

**ASSEMBLYMEMBER
ROBERT CARROLL**
44th District



Report to the Community: NEW YORK'S BUDGET PLAN

SFY 2017-18 Federal Spending by Program Area (\$ million)		
Program Area	Annual Estimate	% of Total
Medicaid & Health	38,888	74.70%
Human Services	4,419	8.49%
School Aid	3,625	6.96%
Transportation	1,442	2.77%
Mental Hygiene	163	0.31%
Higher Ed	8	0.02%
All Other	3,515	6.75%
Total Spending	52,060	100%

Source: estimates based on the 2017-18 Executive Financial Plan

- In the event that Federal Medicaid receipts decrease by \$850 Million or more or in the event the Federal Aid for all other programs (exclusive of Medicaid) are reduced by \$850 Million or more.
- The enacted State budget will require the State Division of Budget to submit a savings plan to the Legislature to offer reductions in spending to offset the loss.
- The Legislature will then have 90 days to review the plan, and in such time may adopt an alternative savings plan by resolution.
- Nothing in the statute precludes the legislature from instead adopting legislation to address potential cuts, which could include alternative cuts and new/enhanced revenue actions.

EDUCATION

2017-18 Federal Funding for Education

Title I – \$1.77 Billion Title I of the Elementary and Secondary Education Act (ESEA) provides financial assistance to local educational agencies (LEAs) and schools with high numbers or percentages of children from low-income families to help ensure all children meet state academic standards. Funds support extra instruction in reading and mathematics, special preschool, after-school, and summer programs to extend and reinforce the regular school curriculum.

Title II – \$257 Million Title II funds are used to increase the number of high-quality, effective teachers and principals. For example, funds can be used for recruiting and retaining teachers, reducing class sizes and providing professional development.

Title III – \$65 Million Title III funds is known as the English Language Acquisition, Language Enhancement, and Academic Achievement Act. Title III funding is provided to State Education Agencies and Local Education Agencies to create or further develop language instruction courses to help Limited English Proficient (LEP) students meet academic standards. For example, funding can be used for alternative bilingual education programs, professional development and teaching English the parents of LEP children. The amount of funding each state receives is determined by a formula from the number of LEP and immigrant students in the state.

CONTINUED

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EDUCATION CONTINUED

Title IV – \$132 Million Title IV funds support 21st Century learning centers and Student Support and Academic Enrichment Grants (SSAEG). The funding authorizes activities such as college and career counseling, STEM, arts, International Baccalaureate/Advanced Placement, drug and violence prevention, as well as technology initiatives.

Education for Individuals with Disabilities – \$815 Million The funding for Education for Individuals with Disabilities is used for the excess costs of providing special education and related services to children with disabilities. For example, funding can be used for support and direct services, technical assistance, personnel preparation, improving the use of technology in the classroom, and behavioral intervention.

USDA – \$1.17 Billion The USDA Food and Nutrition fund provides grants to schools and other entities for programs funded through the national school lunch act. This funding provides low-cost or free school lunch meals to qualified students through subsidies to schools.

ENVIRONMENT

The Enacted Budget for the State Department of Conservation includes \$81m in Federal operating grants for all other statewide environmental projects, and also provides \$190 million in capital grants for this same purpose.

TRANSPORTATION

Federal funds play a critical role in funding the State's transportation infrastructure. The \$29.1 billion State DOT capital plan assumes \$11.4 billion (39%) in Federal funding. The \$28.1 billion MTA capital plan assumes \$7.3 billion (26%) in Federal funding.

Medicaid Expenditure Projections - All State Agencies (\$ in Millions)

	SFY 2017-18
State Share	\$23,444
Federal Share	\$33,528
Local Share	\$8,186
All Funds	\$65,158

MEDICAID FUNDING

NYC Medicaid Expenditures (in billions):

Total Federal Share			
Brooklyn	10.7	5.9	
Total - NYC	32.2	18.0	

THE TRUMP TAX PLAN

The true impact of President Trump's tax proposal cannot be readily ascertained, since the proposal is only a series of principles, rather than a detailed plan.

However, the potential elimination of the federal deduction of state and local taxes—the most widely used deduction among taxpayers who itemize on Federal returns—will have a profound, negative impact on New York taxpayers.

It will increase New York taxpayers' federal tax liability by nearly \$15 billion (based on 2013 data), or an increase of more than 30 percent, for an average per taxpayer increase of tax liability of over \$4,500.

New York's effective tax increase will account for the second highest share among all states after California. The increase in federal taxable income will completely offset any benefits from the lower middle-income state tax rates that were enacted with the 2016 budget.