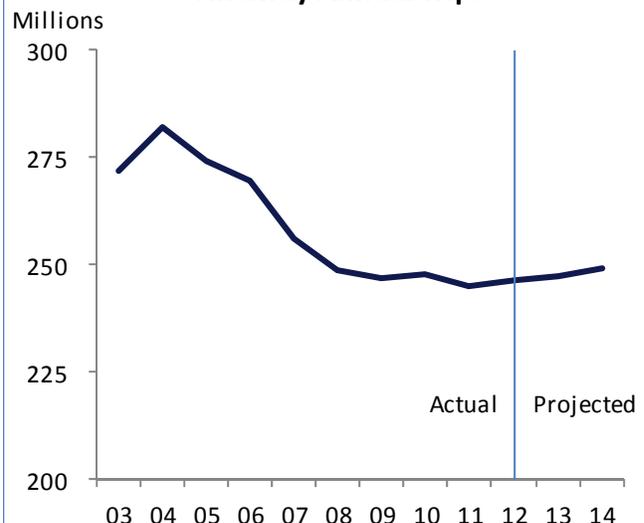
**Consolidated Highway Improvement Program (CHIPs) and Marchiselli Program Funding**



**MTA Annual Ridership and Crossings**



**Thruway Annual Trips**



Sources: Metropolitan Transportation Authority, NYS Thruway Authority, NYS Assembly Ways and Means Committee.

# BUDGET HIGHLIGHTS: TRANSPORTATION



- **Department of Transportation (DOT) Capital Plan:** The Executive proposes Capital Plan obligations of \$3.42 billion in State Fiscal Year (SFY) 2014-15, a decrease of \$233 million or 6.4 percent. This proposal implements the second year of a two-year capital program authorized in SFY 2013-14. It includes core capital projects worth \$1.49 billion for SFY 2014-15.
- **Transit Operating Assistance:** The Executive proposes \$4.8 billion in support for transit systems, an increase of \$93 million over prior year levels.
- **Dedicated Funds Transfer:** The Executive proposal would redirect \$40 million of dedicated mass transit funding to pay debt service costs associated with previously issued Metropolitan Transportation Authority (MTA) bonds. In SFY 2013-14, \$20 million was redirected for the same purpose.
- **Continued Local Capital Construction Programs Funding:** The Executive proposal would continue authorization levels of \$438.1 million for the Consolidated Highway Improvement Program (CHIPS) and \$39.7 million for the Marchiselli program.
- **Design-build:** The Executive proposes to expand the 2011 design-build contracting authorization to all counties and to those municipalities with populations of 50,000 or more, and to make these provisions permanent.
- **Internet Point Insurance Reduction Program:** The Executive proposal would make permanent the authorization for the Department of Motor Vehicles (DMV) to allow motorists to take the accident prevention course via the internet. The proposal would also ease the requirements for companies seeking to administer the course.
- **DMV Saturday Hours:** The Executive proposal would make permanent the authorization for the DMV to serve the public on Saturdays.

# BUDGET REVIEW AND ANALYSIS: TRANSPORTATION



New York State supports a vast transportation infrastructure with the goal of creating an interconnected statewide system that addresses environmental and community concerns while efficiently moving people and goods throughout the State. DOT maintains and improves the State's more than 40,000 highway lane miles and 7,600 bridges. In State Fiscal Year (SFY) 2012-13 alone, \$2.3 billion worth of road and bridge projects were completed around the state. DOT partially funds local government highway and bridge construction, including CHIPs, rail and aviation projects, as well as over 130 locally operated transit systems, including the MTA.

The MTA maintains a fleet of 5,700 buses and 6,400 subway cars which operate on an infrastructure of 2,200 miles of track. MTA ridership has increased 49 percent since 1995 and in 2012 reached an all-time high of 2.6 billion people riding on its subways, buses and railroads, a number which is projected to reach 3.1 billion by 2030. Additionally, the MTA's nine bridges and tunnels carry 280 million vehicles annually.

The Department of Motor Vehicles (DMV) is responsible for registering and titling vehicles, issuing driver licenses and non-driver identification cards, and regulating the motor vehicle industry from the time a car is sold through its annual inspections and up to the moment when it is disposed. The DMV operates 27 district and branch offices, and provides services via county clerk offices acting as DMV agents at 102 locations throughout the State. The DMV Traffic Violations Bureau helps to adjudicate traffic infractions.

The last major component of the transportation budget is the Thruway Authority, which is responsible for operating a 570-mile toll highway system and the 524-mile New York State Canal System, which includes 57 locks, 16 lift bridges, and numerous dams, reservoirs, and water control structures.

Table 33

Appropriations					
Agency	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	5-year Trend
Department of Transportation	9,112.74	10,158.58	1,045.84	11.48	
Metropolitan Transportation Authority	2,284.17	2,303.64	19.47	0.85	
Department of Motor Vehicles	342.86	318.41	-24.45	-7.13	
New York State Thruway Authority	26.00	26.00	0.00	0.00	

Table 34

Disbursements					
Agency	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	5-year Trend
Department of Transportation	8,595.78	8,977.14	381.36	4.44	
Metropolitan Transportation Authority	246.12	183.23	-62.89	-25.55	
Department of Motor Vehicles	314.65	303.93	-10.72	-3.41	
New York State Thruway Authority	25.80	25.80	0.00	0.00	

**Department of Transportation**

The Executive proposes All Funds appropriations of \$10.16 billion, an increase of \$1.05 billion or 11.5 percent from the SFY 2013-14 level. The Executive recommends funding support of 8,337 full-time equivalent (FTE) positions, which is unchanged from the SFY 2013-14 level.

The DOT budget has two main components. The first is transit assistance, which is primarily funded by dedicated transportation tax revenue and distributed to over 130 mass transit authorities around the state, including the MTA. The second is the DOT capital plan.

**Transit Operating Assistance (Aid to Localities):** The Executive proposes \$4.8 billion in support for transit systems, which is an increase of \$93 million from SFY 2013-14. Of this amount, \$4.35 billion is directed to the MTA, which is an increase of \$85 million from SFY 2013-14. This funding comprises 31.84 percent of the MTA’s 2014 annual budget of \$13.649 billion. The remainder of the MTA’s funding is not appropriated through the state budget and comes from local taxes, as well as farebox and toll revenue. The MTA’s funding includes a \$309.25 million transfer from the General Fund to fully



offset MTA Mobility Tax revenue reductions resulting from actions taken during the December 2011 Special Legislative Session.

The Executive recommends the redirection of \$40 million in dedicated tax revenue from Metropolitan Mass Transportation Operating Assistance, which primarily supports the MTA, to pay for a portion of the debt service associated with previously-issued MTA service contract bonds. In SFY 2013-14, \$20 million was redirected for the same purpose.

Of the \$4.8 billion in total transit operating assistance, \$286 million is for non-MTA downstate transit systems, an increase of \$5.6 million from SFY 2013-14. A total \$175.9 million is included for upstate transit systems, an increase of \$2.3 million from SFY 2013-14.

Table 35

**Executive Proposal: Transit Operating Assistance**  
**All Funds Cash Disbursements**  
**(\$ in Millions)**

	2013-14 Enacted	2014-15 Executive	\$ Change	% Change
<b>MTA</b>				
NYC Transit Authority	1,718.90	1,748.00	29.10	1.7
Commuter Rail (MNR & LIRR)	634.52	650.60	16.09	2.5
MTA (Payroll Mobility Tax & Other)	1,907.42	1,947.35	39.93	2.1
<b>MTA Total</b>	<b>4,260.83</b>	<b>4,345.95</b>	<b>85.11</b>	<b>2.0</b>
<b>Non-MTA Downstate Systems</b>				
Nassau	61.60	62.83	1.23	2.0
NYC DOT	81.09	82.71	1.62	2.0
Rockland	3.11	3.17	0.06	2.0
Staten Island Ferry	30.34	30.95	0.61	2.0
Suffolk	23.96	24.44	0.48	2.0
Westchester	50.93	51.95	1.02	2.0
FORMULAS	29.41	30.00	0.59	2.0
<b>Non-MTA Downstate Systems Total</b>	<b>280.46</b>	<b>286.06</b>	<b>5.60</b>	<b>2.0</b>
<b>Upstate Systems</b>				
Capital District Transportation Authority (CDTA)	31.20	31.62	0.42	1.3
Central New York Regional Transportation Authority (CNYRTA)	28.48	28.87	0.38	1.3
Niagara Frontier Transportation Authority (NFTA)	44.93	45.53	0.60	1.3
Rochester Genesee Regional Transportation Authority (RGRTA)	32.67	33.11	0.44	1.3
FORMULAS	36.27	36.75	0.49	1.3
<b>Upstate Systems Total</b>	<b>173.55</b>	<b>175.88</b>	<b>2.34</b>	<b>1.3</b>
<b>Transit Operating Assistance Total:</b>	<b>4,714.83</b>	<b>4,807.89</b>	<b>93.05</b>	<b>2.0</b>

**DOT Capital Plan (Capital Projects Appropriations):** The Executive proposes All Funds Capital Projects appropriations of \$5.12 billion, an increase of \$851.21 million or 19.95 percent, from the SFY 2013-14 level. The increase is not a reflection of higher spending levels; rather it reflects the inclusion in the capital budget of previously off-budget items. These items total \$924.5 million and include:

- SFY 2014-2015 CHIPs and Marchiselli appropriations (\$477.8 million);
- undisbursed CHIPs and Marchiselli authorizations from prior years (\$396 million);
- undisbursed 1996 Multi-Modal authorization (\$49 million); and
- undisbursed Suburban Highway Improvement Program authorizations from prior years (\$1.7 million).

**Dedicated Highway and Bridge Trust Fund (DHBTF):** Offsetting the above increases, the Executive recommends a net appropriation decrease of \$36.29 million, or 1.88 percent, in the DHBTF. Appropriation changes within the DHBTF are as follows:

**Table 36**

Appropriation	SFY 2013-14 Enacted	SFY 2014-15 Proposed	\$ Change	% Change
Construction (Non-Federal Aided Highway Purpose)	\$605,296,000	\$534,769,000	(70,527,000)	-11.65%
Summer maintenance and snow & ice (Highway Maintenance Purpose)	\$628,371,000	\$660,871,000	32,500,000	5.17%
Engineering (Preparation of Plans Purpose)	\$436,542,000	\$445,844,000	9,302,000	2.13%
DOT Administration (Preparation of Plans Purpose)	\$94,077,000	\$76,120,000	(17,957,000)	-19.09%
DOT Staff (Preparation of Plans Purpose)	\$62,610,000	\$64,234,000	1,624,000	2.59%
Real Estate Division (Preparation of Plans Purpose)	\$17,719,000	\$18,210,000	491,000	2.77%
Bus Inspections (Public Transportation Purpose)	\$8,956,000	\$9,431,000	475,000	5.30%
Rail Safety Inspection Account (moved from State Operations)	\$0	\$1,186,000	1,186,000	100.00%
Transportation Regulation Account (moved from State Operations)	\$0	\$6,615,000	6,615,000	100.00%
<b>Total</b>	<b>\$1,853,571,000</b>	<b>\$1,817,280,000</b>	<b>(36,291,000)</b>	<b>-1.96%</b>

Note: several appropriations within the DHBTF are unchanged and not included on this table. The total appropriation reduction for the DHBTF is 1.88%.

The Construction appropriation in the table above supports the core road and bridge capital program. The 11.65 percent reduction is primarily a reflection of a loss of federal funding which was advanced into SFY 2012-13 from SFY 2014-15. The 19 percent reduction in DOT Administration is primarily a reflection of the transfer in SFY 2013-14 of 133 DOT personnel to the Office of Information Technology Services (ITS).



Further offsetting the \$924 million appropriation increase is the movement of two appropriations, the State Dedicated Fund (\$18.5 million) and the Omnibus and Transit Purpose appropriation (\$18.5 million), out of the Capital Budget and into operating assistance.

The DHBTF has a projected funding shortfall of \$673 million in SFY 2014-15. The Executive proposal includes transfer authority of \$662.48 million from the General Fund to the DHBTF to partially fill the shortfall. The 67 percent year-to-year increase in the DHBTF shortfall is explained by a proposed change to one of the funding mechanisms that feeds into the DHBTF and the timing of federal reimbursements.

**DOT Capital Plan:** The Executive proposes Capital Plan obligations of \$3.42 billion in SFY 2014-15, a decrease of \$233 million or 6.4 percent. This proposal would implement the second year of a two-year capital program agreed to in SFY 2013-14. It includes core capital projects worth \$1.49 billion for SFY 2014-15.

Major components of the \$3.42 billion Capital Plan include a letting level of \$1.734 billion, \$478 million for CHIPs and Marchiselli, \$410 million for State Forces Engineering, and \$354 million in preventive maintenance. The plan reflects an additional \$100 million of core program spending agreed to in SFY 2012-13.

**Table 37**

<b>DOT Capital Plan (On an Obligations Basis) (\$ in Thousands)</b>					
	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Construction Contracts, Consultant					
Engineering, Right of Way	2,231,406	2,045,163	3,118,297	2,125,000	1,934,000
State Forces Engineering	385,805	374,000	373,000	394,000	410,000
Preventive Maintenance	265,473	295,868	303,433	322,000	354,000
Administration	100,000	99,000	99,000	89,000	76,000
CHIPs/Marchiselli	402,797	402,797	402,797	478,000	478,000
Rail, Aviation, Non-MTA Transit, Misc.	167,271	232,506	195,900	241,000	163,000
<b>Total</b>	<b>3,552,752</b>	<b>3,449,334</b>	<b>4,492,427</b>	<b>3,649,000</b>	<b>3,415,000</b>

As in last year’s enacted budget this proposal includes a \$225 million New York Works appropriation, which will provide:

- \$155 million to accelerate DOT projects of regional significance;
- \$45 million to fund engineering services; and
- \$25 million to support non-MTA mass transit, freight rail, and aviation capital needs.

**State Operations Appropriations:** The Executive proposes All Funds State Operations appropriations of \$33.11 million, a decrease of \$2.93 million, or 8.1 percent from the SFY 2013-14 level. This primarily reflects the movement of the Rail Safety Inspection Account and the Transportation Regulation Account out of State Operations and into the DHBTF within the Capital budget. These reductions are partially offset by a \$2.6 million, or 49 percent, appropriation increase in the Federal Transit Administration Program Management Account due to an anticipated increase in federal funding for rail inspection.

The Executive also includes the following Article VII proposals:

- to expand the 2011 design-build contracting authorization to all Counties and those municipalities with populations of 50,000 or more, and make existing authority permanent. The current authorization would expire on December 9, 2014; and
- to increase toll evasion penalties and enforcement tools for the MTA, Thruway Authority, Bridge Authority, and Port Authority. The legislation would:
  - increase the schedule of graduated monetary penalties;
  - lower the trigger for the suspension of a vehicle registration from five failures to appear/pay a penalty in 18 months to three times in 18 months;
  - increase the monetary penalty for intentionally obscuring a license plate at a toll facility;
  - make the act of intentionally evading a toll a class A misdemeanor;
  - make it easier to prosecute toll violators by extending the notification period and expanding what can be used as evidence;
  - allow the authorities to impose administrative fees;
  - authorize the Thruway Authority and the NYS Bridge Authority to establish administrative tribunals;
  - establish reciprocal agreements with other states and Canada for the suspension or denial of vehicle registrations; and
  - lower the threshold of the burden of proof in the adjudication of toll violation allegations.

**Department of Motor Vehicle:** The Executive proposes All Funds appropriations of \$318.41 million, a decrease of \$24.45 million or 7.13 percent below the SFY 2013-14 level. The Executive recommends funding support of 2,205 FTEs , a decrease of 10 positions.

**Customer Service Initiative:** The 10 positions being eliminated are customer service employees who staff the windows at State DMV offices. Eliminating these positions is expected to reduce personal



service expenses by \$552,000. The Executive proposal would continue a customer service initiative, begun in SFY 2013-14, to provide mobile device apps and a website redesign, self-service kiosks, technological improvements for the call center, the offering of appointments, and Saturday hours in certain offices.

The DMV budget has two main components. The first is State Operations, which is composed of programs which are self-supported by fees collected. Changes in appropriations in these programs generally reflect lower projections by the Executive for the particular fees supporting the program. One exception is the Banking Services Account, which the Executive has proposed reducing by \$9.7 million, or 65 percent, reflecting a new payment structure between the DMV and credit card companies. The DMV appropriations are as follows:

**Table 38**

<b>Appropriation</b>	<b>2012-13 Enacted</b>	<b>2013-14 Enacted</b>	<b>2014-15 Exec. Request</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Administration Program</b>					
DMV Seized Asset Account	\$400,000	\$400,000	\$400,000	\$0	0.00%
Federal Seized Asset Account	\$1,000,000	\$1,000,000	\$1,000,000	\$0	0.00%
Banking Service Account	\$15,000,000	\$15,000,000	\$5,300,000	(\$9,700,000)	-64.67%
<b>Administrative Adjudication Program</b>					
Administration Adjudication Account	\$43,067,000	\$44,261,000	\$41,754,000	(\$2,507,000)	-5.66%
<b>Clean Air Program</b>					
Mobile Source Account	\$23,308,000	\$24,642,000	\$19,162,000	(\$5,480,000)	-22.24%
<b>Compulsory Insurance Program</b>					
Compulsory Insurance Account	\$16,755,000	\$17,657,000	\$14,687,000	(\$2,970,000)	-16.82%
<b>Governor's Traffic Safety Committee</b>					
Highway Safety Research and Development	\$12,887,000	\$13,426,000	\$13,626,000	\$200,000	1.49%
Highway Safety Programs	\$20,800,000	\$20,880,000	\$21,200,000	\$320,000	1.53%
Highway Safety Research & Development	\$4,800,000	\$4,800,000	\$4,800,000	\$0	0.00%
<b>Transportation Safety Program</b>					
Motorcycle Safety Account	\$1,655,000	\$1,736,000	\$1,499,000	(\$237,000)	-13.65%
Internet Point Insurance Reduction Program Account	\$642,000	\$664,000	\$669,000	\$5,000	0.75%
<b>SUBTOTAL</b>		<b>\$144,466,000</b>	<b>\$124,097,000</b>	<b>(\$20,369,000)</b>	<b>-14.10%</b>
<b>Capital (Transportation Support)</b>		<b>\$205,759,000</b>	<b>\$194,314,000</b>	<b>(\$11,445,000)</b>	<b>-5.56%</b>
<b>Total</b>		<b>\$350,225,000</b>	<b>\$318,411,000</b>	<b>(\$31,814,000)</b>	<b>-9.08%</b>

The second major component of the DMV budget is general DMV operations, which are supported by DMV fees deposited into the DHBTf. The Executive proposes DMV operations appropriations of \$194.3 million, a decrease of \$11.45 million or 5.56 percent.

The Executive also includes the following Article VII proposals:

- to make permanent the authorization for the DMV to serve the public on Saturdays. The current authorization would expire on March 29, 2015;
- to make permanent the authorization for the DMV to allow motorists to take the accident prevention course via the internet. The proposal would also ease the requirements of companies seeking to administer the course. The purpose of the course is to reduce driver violation points and insurance premiums. The current authorization would expire on May 18, 2014; and
- to make New York State compliant with federal requirements that call for certain restrictions to appear on commercial driver's licenses.

### **Thruway Authority:**

The Executive proposes All Funds appropriations of \$26 million which is unchanged from the SFY 2013-14 level. The Authority is funded primarily through various off-budget revenues, mostly tolls. Most programs are therefore not included in the Executive Budget. The two exceptions are a State Operations appropriation (\$24 million) and the Canal Development Program (\$2 million).

The Executive proposal includes a \$24 million General Fund appropriation as part of the Authority's overall \$85 million budget. The remainder of the \$85 million in recommended Thruway Authority assistance includes a state takeover of personnel costs of the Division of State Police to patrol the Thruway (financed through a \$55.22 million transfer to the Division of State Police budget); and an exemption from an annual assessment due from the Authority to the State (\$5.20 million). Together these actions would provide \$84.42 million in support for the Authority and eliminate the need for a commercial toll increase.

The Executive recommends an appropriation of \$2 million for the Canal Development Program, unchanged from the SFY 2013-14 funding level. The revenues deposited into the Canal System Development Fund (CSDF) are generated by canal tolls and other user fees. Revenues from the CSDF are available strictly for the development, promotion, maintenance, and construction of the canals.

### **Metropolitan Transportation Authority:**

The Executive proposes contingent appropriations of \$2.3 billion, an increase of \$19.47 million or 0.83 percent, from the SFY 2013-14 budget. This contingency appropriation can be used to support



operating costs as well as debt service payments for the MTA in SFY 2015-16 in the event that the state budget for that fiscal year is not enacted by April 1, 2015.

**New York Work Task Force:**

The Executive proposes a State Operations appropriation of \$1 million for the New York Works Task Force, which is the same level of funding as in SFY 2013-14. The New York Works Task Force coordinates capital infrastructure plans across State agencies and authorities.



# BUDGET SNAPSHOT: ECONOMIC DEVELOPMENT

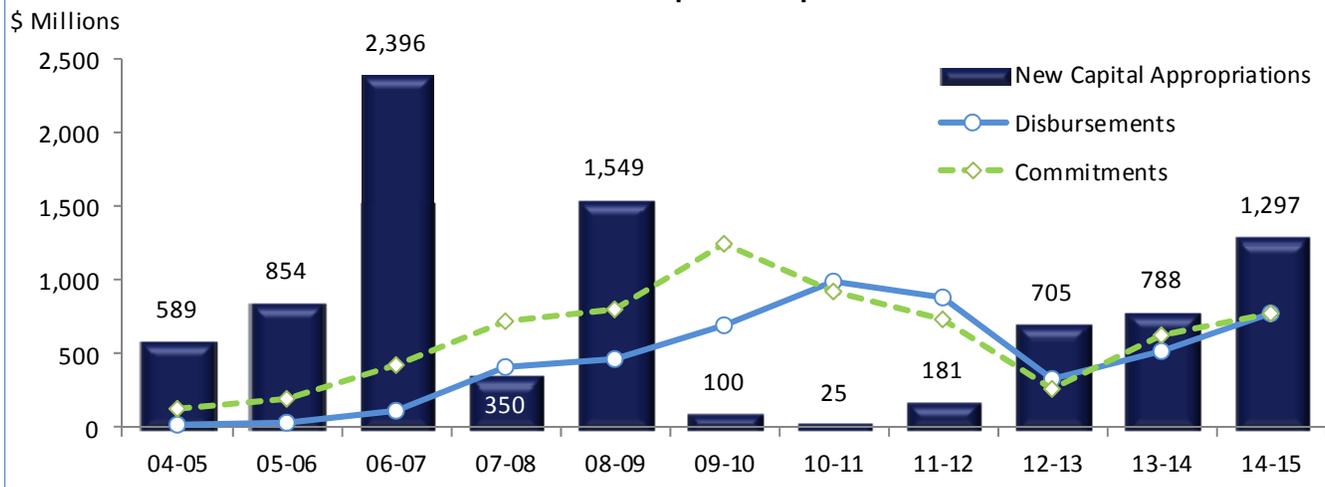


**New York's semiconductor industry has attracted more than \$20 billion in investments.**

**New York City reached over 54 million visitors in 2013 generating nearly \$59 billion in overall economic impact.**

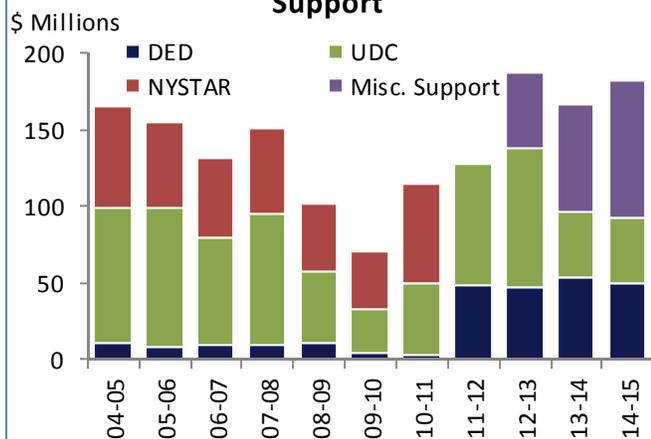
**New York State currently has 7,833 MWBE business certifications.**

## State Economic Development Capital Initiatives



Note: Includes amounts made available through the ESDC and Miscellaneous Capital Appropriations.

## Economic Development Operating Support



## Funding for Tourism and Marketing Promotion



Sources: 2004-2013 Enacted Budgets; 2005-2014 Executive Budget Five -Year Capital Program and Financial Plans.

# BUDGET HIGHLIGHTS: ECONOMIC DEVELOPMENT



- **New Capital Initiatives:** The Executive provides \$1.3 billion in appropriations for capital project investments throughout the State. This reflects a \$893.9 million increase over the prior year.
- **Regional Economic Development Councils (REDC):** The Executive proposes \$150 million to support a fourth round of REDC awards. An additional \$70 million in Excelsior Tax Credits would be designated for this same purpose. For the fourth round of REDC awards, regions would be encouraged to incorporate global marketing and export strategies into their strategic plans under a new initiative called “Global NY”.
- **Buffalo Regional Innovation Cluster:** The Executive provides \$680 million to fulfill the Governor’s billion dollar commitment to Buffalo. This proposal complements \$150 million in prior year capital appropriations and \$170 million in previously designated Excelsior Tax Credits.
- **Nano Utica:** The Executive proposal includes \$180 million to support the purchase of new equipment for the State University of New York Institute of Technology’s (SUNYIT) Computer Chip Commercialization Center. This investment is a part of a \$1.5 billion public/private partnership that will help create more than 1,000 high tech jobs at SUNYIT in Marcy, New York.
- **NY Genome Center:** The Executive proposes \$105 million to support the NY Genomic Medical Network and its linkage between the New York City medical community and University at Buffalo in order to increase and expedite research. Of this amount, \$50 million would be earmarked from Buffalo Regional Innovation Cluster funding, which would be used to support University at Buffalo’s advancement in biomedical research and genomic medicine.
- **Other Initiatives:** The Executive proposes a \$90 million sweep from the New York Power Authority for various economic development initiatives, including a second \$50 million allotment for the Open for Business marketing campaign, \$15 million for the Innovation Venture Capital Fund, \$2 million for the Dunkirk Power Plant Conversion project, and \$23 million for General Fund relief.

# BUDGET REVIEW AND ANALYSIS: ECONOMIC DEVELOPMENT



The Urban Development Corporation (DBA: Empire State Development Corporation), in conjunction with the Department of Economic Development, promotes job creation and retention, business assistance, tourism marketing and promotion and community rebuilding and expansion, as well as developing regionally-based economic strategies.

The New York State Gaming Commission was created in 2013 through merging the functions and responsibilities of the former Division of Lottery and the former Racing and Wagering Board. The Commission is responsible for Lottery Administration, Charitable Gaming, Gaming (including Indian Gaming, Video Lottery Gaming and Commercial Gaming), and Horse Racing and Pari-Mutuel Wagering.

The New York State Council on the Arts (NYSCA) is responsible for the oversight and administration of the cultural and artistic resources of the Council on the Arts, the Empire State Plaza Performing Arts Center Corporation and the New York State Theatre Institute. NYSCA is also responsible for administering grants to local not-for-profit arts organizations.

**Table 39**

Agency	Appropriations				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Urban Development Corporation	445.59	1,339.88	894.29	200.70	
New York State Gaming Commission	106.21	114.60	8.38	7.89	
Department of Economic Development*	82.01	74.64	-7.37	-8.99	
Council on the Arts	41.68	41.68	0.00	0.00	

\* The Foundation for Science, Technology and Innovation (NYSTAR) merged into the Department of Economic Development as part of the enacted State Fiscal Year (SFY) 2011-12 Budget.

Table 40

Disbursements					
Agency	2013-14	2014-15	Change	Change	5-year
	Adjusted	Exec Request			
	(\$ in Millions)	(\$ in Millions)	(\$ in Millions)	(%)	
Urban Development Corporation	592.96	842.81	249.85	42.14	
New York State Gaming Commission	170.35	184.82	14.48	8.50	
Department of Economic Development*	102.57	89.97	-12.60	-12.28	
Council on the Arts	43.27	40.57	-2.70	-6.24	

\* The Foundation for Science, Technology and Innovation (NYSTAR) merged into the Department of Economic Development as part of the enacted SFY 2011-12 Budget.

### Urban Development Corporation/Empire State Development Corporation

The Executive proposes an All Funds appropriation of \$1.34 billion, an increase of \$894.29 million, or 200.7 percent from the SFY 2013-14 level.

**Empire State Economic Development Fund (EDF):** The Executive provides \$31.18 million in support for the EDF, which supports growth for a wide range of economic development projects. While this amount is unchanged from the prior year levels, \$12 million in capital appropriations are proposed to shift to the General Fund.

**Capital:** The Executive proposes an All Funds Capital Projects appropriation of \$1.3 billion, an increase of \$893.89 million or 221.8 percent from the SFY 2013-14 level. These amounts will support the following initiatives:

Table 41

Economic Development Capital Initiatives			
(\$ in Thousands)			
Category/Item	2013-14 Enacted	2014-15 Exec. Request	\$ Change
Buffalo Regional Innovation Cluster	75,000	680,000	605,000
Regional Economic Development Councils	150,000	150,000	0
Nano Utica	0	180,000	180,000
NY-SUNY/CUNY 2020 Challenge Grant Programs	110,000	110,000	0
New York Genome Center	0	55,750	55,750
SUNY College for Nanoscale and Science Engineering (CNSE)	0	50,000	50,000
Onondaga County Revitalization Projects	0	30,000	30,000
Economic Transformation Program	0	24,000	24,000
Economic Development Fund	12,000	0	-12,000
Clarkson-Trudeau Partnership	0	10,000	10,000
Western NY Football Retention Efforts	56,057	2,195	-53,862
Cornell University College of Veterinary Medicine	0	5,000	5,000
<b>Funding Total</b>	<b>403,057</b>	<b>1,296,945</b>	<b>893,888</b>

In addition, the Executive proposal includes language in certain capital reappropriations to make future allocations subject to public review, and would require the identification of members of the Legislature that requested the allocation. The language would further require members of the Legislature to attest to the veracity of the purpose and appropriate implementation of any nominated project.

**Buffalo and Western New York:** In addition to the \$680 million proposed by the Executive to fulfill a billion dollar commitment to Western New York, the Executive also provides \$4.46 million to retain the Buffalo Bills.

**Support for Advancement in Technology:** The Executive proposes \$245.8 million for various research, science and nano technology programs. Initiatives include: \$180 million for the purchase of new equipment at Nano Utica SUNYIT’s Computer Chip Commercialization Center; \$55.8 million to support the NY Genomic Medical Network; \$50 million for SUNY CNSE; and \$10 million to support a partnership between the State, Clarkson University and the Trudeau Institute to promote biotechnology research and development.

**Regional Economic Development Councils:** The Executive Budget would authorize a fourth round of REDC competitive awards supported with a \$150 million capital appropriation, and \$70 million in Excelsior Tax Credits. The Executive has announced three rounds of REDC awards to date. Last year, REDCs awarded the highest number of projects, while utilizing the least amount of total funding over the three year period.

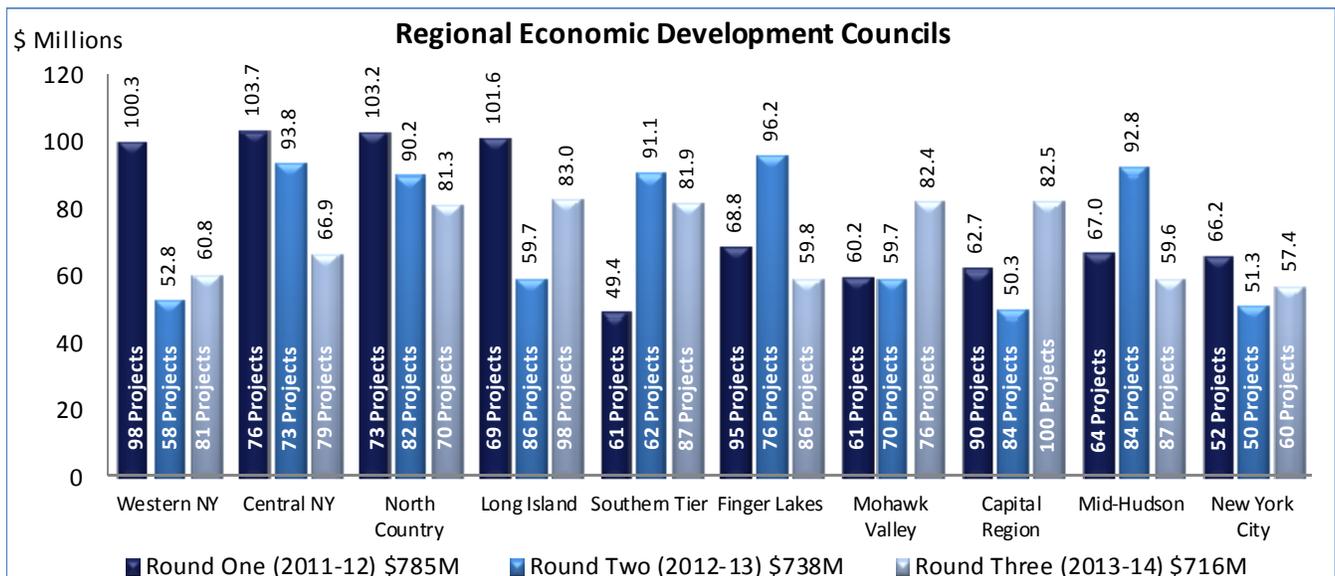


Figure 7

**Colleges/Universities:** The Executive provides a total of \$115 million for collegiate initiatives, including \$110 million for the continuation of the SUNY/CUNY 2020 competitive grant program, and a new

\$5 million to allow the Cornell University College of Veterinary Medicine to upgrade and expand the school's teaching facilities to accommodate larger classroom sizes.

The Executive proposal also includes Article VII proposals to extend, for one year the authorization of the New York State Urban Development Corporation to administer the Empire State Economic Development Fund, and to extend the general loan powers of the New York State Urban Development Corporation for one year as well.

### **Department of Economic Development:**

The Executive proposes an All Funds appropriation of \$74.64 million, a decrease of \$7.37 million, or 9.0 percent decrease below the SFY 2013-14 level. The Executive recommends funding support of 152 full-time equivalent (FTE) positions, which is unchanged from the prior year.

**Centers of Excellence:** The Executive maintains \$5.2 million in total funding for the Centers of Excellence. However, the Project Schedule is restructured to include \$3.9 million for the original six centers (each receiving \$654,254), \$981,357 for the three most recently designated centers (each receiving \$327,119), and \$327,119 for a new Center of Excellence in Data Science at the University of Rochester. Data science focuses on the concepts, methods, and applications for extracting meaning from large-scale data.

**New York State Hot Spots and Incubators:** The Executive proposes \$3.75 million to support Hot Spots and Incubators, and would designate five additional hot spot locations in the following regions: Capital District, Long Island, Mid-Hudson, Mohawk Valley and New York City. Five hot spots and 10 incubators were designated as a part of last year's \$1.5 million appropriation.

### **New York State Gaming Commission**

The Executive proposes All Funds appropriations of \$114.6 million, an increase of \$8.38 million, or 7.9 percent over the SFY 2013-14 level. The Executive recommends support for 430 FTE positions, an increase of 10 over the SFY 2013-14 level.

**Commercial Gaming:** The Executive provides a new \$10.5 million appropriation for the establishment of the commercial gaming program and eliminates a \$1 million appropriation for gaming commission administration. The new appropriation would fund all staffing and related costs that was supported by the gaming commission administration during SFY 2013-14 as well as: \$5 million in financial analyst consultant costs to review Commission processes and establish a new time allocation system; \$4 million to conduct background checks on casino applications; and approximately \$500,000 for



non-personal services. This appropriation would also support 10 FTEs who would begin the process of selecting and regulating casino operators.

**Indian Gaming and Horse Racing and Pari-Mutuel:** The Executive proposes a \$1.4 million increase for Indian Gaming and a decrease of \$2.21 million for the Horse Racing and Pari-Mutuel program. These adjustments reflect the efforts of the Gaming Commission to more accurately allocate staff time.

The Executive recommends Article VII legislation that would:

- increase the existing surcharge on handle from 0.5 percent to 0.6 percent, which is expected to generate \$1.6 million annually;
- make technical changes to the Commercial Gaming Law to allow revenue from commercial gaming dedicated to support education to be distributed following monthly transfers to cover a shortfall, if any, in the Video Lottery Education Fund, clarify the effective date and the distribution of regional county aid, and provide for the expiration of gaming licenses on the applicant's birthday; and
- extend the Monticello Video Lottery Terminal (VLT) rates, certain pari-mutuel tax rates and simulcast provisions, and the video lottery gaming vendor's capital awards program for one year.

**Council on the Arts:**

The Executive proposes an All Funds appropriation of \$41.68 million which is unchanged from the SFY 2013-14 level. The Executive recommends funding support of 28 FTE positions, which is also unchanged from the SFY 2013-14 level.



# BUDGET SNAPSHOT: PUBLIC PROTECTION

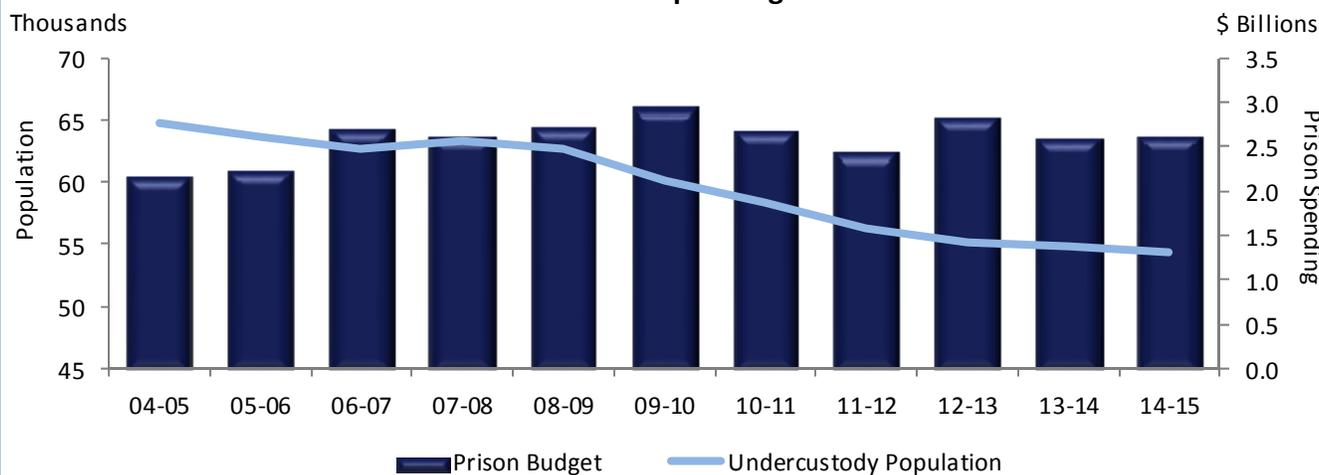


**Over the past three years, 9 prisons have been closed. This year's Executive proposal would close an additional 4 facilities.**

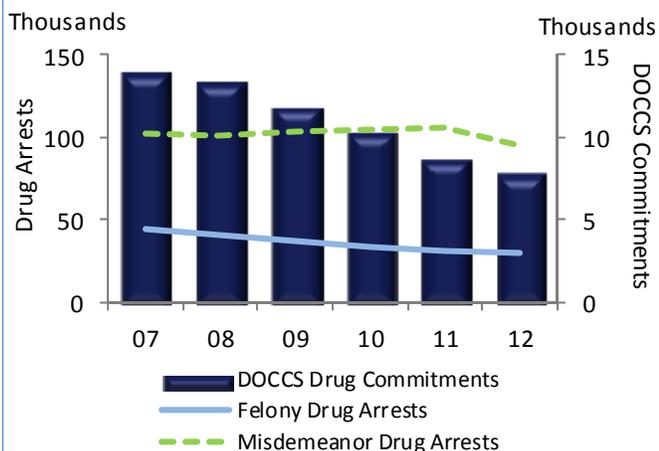
**New York's prison population has been reduced from 71,600 in 1999 to approximately 54,500 today, a reduction of 24%.**

**The 2009 Rockefeller Drug Reforms reduced drug commitments to NYS prisons by approximately 50%.**

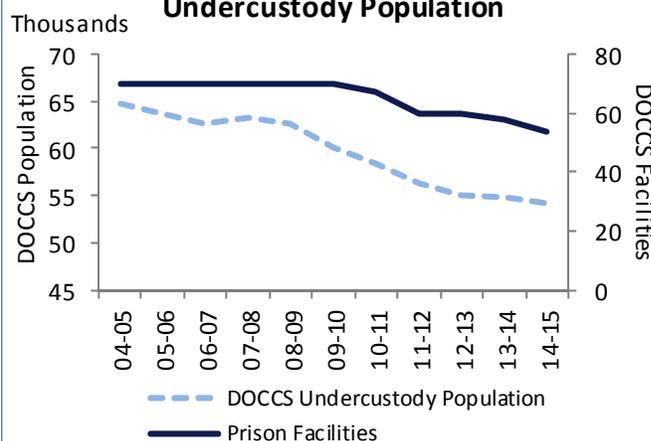
**NYS Undercustody Population vs. Prison Spending**



**Drug Arrests and Commitments**



**NYS Prisons and the Undercustody Population**



Sources: Department of Corrections and Community Supervision; Division of Criminal Justice Services; NYS Division of the Budget.



# BUDGET HIGHLIGHTS: PUBLIC PROTECTION



- **Prison Closures:** Consistent with the announcement made in 2013, the Executive Budget recommends the closure of four men’s prisons: Monterey Shock in Schuyler County, Butler in Wayne County, Chateaugay in Franklin County and Mt. McGregor in Saratoga County. The closures would reduce bed capacity by 1,300 and would save \$30 million annually. To support the affected communities, the Executive budget would provide \$24 million in capital funding for economic development grants.
- **Gun-Involved Violence Elimination (GIVE):** The Executive would modify the existing \$15 million Operation IMPACT Program to refocus its resources on reducing gun-violence outside of New York City.
- **New York Protection Cloud:** The Executive proposal would provide \$10 million over the next three years to develop a system to allow local and state law enforcement agencies to share information, including information on calls for service, incident reporting, crime analysis, and crime tracking. The Executive estimates that this system could eventually save participating agencies \$12 million a year by lowering their individual technology expenditures.
- **Statewide Interoperability:** The Executive proposes \$75 million in additional Interoperable Communications grants in State Fiscal Year (SFY) 2014-15, including \$50 million for the continued development of regional communications systems; \$10 million to support system operating costs; and \$15 million to support the development of statewide interoperability.
- **Disaster Preparedness and Response:** The Executive advances several proposals to improve the State’s disaster response capabilities, including: \$15 million to establish a new weather detection system; \$15 million to establish a SUNY College of Emergency Preparedness, Homeland Security and Cyber Security; and \$100,000 to improve first responder training.
- **Vehicular Safety Proposals:** The Executive Budget includes language that would increase the penalties for driving while intoxicated or impaired, as well as the penalties for individuals under 21 that are convicted of texting while driving.

# BUDGET REVIEW AND ANALYSIS: PUBLIC PROTECTION



The State of New York spends approximately \$5 billion annually to support its Public Protection Agencies, which include the Department of Corrections and Community Supervision (DOCCS), Division of Criminal Justice Services (DCJS), Division of Homeland Security and Emergency Services (DHSES), Division of State Police (DSP), Office of Indigent Legal Services (OILS), Division of Military and Naval Affairs (DMNA), Office of Victim Services, State Commission of Correction (SCOC), New York Interest on Lawyers Account (IOLA), and Judicial Commissions.

In total, these Agencies work to promote public safety and ensure that the state is prepared to respond to emergencies. Specifically these agencies supervise criminal offenders within state facilities and in the community, manage funding for programs designed to combat crime, support highway safety, and protect our communities and infrastructure from natural and manmade disasters. In addition, these agencies advocate for victims of crime, ensure fair representation within our court system, and work to protect the legal interests of the people of New York.

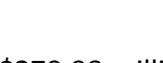
Table 42

Agency	Appropriations				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Department of Corrections and Community Supervision*	3,113.29	2,833.31	-279.98	-8.99	
Division of Homeland Security and Emergency Services**	14,216.45	1,056.66	-13,159.79	-92.57	
Division of State Police	694.50	691.37	-3.13	-0.45	
Division of Criminal Justice Services	260.55	242.68	-17.87	-6.86	
Department of Law	220.64	223.94	3.30	1.50	
Division of Military and Naval Affairs	115.85	116.12	0.27	0.23	
Office of Indigent Legal Services	82.80	82.80	0.00	0.00	
Office of Victim Services	75.66	75.66	0.00	0.00	
Interest on Lawyer Account	46.84	46.84	0.00	0.00	
Judicial Commissions	5.45	5.45	0.00	0.00	
Office for the Prevention of Domestic Violence	4.94	4.94	0.00	0.00	

\* The Department of Correctional Services and Division of Parole were merged to form this agency in 2011-12.

\*\* The State Office of Homeland Security and several emergency management and support agencies were merged to create this entity in 2010-11.

Table 43

Agency	Disbursements				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Department of Corrections and Community Supervision	2,849.92	2,840.25	-9.67	-0.34	
Division of Homeland Security and Emergency Services	5,630.37	2,937.59	-2,692.78	-47.83	
Division of State Police	676.46	691.70	15.24	2.25	
Division of Criminal Justice Services	261.28	222.28	-39.00	-14.93	
Department of Law	219.61	222.61	3.00	1.37	
Division of Military and Naval Affairs	94.06	110.76	16.70	17.75	
Office of Indigent Legal Services	67.20	67.21	0.01	0.01	
Office of Victim Services	67.36	66.90	-0.46	-0.68	
Judicial Commissions	5.57	5.68	0.11	1.97	
Office for the Prevention of Domestic Violence	2.29	2.28	-0.01	-0.44	
State Commission of Correction	2.67	2.65	-0.02	-0.75	

### Department of Corrections and Community Supervision (DOCCS)

The Executive proposes All Funds appropriations of \$2.83 billion, which is a decrease of \$279.98 million or 8.99 percent from the SFY 2013-14 level. The Executive recommends support for 29,067 full time equivalent (FTE) positions, an increase of 66 FTEs from the SFY 2013-14 level.

**Prison Closures:** The Executive Budget reflects the previously announced closure of four men's prisons: Monterey Shock in Schuyler County, Butler in Wayne County, Chateaugay in Franklin County and Mt. McGregor in Saratoga County. The closures would reduce bed capacity by 1,300 and would reduce costs by \$30 million annually. To support the communities where the closures are occurring, the Executive budget provides \$24 million in capital funding for economic development grants.

**Workforce:** The Executive provides \$3.80 million for 66 FTEs for the implementation of updated policies and programs in the Special Housing Units within prison facilities. The Executive provides \$35.47 million for negotiated salary increases and \$5.73 million for non-personnel service increases.

**Program Realignment:** The Executive proposes transferring \$380,000 in support for Albion Family Tele-Visiting and Queensboro Re-Entry Services from the Division of Criminal Justice Services to DOCCS. These costs would be partially offset by a reduction of \$358,000 in the residential stabilization appropriation.

**Capital Project Funds:** The Executive proposal includes \$15 million in Capital Project appropriations for SFY 2014-15, which is a decrease of 95 percent from SFY 2013-14. Under the Executive proposal, maintenance and improvement at correctional facilities in SFY 2014-15 will be primarily supported by reappropriated amounts.

**Division of Criminal Justice Services (DCJS)**

The Executive proposes All Funds appropriations of \$242.68 million, which is a decrease of \$17.87 million or 6.86 percent from the SFY 2013-14 level. The Executive recommends support for 455 FTE positions, an increase of 20 FTEs from the SFY 2013-14 level.

**State Operations:** The Executive’s budget proposal for State Operations funding remains unchanged from SFY 2013-14 after adjustments, including a transfer of \$7.87 million to the Office of Information and Technology Services and an assumption of \$567,000 for NY SAFE Act implementation. The Executive proposal supports the addition of 20 FTEs for SFY 2014-15 due to delayed hiring for positions authorized for SFY 2013-14.

**Local Program Assistance:** The Executive proposes the elimination of \$9.81 million in General Fund support for various programs as noted below:

**Table 44**

<b>DCJS General Fund Project Eliminations</b>		
<b>(\$)</b>		
<b>Program</b>	<b>SFY 2013-14</b>	<b>SFY 2014-15</b>
DNA Related Crime Lab Aid	2,000,000	-
Law Enforcement, Anti-Violence, Anti-Drug, Crime Control Prevention	1,891,000	-
New York State Defenders Association	1,000,000	-
Drug, Violence, and Crime Control Programs	800,000	-
Domestic Violence Legal Services	1,218,000	-
Finger Lakes Law Enforcement	500,000	-
New York State Correctional Officer and Police Benevolent Association	250,000	-
Stab Resistant Gloves for NYC Correction Officers	250,000	-
Consortium of the Niagara Frontier	250,000	-
Brooklyn Legal Services Corp A	250,000	-
Community Service Society - Record Repair Counseling Corps	250,000	-
Vera Institute: Common Justice	200,000	-
Friends of the Island Academy	150,000	-
Greenpoint Outreach Domestic and Family Intervention Program	150,000	-
Make the Road NY	150,000	-
New York State Immigrant Action Fund	150,000	-
Legal Services NYC - DREAM Clinics	150,000	-
Fortune Society	100,000	-
John Jay College: Prison to College Pipeline	100,000	-
<b>Grand Total</b>	<b>9,809,000</b>	<b>-</b>

The Executive offloads \$1 million in various law enforcement initiatives onto Federal Byrne/JAG appropriations and eliminates a corresponding amount of programming that was funded in SFY 2013-14.

The Executive also provides an additional \$350,000 to support local district attorney salary increases, for a total appropriation of \$4.21 million.

The Executive provides \$14.3 million for the Crimes Against Revenue Program, a \$1.7 million decrease from last year’s funding levels.

**Alternatives to Incarceration (ATI) and Re-entry Program Assistance:** The Executive proposes a new, \$5.51 million appropriation that would consolidate \$3.25 million in funding for Classification Alternatives programs, \$1.91 million in Drug/Alcohol programs, and \$369,000 for other programs that are consistent with Article 13-A of the Executive Law.

The Executive further consolidates \$1.29 million in additional ATI funding into the ATI and Employment program, which includes existing ATI demonstration programs and supervision and treatment programs, for a total appropriation of \$11.99 million.

The Executive transfers \$380,000 in support for the Albion Family Ties Tele-Visiting program and Queensboro Re-entry Services from DCJS to DOCCS.

**Legal Services Assistance Fund (LSAF) Allocations:** The Executive proposes the elimination of \$5.43 million in LSAF support for various programs as noted below, and further proposes a new transfer of \$2 million from the LSAF to the General Fund.

**Table 45**

<b>DCJS LSAF Allocations</b>		
<b>(\$)</b>		
<b>Program</b>	<b>SFY 2013-14</b>	<b>SFY 2014-15</b>
Aid to Prosecution	2,592,000	2,592,000
Aid to Defense	2,592,000	2,592,000
HESC Loan Forgiveness Program	2,430,000	2,430,000
Civil Legal Service Grants	2,650,000	-
Additional Prisoners Legal Services	2,050,000	1,000,000
Domestic Violence Related Legal Services	650,000	-
Indigent Parolee Program	600,000	-
Neighborhood Defender Service of Harlem	300,000	-
Legal Action Center	180,000	-
<b>Grand Total</b>	<b>14,044,000</b>	<b>8,614,000</b>



**New York State Council on Community Re-Entry and Reintegration:** The Executive proposes the creation of a new Council composed of leaders from governmental agencies, community stakeholders and non-profit service providers who will work collaboratively to discuss and advance policies aimed at improving re-entry outcomes for formerly incarcerated individuals. Funding would be supported from within existing DCJS appropriations.

**Gun-Involved Violence Elimination:** The Executive proposes an update of the Operation IMPACT Program to focus on reducing gun-violence in IMPACT jurisdictions, which are the 17 counties responsible for 80 percent of crime outside of New York City. Project GIVE would be supported at \$15.22 million, and would target high-risk individuals and locations where gun-violence most often occurs. Additionally, the Executive budget continues \$3 million in support for SNUG programs.

**Increased Penalties for Alcohol and Drug related Driving Offenses:** The Executive recommends Article VII language that would:

- allow for the suspension of an individual’s driver’s license for five years if they are convicted twice within three years of driving while intoxicated (DWI) or impaired (DWAI);
- require that individuals with three convictions for DWI/DWAI in their lifetime would lose their driving privileges permanently;
- increase from \$750 to \$1,000, the mandatory civil penalty for any motorist who refuses to submit to a chemical test if the person’s driver’s license had previously been revoked for driving while intoxicated or for refusing to submit to a chemical test; and
- increase the mandatory minimum fine for aggravated unlicensed operation in the first degree from \$500 to \$1,000.

**Texting and Cell Phone Use Violations:** The Executive recommends Article VII language that would:

- suspend a driver’s license for one year for any motorist under 21 years of age and convicted of texting-while-driving. A young motorist that is convicted a second time of texting while driving would have their license revoked;
- increase the maximum permissible fine for a motorist of any age convicted of driving while texting or driving while operating a hand-held cell phone; and
- increase the maximum fine for a hand-held cell phone violation.

**District Attorney Settlement:** The Executive Proposal would extend for an additional year, until March 31, 2015, the current provisions relating to the distribution of certain monies recovered by county district attorneys of the City of New York in settlement agreements signed before the filing of an accusatory instrument.

### Division of Homeland Security and Emergency Services

The Executive proposes All Funds appropriations of \$1.05 billion, which is a decrease of \$13.15 billion or 92.57 percent from the SFY 2013-14 level. The Executive recommends support for 413 FTE positions, an increase of 17 FTEs from the SFY 2013-14 level.

**Hurricane Sandy Recovery:** In SFY 2014-15, the Executive proposes to decrease appropriations from \$22.65 billion to \$1.35 billion. Current and future commitments would be funded through available re-appropriations of funds provided in SFY 2013-14. The SFY 2013-14 financial plan reflects \$5.11 billion in federal Superstorm Sandy relief aid. The Executive's SFY 2014-15 financial plan assumes an additional \$2.57 billion in federal expenditures related to Sandy.

**Statewide Interoperability Grants:** The Executive proposes \$75 million in additional Interoperable Communications grants in SFY 2014-15 to support the continued development of regional communications systems (\$50 million); system operating costs (\$10 million); and the continued development of interoperable communications statewide (\$15 million). The Executive Budget also includes language to authorize the state to issue bonds to support the costs of this program. The proposed financial plan assumes \$50 million in savings related to this proposal.

**Emergency Responder Course:** The Executive provides support for an emergency preparedness course, to be conducted in collaboration with the National Guard, aimed at training 100,000 citizens by March 31, 2015. This initiative would be funded with \$2 million in Federal funds and \$1 million from the General Fund.

**Emergency Stockpiles:** The Executive provides \$2.2 million to support nine regional stockpiles of emergency supplies and equipment.

**Weather Detection System:** The Executive proposes using \$15 million in Federal Sandy Relief funding to establish and operate a new weather detection system, which would be developed in collaboration with an academic partner and a private entity.



**State Preparedness Training Center:** The Executive proposes \$7 million in capital funds to purchase the land at Oriskany where the State Preparedness Training Center is located. The State currently pays rent for use of the land and could realize long term savings if it owned the site.

**College of Emergency Preparedness, Homeland Security and Cybersecurity at SUNY:** The Executive proposal includes \$15 million in capital funds to invest in the creation and development of the College of Emergency Preparedness, Homeland Security and Cyber Security within the SUNY system. This interdisciplinary institution would be able to provide law enforcement, emergency responders, and professionals with both an academic foundation and practical skills to become effective security and emergency preparedness leaders.

The Executive proposal also includes Article VII legislation to suspend the annual \$1.5 million transfer from the Public Safety Communications Account to the Emergency Services Revolving Loan Fund for four fiscal years, on the grounds that sufficient fund balances exist to support the current level of need.

### **Division of State Police**

The Executive proposes All Funds appropriations of \$691.37 million, which is a decrease of \$3.13 million or less than one percent from the SFY 2013-14 level. The Executive recommends support for 5,439 FTE positions, an increase of 20 FTEs from the SFY 2013-14 level.

**NYS Protection Cloud:** The Executive proposes \$10 million over the next three years to develop a system to allow local and state law enforcement agencies to share information, including information on calls for service, incident reporting, crime analysis, and crime tracking. The Executive estimates that this system could eventually save participating agencies a total \$12 million annually.

**Vehicle Procurement:** The Executive Budget includes \$6 million for the purchase of fleet vehicles. This purchase was originally budgeted for SFY 2013-14 but due to a lengthy procurement process, the costs will be borne by the SFY 2014-15 appropriation.

**Troop K Facility:** The Executive proposes \$6 million for the design and construction of a Forensic/Evidence Storage Facility in Dutchess County.

### **Department of Law**

The Executive proposes All Funds appropriations of \$223.94 million, which is an increase of \$3.3 million or 1.5 percent from the SFY 2013-14 level. The Executive recommends support for 1,833 FTE positions, an increase of 35 FTEs from the SFY 2013-14 level.

**Litigation Settlement Account:** The Executive budget proposal includes language that would allow the Department of Law to apply up to \$5.2 million in settlement proceeds to support the operations of the Department related to such settlement.

**Technology Projects:** The Executive proposes \$9 million in capital support for critical technology projects for the Department, which includes upgrading the phone system and the case management system.

### Division of Military and Naval Affairs

The Executive proposes All Funds appropriations of \$116.12 million, which is an increase of \$271,000 or less than one percent from the SFY 2013-14 level. The Executive recommends support for 387 FTE positions, also unchanged from the SFY 2013-14 level.

**Veteran Recognition:** The Executive Budget provides \$100,000 to allow the state to provide veterans of the Cold War with a military decoration, Cold War Certificate to honor their service.

**New York National Guard:** The Executive Budget provides \$171,000 in appropriation authority to support potential National Guard activations.

### Office of Indigent Legal Services

The Executive proposes All Funds appropriations of \$82.8 million, which is unchanged from the SFY 2013-14 level. The Executive recommends support for 10 FTEs, also unchanged from the SFY 2013-14 level.

The Executive budget would continue \$4.3 million in funding that was included in the SFY 2013-14 budget to support additional caseload relief grants and the effective operation of the Office.

### Office of Victim Services

The Executive proposes All Funds appropriations of \$75.66 million, which is unchanged from the SFY 2013-14 level. The Executive recommends support for 74 FTE positions, also unchanged from the SFY 2013-14 level.

### New York Interest on Lawyer Account

The Executive proposes All Funds appropriations of \$46.84 million, which is unchanged from the SFY 2013-14 level. The Executive recommends support for 8 FTEs, also unchanged from the SFY 2013-14 level.

### Judicial Commissions

The Executive proposes All Funds appropriations of \$5.45 million, which is unchanged from the SFY 2013-14 level. The Executive recommends support for 50 FTE positions, also unchanged from the SFY 2013-14 level.

### Office for the Prevention of Domestic Violence

The Executive proposes an All Funds Appropriation of \$4.94 million, which represents no change from SFY 2013-14 funding levels. The Executive recommends support for 28 FTEs also unchanged from SFY 2013-14 level.

### State Commission of Correction

The Executive proposes All Funds appropriations of \$2.89 million, which is unchanged from the SFY 2013-14 level. The Executive recommends support for 29 FTEs, also unchanged from the SFY 2013-14 level.



# BUDGET SNAPSHOT: LOCAL GOVERNMENTS

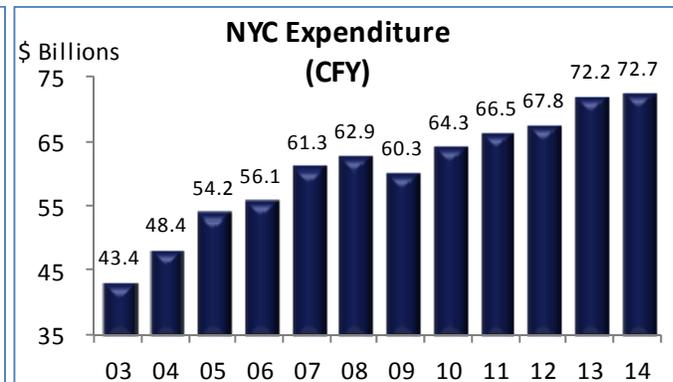
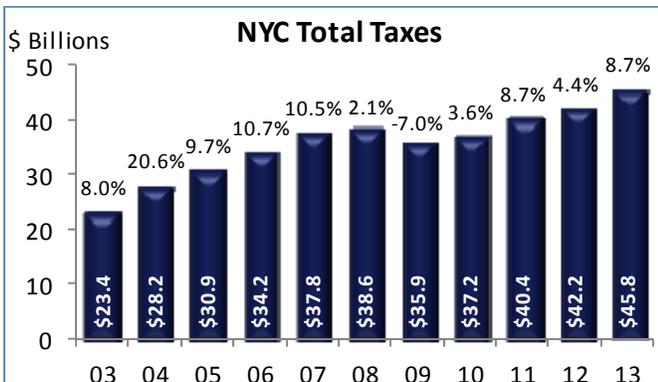
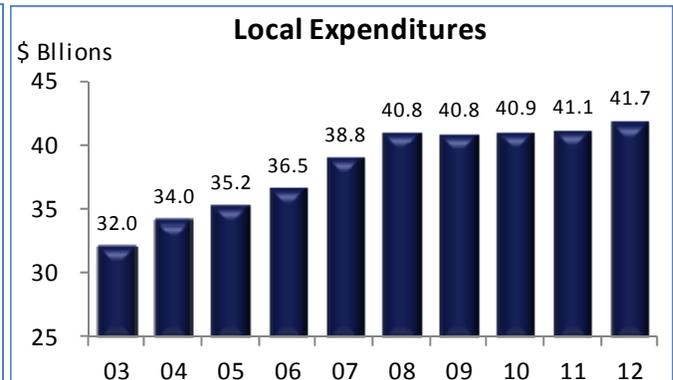
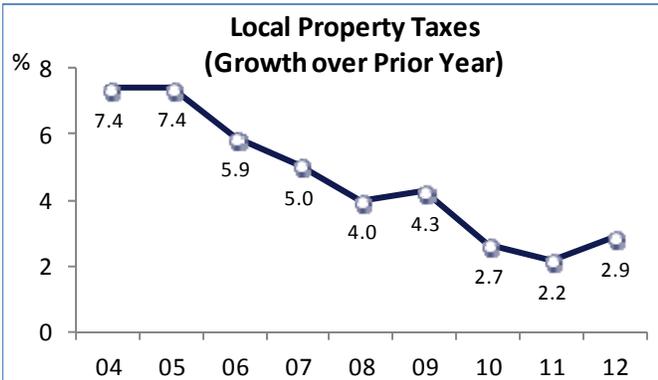
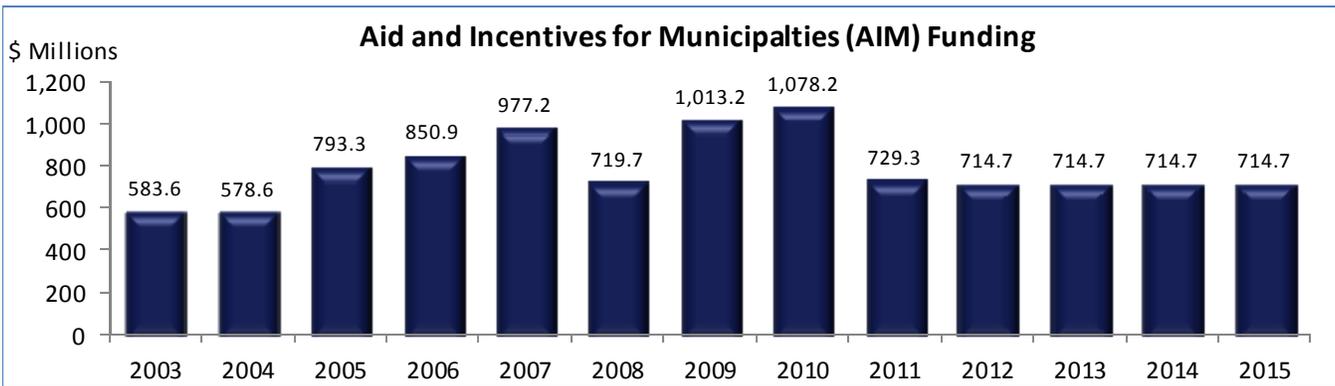


**Tax Cap Overridden:**  
**20 counties**  
**15 cities**  
**100 towns**  
**100 villages**

**Eligible distressed municipalities:**  
**8 counties**  
**44 cities**  
**149 towns**  
**188 villages**

**Localities dissolved in 2013:**  
**1 village**  
**3 fire districts**

**Stressed School Districts:**  
**Significant Stress: 12**  
**Moderate Stress: 23**  
**Susceptible to Stress: 52**



Note: NYC Total Taxes: The percentages noted represent the year-over-year percentage change.

Sources: NYS Office of the State Comptroller; NYC Comptroller CAFR; NYC Office of Management and Budget.

# BUDGET HIGHLIGHTS: LOCAL GOVERNMENTS



- **Aid and Incentives for Municipalities (AIM):** Program support remains at \$715 million, the same level as the previous four years.
- **Citizen Re-organization Empowerment Grants and Citizen Empowerment Tax Credits:** The Executive proposes \$35 million for empowerment initiatives in SFY 2014-15. Citizen Re-organization Empowerment grants provide local governments up to \$100,000 to cover costs associated with studies, plans and implementation efforts related to reorganization measures. Citizen Empowerment Tax Credits provide a bonus equal to 15 percent of the newly combined local government's tax levy, at least 70 percent of such amounts must be used for direct relief to property taxpayers.
- **Financial Restructuring Board:** The Executive provides a \$40 million appropriation for Board-related purposes. When combined with amounts first made available in 2013-14, a total of \$80 million will be available for distressed municipalities.
- **Video Lottery Terminal (VLT) Aid:** The Executive appropriates \$27.24 million in VLT Aid, which includes \$19.6 million to the City of Yonkers and \$7.6 million to all other eligible municipalities that host VLT facilities.
- **Miscellaneous Financial Assistance:** The Executive reduces Miscellaneous Financial Assistance to the Counties of Madison and Oneida by \$373,000, providing the remaining municipalities with \$3 million in SFY 2014-15.

# BUDGET REVIEW AND ANALYSIS: LOCAL GOVERNMENTS



The Executive Budget provides aid to local governments through various programs including: Aid and Incentives for Municipalities, part of which is an unrestricted revenue sharing program, and efficiency programs to promote and assist the efforts of local governments to merge, consolidate, and share services. The Executive also provides funding for the Financial Restructuring Board, which was created in State Fiscal Year (SFY) 2013-14 to assist fiscally eligible municipalities in financial distress.

**Table 46**

Agency	Appropriations				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Aid and Incentives for Municipalities	794.00	794.00	0.00	0.00	
Municipalities with VLT Facilities	27.20	27.20	0.00	0.00	
Miscellaneous Financial Assistance	3.37	3.00	-0.37	-11.06	
Small Government Assistance	0.22	0.22	0.00	0.00	

**Table 47**

Agency	Disbursements				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Aid and Incentives for Municipalities	725.70	733.52	7.82	1.08	
Municipalities with VLT Facilities	27.25	27.25	0.00	0.00	
Miscellaneous Financial Assistance	4.87	0.00	-4.87	-100.00	
Small Government Assistance	0.22	0.22	0.00	0.00	

## Aid & Incentives for Municipalities (AIM)

The Executive Budget for State Fiscal Year (SFY) 2014-15 provides \$714.7 million in unrestricted AIM for cities (outside of New York City), towns, and villages.



The AIM program was created in SFY 2005-06 to consolidate various unrestricted local aid funding programs and to provide unrestricted aid that could be utilized at the discretion of the local entity. Other initiatives tie increases in State aid to fiscal accountability improvements and require a local commitment to minimize property tax growth. From SFY 2011 -12 through 2014-15, AIM has remained unchanged. Of the \$714.7 million available, cities receive \$647 million, towns receive \$47.7 million and villages receive \$19.5 million.

**Table 48**

<b>2014-15 Executive Budget: Aid and Incentives for Municipalities Proposal</b>			
<b>Municipality</b>	<b>Amount</b>	<b>Municipality</b>	<b>Amount</b>
Buffalo	161,285,233	Ithaca	2,610,398
Yonkers	108,215,479	Tonawanda	2,602,104
Rochester	88,234,464	Oswego	2,451,698
Syracuse	71,758,584	Gloversville	2,302,592
Niagara Falls	17,794,424	Peekskill	2,219,384
Utica	16,110,473	Olean	2,239,826
Albany	12,607,823	Oneonta	2,231,857
Troy	12,279,463	Cortland	2,018,330
Schenectady	11,205,994	Geneva	1,942,613
Binghamton	9,249,457	Batavia	1,750,975
Rome	9,083,340	Ogdensburg	1,708,659
Mount Vernon	7,155,691	Saratoga Springs	1,649,701
New Rochelle	6,162,927	Oneida	1,700,877
Lackawanna	6,309,821	Fulton	1,626,822
White Plains	5,463,256	Glens Falls	1,607,009
Auburn	4,982,093	Dunkirk	1,575,527
Watertown	4,703,208	Beacon	1,537,478
Jamestown	4,572,280	Corning	1,499,556
Newburgh	4,464,656	Hornell	1,497,788
Elmira	4,578,801	Hudson	1,456,991
Poughkeepsie	4,248,021	Port Jervis	1,406,263
North Tonawanda	4,335,111	Johnstown	1,388,910
Long Beach	3,152,704	Watervliet	1,210,193
Kingston	3,069,151	Rye	1,208,024
Glen Cove	2,837,667	Rensselaer	1,137,317
Amsterdam	2,866,670	Canandaigua	1,119,304
Middletown	2,705,826	Norwich	1,089,279
Cohoes	2,742,886	Salamanca	928,131
Lockport	2,650,525	Little Falls	866,034
Plattsburgh	2,648,880	Mechanicville	662,392
		Sherrill	372,689
		<b>Cities Total</b>	<b>647,093,629</b>
		Towns	47,783,780
		<b>Villages</b>	<b>19,854,292</b>
		<b>Total</b>	<b>714,731,701</b>

**Consolidation, Dissolution, and Financial Restructuring Board**

**Local Government Performance and Efficiency Program:** The Local Government Performance and Efficiency Program provides competitive one-time awards, of up to \$25 per capita, for local



governments that have achieved efficiencies and performance improvements. The Financial Restructuring Board can provide grant awards up to \$5 million to municipalities that accept the Board’s recommendations.

**Citizens Reorganization Empowerment Grants:** The Executive Budget provides funding for grants of up to \$100,000 for local governments to cover costs associated with studies, plans and implementation efforts related to local government reorganization activities. These grants would share a \$35 million appropriation with the Citizen Empowerment Tax Credits.

**Local Government Efficiency Grants:** The Executive proposes to provide a new \$4 million appropriation for Local Government Efficiency Grants. This grant program would provide local governments with funding for costs associated with efficiency projects such as consolidation or shared services. In 2013, the following consolidations have occurred:

**Table 49**

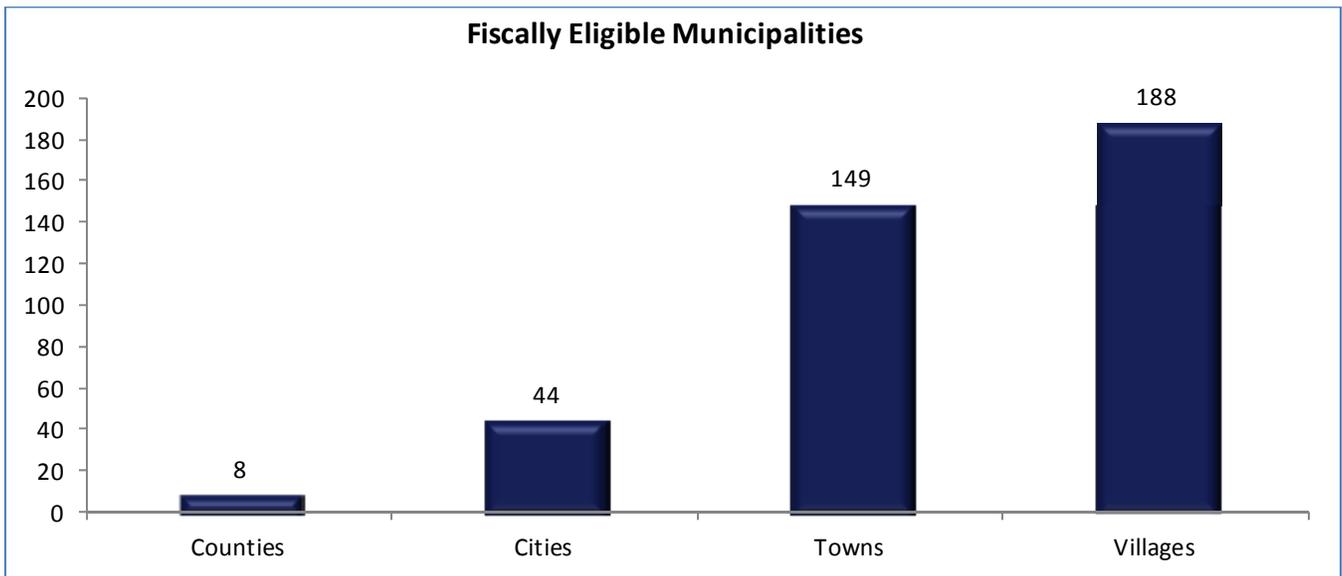
<b>Consolidations</b>	
School Districts	4
Fire Districts	3
Village	1

### Financial Restructuring Board

The Executive Budget proposal provides a new \$40 million appropriation to the Financial Restructuring Board. When combined with reappropriations and new language, support for the Board totals \$80 million.

The Financial Restructuring Board can make loans or grant awards of up to \$5 million. “Fiscally eligible municipalities” means any city, town, county, and village, outside of New York City, that the Board determines would benefit from its services. The Financial Restructuring Board held two meetings to accept and review applications from the Village of Alfred, and the Towns of Fishkill and Alfred.





**Figure 8**

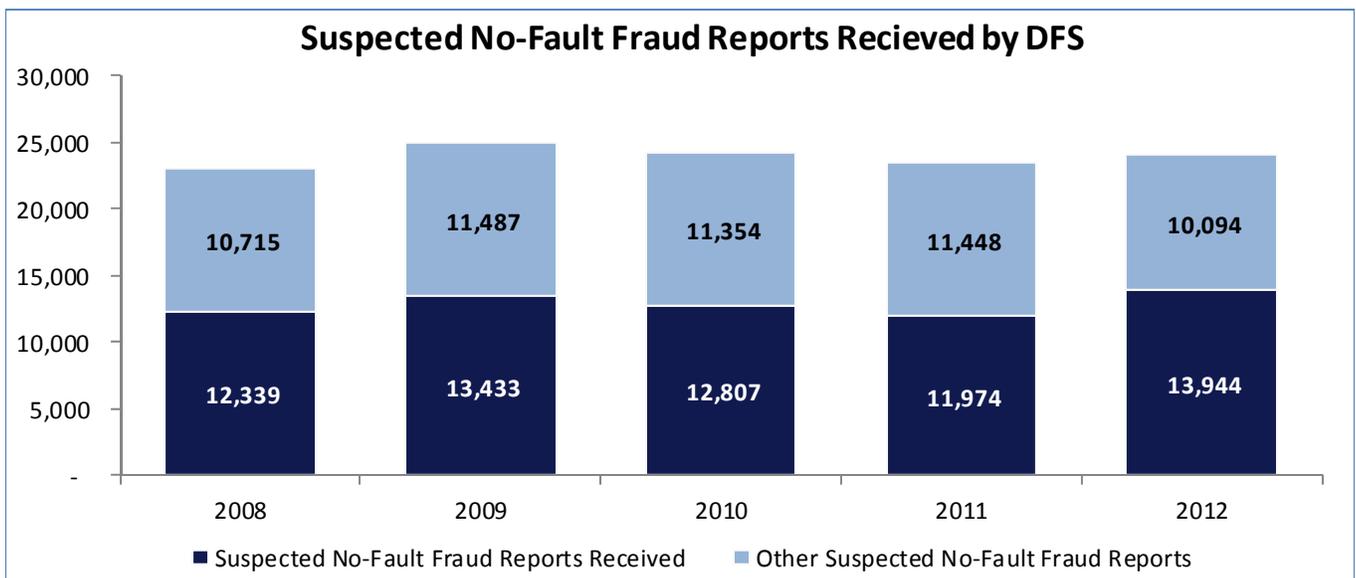
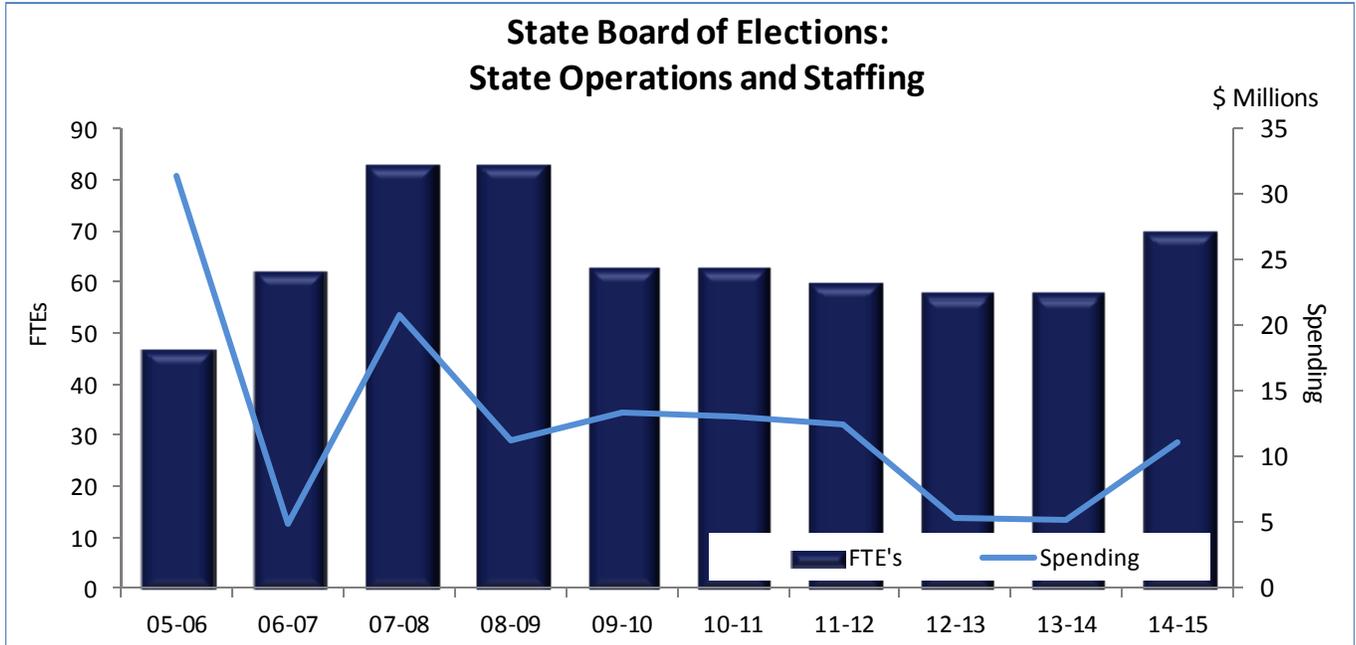
**Video Lottery Terminal (VLT) Aid - \$27.2 million:** The Executive maintains support for this program at \$27.2 million, its current funding level. These funds help localities that host Video Lottery Terminal facilities to address potential costs associated with operating these facilities.

**Table 50**

<b>Aid to Municipalities with Video Lottery Terminal (VLT) Facilities (\$ Thousands)</b>	
Yonkers	19,600
Batavia Downs	629
Fairgrounds (Buffalo)	906
Finger Lakes	1,861
Monticello	969
Saratoga	2,436
Vernon Downs	491
Tioga Downs	350
<b>Total</b>	<b>27,242</b>

**Other Local Government Assistance:** The Executive reduces Miscellaneous Financial Assistance from \$3.373 million to \$3 million, representing a \$373,000 reduction from the previous fiscal year. The Executive budget provides \$217,300 in Small Government Assistance to provide partial relief to governments affected by State forest property tax exemptions. These include the counties of Essex, Franklin and Hamilton. Additionally, the Executive discontinues \$1.5 million in Village Per Capita Aid.

# BUDGET SNAPSHOT: GENERAL GOVERNMENT



Sources: NYS Division of the Budget; NYS Department of Financial Services.

# BUDGET HIGHLIGHTS: GENERAL GOVERNMENT



- **Campaign Finance Reform and Public Campaign Financing:** The Executive proposes to establish a Division of Election Law Enforcement within the State Board of Elections to be headed by a Chief Enforcement Counsel that is appointed by the Governor. The Executive proposal provides \$5.3 million and would add 12 new staff for this purpose.

The Executive Budget proposes a voluntary public campaign finance system where contributions are matched, and reduces the annual limit on allowable contributions. The Executive proposal also limits the use of contributions to expenses that are directly related to elections or public duties and mandates broader disclosure of donors to independent organizations. An income tax check off is proposed to enable resident taxpayers to make a donation to a new Campaign Finance Fund.

- **Public Trust Act:** The Executive proposal includes legislation to establish several new crimes related to public corruption and would increase criminal penalties for offenses that violate the public trust. Under the proposal, persons convicted of certain public corruption crimes would be prohibited from holding civil office or from registering as a lobbyist; from accessing certain State tax benefits; and from bidding on, receiving or maintaining state contracts. The Executive proposal would also expand disclosure requirements regarding clients of individuals required to report under the Public Officers Law.
- **Insurance Consumer Protections:** The Executive proposes a variety of provisions designed to strengthen consumer protections for individuals purchasing insurance in New York State. The Executive would place responsibility for resolving out-of-network medical billing disputes insurance companies and medical providers, rather than on consumers; enhance enforcement activities to reduce the incidence of no-fault insurance fraud; establish a licensure requirement for title insurance agents; and establish a Student Protection Unit under the Department of Financial Services to investigate student loan abuses and monitor student health insurance plans.
- **Local Government Services:** The Executive Budget includes provisions to allow local governments to access a statewide consolidated data center and other State IT services in order to reduce local costs and continues authorization to allow localities to “piggyback” on Federal General Services contracts.

# BUDGET REVIEW AND ANALYSIS: GENERAL GOVERNMENT



The agencies classified as General Government play an essential role in the daily operation of government and its impact on people and businesses throughout the State. Overall, these agencies have two goals: to provide oversight, regulation and enforcement of State laws and to provide assistance and support which creates a more efficient and effective use of government services and funding.

The Division of Alcoholic Beverage Control (ABC) provides oversight and regulation of the manufacture, sale and distribution of alcoholic beverages, the State Board of Elections (SBOE) oversees elections in New York State, the Joint Commission on Public Ethics (JCOPE) provides for the administration and enforcement of ethics and lobbying statutes, the Department of Financial Services (DFS) provides regulatory oversight of Banking and Insurance industries, and the Department of State (DOS) provides licensing services and administers activities and programs offering services to local governments and community based organizations.

The Office of General Services (OGS) supports the operations of state property, provides centralized contracting, and along with the Office of Information Technology Services (ITS), works to support efficient use of government resources, the Department of Audit and Control ensures the on-time payment of the State's bills, oversees the investment of billions in State funds and oversees the fiscal practices of local governments, and the Department of Taxation and Finance (DTF) is responsible for the administration and collection of State taxes.



Table 51

Appropriations					
Agency	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	5-year Trend
State Board of Elections	5.20	11.14	5.94	114.23	
Office of General Services	1,124.12	1,103.53	-20.59	-1.83	
Office of Information Technology Services	752.31	915.43	163.12	21.68	
Department of Financial Services	552.20	551.45	-0.75	-0.14	
Department of Taxation and Finance	468.79	465.00	-3.79	-0.81	
Department of Audit and Control	304.71	307.62	2.91	0.95	
Workers' Compensation Board	187.24	187.24	0.00	0.00	
Department of State	145.41	133.63	-11.79	-8.11	
Division of Budget	50.24	50.72	0.47	0.94	
Statewide Financial System	55.40	29.70	-25.70	-46.39	
Executive Chamber	18.48	18.48	0.00	0.00	
Division of Alcoholic Beverage Control	18.07	18.07	0.00	0.00	
Office of the Inspector General	6.89	6.89	0.00	0.00	
Joint Commission on Public Ethics	4.18	4.38	0.20	4.78	
Division of Tax Appeals	3.12	3.12	0.00	0.00	

Table 52

Disbursements					
Agency	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	5-year Trend
State Board of Elections	30.75	11.58	-19.17	-62.33	
Office of General Services	243.71	270.76	27.05	11.10	
Office of Information Technology Services	277.75	509.37	231.62	83.39	
Department of Financial Services	505.84	501.42	-4.42	-0.87	
Department of Taxation and Finance	366.68	364.54	-2.15	-0.59	
Department of Audit and Control	173.00	175.09	2.08	1.20	
Workers' Compensation Board	200.94	191.25	-9.69	-4.82	
Department of State	133.13	125.08	-8.05	-6.05	
Division of Budget	32.79	30.35	-2.44	-7.45	
Statewide Financial System	55.09	29.70	-25.39	-46.09	
Executive Chamber	14.19	14.19	0.00	0.00	
Division of Alcoholic Beverage Control	17.88	17.54	-0.35	-1.94	
Office of the Inspector General	6.72	6.92	0.20	2.93	
Joint Commission on Public Ethics	3.94	4.33	0.39	9.84	
Division of Tax Appeals	3.17	3.17	0.00	0.00	

**State Board of Elections (SBOE)**

The Executive proposes All Funds appropriations of \$11.1 million, an increase of \$5.9 million, or 114.2 percent over the State Fiscal Year (SFY) 2013-14 level. The Executive recommends support for 70 Full Time Equivalent (FTE) positions, an increase of 12 FTEs over the SFY 2013-14 level.

- The Executive proposes to create an Division of Election Law Enforcement within the SBOE and provides language in the appropriation bill to do so. The new Division would be funded by a combination of new and existing funds for a total of \$5.4 million, and would have 29 FTEs and the authority to conduct investigations into State campaign finance and election law

violations. An annual report to the Legislature on its activities would be required under this proposal.

- The Executive further recommends a new \$3 million Special Revenue Fund appropriation for the testing of voting machines.

The Executive recommends Article VII legislation that would:

- create the Division of Election Law Enforcement within the State Board of Elections headed by a chief enforcement counsel appointed by the Governor and empowered to investigate and prosecute all violations of the Election Law;
- expand disclosure requirements of independent expenditures;
- limit contributions to party “housekeeping accounts,” reduce corporate contribution limits, require that contributions from LLCs be treated as corporate contributions, limit transfers between party and constituted committees, limit transfers and spending by party and constituted committees to support or oppose a candidate, reduce campaign contribution limits for candidates for all state legislative and statewide offices;
- limit the personal use of campaign funds to expenses that are directly related to elections or public duties; and
- create a voluntary public financing system for all state legislative and statewide offices and allow taxpayers to make a donation to a new public campaign finance fund through a check off box on their state income tax return.

### Office of General Services

The Executive proposes an All Funds appropriation of \$1.1 billion, a decrease of \$20.6 million or 1.8 percent from the SFY 2013-14. The Executive recommends support for 1,561 Full Time Equivalent (FTE) positions, an increase of 8 positions.

**Enterprise Services:** The Executive decreases available appropriations by \$20.99 million related to the expiration of consultant contracts related to enterprise services. Specifically, there is a reduction of \$12 million from the Business Services Center; \$4.69 million from strategic sourcing; \$3 million related to real estate management and development; and \$1.2 million from organizational transformation initiatives. These consultants were involved in establishing enterprise services, but the Executive plans to utilize State employees to maintain such services. The Executive proposes an increase of \$2 million

for the Business Services Center related to the annualization of new hires authorized during SFY 2013-14.

The Executive proposes a new \$1 million appropriation for a catalog service to simplify purchasing decisions for procurement purposes.

The Executive proposes an increase of \$1.6 million within Internal Service Fund appropriations that will allow OGS to provide enterprise services on behalf of other State agencies and charge other agencies for such costs.

The proposed budget for SFY 2014-15 also reflects the transfer of \$2.82 million from other agencies to OGS related to the Business Services Center, which includes a transfer of \$2.19 million to the Office of Information Technology Services (ITS) associated with the consolidation of technology services at ITS.

**Other Programs:** The Executive provides \$412,000 for five FTEs and three vehicles to support a warehouse stockpile initiative. The Department of Homeland Security and Emergency Services will contract with vendors to maintain a stockpile of emergency goods, including pumps and generators, while the OGS staff would manage the stockpile and its distribution in the event of an emergency.

Within Special Revenue Funds, the Executive includes an increase of \$600,000 for special events that occur in the Empire State Plaza and \$193,000 to allow the State to support repairs to a dam at Cuba Lake.

The Executive Budget transfers \$150,000 for three additional FTE's for the Department of Agriculture and Markets Food Laboratory. OGS provides operational management and maintenance services at the food lab.

The Executive provides for a reduction of \$7 million in capital appropriations due to the fact that there are significant reappropriations available for maintenance and upkeep of State facilities.

Finally, the Executive provides an additional \$1.7 million related to higher fringe benefit and indirect costs. The Executive proposes \$206.33 million for the Executive Direction Program, a \$768,000 increase from the SFY 2013-14 level.

The Executive proposes Article VII language that would allow employees of the Division of Military and Naval affairs in the unclassified service of the State engaged in business and financial services and other human resources functions to be transferred to the Office of General Services.

In addition, the Executive proposes Article VII language that extends until 2020 the authorization for OGS to secure the bulk purchase of fuel and renewable energy by state agencies, local governments, public authorities, and other public benefit corporations through centralized service contracts; allows local governments and school districts to piggyback on certain county, state, and federal contracts; and to purchase certain fuels and electricity on behalf of local governments.

### Office of Information Technology Services

The Executive proposes an All Funds appropriation of \$915.43 million, an increase of \$163.1 million or 21.68 percent, over the SFY 2013-14 level. The Executive recommends funding support of 3,819 full-time equivalent positions, an increase of 41 positions, which reflects the continued interagency transfer of information technology (IT) professionals substantially engaged in carrying out any technology function.

**Agency Operations:** The Executive proposes General Fund appropriations of \$418.3 million, an increase of \$170.2 million over SFY 2013-14. The increase is attributable to a continued shift of other State agency's IT related obligations to ITS.

There is an appropriation of \$30 million, or \$25 million, above SFY 2013-14, within Special Revenue Funds for non-personal service to allow ITS to provide IT services in the first instance and be reimbursed by the appropriate agency for such costs. In prior years, such funding was appropriated in other State agencies.

The Executive reduces appropriation authority within Internal Service Funds (ISF) by \$60 million to \$347.5 million. The ISF appropriation allows ITS to bill other State agencies for IT services performed on their behalf.

The Executive proposal includes a \$30 million capital appropriation that will become available in the event that ITS administers funding for a capital project on behalf of another agency. Finally, the Executive provides \$85.7 million for Statewide IT enterprise projects, a decrease of \$2 million from SFY 2013-14.

The Executive provides Article VII language to:

- authorize term appointments to be made, without examination, to temporary positions in ITS that require special expertise in IT. Individuals appointed to these temporary positions would have the opportunity to take related Civil Service exams in order to become permanent employees of the State;

- reclassify certain Civil Service titles that were transferred to ITS from other State agencies;
- authorize municipalities, school districts, SUNY, CUNY, public authorities, and other public benefit corporations to enter into agreements with ITS for technology services; and
- extend, for one additional year, a previously authorized ability for the State, local governments, and other public corporations to contract with a not-for-profit corporation for cyber security.

### **Department of Financial Services (DFS)**

The Executive proposes an All Funds appropriation of \$551.4 million, which is a decrease of \$750,000 or 0.1 percent from the SFY 2013-14 level. The Executive recommends funding support of 79 FTE positions, unchanged from the SFY 2013-14 levels.

**Program Eliminations:** The Executive Budget eliminates \$750,000 for the Entertainment Worker Demonstration Program, which expires on July 1, 2014, and would transition these enrollees to new coverage through the New York Health Benefit Exchange. The Executive Budget eliminates two funding sub-allocations to the Department of Health (DOH): \$365,000 related to hospital rate setting activities and \$770,000 related to local public health activities.

**New York State Health Benefit Exchange:** The Executive budget provides \$1,135,000 in appropriations to support the operations of the Exchange, which, when combined with additional support in DOH, brings total Exchange funding for SFY 2014-15 to \$54.3 million.

**Child Health Plus (CHP) Rate Setting:** The Executive proposes to transfer CHP rate setting functions from DFS to DOH, which would align the rate setting methodology so that it is consistent with DOH's current process for Medicaid Managed Care and Family Health Plus. The proposal would generate \$16.8 million in State savings in SFY 2014-15.

The Executive also proposes Special Revenue Other appropriations of \$73.38 million for the Banking Program, which is unchanged from the SFY 2013-14 level.

The Executive proposal includes Article VII proposals that would place the responsibility for resolving out-of-network medical billing disputes with insurance companies and medical providers, rather than with consumers; enhance enforcement activities to reduce the incidence of no-fault insurance fraud; and establish a licensure requirement for title insurance agents, closers and solicitors.

## Department of Taxation and Finance

The Executive proposes \$465 million in All Funds appropriations for the Department of Taxation and Finance. This is a decrease of \$3.79 million or 0.8 percent from the SFY 2013-14 levels. The net decrease can be attributed to the elimination of obsolete operating accounts. The Executive recommends a workforce of 4,368 FTE positions, representing no change from the SFY 2013-14 Budget.

Article VII legislation is provided that would extend the oil and gas charge for three years; and modify the signature requirements on e-filed returns prepared by tax professionals.

## Department of Audit and Control

The Executive proposes All Funds appropriations of \$307.6 million, an increase of \$2.9 million or one percent over the SFY 2013-14 funding level. The Executive Budget recommends support for 2,643 FTE positions, an increase of 34 FTEs over the SFY 2013-14 level to support the Preschool Special Education audit program.

**Preschool Special Education Audits:** The Executive provides a General Fund increase of \$2 million to support the Comptroller's Preschool Special Education audit program.

## Workers' Compensation Board

The Executive proposes All Funds appropriations of \$187.24 million, which is unchanged from the SFY 2013-14 level. The Executive recommends support for 1,220 FTE positions, which represents no change from the SFY 2013-14 level.

The proposed budget for SFY 2014-15 reflects the transfer of 130 FTE positions, or \$15.6 million, to the Office of Information Technology (ITS) and the transfer of \$5.3 million in non-personal services associated with the consolidation of technology services at ITS.

## Department of State (DOS)

The Executive proposes All Funds appropriations of \$133.63 million, a decrease of \$11.8 million, or 8.1 percent from the State Fiscal Year (SFY) 2013-14 level. The Executive recommends support for 545 Full Time Equivalent (FTE) positions, a decrease of 19 positions.

**Operational and Administrative Efficiencies:** The Executive proposes a reduction of \$1.42 million related to reduced staffing and supply needs. Of this, \$299,000 is attributable to a reduction of 7 FTEs

through attrition in the administration program and \$325,000 is attributable to 12 staff attritions in the business and licensing program. There are also reductions of \$800,000 in non-personal service for the agency. Article VII language is proposed to authorize DOS to electronically transmit incorporation certificates to county clerks, which would generate savings of \$194,000 related to reduced mailing and printing costs.

**Environmental Programs:** The Executive proposes \$1.92 million for the Lake George Park Commission Program, an increase of \$350,000 to address invasive species. The Executive also proposes the elimination of \$10 million within the Brownfield Opportunity Areas (BOA) program. The funding provides financial and technical assistance for municipalities and community based organizations, but does not provide for remediation costs of brownfields.

The Executive proposal eliminates \$505,000 for the Public Utility Law Project and \$15,000 in travel costs for the New York Commission on Uniform State Laws, both of which were Legislative adds in SFY 2014-15.

The Consumer Protection Program is maintained at \$4.25 million, which includes the continuation of the wholesale market consumer advocacy project.

The Executive proposes Article VII language to authorize DOS to charge an annual registry fee, set by federal law, to real estate appraisers in federally related transactions and to extend, for one year, the ability of the Secretary of State to charge fees for expediting the handling of certain documents issued by or requested from the Department of State's Division of Corporations.

### **Division of the Budget (DOB)**

The Executive proposes All Funds appropriations of \$50.72 million, an overall increase of \$474,000 or 0.9 percent over the SFY 2013-14 level. The Executive recommends support for 276 FTE positions, which is unchanged from the SFY 2013-14 level.

The Executive proposal also provides for a \$1 million increase for expert witnesses and legal services for the Attorney General (AG) providing representation for NYS. This funding is for the use of the AG but is budgeted in DOB. In addition, the proposal eliminates \$479,000 related to membership dues for the Council of State Government and National Conference of Insurance Legislators, and transfers \$47,000 to the Office of Information Technology (ITS) as part of a consolidation initiative.

## Statewide Financial System (SFS)

The Executive proposes All Funds appropriations of \$29.7 million to support the ongoing maintenance and operating cost of SFS, a decrease of \$25.7 million or 46.4 percent from the SFY 2013-14 level. The Executive recommends support for 139 FTE positions, unchanged from the SFY 2013-14 level.

An annual debt service payment of \$21.8 million is transferred from SFS to instead be directly paid from the debt services payment account. In addition, there is a \$1.5 million transfer to the Office of Information Technology Services (ITS) for various technology activities, including support for the Statewide Data Warehouse.

## Executive Chamber

The Executive proposes All Funds appropriations of \$18.48 million for the support of the Office of the Governor and the Office of the Lieutenant Governor, which is unchanged from the SFY 2013-14 level. The Executive recommends support for 143 FTE positions, which is unchanged from the SFY 2013-14 level. 136 FTEs are for the Office of the Governor and seven FTEs are assigned to the Office of the Lieutenant Governor.

## Division of Alcoholic Beverage Control (ABC)

The Executive proposes All Funds Special Revenue Fund appropriations of \$18.1 million, unchanged from the SFY 2013-14 level. The Executive recommends support for 127 FTE positions, unchanged from the SFY 2013-14 level.

## Office of Inspector General

The Executive proposes All Funds appropriations of \$6.9 million, unchanged from the SFY 2013-14 level. The Executive recommends support for 65 FTE positions, which is unchanged from the SFY 2013-14 level.

## Joint Commission on Public Ethics

The Executive proposes All Funds appropriations of \$4.4 million, an overall increase of \$200,000 or 4.8 percent over the SFY 2013-14 level. The Executive recommends support for 45 FTE positions, an increase of one FTE over the SFY 2013-14 level.

The Executive proposes an increase of \$200,000 to establish a phone hotline and website for the public to report violations of Public Officers Law and allegations of sexual harassment by State employees.

## Division of Tax Appeals

The Executive Budget recommends a \$3.1 million General Fund appropriation and a workforce of 27 FTEs for the Division of Tax Appeals. This represents the same levels of funding and workforce as in 2013-14.



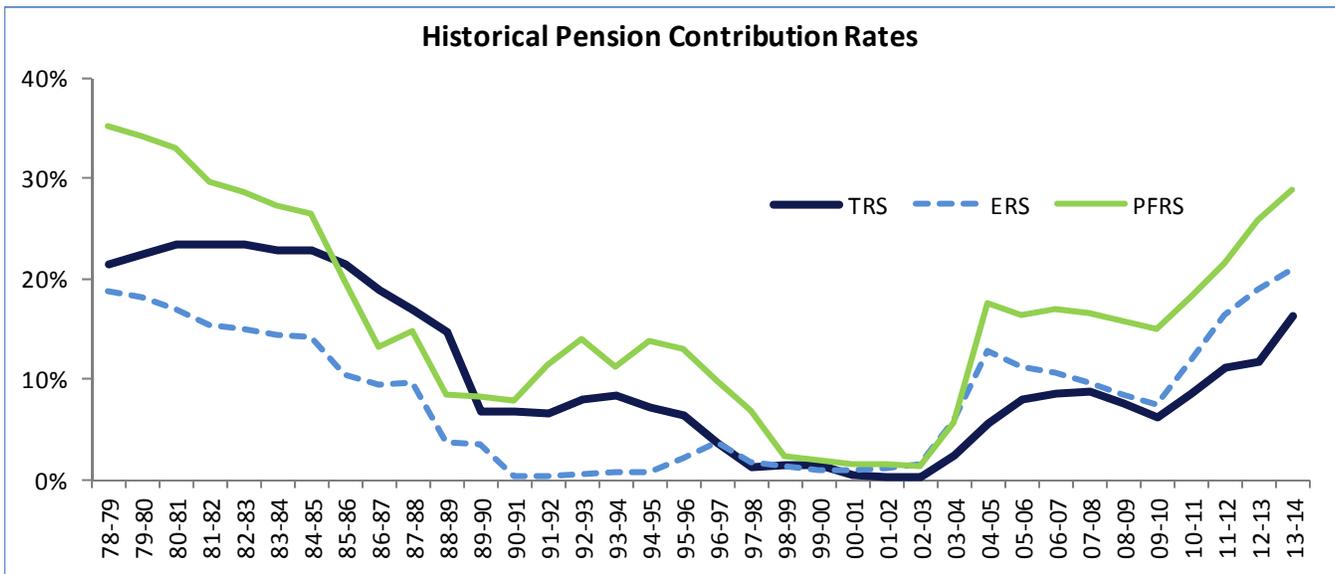
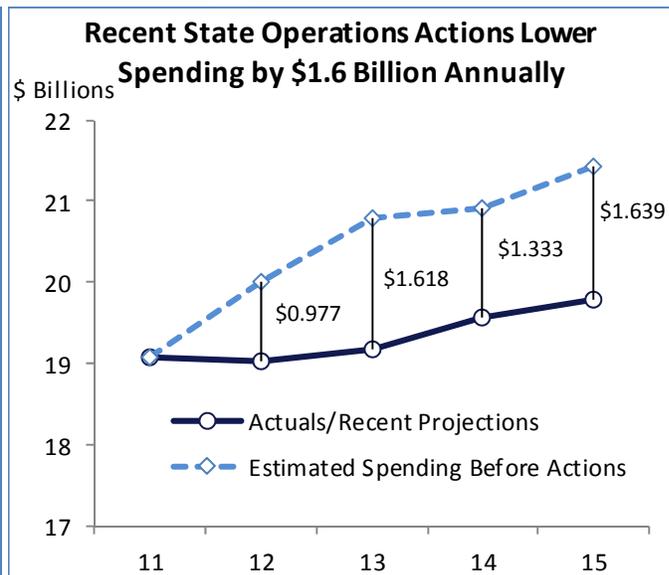
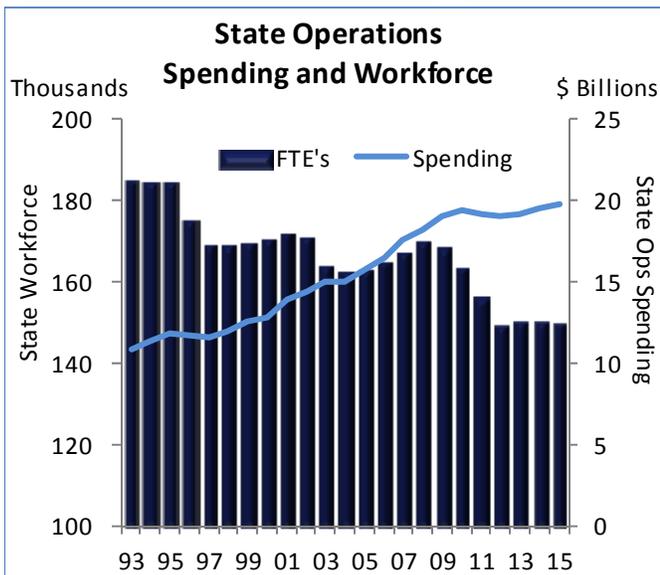
# BUDGET SNAPSHOT: STATE OPERATIONS AND WORKFORCE



**State Operations spending represents 13.92% of the budget.**

**By the end of SFY 2014-15, there will be approximately 180,766 State employees.**

**Pension spending represents 1.25% of the budget.**



Source: NYS Division of the Budget; NYS Office of the State Comptroller; New York State Teachers' Retirement System.

# BUDGET HIGHLIGHTS: STATE OPERATIONS AND WORKFORCE



- **Executive Agencies:** The Executive proposes to hold personal service (e.g., salary, wages) and non-personal service (e.g., supplies, utilities) spending flat, with limited exceptions.
- **Independent Officials:** The Executive Budget includes appropriations for the Judiciary, the Department of Law, and the Department of Audit and Control, which when combined are less than prior-year projections for agency operations, resulting in anticipated savings of \$104 million. Specifically, the Executive Budget includes the Judiciary's request to provide an additional \$53 million to support personal service and non-personal service spending associated with mandated court operations, statutory salary increases, and additional Family Court judges. To support additional pre-school special education audits, the Executive proposes an increase of \$2 million in spending, or 1.4 percent, for the Department of Audit and Control. Spending for the Department of Law is also expected to increase by \$3.3 million, or two percent.
- **Fringe Benefits/Fixed Costs:** The Executive Budget anticipates savings of \$46 million for fringe benefits and fixed costs, which is primarily attributable to State Fiscal Year (SFY) 2013-14 reforms to the Empire Plan and pension contribution rates. For SFY 2014-15, the Executive proposes to eliminate state reimbursement of the additional monthly Federal Medicare Part B premium – the Income Related Medicare Adjustment Amounts – which has been paid to higher income retirees since 2007, resulting in savings of \$1.7 million in SFY 2014-15.
- **State Operations Interchange:** The Executive budget would allow for the interchange of funds among certain agencies to support the consolidation of common administrative and information technology functions. Interchange language to allow mental hygiene and human service agencies to coordinate services for vulnerable persons would be continued as well.
- **Workforce Summary:** The size of the state workforce is projected at 180,766 FTE positions for SFY 2014-15, a decrease of 191, or 0.1 percent from the SFY 2013-14 level. This decrease primarily reflects the continued impact of facility closures at the Office of Children and Family Services, the Department of Corrections and Community Supervision, the Office of Mental Health, and the Office for People with Developmental Disabilities.

# BUDGET REVIEW AND ANALYSIS: STATE OPERATIONS AND WORKFORCE



State employees deliver services to the public and manage a range of facilities and provider networks. They oversee and administer billions of dollars in program funding and capital projects. There are 180,957 State employees employed in Executive agencies.

General State Charges provides for miscellaneous costs that accrue to the State, including pension, health, and other fringe benefits to most State employees and retirees, as well as State litigation expenses and payments to local governments for taxes on State owned lands.

The Department of Civil Service provides human resource management services to state and local governments, including recruitment, testing, and classifications for public employees.

The Public Employment Relations Board resolves major labor disputes between public or private employers and employees. The Office of Employee Relations assists the Governor in relations between the State and its employees, including representing the Executive Branch in collective bargaining negotiations and providing for workforce training, education and benefits.

**Table 53**

Agency	Appropriations				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
General State Charges	3,093.04	3,557.22	464.18	15.01	
Department of Civil Service	50.42	50.42	0.00	0.00	
Office of Employee Relations	9.81	4.81	-5.00	-50.97	
Public Employment Relations Board	3.98	3.98	0.00	0.00	

Table 54

Agency	Disbursements				5-year Trend
	2013-14 Adjusted (\$ in Millions)	2014-15 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
General State Charges	4,054.78	4,408.05	353.27	8.71	
Department of Civil Service	12.82	12.98	0.16	1.27	
Office of Employee Relations	2.39	2.58	0.19	7.95	
Public Employment Relations Board	3.56	3.73	0.17	4.74	

### General State Charges

The Executive proposes All Funds appropriations of \$3.56 billion, an increase of \$464.18 million, or 15.0 percent, over the SFY 2013-14 level.

**Health Insurance Contributions:** The Executive proposes a \$188 million increase in health insurance contributions for State employees. The increase reflects a 1.8 percent increase in premium rates for health insurance plan year 2014, and will be partially offset by \$1.7 million in savings associated with the elimination of the additional Income Related Medicare Adjustment Amounts (IRMAA), which is currently paid by the state on behalf of higher income retirees for the Federal Medicare Part B premium, effective January 1, 2014.

**Pensions:** The Executive proposes an increase of \$162.8 million in pension funding associated with a one percent increase in the employer contribution rates for the New York State and Local Employee Retirement System (NYSLERS) and the New York State and Local Police and Fire Retirement System (NYSLPFRS).

**Workers' Compensation Benefits:** The Executive proposes a \$12.4 million decrease in Workers' Compensation benefits for injured State employees. The assessment methodology for Workers' Compensation was changed in SFY 2013-14, resulting in approximately \$60 million in savings for the State in SFY 2014-15. This savings was offset by an estimated \$48 million increase in Workers' Compensation claims in SFY 2014-15.

**Other Fringe Benefits:** The Executive proposes an increase of \$8.6 million for other fringe benefits, which primarily reflects contractual payments to employee benefit fund programs.

**Social Security:** The Executive proposes a \$37.3 million increase in appropriations for Social Security benefits, which reflects an increase in Social Security payments due to a higher wage base.

**Litigation Spending:** The Executive proposes to decrease appropriation authority for litigation purposes by \$24.5 million, which is attributable to a reduction in excess appropriations.

**Payment in Lieu of Taxes (PILOT) for the City of Albany:** The Executive proposes a \$7.8 million decrease related to the scheduled decrease of a PILOT made to the City of Albany for the Empire State Plaza.

**Taxes on State Owned Land:** The Executive proposes a \$4.1 million increase for payment of taxes on State-owned lands due to a tax reassessment for such lands conducted by the Office of Real Property Tax Services.

### Department of Civil Service

The Executive proposes All Funds appropriations of \$50.42 million, which is unchanged from the SFY 2013-14 level. The Executive recommends support for 350 FTE positions, also unchanged from the SFY 2013-14 level.

The proposed budget for SFY 2014-15 reflects the transfer of 55 FTE positions, as well as \$2.8 million in personal service, \$1.7 million in non-personal service, and \$1.6 million in fringe benefits to the Office of Information Technology Services (ITS) for the consolidation of technology services at ITS.

The Executive recommends Article VII legislation that would provide greater promotional and training opportunities for information technology (IT) professionals who transferred to ITS from other State agencies during the consolidation of statewide IT operations. It would allow for the reclassification of individuals into appropriate IT titles and would allow State employees in certain IT positions to become eligible for term appointments without examination.

### Office of Employee Relations

The Executive proposes All Funds appropriations of \$4.81 million, a decrease of \$5 million, or 51.0 percent from the SFY 2013-14 level. The Executive recommends support for 37 FTE positions, which is unchanged from the SFY 2013-14 level.

The decrease of \$5 million is related to one-time funding for a pilot program that was established in SFY 2013-14 to provide training for State employees impacted by facility closures or restructurings. The training program was developed to assist employees who had not been offered a State employment opportunity within 100 miles of their current work location, but was ultimately not utilized in SFY 2013-14. The Executive recommends this amount be reappropriated for SFY 2014-15.

The proposed budget for SFY 2014-15 reflects the transfer of \$82,000 in non-personal services associated with the consolidation of technology services at ITS.

### **Public Employment Relations Board**

The Executive proposes All Funds appropriations of \$3.98 million, which is unchanged from the SFY 2013-14 level. The Executive recommends support for 33 FTE positions, which is also unchanged from the SFY 2013-14 level.



Table 55

**Workforce Impact Summary**  
**All Funds**  
**FY 2013 Through FY 2015**

	FY 2013 Actuals (03/31/13)	Starting Estimate (03/31/14)	Attritions	New Fills	Net Change	Ending Estimate (03/31/15)
Adirondack Park Agency	54	54	0	0	0	54
Aging, Office for the	89	90	0	5	5	95
Agriculture and Markets, Department of	467	486	(14)	14	0	486
Alcoholic Beverage Control, Division of	115	127	0	0	0	127
Alcoholism and Substance Abuse Services, Office of	765	762	(40)	40	0	762
Arts, Council on the	25	28	0	0	0	28
Audit and Control, Department of	2,476	2,609	0	34	34	2,643
Budget, Division of the	268	276	(20)	20	0	276
Children and Family Services, Office of	3,068	3,030	(275)	41	(234)	2,796
City University of New York	13,437	13,643	0	0	0	13,643
Civil Service, Department of	299	350	0	0	0	350
Correction, Commission of	26	29	0	0	0	29
Corrections and Community Supervision, Department of	29,443	29,001	(150)	216	66	29,067
Criminal Justice Services, Division of	416	435	0	20	20	455
Deferred Compensation Board	4	4	0	0	0	4
Economic Development, Department of	141	152	0	0	0	152
Education Department, State	2,618	2,663	0	58	58	2,721
Elections, State Board of	56	58	0	12	12	70
Employee Relations, Office of	38	37	0	0	0	37
Environmental Conservation, Department of	2,901	2,916	(24)	25	1	2,917
Executive Chamber	111	136	0	0	0	136
Financial Control Board, New York State	14	14	0	0	0	14
Financial Services, Department of	1,242	1,337	0	0	0	1,337
Gaming Commission, New York State	365	420	0	10	10	430
General Services, Office of	1,306	1,553	0	8	8	1,561
Health, Department of	4,546	4,890	(17)	340	323	5,213
Higher Education Services Corporation, New York State	422	304	(12)	0	(12)	292
Homeland Security and Emergency Services, Division of	368	396	0	17	17	413
Housing and Community Renewal, Division of	660	683	(65)	65	0	683
Hudson River Valley Greenway Communities Council	1	1	0	0	0	1
Human Rights, Division of	167	164	0	0	0	164
Indigent Legal Services, Office of	10	10	0	0	0	10
Information Technology Services, Office of	3,726	3,778	0	41	41	3,819
Inspector General, Office of the	62	65	0	0	0	65
Interest on Lawyer Account	8	8	0	0	0	8
Judicial Conduct, Commission on	46	50	0	0	0	50
Justice Center for the Protection of People with Special Needs	0	280	0	72	72	352
Labor, Department of	3,615	3,550	(456)	456	0	3,550
Labor Management Committees	63	77	0	0	0	77
Law, Department of	1,740	1,798	0	35	35	1,833
Lieutenant Governor, Office of the	5	7	0	0	0	7
Medicaid Inspector General, Office of the	474	484	0	0	0	484
Mental Health, Office of	14,538	14,616	(709)	709	0	14,616
Military and Naval Affairs, Division of	367	387	0	0	0	387
Motor Vehicles, Department of	2,243	2,215	(10)	0	(10)	2,205
Parks, Recreation and Historic Preservation, Office of	1,731	1,719	0	18	18	1,737
People with Developmental Disabilities, Office for	20,116	19,031	(1,080)	360	(720)	18,311
Prevention of Domestic Violence, Office for	23	28	0	0	0	28
Public Employment Relations Board	30	33	0	0	0	33
Public Ethics, Joint Commission on	43	44	0	1	1	45
Public Service Department	477	523	(6)	10	4	527
Quality of Care and Advocacy for Persons With Disabilities, Commission	76	0	0	0	0	0
State, Department of	544	564	(19)	0	(19)	545
State Police, Division of	5,222	5,419	(189)	209	20	5,439
State University Construction Fund	150	152	0	0	0	152
State University of New York	43,243	43,342	0	0	0	43,342
Statewide Financial System	118	139	0	0	0	139
Tax Appeals, Division of	25	27	0	0	0	27
Taxation and Finance, Department of	4,352	4,368	0	0	0	4,368
Temporary and Disability Assistance, Office of	1,834	1,859	(232)	291	59	1,918
Transportation, Department of	8,687	8,337	0	0	0	8,337
Veterans' Affairs, Division of	88	98	0	0	0	98
Victim Services, Office of	69	74	0	0	0	74
Welfare Inspector General, Office of	2	7	0	0	0	7
Workers' Compensation Board	1,167	1,220	0	0	0	1,220
<b>Total</b>	<b>180,802</b>	<b>180,957</b>	<b>(3,318)</b>	<b>3,127</b>	<b>(191)</b>	<b>180,766</b>



# BUDGET REVIEW AND ANALYSIS: JUDICIARY



The New York State courts are established and administered as an independent branch of government pursuant to Article VI of the State Constitution. The cost of operating the courts (excluding town and village courts) is borne by the state pursuant to the Unified Court Budget Act. The mission of the Unified Court System is to promote the rule of law and to serve the public by providing just and timely resolutions of all matters before the courts. The New York State Judiciary (Judiciary) carries out its mission through 11 different trial courts (courts of original jurisdiction), its intermediate appellate courts and its highest court, the Court of Appeals.

The Judiciary's proposed budget request, as submitted to the Governor, recommends appropriations of \$2.73 billion, which is an increase of \$77.25 million or 2.9 percent from the State Fiscal Year (SFY) 2013-14 level.

**Table 56**

<b>Appropriations</b>					
<b>Agency</b>	<b>2013-14 Adjusted (\$ in Millions)</b>	<b>2014-15 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>	<b>5-year Trend</b>
Office of Court Administration	2,648.89	2,726.14	77.25	2.92	

**Table 57**

<b>Disbursements</b>					
<b>Agency</b>	<b>2013-14 Adjusted (\$ in Millions)</b>	<b>2014-15 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>	<b>5-year Trend</b>
Office of Court Administration	2,646.70	2,723.10	76.40	2.89	

**Civil Legal Services:** The proposed budget includes a total of \$55 million to support the recommendations of the Chief Judge's task force to expand civil legal services, an increase of \$15 million SFY 2013-14 levels.

**Family Court Judges:** The Judiciary budget includes a \$5 million appropriation to support the addition of 20 new Family Court Judges in January 2015. These funds would be distributed pursuant to legislation that would be advanced outside of the budget process. The Judiciary estimates that the cost of these new judges would increase to \$20 million in SFY 2015-16.



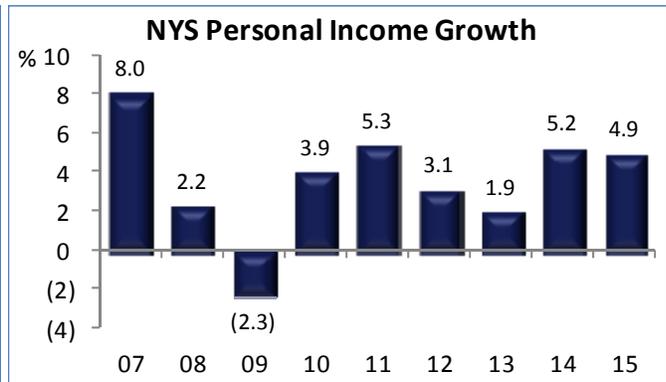
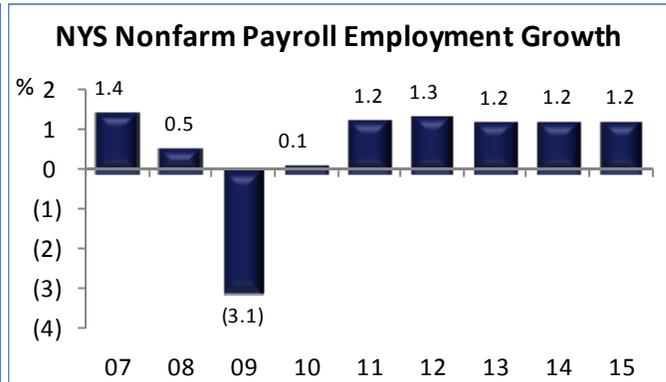
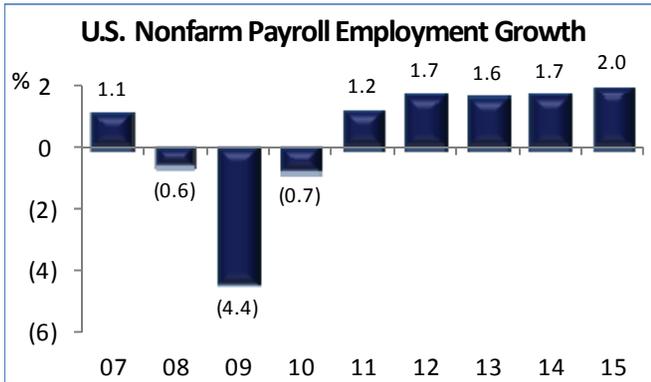
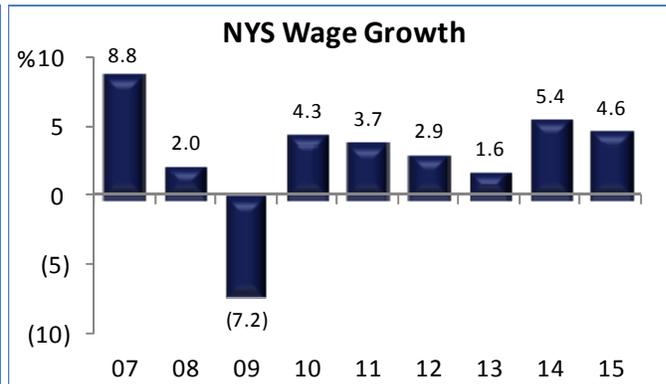
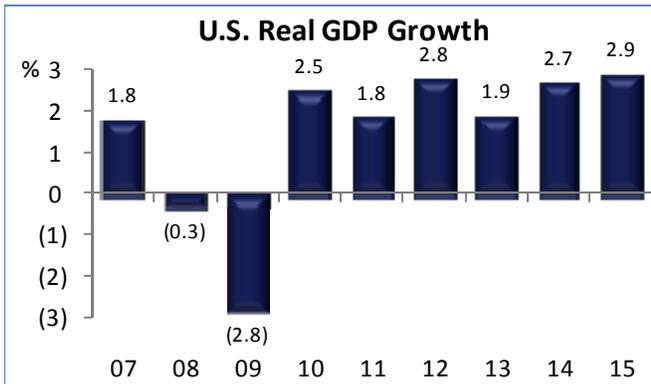
# BUDGET SNAPSHOT: ECONOMY



*The national economy is expected to continue growing in 2014, driven mainly by consumer and private investment spending.*

*In 2014, the New York State unemployment rate is projected to be 7.5 percent, while the projected U.S. rate is 6.8 percent.*

*In 2013:Q2, New York State employment grew faster than the nation in the following sectors: leisure, hospitality, and other services; educational services; and construction.*



Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; NYS Department of Labor; NYS Division of the Budget.

# BUDGET HIGHLIGHTS: ECONOMY



- **Gross Domestic Product:** According to the Division of the Budget (DOB), real U.S. GDP is projected to grow 2.7 percent in 2014 and 2.9 percent in 2015. Growth will mainly be driven by increased household spending, healthier housing and labor markets, and stronger growth in domestic and global demand.
- **U.S. Employment:** DOB forecasts U.S. employment to grow 1.7 percent in 2014 and 2.0 percent in 2015. DOB suggests that the projected increases in employment will likely be due to continued growth in the leisure and hospitality sector, business service sector, and the construction sector, which has begun to thrive as a result of the upturn in the real estate market.
- **New York State Employment:** The forecast in the Executive Budget projects that New York State total nonfarm employment will continue to grow at a rate of 1.2 percent in 2014 and 2015. Private employment in the State will grow at a faster pace than total nonfarm employment due to continued declines in public sector employment. DOB projects a 1.5 percent increase in private employment in 2014 and 2015.
- **New York State Regional Employment:** DOB estimates New York State private employment growth in the first two quarters of 2013 to have been strongest in New York City and Long Island. Among the upstate regions, employment in the Capital District grew the fastest, followed by the North Country. The Mohawk Valley is the only region in New York State estimated to have suffered a decline in employment compared to the same period in 2012.
- **New York State Wages:** DOB forecasts New York State wages to grow 5.4 percent in 2014 and 4.6 percent in 2015, following growth of 1.6 percent in 2013. Projected wage growth for 2014 is elevated by approximately \$6 billion due to the acceleration in bonus payments from the first quarter of 2013 to the fourth quarter of 2012, in anticipation of tax law changes. Absent the shift DOB posits that the wage growth forecast for 2014 would have been 4.2 percent. DOB states that bonus growth in the finance and insurance sector is projected to gradually improve, but remain well below historical average growth rates as the sector continues to restructure.

# BUDGET REVIEW AND ANALYSIS: ECONOMY



**The National Economy:** According to the Division of Budget (DOB), the U.S. is finally on a sustainable growth path going into 2014. DOB estimates that the economy, as measured by Gross Domestic Product (GDP), grew 1.9 percent in 2013 (see Table 58). DOB forecasts GDP to increase by 2.7 percent in 2014 as household balance sheets and employment prospects improve. In addition, private business investment will contribute to overall economic growth as domestic and global demand becomes stronger. However, GDP growth will be impeded by a shrinking public sector.

Table 58

U.S. Economic Forecast Comparison			
	2013	2014	2015
<b>Real Gross Domestic Product (GDP)</b> (2009 chained percent change)			
Division of the Budget	1.9	2.7	2.9
Blue Chip Consensus	N/A	2.8	3.0
Global Insight	1.9	2.7	3.2
Macroeconomic Advisers	1.9	3.0	3.3
<b>Consumer Price Index (CPI)</b> (percent change)			
Division of the Budget	1.5	1.6	2.0
Blue Chip Consensus	N/A	1.6	2.0
Global Insight	1.5	1.4	1.8
Macroeconomic Advisers	1.5	1.5	1.6
<b>Unemployment Rate</b> (percent)			
Division of the Budget	7.4	6.8	6.3
Blue Chip Consensus	N/A	6.8	6.3
Global Insight	7.4	6.5	5.9
Macroeconomic Advisers	7.4	6.8	6.4

Note: Numbers are as reported in the Executive Budget 2014-15 released on January 21, 2014.  
Source: NYS Division of the Budget.

- **Consumption:** DOB projects higher real consumption spending growth of 2.9 percent in 2014, following growth of 2.0 percent in 2013. Growth in consumption spending will be supported by employment growth, rising home prices, banks' continued willingness to lend to households, and the restoration in household wealth.
- **Investment:** DOB projects continued strong growth in real private residential investment spending of 9.5 percent in 2014, after growth of 13.1 percent in 2013, as home prices continue to increase

and new construction accelerates as a result of a rebound in household formation. According to DOB, nonresidential fixed investment spending grew 2.6 percent in 2013 and is forecast to grow 4.2 percent in 2014 attributable to growth in equipment, intellectual property and software, and nonresidential structures.

- **Government Spending:** DOB forecasts that overall government spending will fall by 0.1 percent in 2014, following a decline of 2.0 percent in 2013, as state and local government spending increases moderate the impact of further pullback by the federal government. DOB projects that state and local government spending, adjusted for inflation, will grow 0.6 percent in 2014 and 0.8 percent in 2015, following a decline of 0.2 percent in 2013. However, real federal government spending growth is predicted by DOB to decline 1.2 percent in 2014 and 0.5 percent in 2015, after declining 4.5 percent in 2013.
- **Employment:** Employment is projected by DOB to grow by 1.7 percent in 2014, up slightly from 1.6 percent in 2013. DOB anticipates that the unemployment rate will fall to 6.8 percent in 2014, down from 7.4 percent in 2013 implying a continued high degree of slack in the labor market.
- **Inflation:** DOB forecasts inflation, as measured by the Consumer Price Index (CPI), to remain low, growing 1.6 percent in 2014 followed by 2.0 percent in 2015. DOB suggests that low inflation is a result of the diminishing risk premium in the energy markets and higher oil production in the U.S.
- **Imports and Exports:** DOB forecasts that imports will increase 4.6 percent in 2014, after growing only 1.6 percent in 2013. DOB indicates that as domestic demand accelerates, imports will continue to rise, growing another 5.9 percent in 2015. DOB projects real growth in the exports of U.S. goods and services will rise 6.3 percent in 2014, up from 2.6 percent in 2013 as the increasing value of the dollar is expected to mitigate the rise in the demand for U.S. goods globally.
- **Corporate Profits:** DOB projects corporate profits will grow by 6.3 percent in 2014, following growth of 4.4 percent in 2013. DOB reasons that fiscal austerity has put downward pressure on domestic nonfinancial profits, while changes in government regulations are expected to curb profits in the financial sector, and profits generated by activity outside of the U.S. will only gradually improve.
- **Stock Market:** DOB suggests fluctuations in equity prices have been reflective of the fear surrounding the European sovereign debt crisis and domestic political strife more so than corporate earnings. However, in the long run, equity market price growth is expected to be consistent with growth in corporate earnings. DOB projects equity market growth of 11.0 percent in 2014, following growth of 19.0 percent in 2013.

**The New York State Economy:** DOB suggests that the State economy appears to be going through a period of adjustment in which private employment growth is above average, while wage growth is below average and the wage base is more diversified. DOB projects that the State economy will grow 1.7 percent in 2014 which is consistent with prior expansions.

- **Personal Income:** DOB forecasts total State personal income to grow by 5.2 percent in 2014, up from 1.9 percent growth in 2013. According to DOB, growth in State personal income has been mainly due to wage growth.
- **Wages:** DOB projects State wages will grow 5.4 percent in 2014 and 4.6 percent in 2015, after growing 1.6 percent in 2013. The projected wage growth for 2014 is due in part to the shifting of bonus payments from the first quarter of 2013 to the fourth quarter of 2012, in anticipation of tax law changes. Absent the shifting, DOB posits that the wage growth forecast for 2014 would have been 4.2 percent. DOB anticipates that bonus growth in the finance and insurance sector will gradually improve, but remain well below historical average growth rates as the sector continues to restructure.
- **Employment:** According to DOB, the State labor market enjoyed strong private sector employment growth in 2013. Total nonfarm employment in the State grew 1.2 percent in 2013, 0.4 percentage point lower than the nation's 1.6 percent growth. DOB forecasts that New York State employment will grow 1.2 percent in 2014 and 1.2 percent in 2015, slower than the nation's employment growth (see Figure 9).

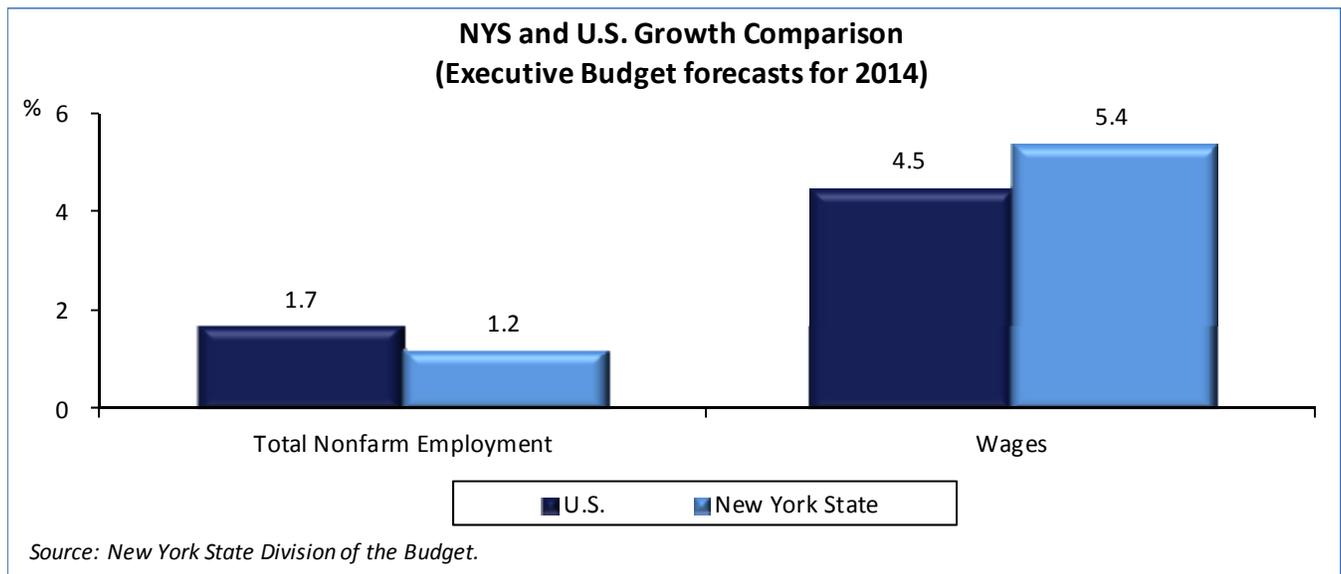


Figure 9

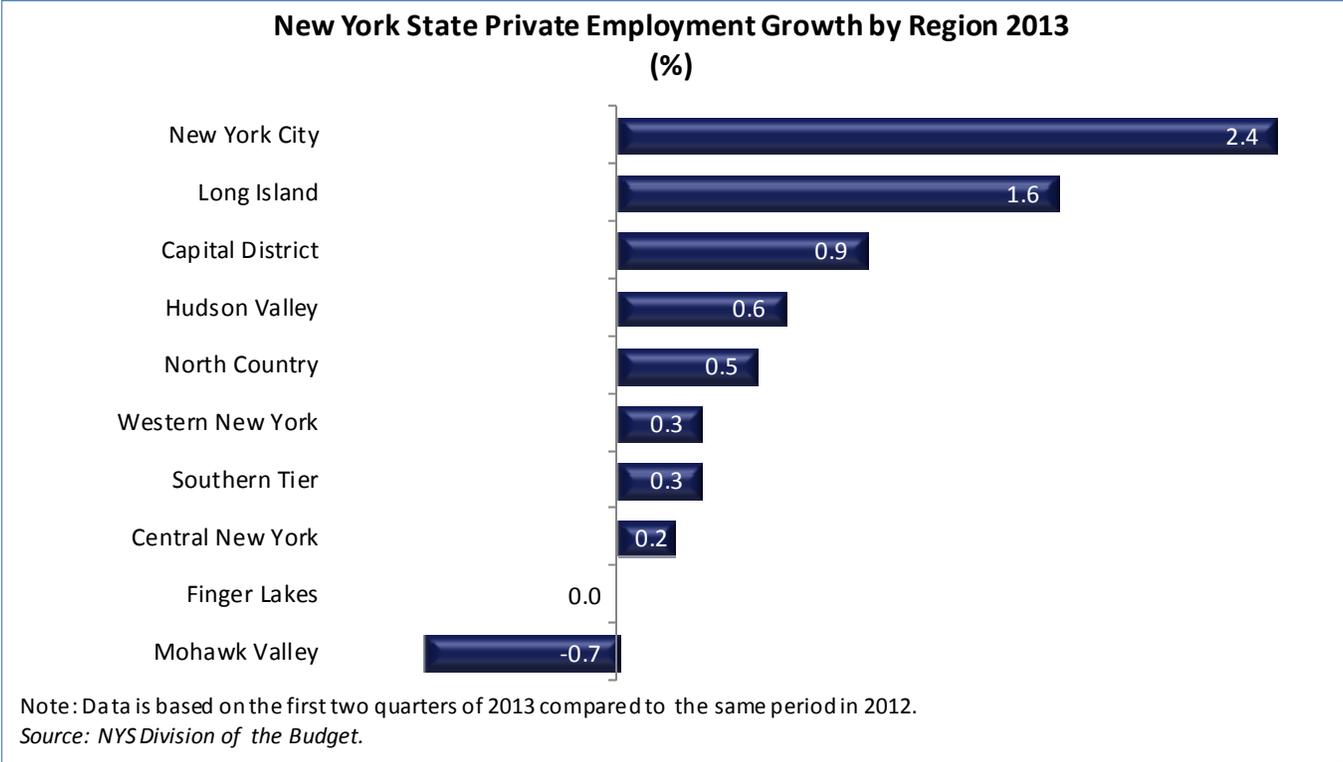
- **Employment by Sector:** DOB projects that private employment in the State will grow by 1.5 percent in 2014 after growing 1.7 percent in 2013. The construction sector, the educational

services sector, the business services sector, and the leisure, hospitality and other services sector will grow relatively faster than other sectors (see Table 59). DOB projects that the finance and insurance sector will continue to be a drag on overall employment growth, due mainly to the consolidation occurring in the banking sector.

**Table 59**

<b>New York State Employment Growth Forecast for 2014</b>	
	<b>Percent</b>
<b>Total</b>	<b>1.2</b>
<b>Total Private</b>	<b>1.5</b>
Leisure, Hospitality and Other Services	2.6
Construction	2.5
Educational Services	2.5
Management, Administrative, and Support Services	2.4
Professional, Scientific, and Technical Services	2.0
Healthcare & Social Assistance Services	1.7
Retail Trade	1.2
Real Estate and Rental and Leasing	1.0
Transportation and Warehousing	1.0
Wholesale Trade	0.6
Information	0.4
Manufacturing and Mining	(0.2)
Finance and Insurance	(0.3)
Government	(0.3)
Utilities	(1.2)
Note: Management, and administration and support services includes NAICS sectors 55 and 56; sum of sectors may not match the total due to the exclusion of unclassified. <i>Source: NYS Division of the Budget.</i>	

- **Employment by Region:** DOB indicates that for the first two quarters of 2013, the downstate region outperformed the upstate region as job growth in New York City’s services industries was strong. In the upstate region, the Capital District had the highest growth in employment of 0.9 percent compared to the Mohawk region in which employment declined 0.7 percent (see **Figure 10**).



**Figure 10**

**Risks:** DOB acknowledges several risks to the economic forecast presented in the budget. In addition, the euro-area economy is expected to continue on its recovery path. Furthermore, the continued downsizing of the financial sector, the shrinking government sector, the regulatory environment, rising interest rates, and equity market volatility continue to be obstacles to growth for the nation and New York State.



# BUDGET SNAPSHOT: REVENUE



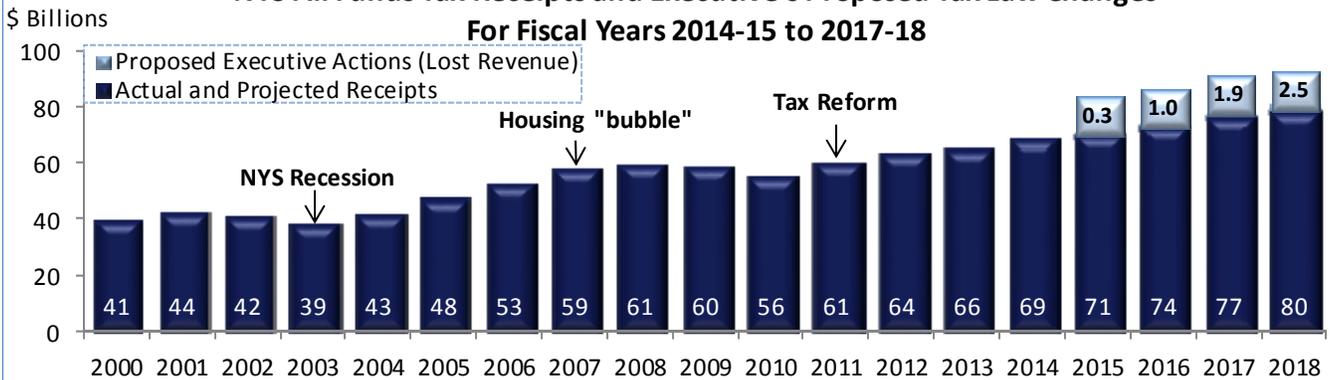
**Year-to-Date All Funds Tax Revenue growth is 5.6%.**

**2014-15 All Funds Revenue total is \$142 billion; growth of 0.8%.**

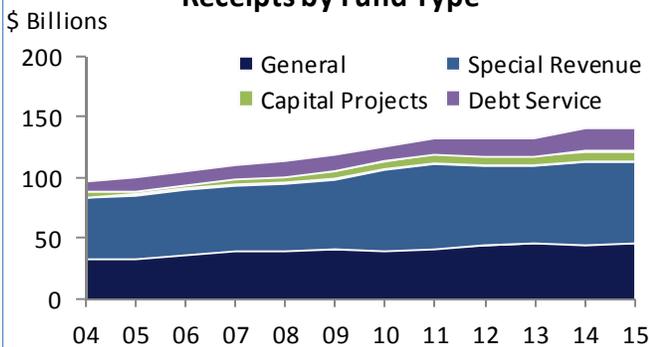
**2014-15 Tax Revenue total is \$70.8 billion; growth of 2%.**

**2014-15 Federal Funds total is \$45.8 billion; a decline of 3.6%.**

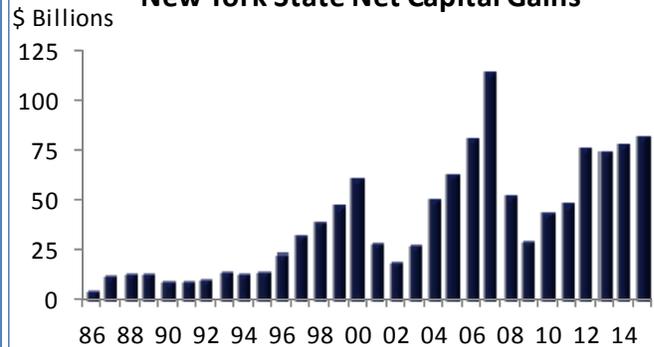
**NYS All Funds Tax Receipts and Executive's Proposed Tax Law Changes For Fiscal Years 2014-15 to 2017-18**



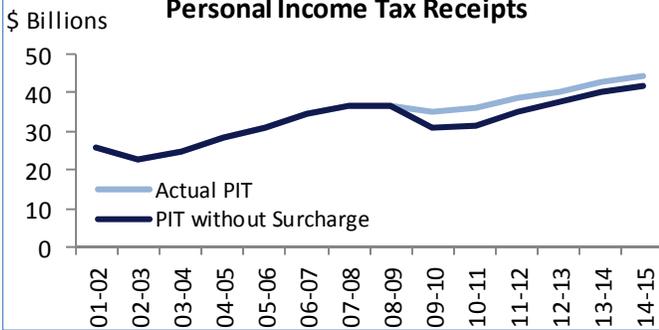
**Receipts by Fund Type**



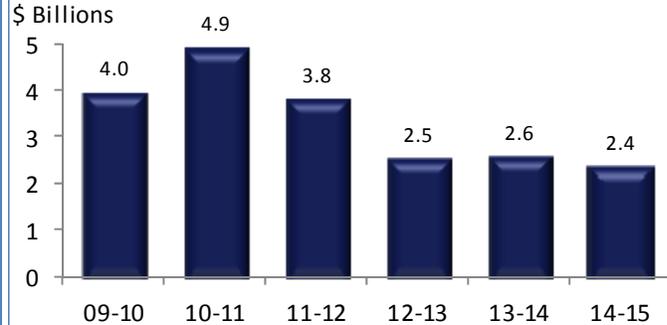
**New York State Net Capital Gains**



**Surcharge and Tax Reform Contribution to Personal Income Tax Receipts**



**Value of PIT Surcharge and Tax Reform**



Note: Data beyond 2013 is forecast.

Sources: NYS Division of the Budget; NYS Department of Taxation and Finance; NYS Assembly Ways and Means Committee staff.

# BUDGET HIGHLIGHTS: REVENUE



The Executive Budget contains a variety of tax proposals, mostly based on the recommendations of the Tax Reform Commissions, that when fully phased-in lead to a revenue loss of \$1.9 billion in State Fiscal Year (SFY) 2016-17 and a revenue loss of \$2.5 billion in SFY 2017-18.

- **Business Tax Reform:** The Executive proposal includes the merger of the Bank tax with the Corporate Franchise tax and the reduction of the tax rate on net income from 7.1 percent to 6.5 percent. The Executive Budget also includes the elimination of the tax on net income for Upstate manufacturers.
- **Other Business Tax Reforms:** The Executive proposes to streamline audit procedures, tighten credit eligibility, close loopholes, and to repeal certain taxes. In addition, under the Executive proposal, manufacturers across the State would be provided with a 20 percent refundable credit on their annual real property tax bill.
- **Property and Renter's Tax Relief:** The Executive proposes three credits designed to provide tax relief to homeowners and renters. This includes creating a real property tax freeze credit, a circuit breaker credit and a renter's personal income tax credit. To qualify for the property tax freeze and circuit breaker credits, the Executive would require local property tax jurisdictions' budgets to remain under the property tax cap and, for the property tax freeze, would require the development of plans for cost sharing and consolidation of services.
- **Other Executive Tax Proposals:** The Executive proposal provides for the extension and enhancement of several tax credits, such as the commercial production credit, the Youth Works tax credit, and the non-custodial Earned Income Tax Credit.
- **All Funds Tax Receipts:** Overall, the Executive Budget estimates All Funds tax collections of \$69.414 billion in SFY 2013-14, an increase of \$3.112 billion over the previous state fiscal year, while SFY 2014-15 All Funds tax receipts are forecast at \$70.794, an increase of \$1.380 billion. All Funds tax receipts growth is estimated in the 3.4 percent to 4.6 percent range for the three fiscal years following SFY 2014-15.

# BUDGET REVIEW AND ANALYSIS: REVENUE



## EXECUTIVE ALL FUNDS RECEIPTS 2013-14 ESTIMATES AND 2014-15 FORECAST

Table 60

<b>Executive Budget - All Funds Receipts</b>					
<b>(\$ in Millions)</b>					
	<b>2012-13</b>	<b>2013-14</b>	<b>% Change</b>	<b>2014-15</b>	<b>% Change</b>
Personal Income Tax	\$40,227	\$42,846	6.5%	\$44,131	3.0%
User Taxes	\$14,615	\$15,107	3.4%	\$15,480	2.5%
Business Taxes	\$8,465	\$8,186	-3.3%	\$7,853	-4.1%
Other	\$2,995	\$3,275	9.4%	\$3,330	1.7%
<b>Total Taxes</b>	<b>\$66,302</b>	<b>\$69,414</b>	<b>4.7%</b>	<b>\$70,794</b>	<b>2.0%</b>
Miscellaneous Receipts	\$24,030	\$23,850	-0.7%	\$25,315	6.1%
Federal Funds	\$42,843	\$47,506	10.9%	\$45,792	-3.6%
<b>Total All Funds</b>	<b>\$133,175</b>	<b>\$140,770</b>	<b>5.7%</b>	<b>\$141,901</b>	<b>0.8%</b>

### SFY 2013-14 All Funds Receipts Estimate

- The Executive estimates SFY 2013-14 All Funds tax receipts to total \$69.414 billion, or 4.7 percent over the previous fiscal year, an increase of \$3.112 billion. The majority of the additional revenue, compared to the SFY 2012-13, is attributed to Personal Income Tax receipts growth of 6.5 percent, or \$2.619 billion.
- Including Miscellaneous Receipts and Federal Funds, All Funds receipts are estimated to increase 5.7 percent, or \$7.595 billion, to \$140.770 billion in SFY 2013-14.

### SFY 2014-15 Forecast

- The Executive forecasts SFY 2014-15 All Funds tax receipts to total \$70.794 billion, an increase of 2.0 percent or \$1.380 billion over SFY 2013-14. The increase is attributed to the Personal Income Tax that is forecast to increase by \$1.285 billion, or 3.0 percent.
- Including Miscellaneous Receipts and Federal Funds, All Funds receipts are forecast to increase by 0.8 percent, or \$1.131 billion, to \$141.901 billion.

## REVENUE ACTIONS

### Tax Actions

- **Business Tax Relief:** \$224 million in tax cuts in SFY 2014-15 and \$507 million in tax relief in SFY 2017-18.
  - The Executive proposes to combine the corporate franchise and bank taxes. The proposal reduces the tax rate on net income from 7.1 percent to 6.5 percent.
  - The Executive proposes a statewide refundable tax credit equal to 20 percent of property taxes paid by manufacturers who own property.
  - The Executive would reduce the tax rate on income for Upstate manufacturers from 5.9 percent to zero, beginning 2014.
  - The Executive proposes the elimination of the 18-a Temporary Assessment for industrial customers and accelerating the phase out for all other payors.
  
- **Property Taxes:** \$400 million in tax cuts in SFY 2014-15 and \$1.400 billion in tax relief in SFY 2017-18.
  - The Executive proposes to freeze property taxes for two years, subject to two conditions. In year one (2014-15), tax rebates will be provided to homeowners with incomes of \$500,000 or less who live in jurisdictions that stay within the property tax cap. To earn the rebate the second year, school districts and local governments must continue to stay within the tax cap and must develop a plan for sharing or consolidating services.
  - The Executive proposes a statewide, progressively-structured credit against the Personal Income Tax (PIT), providing greater benefits to those with the highest property tax burdens as a share of income. The credit will be available statewide; however, outside New York City, only residents of jurisdictions that adhere to the property tax cap will qualify for the credit. The credit will apply to homeowners with qualifying incomes up to \$200,000. The homeowner will receive a credit on the excess of property taxes paid over a certain percent of income. For incomes up to \$120,000, when property taxes exceed three percent of income, the credit is 20 percent of the excess; for incomes between \$120,000 to \$150,000, when property taxes exceed four percent of income, the credit is 15 percent of the excess; for incomes between \$150,000 to \$200,000, when property taxes exceed five percent of income, the credit is 10 percent of the excess. The maximum credit available will be \$1,000.

- The Executive proposes a refundable renter’s tax credit composed of a basic and a supplemental credit. The basic credit would decline with qualifying income up to \$100,000 for married taxpayers who are filing jointly and have related dependents, heads of household and married seniors filing jointly. Seniors with no dependents and with incomes up to \$50,000 would also qualify. The base credit is supplemented with an additional credit per federal exemption, also declining with income.

➤ **Administrative:** No significant fiscal impact.

- The Executive proposal would raise the personal income tax filing income threshold from \$4,000 to the amount of the taxpayer’s standard deduction.
- The Executive proposes to repeal the PIT add-on minimum tax.
- The Executive proposes to repeal the boxing and wrestling exhibitions tax. Instead, the State and local sales tax will be imposed for the same events.
- The Executive proposes to repeal the franchise tax on agricultural cooperatives.
- The Executive proposes to repeal the tax on stock sales transfers from financial service companies.
- The Executive proposes to modify signature requirements on e-filed returns prepared by tax professionals. The current system will be replaced with an electronic certification that confirms taxpayer authorization when filing a return.
- The Executive proposal would align mobility and PIT filings for the self-employed. Under the proposal, self-employed persons will file and pay the MTA mobility tax when they remit State personal income taxes.

➤ **Other Tax:** \$137 million in additional revenue in SFY 2014-15 and \$195 million in tax cuts in SFY 2017-18.

- The Executive proposes an increase to the estate tax exemption threshold from \$1 million to progressively conform to the Federal exemption amount, and reduces the top rate from 16 to 10 percent over four years. When fully phased-in by 2017, the State estate tax

exemption threshold will be \$5.25 million. In addition, proposals are advanced to require the value of gifts to be added back to the estate and close tax avoidance loopholes.

- The Executive proposes reforming the Investment Tax Credit (ITC) by tightening eligibility criteria. For example, a credit will not be allowed for assets if a former owner has claimed the ITC for investments in those assets.
  - The Executive proposes the repeal of the Financial Services ITC.
  - The Executive proposes to close the Resident Trust Loophole by decoupling New York from the Federal treatment of trusts and imposes the PIT on the trust grantor.
  - The Executive proposes to streamline corporate audit procedures by implementing various audit efficiencies and improving voluntary compliance.
- **Tax Enforcement:** \$3 million in additional revenue in SFY 2015-16 and \$3 million in additional tax collections in SFY 2017-18.
- The Executive proposes to create a professional and business license tax clearance process. The proposal aims to increase tax compliance by denying a professional or business license to an applicant with outstanding final tax liabilities.
- **Other Revenue:** \$398 million in additional revenue in SFY 2015-16 and \$430 million in tax cuts in SFY 2017-18.
- The Executive proposes to expand the low-income housing credit by allocating an additional \$8 million for the program in 2014-15 and an additional \$8 million in 2015-16.
  - The Executive proposes enhancing the Youth Works Tax Credit. Employers will be eligible for an additional \$1,000 credit for every at-risk youth employed full-time for an additional year (\$500 for part-time status), and the annual allocation will increase from \$6 million to \$10 million. Also, the Tax Law would be amended to conform to the Labor Law to reduce, from 20 to 10, the number of hours which full-time students must work to be eligible for the employer to claim the credit.
  - The Executive proposal would modify the delivery of the Family Relief Credit from a rebate to a credit in Tax Year 2015.

- The Executive proposes a technical amendment to START-UP NY, that includes a new refundable credit equal to the amount of telecommunications excise tax paid by businesses in eligible areas.
  - The Executive proposes to simplify the distribution of motor vehicle fee receipts through a General Fund transfer.
  - The Executive proposes technical amendments to the Commercial Gaming Statute. The proposal will allow commercial gaming receipts to be distributed for education funding in the year received (versus the following year as is the current practice) and also provides that payments of regional county aid equals 10 percent of exclusivity payments received by the State.
- **Tax Law Extenders:** \$11 million in tax cuts in SFY 2014-15 and SFY 2017-18.
- The Executive proposes extending the alternative fuels tax exemptions for two years. Specifically, the proposal would extend from September 1, 2014, to September 1, 2016, the sales, petroleum business tax, and motor fuel tax exemption on e85, CNG, or hydrogen when purchased for use in motor vehicle engines. The 20 percent exemption on purchases of B20 would be extended as well.
  - The Executive proposes extending the non-custodial Earned Income Tax Credit (EITC) for two years. The credit is available to a parent who pays child support for a qualifying child with whom they do not reside
  - The Executive proposal extends the commercial production tax credit for two years. Qualified taxpayers are allowed a 20 percent credit of commercial production costs in NYS that exceed the average of the three prior years' costs, plus five percent of costs exceeding \$500,000 in the Metropolitan Commuter Transportation District (MCTD), and above \$200,000 outside the MCTD.
  - The Executive proposal would extend for ten years and reform the brownfields clean-up program. Under the proposed reforms, remediation tax credits will only cover actual cleanup costs, and redevelopment credits will cover sites that have been vacant for over a decade, are worth less than the cleanup costs, or are priority economic development projects.
  - The Executive proposes to extend the Monticello Video Lottery Terminal (VLT) rates for one year.

- The Executive proposes to extend certain pari-mutuel tax rates and simulcast provisions for one year.
  - The Executive proposes to extend the video lottery gaming vendor’s capital awards program for one year.
  - The Executive proposes to extend fees for the establishment of oil and gas unit of production values until 2018.
- **School Tax Relief (STAR) Program Action:** \$3 million in reduced tax expenditures in SFY 2017-18.
- The Executive proposes to eliminate the income threshold inflation adjustment for Enhanced STAR benefits. The income eligibility requirement has been annually increased since 2003-04 through a cost-of-living-adjustment (COLA). This proposal will maintain the threshold at the 2014-15 level of \$81,900, but would eliminate the COLA thereafter.
- **Fees:** \$2 million in additional revenue in SFY 2014-15 and SFY 2017-18.
- The Executive proposes to increase the racing regulatory fee to cover the cost of regulation. The proposal changes the existing surcharge on handles from 0.5 percent to 0.6 percent.

Table 61

## TAX REFORM, REVENUE ACTIONS, AND STAR

(\$ in Millions)

	General Fund		All Funds			
	2014-15	2015-16	2014-15	2015-16	2016-17	2017-18
<b>Tax Reform Actions</b>						
Corporate Tax Reform	0	(205)	0	(205)	(346)	(346)
20 Percent Real Property Tax Credit for Manufacturers	0	(136)	0	(136)	(136)	(136)
Eliminate Net Income Tax for Upstate Manufacturers	(24)	(24)	(24)	(24)	(25)	(25)
Accelerate Phase Out of 18-A Temporary Assessment	(200)	(200)	(200)	(200)	(200)	0
Two-Year Property Tax Freeze Personal Income Tax Credit	(400)	(976)	(400)	(976)	(475)	0
Residential Real Property Personal Income Tax Credit (Circuit Breaker)	0	(200)	0	(200)	(525)	(1,000)
Renter's Personal Income Tax Credit	0	(200)	0	(200)	(400)	(400)
Estate Tax Reform	(33)	(175)	(33)	(175)	(371)	(612)
Increase Personal Income Tax Filing Income Threshold	0	0	0	0	0	0
Repeal the Personal Income Tax Add-On Minimum Tax	0	0	0	0	0	0
Repeal the Boxing and Wrestling Exhibitions Tax	0	0	0	0	0	0
Repeal the Franchise Tax on Agricultural Cooperatives	0	0	0	0	0	0
Repeal the Stock Transfer Tax (Article 12 of Tax Law)	0	0	0	0	0	0
Modify Signature Requirements for e-Filing	0	0	0	0	0	0
Align MTA Mobility and PIT Filings for Self-Employed	0	0	0	0	0	0
Streamline Corporate Audit Procedures	0	150	0	172	172	172
Reform the Investment Tax Credit	65	65	65	65	65	65
Repeal the Financial Services Investment Tax Credit	30	30	30	30	30	30
Close the Resident Trust Loophole	75	225	75	225	150	150
<b>Total</b>	<b>(487)</b>	<b>(1,646)</b>	<b>(487)</b>	<b>(1,624)</b>	<b>(2,061)</b>	<b>(2,102)</b>
<b>Tax Enforcement Actions</b>						
Professional and Business License Tax Clearance	0	3	0	3	3	3
<b>Other Revenue</b>						
Expand the Low Income Housing Credit	0	(8)	0	(8)	(16)	(16)
Enhance the Youth Works Tax Credit	0	(4)	0	(4)	(4)	(4)
Modify Delivery of Family Tax Relief Credit After Tax Year 2014	0	410	0	410	0	(410)
<b>Total</b>	<b>0</b>	<b>398</b>	<b>0</b>	<b>398</b>	<b>(20)</b>	<b>(430)</b>
<b>Tax Law Extenders</b>						
Extend Alternative Fuels Tax Exemptions (2 Years)	(2)	(4)	(8)	(16)	(8)	0
Extend Non-Custodial EITC (2 Years)	0	0	0	0	(4)	(4)
Extend Commercial Production Tax Credit (2 Years)	0	0	0	0	(7)	(7)
Extend and Reform the Brownfield Clean-Up Program	0	0	0	0	0	0
Extend Monticello VLT Rates (1 Year)	0	0	(3)	0	0	0
Extend Certain Pari-Mutuel Provisions (1 Year)	0	0	0	0	0	0
Extend Video Lottery Gaming Vendors Capital Awards (1 Year)	0	0	0	0	0	0
Extend Fees for Establishment of Oil and Gas Unit of Production Value (until 2018)	0	0	0	0	0	0
<b>Total</b>	<b>(2)</b>	<b>(4)</b>	<b>(11)</b>	<b>(16)</b>	<b>(19)</b>	<b>(11)</b>
<b>STAR</b>						
Eliminate Income Threshold Inflation Adjustment for Enhanced STAR Benefits	0	0	0	3	3	3
<b>Technical</b>						
START-UP NY Technical Amendment	0	0	0	0	0	0
Simplify Motor Vehicle Fees Receipts Distribution	0	0	0	0	0	0
Technical Amendments to Commercial Gaming Statute	0	0	0	0	0	0
<b>Fees</b>						
Require Regulatory Racing Fee to Cover Regulation Costs	0	0	2	2	2	2
<b>Total Revenue Actions</b>	<b>(489)</b>	<b>(1,249)</b>	<b>(496)</b>	<b>(1,234)</b>	<b>(2,092)</b>	<b>(2,535)</b>

Table 62

### All Funds Receipts SFY 2013-14 (\$ in Millions)

	2012-13 Actual	2013-14 Estimate	Change	Percent Growth
<b>Personal Income Tax</b>	<b>\$40,227</b>	<b>\$42,846</b>	<b>\$2,619</b>	<b>6.5%</b>
<b>Gross Receipts</b>	<b>47,443</b>	<b>51,482</b>	<b>\$4,039</b>	<b>8.5%</b>
Withholding	31,958	33,160	\$1,202	3.8%
Estimated Payments	12,193	14,727	\$2,534	20.8%
Vouchers	9,001	9,548	\$547	6.1%
IT 370s	3,192	5,179	\$1,987	62.2%
Final Payments	2,148	2,378	\$230	10.7%
Delinquencies	1,144	1,217	\$73	6.4%
<b>Total Refunds</b>	<b>7,216</b>	<b>8,636</b>	<b>\$1,420</b>	<b>19.7%</b>
Prior Year Refunds	4,568	5,369	\$801	17.5%
Current Refunds	1,750	2,060	\$310	17.7%
Previous Refunds	588	566	(\$22)	-3.7%
State/City Offsets	309	641	\$332	107.4%
<b>Collections</b>	<b>40,227</b>	<b>42,846</b>	<b>\$2,619</b>	<b>6.5%</b>
<b>User Taxes and Fees</b>	<b>14,615</b>	<b>15,107</b>	<b>\$492</b>	<b>3.4%</b>
Sales and Use Tax	11,989	12,595	\$606	5.1%
Motor Fuel Tax	492	500	\$8	1.6%
Cigarette Tax	1,551	1,421	(\$130)	-8.4%
Highway Use	145	140	(\$5)	-3.4%
Alcoholic Beverage Tax	246	251	\$5	2.0%
Auto Rental Tax	109	114	\$5	4.6%
Taxi Surcharge	83	86	\$3	3.6%
<b>Business Taxes</b>	<b>8,465</b>	<b>8,186</b>	<b>(\$279)</b>	<b>-3.3%</b>
Corporate Franchise	3,009	3,561	\$552	18.3%
Utility Tax	895	794	(\$101)	-11.3%
Insurance Tax	1,509	1,457	(\$52)	-3.4%
Bank Tax	1,912	1,189	(\$723)	-37.8%
Petroleum Business Tax	1,140	1,185	\$45	3.9%
<b>Other</b>	<b>2,995</b>	<b>3,275</b>	<b>280</b>	<b>9.3%</b>
Estate and Gift	1,015	1,220	\$205	20.2%
Real Estate Transfer	756	815	\$59	7.8%
Pari Mutuel	18	17	(\$1)	-5.6%
Payroll Tax	1,205	1,222	\$17	1.4%
<b>Total Taxes</b>	<b>\$66,302</b>	<b>\$69,414</b>	<b>\$3,112</b>	<b>4.7%</b>
All Funds Misc Receipts	24,030	23,850	(\$180)	-0.7%
Federal Grants	42,843	47,506	\$4,663	10.9%
<b>Total All Funds Receipts</b>	<b>\$133,175</b>	<b>\$140,770</b>	<b>\$7,595</b>	<b>5.7%</b>



Table 63

## All Funds Receipts SFY 2014-15 (\$ in Millions)

	2013-14 Estimate	2014-15 Forecast	Change	Percent Growth
<b>Personal Income Tax</b>	<b>42,846</b>	<b>44,131</b>	<b>1,285</b>	<b>3.0%</b>
<b>Gross Receipts</b>	<b>51,482</b>	<b>52,900</b>	<b>1,418</b>	<b>2.8%</b>
Withholding	33,160	35,049	1,889	5.7%
Estimated Payments	14,727	14,274	(453)	-3.1%
Vouchers	9,548	10,115	567	5.9%
IT 370s	5,179	4,159	(1,020)	-19.7%
Final Payments	2,378	2,316	(62)	-2.6%
Delinquencies	1,217	1,261	44	3.6%
<b>Total Refunds</b>	<b>8,636</b>	<b>8,769</b>	<b>133</b>	<b>1.5%</b>
Prior Year Refunds	5,369	5,142	(227)	-4.2%
Current Refunds	2,060	1,750	(310)	-15.0%
Family/Property Credits		810	810	-
Previous Refunds	566	569	3	0.5%
State/City Offset	641	498	(143)	-22.3%
<b>Collections</b>	<b>42,846</b>	<b>44,131</b>	<b>1,285</b>	<b>3.0%</b>
<b>User Taxes and Fees</b>	<b>15,107</b>	<b>15,480</b>	<b>373</b>	<b>2.5%</b>
Sales and Use Tax	12,595	12,988	393	3.1%
Motor Fuel Tax	500	502	2	0.4%
Cigarette Tax	1,421	1,374	(47)	-3.3%
Highway Use	140	141	1	0.7%
Alcoholic Beverage Tax	251	256	5	2.0%
Auto Rental Tax	114	119	5	4.4%
Taxi Surcharge	86	100	14	16.3%
<b>Business Taxes</b>	<b>8,186</b>	<b>7,853</b>	<b>(333)</b>	<b>-4.1%</b>
Corporate Franchise	3,561	2,911	(650)	-18.3%
Utility Tax	794	814	20	2.5%
Insurance Tax	1,457	1,541	84	5.8%
Bank Tax	1,189	1,418	229	19.3%
Petroleum Business Tax	1,185	1,169	(16)	-1.4%
<b>Other</b>	<b>3,275</b>	<b>3,330</b>	<b>55</b>	<b>1.7%</b>
Estate and Gift	1,220	1,175	(45)	-3.7%
Real Estate Transfer	815	855	40	4.9%
Pari Mutuel	17	17	-	0.0%
Payroll Tax	1,222	1,283	61	5.0%
<b>Total Taxes</b>	<b>69,414</b>	<b>\$70,794</b>	<b>1,380</b>	<b>2.0%</b>
All Funds Misc Receipts	23,850	25,315	1,465	6.1%
Federal Grants	47,506	45,792	(1,714)	-3.6%
<b>Total All Funds Receipts</b>	<b>140,770</b>	<b>\$141,901</b>	<b>1,131</b>	<b>0.8%</b>



# BUDGET SNAPSHOT: CAPITAL AND DEBT



**State Supported Debt Is Estimated to Total \$54.8 billion.**

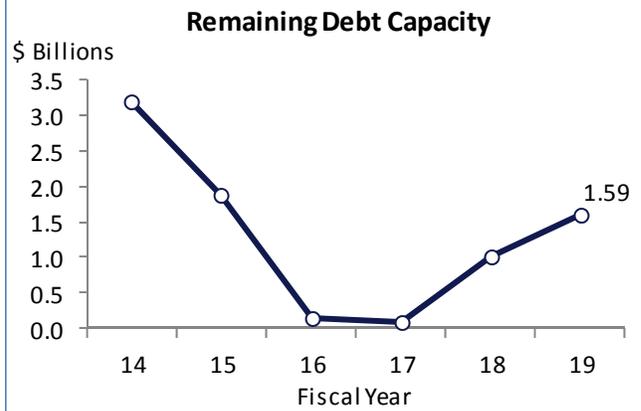
**Capital Plan Spending Total \$9.4 billion**

**New Capital Project Obligations Total \$5.4 billion.**

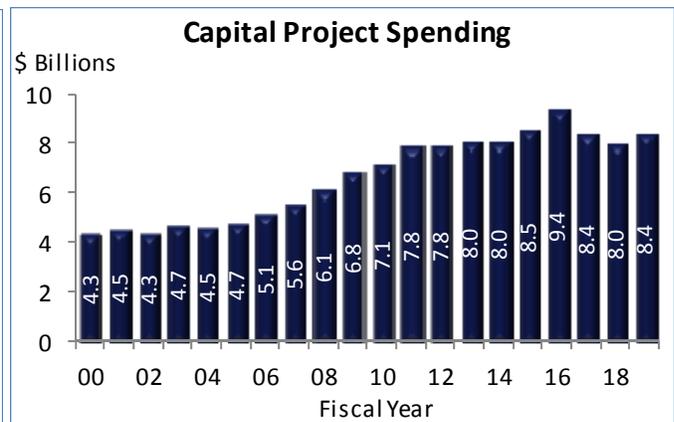
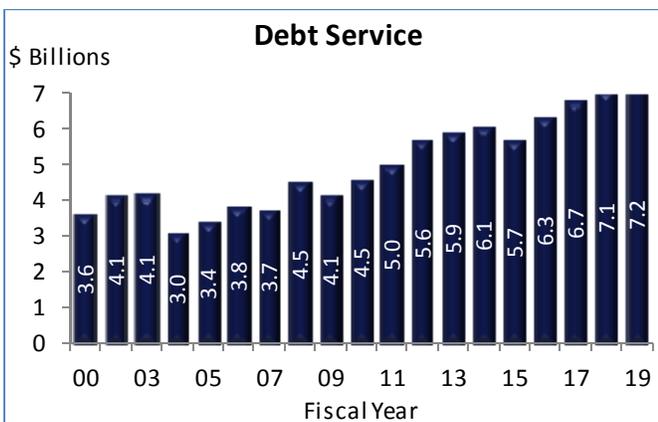
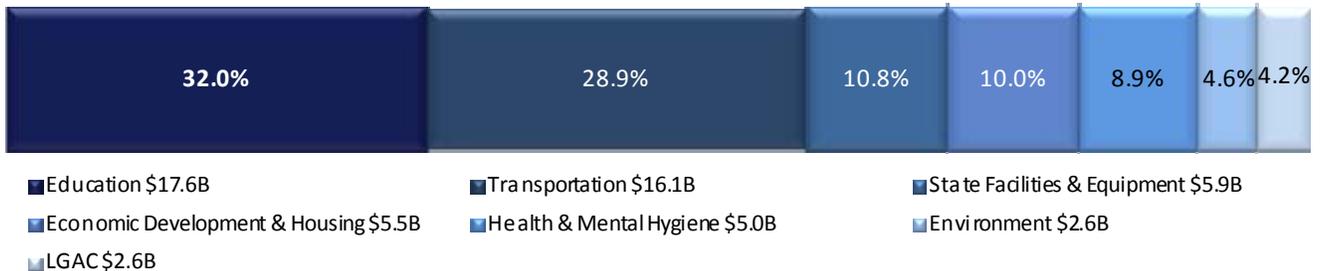
**State Supported Debt Service Total \$5.7 billion.**

## New Capital Obligations SFY 2014-15 Executive Budget (\$ in Thousands)

	FY 2015 Appropriations
Smart Schools Bond Referendum	2,000,000
Health Care Restructuring	1,200,000
Economic Development	1,041,650
Higher Education Infrastructure	773,628
Hazardous Waste Remediation (Superfund)	100,000
All Other	247,700
<b>Total</b>	<b>5,362,978</b>



## NYS-Supported Debt Outstanding by Function



Source: NYS Division of the Budget.

# BUDGET HIGHLIGHTS: CAPITAL AND DEBT



- **Capital Program and Financing:** The Executive Budget's Capital Program and Financing Plan totals \$9.4 billion for State Fiscal Year (SFY) 2014-15.
- **Debt Issuance:** The Executive proposes to issue \$5.6 billion of debt to finance new and existing capital project spending in SFY 2014-2015, an increase of \$1.4 billion, or 34 percent from SFY 2013-14.
- **Debt Outstanding:** State-supported debt outstanding is projected to remain under the statutory debt cap over the Plan period, declining from \$3.2 billion in SFY 2013-2014 to \$106 million in excess capacity by SFY 2016-2017.
- **Smart Schools:** The Executive proposes a \$2 billion general obligation bond act, to be brought before the voters in November 2014 to fund eligible projects that enhance education technology and infrastructure improvements in schools, and to enable long-term investments in pre-kindergarten.
- **Capital Restructuring Financing Program for Health Facilities:** The Executive proposal includes \$1.2 billion for priority projects to restructure health care institutions targeting long-term care facilities, hospitals, primary care centers, and behavioral/substance abuse services.
- **Economic Development:** The Executive recommends \$1.04 billion to provide various regional economic development investments throughout the State.



# BUDGET REVIEW AND ANALYSIS: CAPITAL AND DEBT



The Executive Budget includes a Five-Year Capital Program and Financing Plan. The Five-Year Capital Plan provides a detailed data analysis on Capital Projects as well as reports on Debt Affordability, Bond Caps, Public Authority Debt, and other financing sources.

The Plan utilizes information obtained by the collaborative efforts of the New York Task Force and the Division of Budget and contained in a newly created and published 10-year Capital Plan.

Table 64

## Capital Spending by Function and Financing Source Capital Program and Financing Plan SFY 2014-15 through 2018-19 (\$ in Millions)

Spending	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Transportation	4,678	4,442	4,213	4,176	3,989	4,034
Parks and Environment	672	636	631	616	601	558
Economic Development & Gov't Oversight	604	874	916	777	729	799
Health	479	330	352	348	283	283
Social Welfare	134	136	160	186	186	186
Education - EXCEL	100	100	1,121	388	387	317
Higher Education	1,902	1,810	1,618	1,550	1,493	1,464
Public Protection	284	407	377	302	272	272
Mental Hygiene	342	378	385	393	402	402
General Government	109	208	145	86	75	69
Other	<u>121</u>	<u>131</u>	<u>373</u>	<u>355</u>	<u>342</u>	<u>762</u>
<b>Total</b>	<b><u>9,430</u></b>	<b><u>9,457</u></b>	<b><u>10,295</u></b>	<b><u>9,180</u></b>	<b><u>8,764</u></b>	<b><u>9,150</u></b>
Off-Budget Spending	<u>(1,439)</u>	<u>(930)</u>	<u>(896)</u>	<u>(820)</u>	<u>(810)</u>	<u>(800)</u>
<b>Net Cash Spending</b>	<b><u>7,991</u></b>	<b><u>8,527</u></b>	<b><u>9,399</u></b>	<b><u>8,360</u></b>	<b><u>7,954</u></b>	<b><u>8,350</u></b>

## The Five-Year Capital Plan

The Executive is proposing a \$46.8 billion Five-Year Capital Plan. The Five-Year Capital Plan reprioritizes and accelerates existing projects and implements a portion of the New York Works program. The Executive's proposal of \$9.4 billion Capital Plan spending for SFY 2014-15 reflects an increase of 0.3 percent, or \$27 million from SFY 2013-14.

## Financing the Capital Plan for 2014-15

The Executive proposes to finance the Five-Year Capital program with a combination of Pay-As-You-Go (PAYGO) funding and bonded resources.

Table 65

<b>Capital Program and Financial Plan Financing Source SFY 2014-15 (\$ in Millions)</b>				
<b>Financing Source</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>\$ Change</b>	<b>Annual % Change</b>
Authority Bonds	4,999	5,159	160	1.0
Federal Pay-As-You-Go	1,865	1,679	(186)	-1.0
State Pay-As-You-Go	2,228	2,313	85	5.0
General Obligation Bonds	337	305	(32)	-16.0
<b>Total</b>	<b>9,430</b>	<b>9,457</b>	<b>27</b>	<b>1.0</b>

## New Capital Initiatives

The Executive proposes \$5.3 billion in new capital investment. This includes a \$2 billion Smart Schools Education general obligation bond act to be put before the voters in November 2014. Bond proceeds will fund enhanced education technology in schools and long-term prekindergarten investments. The budget proposes \$1.2 billion for restructuring Health Care Facility priority projects.

The Executive proposes \$1.04 billion of Economic Development activities to support capital projects and grants designed to promote job growth and private investment, including Nano Utica, the New York Genome Center, an accelerated commitment of funding to Western New York as part of the Buffalo Billion, funding to support the economies of communities affected by the closures of prison and juvenile justice facilities, and other funds to support regional development projects.

Table 66

**New Capital Obligations**  
**SFY 2014-15 Executive Budget**  
(\$ in Thousands)

	FY 2015 Appropriations	Capital Spend Out				
		FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>Smart Schools Bond Referendum</b>	<b>2,000,000</b>	<b>0</b>	<b>1,000,000</b>	<b>350,000</b>	<b>350,000</b>	<b>300,000</b>
<b>Health Care Restructuring</b>	<b>1,200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
<b>Economic Development</b>	<b>1,041,650</b>	<b>200,775</b>	<b>261,000</b>	<b>161,000</b>	<b>163,875</b>	<b>175,000</b>
Buffalo Regional Innovation Cluster	680,000	125,000	175,000	125,000	100,000	155,000
Nano Utica	180,000	20,000	20,000	20,000	20,000	20,000
NY Genome Center	55,750	27,875	0	0	27,875	0
Onondaga Revitalization	30,000	0	10,000	10,000	10,000	0
Economic Transformation Program	24,000	6,000	6,000	6,000	6,000	0
All Other Economic Development	71,900	21,900	50,000	0	0	0
<b>Higher Education Infrastructure</b>	<b>773,628</b>	<b>8,350</b>	<b>72,278</b>	<b>190,000</b>	<b>137,158</b>	<b>365,842</b>
SUNY/CUNY Systemwide Infrastructure	763,628	3,350	67,278	190,000	137,158	365,842
Binghamton School of Pharmacy	10,000	5,000	5,000	0	0	0
<b>Hazardous Waste Remediation (Superfund)</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,865</b>	<b>49,135</b>
<b>All Other</b>	<b>247,700</b>	<b>108,700</b>	<b>120,000</b>	<b>19,000</b>	<b>0</b>	<b>0</b>
Homeland Security	122,000	59,000	60,000	3,000	0	0
Information Technology	85,700	49,700	36,000	0	0	0
Housing	40,000	0	24,000	16,000	0	0
<b>Total</b>	<b>5,362,978</b>	<b>517,825</b>	<b>1,653,278</b>	<b>920,000</b>	<b>901,898</b>	<b>1,089,977</b>

The Executive proposes \$764 million for SUNY and CUNY to address system wide infrastructure needs at both four year colleges and community college campuses. The Executive proposes \$10 million for the initial planning and development costs of a new school of Pharmacy at Binghamton University is proposed.

The Executive proposes \$100 million to continue the State Superfund program, which focuses on the identification, classification and remediation of hazardous waste sites and hazardous substances throughout the State.

## State Supported Debt

Table 67

<b>New York State-Supported Debt Outstanding by Function SFY 2014-15 (\$ in Millions)</b>		
Economic Development & Housing	5,528	10.09%
Environment	2,568	4.69%
Health & Mental Hygiene	4,906	8.95%
Transportation	15,874	28.97%
State Facilities & Equipment	5,921	10.81%
Education	17,650	32.21%
Local Government Assistance (LGAC)	2,345	4.28%
<b>Total State-Supported Debt</b>	<b>54,791</b>	

State-supported debt includes debt paid by state resources and has a direct budgetary impact on the State Financial Plan.

### Debt Affordability

The Executive Budget proposes to increase bonded capital spending commitments, making it crucial to manage its capital spending priorities and debt financing practices to adjust to available debt capacity and remain within the statutory limits.

State-supported debt outstanding is projected to remain under the statutory debt cap over the Five-Year Plan, declining from \$3.2 billion in SFY 2014 to \$106 million in remaining capacity by SFY 2016-2017. The State cap on the amount of debt outstanding is limited to four percent of Personal Income. The amount of debt projected under the statutory cap for SFY 2013-14 is \$3.1 billion below the statutory cap. The Executive estimates \$1.8 billion of available room under the debt cap for SFY 2014-15 will be reduced by \$157 million in SFY 2016-17.

State-related debt outstanding as a percentage of personal income is expected to decrease from 5.2 percent in SFY 2013-2014 to 4.4 percent in SFY 2018-2019.

State-related debt service as a share of All Funds Receipts is projected to remain steady at about 4.8 percent during the Plan period. State-related debt service is projected at \$6.2 billion in SFY 2014-2015, an increase of \$390 million, or 6 percent, from SFY 2013-2014.



Table 68

<b>State-related Debt Outstanding</b> <b>(Other State Debt Obligations in Addition to State-supported)</b> <b>(\$ in Millions)</b>		
	2013-14 Estimated	2014-15 Estimated
<b>Contingent Contractual</b>		
DASNY/MCFFA Secured Hospitals Program	354	307
Tobacco Settlement Financing Corporation	2,053	1,745
<b>Moral Obligation</b>		
HFA Moral Obligation Bonds	7	4
<b>State Guaranteed</b>		
Job Development Authority (JDA)	12	9
<b>Other State Financing</b>		
MBBA Prior Year School Aid Claims	281	263
<b>Total</b>	<b>2,707</b>	<b>2,327</b>

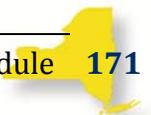
The Executive defines State-related debt to include the following debt obligations in addition to State-supported debt: Contingent Contractual Obligation (Tobacco Settlement Financing Corporation, DASNY/MCFFA Secured Hospital Program); Moral Obligation (Housing Finance Agency Moral Obligation Bonds, MCFFA Nursing Homes and Hospitals); State Guaranteed Debt (Job Development Authority); and State Funded Debt (MBAA Prior Year School Aid Claims).

These debt obligations are estimated to total \$2.3 billion, a decrease of \$380 million or 14 percent from SFY 2013-2014. Contingent Contractual Obligations are agreements by the State to fund the debt service payments related to a bonded debt issuance only in the case that debt service payments cannot be made. Moral Obligation bonds are issued by an authority to finance revenue-producing projects that is solely secured by project revenues.



## BUDGET BILLS

A. 8550 / S. 6350	State Operations Budget Appropriation Bill
A. 8551 / S. 6351	Legislature and Judiciary Budget Appropriation Bill
A. 8552 / S. 6352	Debt Service Budget Appropriation Bill
A. 8553 / S. 6353	Aid to Localities Budget Appropriation Bill
A. 8554 / S. 6354	Capital Projects Budget Appropriation Bill
A. 8555 / S. 6355	Public Protection and General Government Article VII Bill
A. 8558 / S. 6358	Health and Mental Hygiene Article VII Bill
A. 8556 / S. 6356	Education, Labor and Family Assistance Article VII Bill
A. 8557 / S. 6357	Transportation, Economic Development and Environmental Conservation Article VII Bill
A. 8559 / S. 6359	Revenue Article VII Bill





**NON-APPROPRIATION BUDGET BILLS**

Section 22 of the State Finance Law requires the Executive Budget to include a list of proposed legislation submitted pursuant to Article VII of the State Constitution. In addition to the major appropriation bills, the following Article VII bills have been submitted that set forth the policy initiatives contained in the Executive Budget.

**A. 8555 - PUBLIC PROTECTION AND GENERAL GOVERNMENT**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Increase penalties and fines for certain alcohol-related driving offenses	<p>This part would require revocation, for at least five years, of the driver’s license of any person convicted of a second DWI or DWAI offense committed within a three year period. Further, the driver license of any person convicted of a third or subsequent violation in his or her lifetime would be permanently revoked.</p> <p>This part would also increase, from \$750 to \$1,000, the mandatory civil penalty for any motorist who refuses to submit to a chemical test if the person’s driver’s license had previously been revoked for DWI or for refusing to submit to a chemical test. The bill also increases, from \$500 to \$1,000, the mandatory minimum fine for aggravated unlicensed operation in the first degree.</p>
B	Increase driver’s license sanctions for motorists under age 21 who engage in unlawful texting	<p>This part would require a one year suspension of the driver’s license of any motorist under 21 years of age convicted of texting or operating a hand-held cell phone, and the revocation of the driver’s license for at least one year of any motorist under 21 years of age who is convicted a subsequent time of texting or operating a hand-held cell phone.</p> <p>This part would also increase the maximum permissible fine for a motorist (of any age) convicted of driving while texting or driving while operating a hand-held cell phone from \$150 to \$200 for a first offense texting violation; for a second offense within eighteen months, the maximum fine would increase from \$200 to \$300; and for a third or subsequent offenses all committed within eighteen months, the maximum fine would increase from \$400 to \$500. The maximum fine for a hand-held cell phone violation would be increased in the same manner.</p>

C	Extend provisions relating to the disposition of certain monies recovered by county district attorneys	This part would extend for an additional year, until March 31, 2015, provisions of law concerning the distribution of certain monies recovered by county district attorneys of the City of New York in settlement agreements signed before the filing of an accusatory instrument.
D	Suspend transfer to the Emergency Services Revolving Loan Fund	This part would suspend the annual \$1.5 million transfer from the Public Safety Communications Account to the Emergency Services Revolving Loan Fund for four fiscal years.
E	Reimbursement of Income Related Medicare Adjustment Amounts (IRMAA)	This part would discontinue state reimbursement of Medicare Part B IRMAAs for higher-income retirees.
F	Office of Information Technology Services	This part would authorize term appointments to be made, without examination, to temporary positions in the Office of Information Technology Services (ITS) that require special expertise in information technology. Individuals appointed to these temporary positions would have the opportunity to take related Civil Service exams in order to become permanent employees of the state. This part would also authorize municipalities, school districts, SUNY, CUNY, public authorities, and other public benefit corporations to enter into agreements with ITS for technology services. This part would also extend, for one additional year, the authorization for the State, local governments, and other public corporations to contract with a not-for-profit corporation for cyber security. In addition, this part would reclassify certain Civil Service titles that were transferred to ITS from other state agencies.
G	Extend certain procurement provisions	This part would extend, until July 31, 2020: the authorization for the Office of General Services (OGS) to secure the bulk purchase of fuel and renewable energy for state agencies, local governments, public authorities, and other public benefit corporations through centralized service contracts; the authorization for local governments and school districts to piggyback on certain county, state, and federal contracts; and the authorization for OGS to use the Central Services Fund to purchase certain fuels and electricity on behalf of local governments.
H	Enact the "Public Trust Act," reform campaign finance measures and establish a voluntary public campaign financing system	<b>Subpart A</b> This part would enact the "Public Trust Act" which is aimed at reducing public corruption and includes the creation of several new crimes related to public corruption and increased criminal penalties for bribery, official misconduct and other offenses.

		<p>This part would also prohibit a person convicted of certain public corruption crimes from holding a civil office or registering as a lobbyist; prohibit a person, firm, partnership, or corporation, where a member had been convicted of one of several public corruption crimes, from bidding on, receiving or maintaining state contracts; and prohibit individuals and entities convicted of certain public corruption crimes from receiving certain tax credits, real estate tax benefits, and benefits associated with Empire Zone designation. Finally, this part would expand disclosure requirements regarding clients of individuals required to report under the Public Officers Law.</p> <p><b>Subpart B</b></p> <p>This part would create an independent Division of Election Law Enforcement within the State Board of Elections headed by a chief enforcement counsel appointed by the Governor and empowered to investigate and prosecute all violations of the Election Law.</p> <p><b>Subpart C</b></p> <p>This part would expand disclosure requirements for independent expenditures. Specifically, this part would define “independent expenditure” and related terms and require disclosure of the names and addresses of significant donors to organizations that engage in independent spending. Additionally, this part would require anyone who makes an independent expenditure to register with the State Board of Elections and disclose independent expenditures of \$1,000 or more. This part would also limit contributions to party “housekeeping accounts” to \$25,000 per year.</p> <p><b>Subpart D</b></p> <p>This part would create a voluntary public financing system for all state legislative and statewide offices and allow taxpayers to make a donation to a new public campaign finance fund through a check off box on their state income tax return. This part would also reduce the corporate contribution limit, require that contributions from LLCs be treated as corporate contributions, limit transfers between a party and its constituted committees, limit transfers and spending by a party and its constituted committees to support or oppose a candidate, reduce campaign contribution limits for candidates for all state legislative and statewide offices and limit the personal use of campaign funds</p>
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		to expenses that are directly related to elections or public duties.
I	Authorize transfers, temporary loans, and amendments to miscellaneous capital/debt provisions, including bond caps.	This part would provide the statutory authorization necessary for the administration of funds and accounts included in the State Fiscal Year 2014-15 Executive Budget, and propose certain modifications to improve the State's General Fund position in the upcoming fiscal year. Specifically, it would: (1) authorize temporary loans and the deposits of certain revenues to specific funds and accounts, (2) authorize the transfers and deposits of funds to and across various accounts, (3) extend various provisions of laws in relation to capital projects and certain certifications, (4) authorize modifications to various debt provisions, and (5) modify various bond authorizations necessary to implement the budget.

**A. 8558 - HEALTH AND MENTAL HYGIENE**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Modify provisions related to General Public Health Work (GPHW), the Health Research Science Board (HRSB), urgent care centers, office based surgery, and the organ donation registry; authorize capital access for health care providers; establish limited services clinics; streamline certain facility processes; and extend expiring laws	This part would modify GPHW program provisions related to prenatal care; modify HIV testing provisions; modify provisions related to the HRSB; establish a Capital Restructuring Financing Program and expand the availability of Health Facility Restructuring Program loans; authorize a private equity demonstration program; make certain changes to Certificate of Need requirements; authorize the licensing of limited services clinics; standardize urgent care clinics and office based surgery; repeal provisions authorizing upgraded diagnostic and treatment centers; allow the operation of the NYS Donate Life Registry to be contracted out to a not-for-profit organization; modify the approval process for adult care facilities and certain assisted living residences; repeal the requirement for the Department of Health to audit the number of working hours for hospital residents; and extend various expiring laws.
B	Extend the Health Care Reinvestment Act (HCRA)	This part would reauthorize HCRA for three additional years and modify certain provisions related to covered lives assessments, bad debt and charity care requirements, and the Excess Medical Malpractice Pool.
C	Implement Medicaid Redesign Team Initiatives	This part would extend the Medicaid spending cap for one year; modify certain Medicaid pharmacy provisions, including eliminating prescriber prevails for certain drugs, limiting availability of early refills, and requiring minimum level supplemental rebates by certain manufacturers; eliminate spousal refusal; establish the nursing home fee-for-service rate as the default rate; limit nursing home case mix increases to a maximum of 2 percent annually; authorize OTDA to contract out the administration of fair hearings; extend certain payments under the Vital Access Provider program to licensed home care services agencies; adjust rates for certain home care providers to address home care worker wage parity; require managed care contracts with nursing homes to support standard rates of compensation; modify several hospital inpatient unit base year provisions; authorize distribution of Medicaid savings among Medicaid providers and plans; repeal 2 percent across the board cuts to providers; modify composition of the Medicaid Managed Care Advisory Review Panel; make changes to health home-

		related provisions; create a demonstration program for the development of per diem rates for foster children in several programs; eliminate competitive bidding requirements for certain contracts and waivers; authorize establishment of a Basic Health Program; and transfer Child Health Plus rate setting authority to the Department of Financial Services (DFS).
D	Exempt Certain OPWDD Direct Care Staff from the Nurse Practice Act	This part would provide an exemption in the Nurse Practice Act for direct care staff employed in settings funded, authorized or approved by the Office for People with Developmental Disabilities (OPWDD).
E	Extend Authorization for Representative Payees	This part would extend for three years the authorization for Office of Mental Health (OMH) facility directors to serve as representative payees for the purpose of managing federal benefits received by service recipients.
F	Recover Medicaid Exempt Income from Certain Office of Mental Health Providers	This part would permanently authorize OMH to recover Medicaid income that was paid in excess of a provider's fiscal plan from community residences.
G	Defer the Human Services Cost of Living Adjustment (COLA)	This part would defer the Human Services COLA for SFY 2014-15.

**A. 8556 - EDUCATION, LABOR AND FAMILY ASSISTANCE**

PART	DESCRIPTION	SUMMARY
A	Amend School Aid	This part would continue the Contract for Excellence program for the 2014-2015 school year; provide for an additional restoration of the gap elimination; freeze school aid formulas at the lesser of the executive run or revised data; authorize tax rate flexibility to school districts that reorganize; establish the Teacher Excellence Fund; allow school districts, BOCES, and approved private schools to submit an application for a waiver from certain special education requirements; establish regional tuition rates for special education itinerant services; require reimbursement for special education itinerant services to be based on those services actually provided; authorize the New York City school district to establish tuition rates for special education itinerant services and select approved providers; maintain funding formula for Aid to Public Libraries; and extend various other provisions of Education Law.
B	Authorize the \$2 Billion Smart Schools Bond Act of 2014	This part would authorize \$2 billion for the Smart Schools Bond Act of 2014 to be submitted for voter approval in the November 2014 general election.
C	Implement the Smart Schools Bond Act of 2014	This part would establish a Smart Schools review board for school districts to submit Smart Schools investment plans to; define eligible projects and expenses; establish a formula by which bond funds would be available to school districts; and establish the Smart Schools bond fund.
D	Establish the "Nurse Practitioners Modernization Act"	This part would create the "Nurse Practitioners Modernization Act" relating to collaborative relationships nurse practitioners may form.
E	Amend the investigation and reporting of patterns of harassment, bullying, or discrimination and removal of school officers	This part would amend the Dignity for All Students Act to require additional reporting requirements and steps school districts must take when a pattern of harassment, bullying or discrimination has occurred; require the commissioner to initiate a removal proceeding of a principal or superintendent that knew of a pattern of harassment, bullying or discrimination; require the Division of Human Rights to report to the commissioner information regarding complaints of discrimination against students in a public school where the division makes a determination of

		probable cause; and require the commissioner to develop and the school district to implement an intervention protocol for patterns of harassment, bullying, or discrimination.
F	Extend Anti-discrimination Protections	This part would extend the anti-discrimination protections of the Human Rights Law to students who attend public schools, BOCES, public colleges, and public universities.
G	Create the New York State Science, Technology, Engineering and Mathematics Incentive Program	This part would provide full scholarships to high school students who graduate in the top ten percent of their class, pursue an undergraduate degree in science, technology, engineering or mathematics (STEM) at the State University of New York (SUNY) or the City University of New York (CUNY), and works in a STEM field in New York for five years upon completion of said degree.
H	Extend the New York State Higher Education Capital Matching Grant Program	This part would extend the New York State Higher Education Capital Matching Grant Program until March 31, 2017.
I	Pass-through of Federal Supplemental Security Income (SSI) Cost of Living Adjustment (COLA)	This part would authorize a Federal COLA for SSI recipients which provides for an increase of \$2 to \$22 in 2015 depending on a recipient's living arrangement.
J	Prohibit Use of Electronic Benefit Transfer (EBT) by Public Assistance Recipients at Certain Venues	This part would impose sanctions on public assistance recipients who access benefits through EBT in unauthorized locations that include any establishment licensed to sell liquor, wine or beer for off-premises consumption; any casino, gambling casino or gaming establishment; or any establishment that provides unclothed adult-oriented entertainment. Any person (individual or part of a family) who accesses their public assistance benefits by EBT in an unauthorized location would lose the portion of their public assistance benefit applicable to his or her need, for one month for a first offense, two months for a second offense, three months for a third offense, and up to six months for any subsequent offense. Unauthorized locations that accept EBT would be subject to a penalty of revocation, cancellation, or suspension of the establishment's alcoholic beverage control license or gaming facility operation license, and any adult-oriented establishment found to be in violation would be subject to a fine of up to \$100 for a first violation, up to \$500 for a second violation, and a class B misdemeanor subject to a fine of up to \$1,000 for a third violation.
K	Transfer of Funds from the Mortgage Insurance Fund to support various housing	This part would transfer \$75.4 million from the Mortgage Insurance Fund to the Housing Trust Fund Corporation to be distributed to the following programs: \$20.4 million for the Rural

	programs	Rental Assistance Program; \$32 million for Mitchell-Lama Rehabilitation; \$8.5 million for the Neighborhood Preservation Program; \$3.5 million for the Rural Preservation Program; \$6.75 million for the Rural and Urban Community Investment Fund; \$2.5 million for the Low Income Housing Trust Fund and; \$1.75 million for Homes for Working Families.
L	Juvenile Justice Facility Initiatives	<p><b>Subpart A</b></p> <p>This part would expand the services in which Boards of Cooperative Educational Services (BOCES) may provide in an OCFS-operated facility to include any service provided in a school district. Currently, BOCES may only contract with OCFS to provide special education services.</p> <p><b>Subpart B</b></p> <p>This part would extend the authorization under the Close to Home initiative for OCFS to close State-operated non-secure or limited-secure facilities from September 1, 2014 to April 30, 2015.</p>

**A. 8557 - TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Modify the Consolidated Highway Improvement Program (CHIPs) and Marchiselli Program	This part would authorize the payment of CHIPs, Marchiselli and prior Multi-Modal and Suburban Highway Improvement Program (SHIPs) funds from budget appropriations rather than bond sales.
B	Make permanent the Infrastructure Improvement Act	This part would make permanent the Infrastructure Improvement Act, which authorizes certain state agencies to utilize a design-build method when procuring capital projects. This part would also grant permanent authority to all counties, and cities, towns, and villages with populations over 50,000, to utilize a design-build method when procuring capital projects that are not subject to the Wicks Law.
C	Modify the Dedicated Highway and Bridge Trust Fund (DHBTF)	This part would direct revenues from the following into the DHBTF: Rail Safety Inspection account, Transportation Regulation account, DOT document fees, motor carrier penalties, and outdoor advertising fees. This part also would authorize the use of DHBTF revenues for non-personal service, rail safety inspections and truck safety inspections. Finally, it would extend for one day authorizations for the DHBTF to receive Department of Motor Vehicles (DMV) and other revenues and to disburse funds for DMV expenses.
D	Make permanent certain Department of Motor Vehicles Office Hours	This part would make permanent the authorization for DMV to designate certain branch offices to be open to the public and transact business on Saturdays.
E	Make permanent DMV Accident Prevention Course via internet and other Technology	This part would make permanent the authorization for DMV to establish and implement a program for the delivery by the internet or other technologies of approved accident prevention courses for point and insurance reductions.
F	Modify provisions related to Commercial Drivers' Licenses (CDLs)	This part would require DMV to suspend the CDL of a holder failing to amend the CDL as directed by the Commissioner, and would prohibit the operation of a commercial motor vehicle with a CDL having improper or inapplicable restrictions.
G	Increase toll evasion penalties for certain authorities	This part would double toll evasion penalties and create new enforcement tools for the Thruway Authority, Metropolitan Transit Agency, Bridge Authority, and Port Authority.
H	Modify provisions related to Pesticide Registration and Reporting	This part would make pesticide product registration fees permanent and modify pesticide reporting requirements.
I	Modify various hunting and	This part would authorize crossbow hunting, modify certain

	fishing provisions	hunting and fishing license provisions, amend certain provisions concerning land owner liability, and authorize the issuance of specialized license plates.
J	Authorize the Department of Agriculture and Markets to withhold the renewal of a food processing license to certain establishments	This part would authorize the Commissioner of the Department of Agriculture and Markets to decline to issue or renew a license, after a hearing, for a retail food store which has failed to pay penalties on critical violations that equal or exceed \$2,400.
K	Extend the increased assessment on gas and electric corporations for New York State Energy Research and Development Authority (NYSERDA) research, development and demonstration program	This part would extend for an additional year the 18-a assessment on gas and electric corporations at one cent per one thousand cubic feet of gas and .01 cent per kilowatt-hour of electricity that was sold by such utilities in their intrastate utility operations in 2012. Without this extension, the rate would drop to 0.6 cents per one thousand cubic feet of gas sold and .006 cents per kilowatt hour of electricity sold in the previous calendar year.
L	Authorize the State Comptroller to receive payment from New York State Energy Research and Development Authority	This part would direct the State Comptroller to receive from NYSERDA a payment of \$913,000 to be deposited into the General Fund.
M	Require certain retail gasoline outlets in upstate New York to have emergency back-up power capacity	This part would extend the existing requirement for certain downstate retail gasoline outlets to have emergency back-up power capacity to strategic locations in upstate New York that are on or near designated interstate highways, with a timetable for implementation.
N	Extend Fees for Expedited Handling of Certain Documents	This part would extend, for one year, the ability of the Secretary of State to charge fees for expediting certain documents issued by or requested from the Department of State's Division of Corporations.
O	Authorize Electronic Transmittal of Incorporation Certificates	This part would authorize the Department of State to electronically transmit incorporation certificates to county clerks.
P	National Registry of licensed real estate appraisers	This part would authorize the Department of State to charge an annual registry fee, as set by federal law, to individuals performing appraisals in federally related transactions.
Q	Extend Department of Health public service education program	This part would extend the appropriation of funds from the cable television account to fund the Department of Health's public service education program.
R	Reduce Public Service Commission (PSC) Oversight of Telephone and Cable	This part would allow PSC to reduce oversight of telephone corporations, decrease the refund amount the Commission may issue for shared metering violations, and eliminate the

	Corporations	Commission's approval of cable and telephone franchises.
S	Eliminate the 18-a temporary assessment charged to industrial electric and gas customers and accelerate the phase out of such assessment on all customers	This part would exclude from the 18-a temporary assessment electric customers with a monthly peak demand in the previous calendar year of one thousand kilowatts and gas customers with annual consumption in the previous calendar year of one hundred-thousand dekatherms. It would require the utility to establish a means of crediting such peak customers for such payments to 18-a no less than semi-annually. Additionally, the bill would reduce the assessments charged to remaining customers.
T	No-fault Fraud Reform	This part would enhance the Superintendent of the Department of Financial Services' oversight of health care providers who request payment under the no-fault law to address misconduct and fraud.
U	Enact reforms related to out-of-network health care services	This part would enact reforms intended to minimize surprise out-of-network medical bills by providing greater transparency and predictability for consumers.
V	Title Insurance Reform	This part would enact reforms to the title insurance industry including requiring agents to be licensed and disclose conflicts of interest and enact other modifications intended to bring transparency and oversight.
W	Extend the Dormitory Authority's design and construction management authorization	This part would extend the Dormitory Authority's design and construction management authority for the Office of Parks, Recreation and Historic Preservation and the Department of Environmental Conservation for one year.
X	Extend the Dormitory Authority's authorization to establish subsidiary corporations	This part would extend the Dormitory Authority's ability to form and operate subsidiary public benefit corporations until July 1, 2016.
Y	Eliminate the authority of the Commissioner of Health to charge certain fees	This part would eliminate the authority of the Commissioner of Health to charge fees for the issuance of bonds, notes to refund or refinance bonds, or other obligations that occur when the Dormitory Authority finances or refinances the cost of an approved hospital or nursing home project.
Z	Extend Urban Development Corporation (UDC) Act authority in relation to the Empire State Economic Development Fund	This part would extend the authorization of UDC to administer the Empire State Economic Development Fund from July 1, 2014 until July 1, 2015.
AA	Extend general loan making powers of the Urban Development Corporation	This part would extend UDC authority to make loans to any person or entity in compliance with UDC established guidelines until July 1, 2015.

**A. 8559 - REVENUE**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Corporate Tax Reform	This part would merge the Corporate Franchise and Bank taxes, provide for a rate reduction, new income definitions and tax bases.
B	Authorize Department of Taxation and Finance to pay basic STAR tax savings directly to taxpayers in certain cases	This part would authorize the Commissioner of the Department of Taxation and Finance to pay basic STAR tax savings directly to taxpayers in instances where the Commissioner accepts a late application for the STAR Registration program and determines that basic STAR benefits should be restored.
C	Extend the authorization for the Department of Taxation and Finance to charge oil and natural gas producers for the cost of determining the value of oil and gas units of production	This part would extend for three years the authorization for the Department of Taxation and Finance to charge oil and natural gas producers for the cost of determining the value of oil and gas units of production. The authorization is currently set to expire on March 31, 2015.
D	Increase Racing Regulatory Fee	This part would increase the racing regulatory fee of 0.5 percent to 0.6 percent on thoroughbred, harness, off-track pari-mutuel betting and simulcast racing handle.
E	Modify e-Filing Signature Requirements	This part would allow taxpayers to use electronic signatures when authorizing tax preparers to e-file their tax return.
F	Eliminate the income threshold inflation adjustment for Enhanced STAR	This part would eliminate the yearly cost-of-living adjustment made to the Enhanced STAR eligibility income standard beginning in school tax year 2015-2016.
G	Extend Noncustodial EITC	This part would extend through tax year 2016 the noncustodial Earned Income Tax Credit (EITC).
H	Electronic Tax Clearance for Professional & Business Licenses	This part would require electronic tax clearance for the issuance or renewal of professional or business licenses if certain past-due tax liabilities are owed.
I	Close Resident Trust Loophole	This part would ensure that certain trusts do not avoid paying New York State income tax.
J	Repeal Additional Minimum PIT	This part would repeal the personal income tax "add-on" minimum tax.
K	Create a Real Property Personal Income Tax Credit	This part would create a refundable state personal income tax credit to certain homeowners with household incomes of less than \$200K, whose qualified property tax liabilities exceed a certain percentage of their incomes, provided that the

		associated taxing jurisdiction(s) has stayed within the real property tax cap. The credit would be calculated based upon school taxes for taxable years beginning in 2014, and both school and municipal taxes in tax years beginning in 2015 and thereafter.
L	Renter's PIT Credit	This part would establish a progressively declining personal income tax credit for qualified taxpayers with incomes up to \$100,000.
M	Modify Delivery of Family Relief Credit	This part would make, effective January 1, 2015, the credit's eligibility determination based on the current year's return.
N	Increase PIT Income Filing Threshold	This part would increase the minimum threshold for filing personal income tax from the current \$4,000 to the NYS standard deduction.
O	Extension of the Empire State Commercial Production Tax Credit	This part would extend the Empire State Commercial Production tax credit for two years until January 1, 2017.
P	Additional Credits for Low-Income Housing	This part would authorize an additional allocation of \$8 million for the low-income housing credit for each of the next two fiscal years (2014-15 and 2015-16).
Q	Extend and Reform the Brownfield Cleanup Program	This part would extend for ten years the Brownfield Cleanup Program with several reforms including the tightening of eligibility criteria.
R	Enact 20% Real Property Tax Credit for Manufacturers; Eliminate the Net Income Tax on Upstate Manufacturers; Reform the ITC; and Repeal the ITC for Financial Services firms	This part would provide a 20 percent credit on a manufacturer's annual property tax bill; reduce the tax rate on Entire Net Income from 5.9 percent to zero for qualified Upstate (non-MCTD) manufacturers; tighten eligibility criteria for the Investment Tax Credit (ITC); and repeal the ITC for bank and insurance taxpayers.
S	Repeal the Franchise Tax on Agricultural Cooperatives	This part would repeal the State franchise tax on farmers, fruit growers, and other like agricultural corporations organized and operated on a co-operative basis.
T	START-UP NY Credit for Excise Tax on Telecommunications Services	This part would provide a refundable tax credit to START-UP NY businesses that are subject to the excise tax on telecommunications services.
U	Enhance the Youth Works Tax Credit	This part would allow employees who work at least ten hours and are full-time high school students to be included in the calculation of the credit, provide an additional \$1,000 credit if an employee is retained for one more year (\$500 for part-time), and increase the program's annual allocation from \$6 million to \$10 million.
V	Extend Alternative Fuels Tax	This part would extend through September 1, 2016 the tax

	Exemption for Two Years	exemptions for alternative fuels.
W	Simplify the Distribution of Motor Vehicle Fee Receipts	This part would make a technical amendment that replaces the revenue flow of motor vehicle fee receipts to the dedicated funds.
X	Estate Tax Reform	Progressively increases the exemption threshold to eventually conform to the \$5.25 million Federal level over four years (inflation indexed thereafter). Reduces the tax rate from 16 percent to 10 percent by 2017-18. Requires add back of certain gifts to the estate.
Y	Repeal of the Boxing and Wrestling Exhibitions Tax	This part would repeal provisions of the Tax Law that impose the State's Boxing and Wrestling Exhibitions Tax on a promoter's gross receipts from ticket sales and on the promoter's sale of broadcast rights to the event and misdemeanor penalties for willful failure to comply with provisions of Article 19 and provides that State and Local sales taxes would apply to the sale of tickets to these matches, similar to sales of tickets to other sporting events in the State.
Z	Extend Monticello VLT Rates	This part would extend for one year the current distribution percentages for net machine income earned at the Monticello video lottery terminal facility.
AA	Extend certain pari-mutuel tax rates and out of state simulcast provisions	This part would extend for one year the current pari-mutuel tax rates and out-of-state simulcast provisions.
BB	Extend video lottery gaming vendor's capital awards program	This part would extend the video lottery gaming vendor's capital awards program for one year.
CC	New York City Municipal Assistance Corporation (MAC)	This part would repeal provisions of the Tax Law which imposes a tax on all sales and deliveries or transfers of shares or certificates of stock to provide additional security for MAC bonds.
DD	Align the Mobility Tax and PIT Filing Dates for the Self-Employed	This part would align Mobility Tax payment dates with the timing of personal income tax payments made by self-employed individuals. Taxpayers will also be allowed to file combined Mobility and PIT returns.
EE	Make technical amendments to the Commercial Gaming Law	This part would make technical amendments to the Commercial Gaming Law.

FF	Create a state personal income tax credit to offset property tax increases in certain municipalities	This part would provide a state personal income tax credit by advancing payments to certain taxpayers residing outside of New York City equal to the increase in real property taxes owed on their primary residence, provided that the property is eligible for basic STAR and the associated tax levying body meets certain requirements. In year one to qualify the school district or municipality must stay within the tax cap. In year two the school district or municipality would be required to take certain consolidation or shared services actions that would result in a certain percentage of tax savings.
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**JOINT FISCAL COMMITTEE HEARINGS ON THE EXECUTIVE BUDGET  
STATE FISCAL YEAR 2014-15**

<b>DATE</b>	<b>TIME</b>	<b>TOPIC</b>
January 27	9:30 AM	Local Government Officials and General Government
January 28	10:00 AM	Elementary & Secondary Education
January 29	10:00 AM	Environmental Conservation
January 30	10:00 AM	Transportation
February 3	9:30 AM	Health / Medicaid
February 4	9:30 AM	Housing
	1:00 PM	Human Services
February 5	10:00 AM	Public Protection
February 6	9:30 AM	Higher Education
February 10	9:30 AM	Taxes
	1:00 PM	Economic Development
February 11	9:30 AM	Mental Hygiene
	1:00 PM	Workforce Development

**FORECAST OF RECEIPTS**

On or before February 28                      Release of revenue receipts by the Fiscal Committees of the Legislature

*Hearings will be held in the Hamilton Room (Hearing Room B) in the Legislative Office Building, Albany*

