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January 27, 2015

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) 2015-16. 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, 2015. This publication is accessible on our website: www.assembly.state.ny.us/Reports/WAM/2015yellow/.

Yellow Book is the Assembly's preliminary response to 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 economy.

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 2015-16 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, reading "Herman D. Farrell, Jr." in a cursive style.

HERMAN D. FARRELL, JR.

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**A REVIEW AND ANALYSIS
OF THE
2015-16 EXECUTIVE BUDGET**

YELLOW BOOK

January 2015

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

Prepared by the
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A Review and Analysis of the 2015-16 Executive Budget

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Financial Plan



BUDGET SNAPSHOT: FINANCIAL PLAN

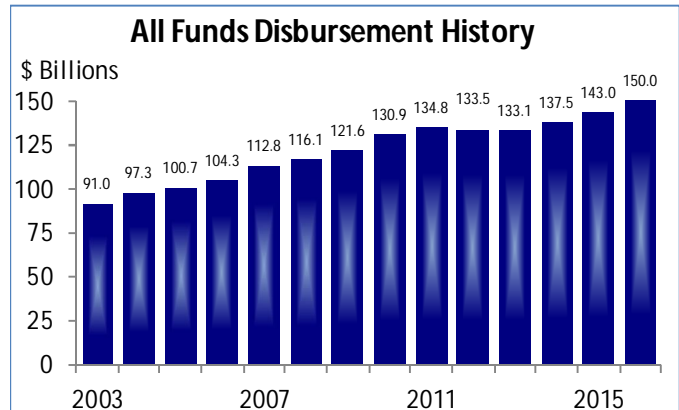
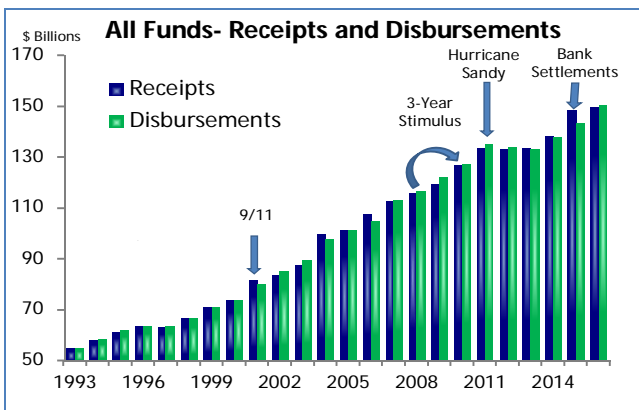
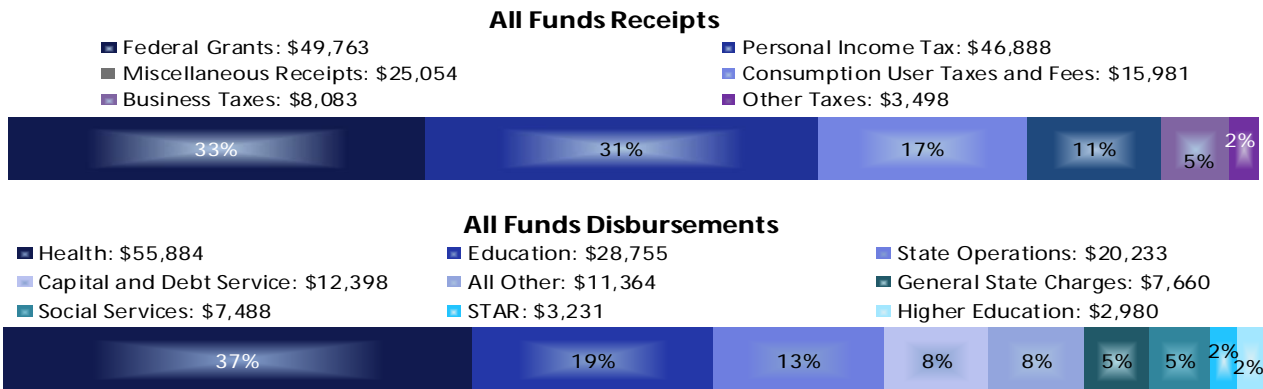
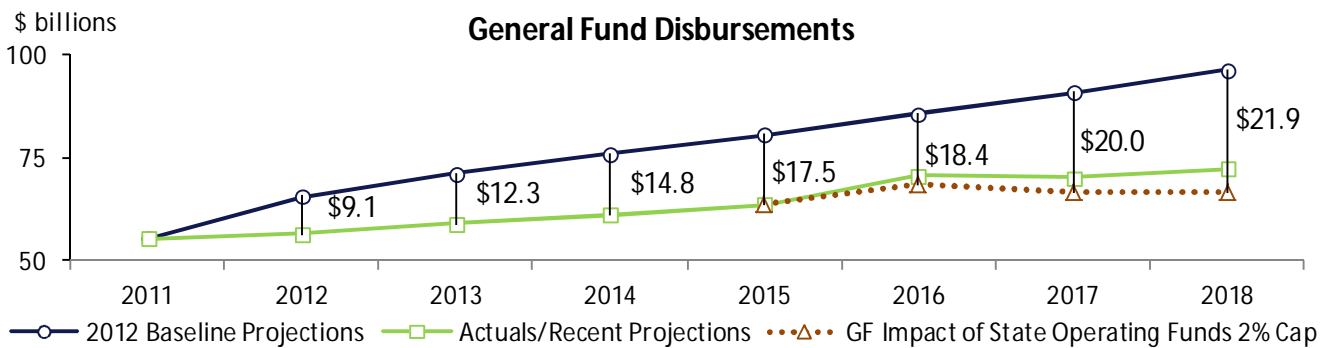


All Funds Spending Total: \$149.99 billion. Growth of \$6.96 billion or 4.9%.

General Fund Total: \$70.6 billion. Growth of \$7.1 billion or 11.2%.

Budget closes a 2015-16 General Fund Gap of \$1.8 billion.

General Fund closing balance SFY 2014-15 is \$7.8 billion.



Source: NYS Division of the Budget.

BUDGET HIGHLIGHTS: FINANCIAL PLAN



- **All Funds Spending:** The adjusted All Funds budget for SFY 2015-16 is estimated at \$141.6 billion for growth of 2.8 percent. When you include \$1.7 billion for Superstorm Sandy; \$6.1 billion for the Affordable Care Act; and \$540 million for financial settlement spending in the current state fiscal year, the All Funds total is \$150 billion for 4.9 percent growth.
- **State Operating Funds:** The Executive's estimate of 1.7 percent growth in State Operating Funds remains below the two percent spending benchmark with total disbursements reaching \$93.98 billion.
- **The Current Fiscal Year SFY 2014-15:** The Executive estimates that General Fund spending will total \$63.56 for growth of 3.7 percent this is \$353 million greater than the Mid Year. Receipts will be \$1.3 billion greater than Mid Year projections due to stronger than expected tax collections and miscellaneous receipts.
- **Closing the SFY 2015-16 Budget Gap:** The Executive estimates that General Fund spending will total \$70.6 billion for growth of 11.2 percent. The Executive Proposal includes recommendations that are intended to close an estimated \$1.814 billion General Fund budget gap in SFY 2014-16. The Executive proposes to close this gap with the following actions: \$1.4 billion in spending changes, \$163 million in resource changes, and \$210 million in debt prepayments.
- **General Fund Reserves:** The Executive estimates the SFY 2015-16 General Fund closing balance will be \$3.2 billion, maintaining \$1.3 billion in the Tax Stabilization Reserve Fund, \$21 million in the Contingency Reserve Fund and \$540 million in the statutory Rainy Day Reserve Fund. This also includes \$850 million after the transfer of the \$4.55 billion in financial settlement monies from the General Fund to the new Dedicated Infrastructure Investment Fund.
- **Current Services Out Year Gap Estimates:** Prior to the recommendations of the Executive Budget, the forecast for out-year budget gaps in the Mid-Year report were calculated at \$2.6 billion for SFY 2016-17, \$4.0 billion for SFY 2017-18, and \$5.8 billion for SFY 2018-19.



BUDGET REVIEW AND ANALYSIS: FINANCIAL PLAN



State Finance Law requires the Executive to provide a detailed multi-year financial plan to the Legislature with submission of the Executive Budget. The Financial Plan must meet certain requirements, including a requirement that the General Fund be in balance for the upcoming fiscal year.

The State uses a Governmental Funds system of accounting which includes the General fund, Special Revenue Fund, Debt Service Fund and Capital Fund. The Executive Budget displays the proposed budget in two other classifications: State Operating Funds consisting of General Fund, Debt Service Funds, and Special Revenue Funds, that are supported by State revenues; and State Funds consist of State Operating Funds plus Capital.

Table 1

Size of Budget (\$ in Millions)				
	2014-15	2015-16	Difference	Percent
General Funds	\$63,524	\$70,629	\$7,105	11.2%
State Operating Funds	\$92,407	\$93,984	\$1,577	1.7%
State Funds	\$98,698	\$102,551	\$3,853	3.9%
All Funds	\$137,744	\$141,630	\$3,886	2.8%
All Funds Adjusted*	\$143,033	\$149,993	\$6,960	4.9%

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

The Executive proposes a \$141.6 billion budget for SFY 2015-16. This represents a growth of \$3.9 billion or 2.8 percent. With the inclusion of extraordinary federal aid for Superstorm Sandy and the Affordable Care Act, the All Funds budget grows by \$6.96 billion or 4.9 percent.

General Fund spending is projected at \$70.6 billion, an 11.2 percent increase over SFY 2014-15. This increase is primarily due to a one-time transfer of monetary settlement receipts into a proposed Dedicated Infrastructure Investment Fund for capital spending.

State Funds spending is projected at \$102.6 billion, a 3.9 percent growth over last year.

Two Percent Spending Benchmark

State Operating Funds spending is projected at \$94 billion, representing a 1.7 percent increase over SFY 2014-15, which remains below the two percent growth benchmark assumed by the Executive. In order to reconcile General Fund budget gaps with tax reductions and new initiatives, significant budget reductions from SFY 2015-16 are required.

To stay within the two percent State Operating Funds spending benchmark, the Executive proposes \$2.2 billion in savings and reestimates. The major savings are associated with STAR Reform, Mental Hygiene cost revisions, and constrained Agency growth.

Table 2

Executive Actions to Achieve Two Percent Spending (\$ in Millions)	
FY 2016 State Operating Funds Mid-Year Estimate	\$96,146
STAR Reform and Forecast Revisions	(250)
Mental Hygiene Forecast Revisions and One-Time Federal BIP Resources	(315)
Debt Service Prepayment Offset by Forecast Revisions	(160)
Healthy NY Reduction Due to Health Exchange Conversion	(144)
GSC Revisions for HI Rate Renewals and Lower Medical Rates and Growth in Workers Comp	(140)
Public Health Spending Changes in Health Exchange and Local Public Health Programs	(135)
Special Education/Other Education Revisions	(125)
TADA and Housing Revisions	(100)
SUNY Hospital Reduction Related to Sale of LICH Offset by Operational Costs	(70)
Agencies Flat, Reestimates, All Other	(723)
FY 2016 State Operating Funds, Executive Budget Estimate	\$93,984



Settlement Funds

The state received \$5.7 billion from monetary settlements in SFY 2014-15. The Executive proposes using these one-time resources to fund non-recurring projects. In SFY 2014-15, a total \$275 million was budgeted for financial settlements. In SFY 2015-16, the new Dedicated Infrastructure Investment Fund will receive \$4.6 billion: \$3.1 billion for the Special Infrastructure Account and \$1.5 billion for the Upstate Revitalization Account.

Table 3

Summary of Settlements Between Regulators and Financial Institutions (\$ in Millions)	
Monetary Settlements Known/Expected	5,680
BNP Paribas	<u>3,591</u>
<i>Department of Financial Services (DFS)</i>	2,243
<i>Assest Forfeiture (DANY)</i>	1,348
Credit Suisse AG	715
Bank of Tokyo Mitsubishi	315
Bank of America	300
Standard Chartered Bank	300
Bank Leumi	130
Ocwen Financial	100
Citigroup (State Share)	92
MetLife Parties	50
American International Group	35
PricewaterhouseCoopers	25
AXA Equitable Life Insurance Company	20
Other Settlements (TBD)	7
Proposed Use of Available Settlements	5,680
Special Infrastructure	<u>3,050</u>
<i>Thruway Stabilization Program</i>	1,285
<i>Penn Station Access</i>	250
<i>Infrastructure Improvements</i>	115
<i>Broadband Initiative</i>	500
<i>Hospitals</i>	400
<i>Transit-Oriented Development</i>	150
<i>Resiliency, Mitigation, Security, and Emergency Response</i>	150
<i>Municipal Restructuring</i>	150
<i>Southern Tier/Hudson Valley Farm Initiative</i>	50
Upstate Revitalization	1,500
Reserve for Risks	850
Settlements Budgeted in FY 2015 Financial Plan	275
OASAS Chemical Dependence Programs	5

The Special Infrastructure Account will support infrastructure projects across the State, including the New NY Bridge and the expansion of broadband services. The Upstate Revitalization Account will also support the Upstate New York Economic Revitalization Competition, awarding grants of \$500 million each to three upstate regions.

Additionally, \$850 million in settlement monies will be reserved for potential financial plan risks.

New Initiatives and Investments

The Executive proposes several new initiatives that have budgetary impact totaling \$988 million. Included among these proposals is a real property tax relief credit for homeowners and renters who meet income and tax burden thresholds and a new Education Tax Credit which allows taxpayers to contribute to public and private schools. This proposes cost \$350 million in SFY 2016 and grows to \$1.66 billion when fully implemented.

Table 4

New Initiatives and Investments	
(\$ in Millions)	
Property Tax/Renters Relief	350
Affordable Housing	153
NYSUNY2020 & NYCUNY2020	110
Homelessness	50
Not-for-Profit Housing & Community Development	50
STARTUP-NY	50
Tourism/I LOVE NY	45
DREAM Act	27
Education Tax Credit	100
Pre-K for 3-Year Olds	25
STORM Online System	15
Student Loan Forgiveness for Low Wage/high Debt	5
Emergency Food Access	4.5
Masters in Teaching	3
Total	988

The Executive has also proposed DREAM Act legislation in the SFY 2015-16 budget to extend financial aid to undocumented immigrant students seeking higher education in the State. A new student loan forgiveness program would allow New York State residents who graduate from college and continue to live in the State to make limited or no payments on their student loans for the first two years after graduation.



Table 5

**Executive Budget Financial Plan
2015-16
(\$ in Millions)**

	Executive General Fund	Executive State Funds	Executive All Funds
OPENING BALANCE	<u>7,768</u>	<u>9,735</u>	<u>9,339</u>
RECEIPTS:			
Personal Income Tax	31,935	46,888	46,888
User Taxes and Fees	6,979	15,981	15,981
Business Taxes	5,834	8,083	8,083
Other Taxes	1,124	3,498	3,498
Total Taxes	<u>45,872</u>	<u>74,450</u>	<u>74,450</u>
Licenses, Fees, etc.	638	638	638
Abandoned Property	655	655	655
ABC License Fees	65	65	65
HCRA		4,592	
Lottery		3,335	
Medicaid		803	
Motor Vehicle Fees	170	578	1,303
Reimbursements	279	279	279
State University Income		4,475	
Investment Income	4	4	4
Other Transactions	1,092	9,519	22,110
Total Miscellaneous Receipts	<u>2,903</u>	<u>24,943</u>	<u>25,054</u>
Federal Grants	0	79	49,763
PIT in Excess of Revenue Bond Debt Service	9,807		
Tax in Excess of LGAC Debt Service	2,782		
Sales Tax Bond Fund	2,981		
Real Estate Taxes in Excess of CW/CA Debt Service	844		
All Other	901		
Total Transfers from Other Funds	<u>17,315</u>		
TOTAL RECEIPTS	<u>66,090</u>	<u>99,472</u>	<u>149,267</u>
DISBURSEMENTS:			
School Aid	19,719	23,027	25,666
Higher Education	2,956	2,972	2,980
All Other Education	2,091	2,118	3,089
STAR		3,231	3,231
Medicaid - DOH	12,312	17,481	49,454
Public Health	755	1,969	3,591
Mental Hygiene	1,214	2,686	2,839
Children and Families	1,717	1,721	2,805
Temporary & Disability Assistance	1,198	1,239	4,683
Transportation	98	5,919	6,444
Unrestricted Aid	766	766	766
All Other	1,090	1,783	4,154
Total Local Assistance Grants	<u>43,916</u>	<u>64,912</u>	<u>109,702</u>
Personal Service	6,059	12,881	13,517
Non-Personal Service	2,168	5,703	6,716
Total State Operations	<u>8,227</u>	<u>18,584</u>	<u>20,233</u>
General State Charges	5,213	7,354	7,660
Debt Service	915	5,526	5,526
Capital Projects	5,991	6,175	6,872
State Share Medicaid	1,312		
SUNY Operations	985		
Other Purposes	4,070		
Total Transfers to Other Funds	<u>13,273</u>		
TOTAL DISBURSEMENTS	<u>70,629</u>	<u>102,551</u>	<u>149,993</u>
Other Financing Sources (uses):			
Transfers from Other Funds		35,791	35,167
Transfers to Other Funds		(33,523)	(35,204)
Bonds and Note proceeds		704	704
Net Financing Sources		<u>2,972</u>	<u>667</u>
Excess/(Deficiency) of Receipts over Disbursements	<u>(4,539)</u>	<u>(107)</u>	<u>(59)</u>
CLOSING BALANCE	<u>3,229</u>	<u>9,628</u>	<u>9,280</u>

Closing the SFY 2014-15 Executive Budget Gap

The Executive proposal closes an estimated \$1.8 billion General Fund budget gap in SFY 2015-16, using \$1.4 billion in spending changes and \$373 million in resource changes. However, Executive tax reduction actions increase the out year gap which will need to be closed through spending reductions that are not identified.

Table 6

General Fund GAP-Closing Plan				
(\$ in Millions)				
	FY 2016	FY 2017	FY 2018	FY 2019
CURRENT SERVICES GAP ESTIMATES	(1,814)	(2,578)	(4,034)	(5,777)
Spending Changes	1,441	2,913	5,018	6,420
Agency Operation	92	13	79	257
Local Assistance	1,404	1,003	1,119	1,211
Capital Projects/Debt Management	121	385	329	335
New Investments and Initiatives	(176)	(378)	(666)	(831)
Adherence to 2% Spending Benchmark	0	1,890	4,157	5,448
Resources	373	217	815	1,479
Surplus/(Gap) Before Tax Actions	0	552	1,799	2,122
Tax Reduction Plan	0	(386)	(989)	(1,492)
EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE	0	166	810	630



Multi-Year General Fund Gap Estimates

Table 7

	Executive Mid-Year	Gap Closing Actions	Executive Surplus	Tax Actions	Executive Proposal
2015-16	(1,814)	1,814	0	0	0
2016-17	(2,578)	3,130	552	(386)	166
2017-18	(4,034)	5,833	1,799	(989)	810
2018-19	(5,777)	7,899	2,122	(1,492)	630

Note: Gap closing action includes 2% benchmark savings and additional resources.

Budget gaps for SFY 2014-15 continue to be zero due to receipts and disbursement revisions, but grow to almost \$5.8 billion dollars in SFY 2018-19.

The proposed gap closing actions described above reduce the gap to zero in SFY 2015-16, with small surpluses in the out years. These surpluses are primarily achieved by holding State Operating Funds spending to two percent reduction plan. As shown above, these surpluses would be larger without proposed tax actions.

Spending Changes

The Executive proposes to reduce the gap of \$1.4 billion primarily through holding departmental operations spending flat with limited exceptions.

Spending control actions include \$121 million from Debt Management savings by continuing competitive bond sales and refundings that meet the state's savings criteria.

The Executive has also proposed \$176 million in new spending initiatives which offsets the State's net savings. The largest of these initiatives is the initiative to raise the age of juvenile jurisdiction to age 18.

Resource Changes

The Executive also estimates \$373 million in receipt changes in FY 2016. This is primarily attributed to \$257 million in tax re estimates. This amount is offset by other tax and miscellaneous receipt revisions.



General Fund Reserves

The Executive Budget projects \$3.2 billion in reserves at the end of SFY 2015-16, representing a \$4.5 billion decrease from SFY 2014-15. 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 \$1.2 billion in the Tax Stabilization Reserve Fund is 1.8 percent of the value of the General Fund.

Table 8

Estimated General Fund Closing Balance		
(\$ in Millions)		
	2014-15	2015-16
Tax Stabilization Reserve Fund	1,256	1,256
Statutory Rainy Day Reserve Fund	540	540
Contingency Reserve Fund	21	21
Community Projects Fund	-	-
Reserved for Debt Management	500	500
Reserved for Labor Agreements	51	62
Monetary Settlements	5,400	850
Total	7,768	3,229



Budget Summary



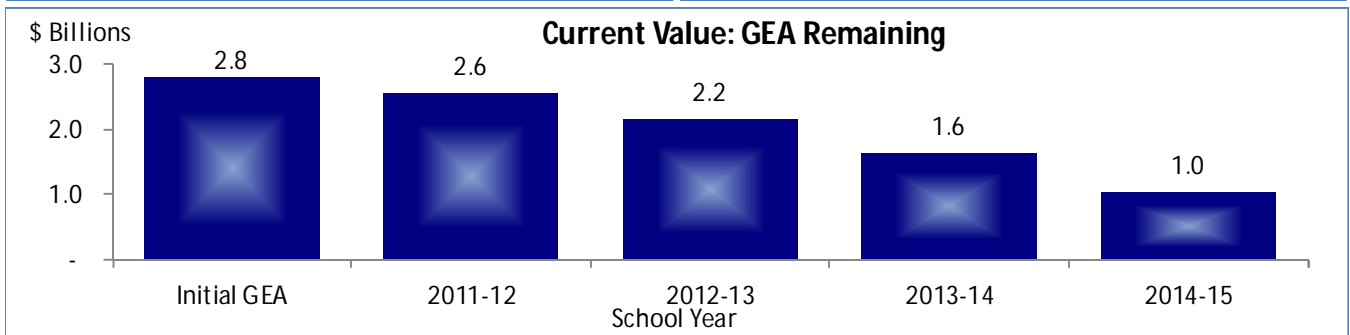
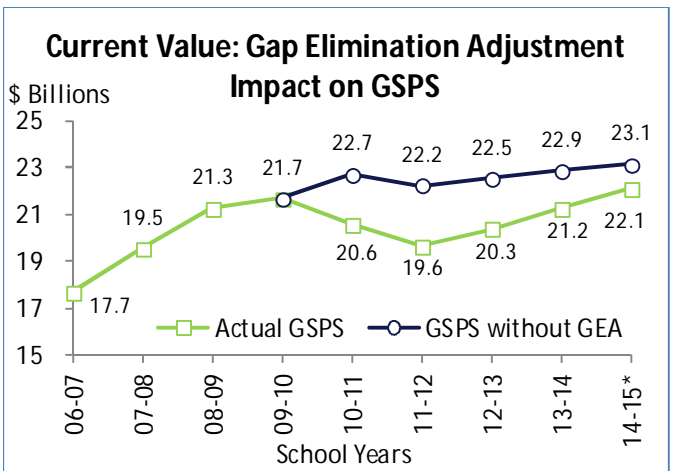
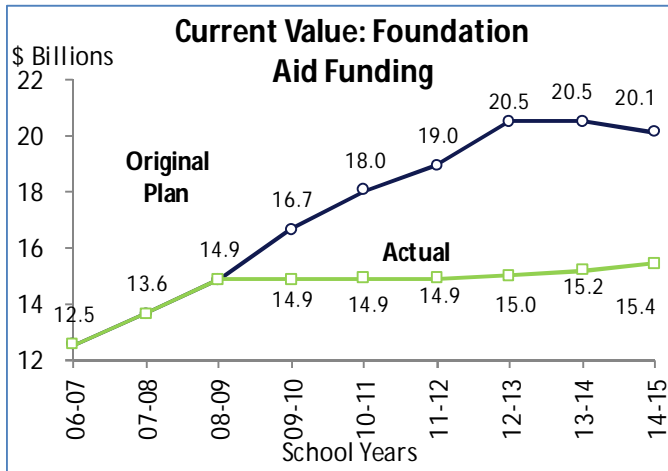
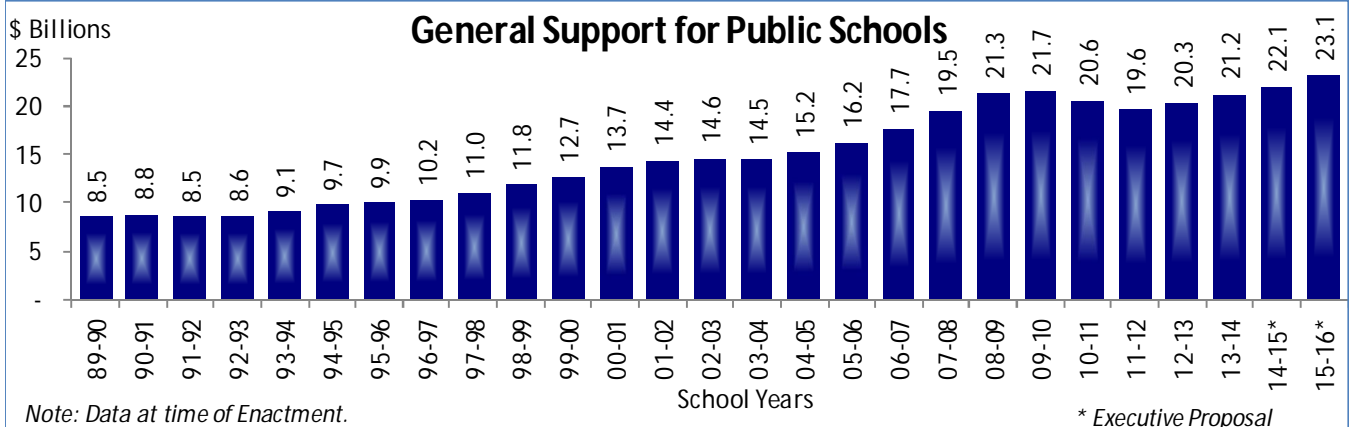
BUDGET SNAPSHOT: EDUCATION



\$1.06 billion School Aid increase contingent on passage of Executive Article VII

\$340 million in Prekindergarten Funding is continued

\$50 million in Grants for Pre-K, Low Performing Schools, P-TECH, and Teacher Programs



Sources: New York State Division of the Budget, State Education Department.

BUDGET HIGHLIGHTS: EDUCATION



- **School Aid:** The Executive proposes an increase in Education Aid of \$1.06 billion or 4.8 percent, increasing such aid to \$23.14 billion for School Year (SY) 2015-16. This increase is comprised of \$1.01 billion for School Aid, and \$50 million for other education initiatives, and is contingent on the enactment of the Executive's "Education Opportunity Agenda." The proposal does not include a methodology governing the distribution of aid to school districts.
- **Statewide Full-Day Prekindergarten:** The Executive Budget continues \$340 million in support for statewide Full-day prekindergarten.
- **New Grant Programs (\$50 million):** The Governor's proposal includes five new grant programs:

Expanded Prekindergarten (\$28 million): A new \$25 million would expand access to half-day and full-day programs for three-year olds. An additional \$3 million would be available for QUALITYstarsNY.

Failing Schools and Districts (\$8 million): This proposal would allow the State Education Department (SED) to appoint a receiver to oversee each failing school or district, who would have the powers of the superintendent and school board.

Master Teachers Program (\$5 million): An additional \$5 million is provided for teacher stipends, with \$4 million for teachers of STEM instruction, and \$1 million for teachers certified to provide bilingual instruction or English as Second Language instruction or teachers who possess dual certification with special education.

P-TECH Expansion (\$3 million): A third round of funding for P-TECH high school programs that provide a STEM-focused education and an Associate degree at no cost.

High-Quality Teacher Pipelines (\$6 million): A new \$3 million is included to establish a New York Teacher Residency Program and \$3 million is provided for full graduate scholarships at SUNY and CUNY for candidates who agree to teach in New York for five years.

- **Charter Schools:** The Executive proposes to increase the maximum number of charter schools by 100, remove regional barriers to expansion, add additional enrollment reporting requirements, and increase State funding for charter schools.



BUDGET REVIEW AND ANALYSIS: EDUCATION



The State Education Department (SED) is the administrative agency of the Board of Regents. The Department 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 students enrolled in prekindergarten through twelfth grade, including nearly 2.7 million children in 694 public school districts, and over 400,000 children in nonpublic schools. 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 9

Agency	Appropriations		Change (\$ in Millions)	Change (%)	5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)			
State Education Department*	61,016.07	56,636.65	-4,379.42	-7.18	

* NOTE: These amounts comprise a 2-year appropriation

Table 10

Agency	Disbursements		Change (\$ in Millions)	Change (%)	5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)			
State Education Department	27,857.98	29,625.86	1,767.88	6.35	

General Support for Public Schools (GSPS): Formula Based Aids

Under the Executive proposal, overall education aid would be increased by \$1.06 billion to \$23.14 billion, reflecting a 4.8 percent growth over prior year funding levels. This increase is comprised of \$1.01 billion for School Aid, \$25 million for prekindergarten for three year old children, and \$25 million for other education initiatives. The Executive did not provide any detail on the distribution of the \$1.01 billion increase for School Aid and made the allocation of such funds contingent upon

enactment of various Article VII provisions. Data from the State Education Department (SED) indicate expense based aids will cost an additional \$308.24 million.

School Aid is appropriated on a two year basis for the 2015-16 and 2016-17 State Fiscal Years at a total of \$33.02 billion. In addition, there is an appropriation of \$6.13 billion to cover remaining school aid obligations for the 2014-15 school year.

In order for school districts to become eligible to receive any increase in General Support for Public Schools (GSPS) for the 2015-2016 school year and thereafter, the Governor requires the Legislature to enact teacher evaluation provisions and other proposals found in the “Education Opportunity Agenda” Article VII bill. Other proposals include changes to charter school availability and finance, strategies to address failing schools, and provisions related to teacher certification, preparation, dismissal and tenure. Mayoral control of the New York City school district must also be extended until 2018 in order for NYC to receive an increase in GSPS. In addition, all school districts would be required to submit documentation demonstrating compliance with new Annual Professional Performance Review (APPR) provisions by September 1, 2015 in order to receive any increase in GSPS.

Table 11

School Aid (\$ in Millions)	
	2015-16 Exec. Proposal
Personal Income Growth Amount	\$ 377
New Initiatives	
Three year old Prekindergarten	\$ 25
Turnaround Strategies	\$ 8
Expanded Master Teacher Program	\$ 5
Teacher Incentive Scholarship	\$ 3
Teacher Residency Program	\$ 3
P-TECH Grants	\$ 3
QUALITYstarsNY	\$ 3
Subtotal: New Initiatives	\$ 50
Additional School Aid Funding*	\$ 636
Year to Year School Aid Increase	\$ 1,063

* Additional School Aid Funding is contingent on the enactment of the Education Reform Agenda as presented in the Executive Budget Article VII bill.

Statewide Universal Full-Day Prekindergarten (\$340 million): The Executive Budget continues funding for Statewide Full-Day Prekindergarten at \$340 million, as first included in the 2014-15 Enacted Budget. This program provided full-day funding for 53 districts throughout the State, including New York City, and has created over 12,000 new full-day prekindergarten seats and converted nearly 24,000 half-day seats to full-day seats. When combined with new and existing state prekindergarten programs, the Executive proposal provides approximately \$780 million to support prekindergarten programs run by districts and community based organizations.



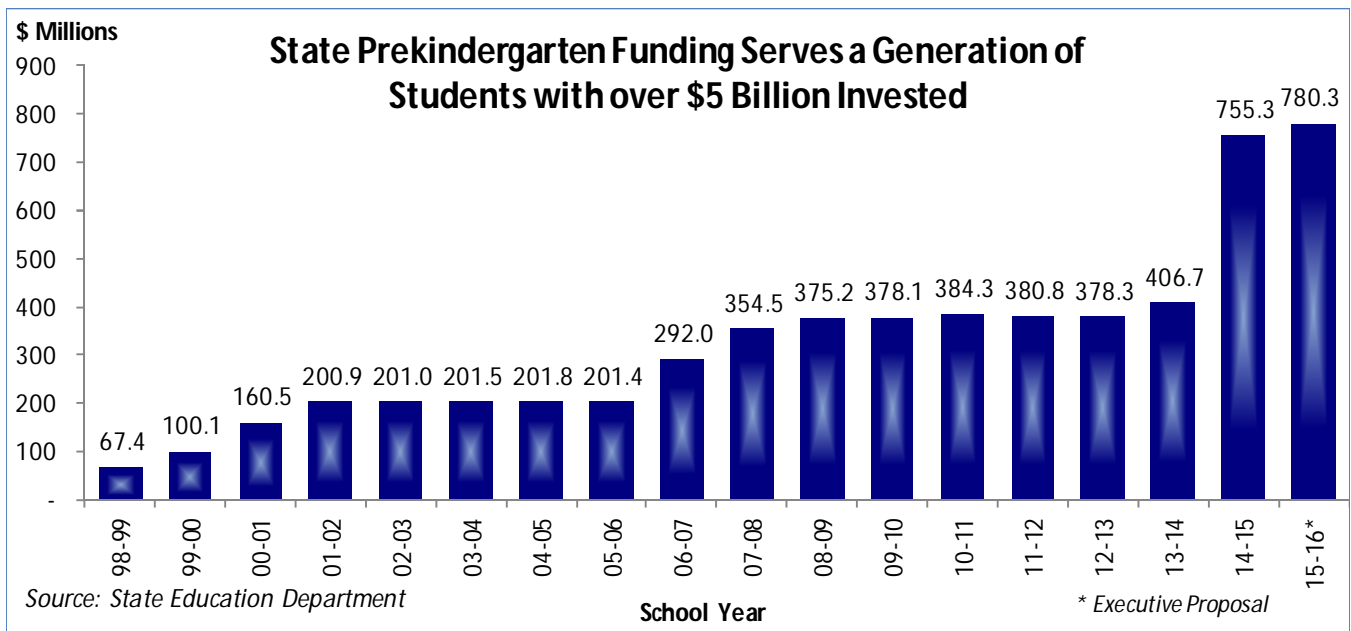


Figure 1

Expanded Prekindergarten (\$25 million): The Executive Budget proposes a new \$25 million grant program to expand access to half-day and full-day programs for three year olds. Grants would be awarded based on factors such as district and student need and the number of students served.

Grant Initiatives (\$25 million): The Executive proposes the following grant programs:

- **Failing Schools and Districts (\$8 million):** This proposal would allow SED to appoint a receiver to oversee failing schools or districts as determined by certain criteria. Receivers would have the powers of the superintendent and school board, and new powers relating to making unilateral changes to contractual provisions and the termination of positions. This funding could be used for community schools, teacher incentives, or to cover costs associated with the receivership.
- **Master Teachers Program (\$5 million):** The Executive Budget would provide an additional \$5 million to provide four year stipends of \$15,000 per year for certain teachers. Of this amount \$4 million would be for teachers in STEM fields and \$1 million for teachers who possess certification to provide bilingual instruction, English as second language, or have dual certification with special education.
- **P-TECH Expansion (\$3 million):** The Governor proposes a third round of funding for P-TECH programs, which provide a STEM focused education. These programs cover grades 9-14 and offer both a high school diploma and Associate degree at no cost to students.

- **School District Teacher Residency Program (\$3 million):** The Governor includes \$3 million to support the creation of a New York Teacher Residency Program to provide professional development and training to resident teachers.
- **Master's in Education Teacher Incentive Scholarship (\$3 million):** The Executive Budget contains \$3 million to provide full tuition scholarships to New York residents pursuing a Master's degree in education at SUNY and CUNY, if the students agree to teach in New York for five years. There would be a maximum of 500 scholarships.
- **QUALITYstarsNY (\$3 million):** An additional \$3 million would be available to support implementation of a statewide system to assess, improve, and communicate the level of quality in early education and care settings.

Nonpublic Schools: The Executive proposes a Nonpublic School Aid increase of \$7.62 million or 4.8 percent to Nonpublic Schools in State Fiscal Year (SFY) 2015-16, for a total \$166.41 million. 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 support for Teacher Resource and Computer Training Centers.

Teacher and Principal Proposals

- **Teacher and Principal Tenure:** The Executive proposal would increase the probationary period for teachers to attain tenure from the current length of three years to five years. Tenure may only be granted if such teacher or building principal received an APPR rating of “Effective” or “Highly Effective” in the prior five consecutive years.
- **Re-registration of Teachers:** The Executive proposes to require teachers to re-register their teaching certificate with SED every five years and requires the completion of 100 hours of continuing education as part of that re-registration process.
- **Teacher and Principal Evaluations:** The Governor would authorize the Commissioner to establish a standardized scoring structure for Annual Professional Performance Reviews in the 2015-2016 School Year and each year thereafter. The proposal eliminates locally selected measures of student growth; instead, 50 percent of a teacher's score would be based on state tests or other comparable measures. The remaining 50 percent would be based on classroom observations, of which at least 35 percent must be conducted by an independent evaluator. A principal's score would be based 50 percent on state tests and 50 percent on a broad



assessment of the principal's leadership and management actions as determined by an independent observer.

- **Teacher and Principal Removal Process:** The Executive proposes changes to the tenured-employee removal process for employees convicted of a violent felony where a child is a victim, for employees accused of incompetence because of a pattern of ineffective teaching and suspension without pay for employees charged with misconduct constituting physical or sexual abuse of a student. Also, the Executive proposes numerous procedural changes to the tenured teacher and principal disciplinary process, including a requirement to use a single hearing officer. Additionally, the Executive proposes a new law to allow probationary teachers to be dismissed at any time for almost any reason.
- **Graduate Teacher Education Programs:** The Executive proposes to establish a process by which the State Education Department may deregister the lowest performing graduate teacher preparation programs across the State based on certain metrics; the Executive also proposes raising admission standards to the programs by requiring such programs to set minimum GPA and GRE scores.
- **Students with Ineffective Instruction:** The Governor proposes legislation to prevent a student from being assigned to ineffective teachers for two years in a row.

Charter Schools

- **Charter School Tuition:** The Executive Budget would increase the Charter School Supplemental Basic Tuition paid by the State from the current \$350 per pupil, to \$425 per pupil in 2015-16 and \$500 per pupil to \$575 in 2016-17. An appropriation for Supplemental Basic Tuition is provided at \$28.26 million.
- **Charter School Cap:** The Executive proposes to increase the statewide cap on the number of allowable charter schools by 100, and allow chartering entities to reissue charters for schools that have closed. In addition, the legislation eliminates the charter allocations provided for in 2010; at that time an additional 260 schools were authorized with a maximum of 114 for New York City. This legislation also eliminates charter allocations to specific authorities.
- **Charter School Enrollment:** The Executive would require charter schools to periodically submit enrollment rates for students that receive Free or Reduced Price Lunch (FRPL), English Language Learners, and students with disabilities to the Board of Regents. Chartering entities would have to consider patterns of noncompliance with stated enrollment targets when making renewal decisions. The legislation also alters the lottery selection entrance criteria.



Special Education

- **Programs:** The Executive proposal includes \$1.02 billion for Preschool Special Education (4410) programs, which is a decrease of \$22.5 million from SFY 2014-15; \$364.5 million for Summer School Handicapped Programs, an increase of \$2 million; and \$96.2 million for Private Schools for the Blind and Deaf, which is the same level as the SFY 2014-15.
- **Regional Rates:** The Executive proposal authorizes SED to establish regional tuition rates for Special Education Itinerant Teacher (SEIT) services for preschool special education programs (4410), based on average actual costs to be phased in over and up to a four year period starting in the 2015-2016 school year.
- **Waivers:** The Executive proposes authorizing a school district, private school or Board of Cooperative Educational Services (BOCES) for a waiver from certain special education requirements, provided that federal compliance is maintained and the waiver will enhance student achievement and opportunities. Notice of the proposed waiver must be provided to all parents of students that would be impacted by the waiver and an opportunity must be provided to submit written comments.

Table 12

General Support for Public Schools

AID CATEGORY	2014-15 School Year (\$ in Millions)	2015-16 School Year (\$ in Millions)	\$ Change (\$ in Millions)	% Change
Formula-Based Aids				
Foundation Aid	15,432.41	-	-	-
Excess Cost - Public	553.90	-	-	-
Excess Cost - Private	332.31	-	-	-
Reorganization Operating Aid	8.20	-	-	-
Textbooks	177.14	-	-	-
Computer Hardware	37.63	-	-	-
Computer Software	45.38	-	-	-
Library Materials	18.91	-	-	-
BOCES	777.75	-	-	-
Special Services	213.35	-	-	-
Transportation	1,689.06	-	-	-
High Tax	223.30	223.30	0.00	0.00%
Universal Prekindergarten	383.77	-	-	-
Charter School Transitional Aid	29.04	-	-	-
Full-Day Kindergarten	5.06	-	-	-
Academic Enhancement Aid	28.27	28.27	0.00	0.00%
Supplemental Public Excess Cost	4.31	4.31	0.00	0.00%
Gap Elimination Adjustment	(1,036.67)	-	-	-
Building Aid/Reorganization Building	2,764.90	-	-	-
Personal Income Growth Amount	-	377.00	377.00	N/A
Additional School Aid Funding	-	636.00	636.00	N/A
Total Formula-Based Aids	21,688.02	22,701.02	1,013.00	4.67%
Grant Programs				
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	5.28	5.28	0.00	0.00%
Employment Preparation Education	96.00	96.00	0.00	0.00%
Homeless Pupils	29.23	31.23	2.00	6.84%
Incarcerated Youth	22.00	23.00	1.00	4.55%
Bilingual Education	13.50	13.50	0.00	0.00%
Education of OMH / OPWDD Pupils	67.00	69.00	2.00	2.99%
Special Act School Districts	2.70	2.70	0.00	0.00%
Chargebacks	(51.00)	(53.00)	(2.00)	3.92%
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	44.16	46.09	1.93	4.36%
Bus Driver Safety	0.40	0.40	0.00	0.00%
Total Grant Programs	291.09	296.02	4.93	1.69%
Total Formula-Based Aids and Grant Programs	21,979.11	22,992.11	1,013.00	4.61%
Performance Grants	100.00	150.00	50.00	50.00%
School Year Total	22,079.11	23,142.11	1,063.00	4.81%

Adult Career and Continuing Education Services Program

The Executive proposal maintains SFY 2014-15 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 to maintain funding for Aid to Public Libraries at \$86.63 million, by continuing the additional funding of \$5 million included in the SFY 2014-15 Enacted Budget. Additionally, the Executive proposes to continue funding of \$1.3 million for reimbursement to public libraries for costs associated with the Metropolitan Transportation Authority (MTA) mobility tax.

The Executive proposal also provides funding for Educational Television and Radio at \$14 million, maintaining support at SFY 2014-15 funding levels.

Other Programmatic Support

The Executive proposal would maintain support for the administration of the high school equivalency diploma exam (\$5.16 million) and \$693,000 for the conservation and preservation of library materials and the Talking Book and Braille Library.

The Executive recommends Article VII legislation that would:

- Extend Mayoral control in New York City until 2018;
- Continue the Contract for Excellence program by requiring all currently-participating school districts to submit a contract for the 2015-16 SY unless all schools within the district are reported as being in good standing academically;
- Establish an account and a payment schedule for commercial gaming revenue within State Finance Law. In addition, the Budget provides a contingency appropriation of \$162 million in the event commercial gaming revenues do not meet committed payments of \$81 million for the 2014-15 SY and \$81 million for the 2015-16 SY;
- Freeze certain school aid formulas to 2014-15 levels;
- Maintain existing provisions for the Teachers of Tomorrow program in the NYC school district;



- Maintain special education class size waivers for school districts;
- Provide for the continuation of a Consortium for Worker Education (CWE) allocation within the Employee Preparation Education (EPE) program;
- Continue current provisions relating to the conditional appointment of school employees in school districts, BOCES and charter schools through next school year;
- Extend State laws that conform to the federal No Child Left Behind requirements;
- Continue provisions for the school bus driver training grant program and provisions relating to the lease of school buses;
- 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; and
- Continue existing provisions for Magnet Schools, Attendance Improvement and Dropout Prevention, and Teacher Support Aid within Foundation Aid.

State Education Department

The Executive proposes All Funds appropriations of \$56.64 billion, a decrease of \$4.38 billion, or 7.18 percent below the SFY 2014-15 level. The Executive recommends support for 2,692 Full-Time Equivalent (FTE) positions, an increase of 20 FTEs over the SFY 2014-15 level.



Table 13

Other Public Elementary and Secondary Education Programs

	2014-15 Enacted (\$ in Millions)	2015-16 Exec. Request (\$ in Millions)	\$ Change (\$ in Millions)	% Change
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	6.59	5.29	(1.30)	-19.7%
Lunch/Breakfast Programs	34.40	34.40	0.00	0.0%
Nonpublic School Aid	158.79	166.42	7.62	4.8%
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, Nonpublics	0.92	0.92	0.00	0.0%
Extended School Day/School Violence Prev.	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 HS Program	2.00	2.00	0.00	0.0%
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%
NYS Historical Association—National History Day	0.10	0.00	(0.10)	-100.0%
Small Govt. 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	1.24	0.74	(0.50)	-40.3%
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%
Nat'l Board for Professional Teaching Standards	0.37	0.37	0.00	0.0%
Teacher Resource Centers	14.26	0.00	(14.26)	-100.0%
Deferred Action for Childhood Arrivals	1.00	1.00	0.00	0.0%
New York Council of the Humanities	0.45	0.00	(0.45)	-100.0%
Executive Leadership Institute	0.48	0.00	(0.48)	-100.0%
Community Learning Schools	1.50	0.00	(1.50)	-100.0%
CNY Arts	0.10	0.00	(0.10)	-100.0%
BOCES New Technology School Initiative	0.20	0.00	(0.20)	-100.0%
Boys and Girls State	0.15	0.00	(0.15)	-100.0%
Marlboro School District	4.00	0.00	(4.00)	-100.0%
Schenectady School District	0.48	0.00	(0.48)	-100.0%
Supplemental Valuation Impact Grants	5.30	0.00	(5.30)	-100.0%
Services and Expenses of Certain Schools	42.47	0.00	(42.47)	-100.0%
Prior Year Claims/Fiscal Stabilization Grants	32.79	45.07	12.28	37.4%
Total	368.47	315.58	(52.89)	-14.4%

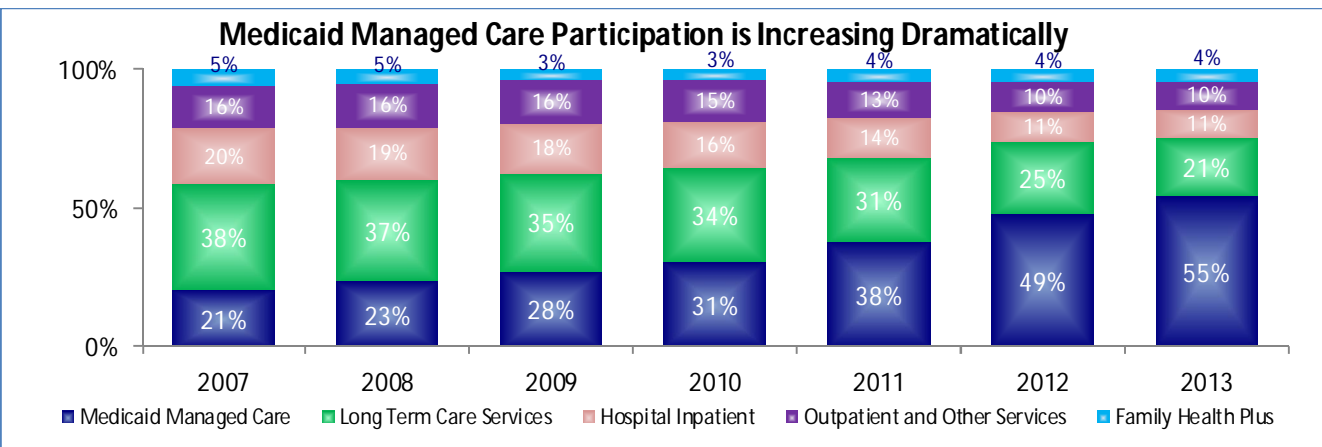
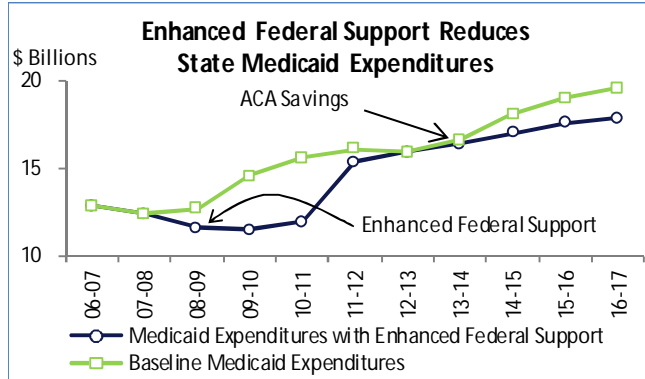
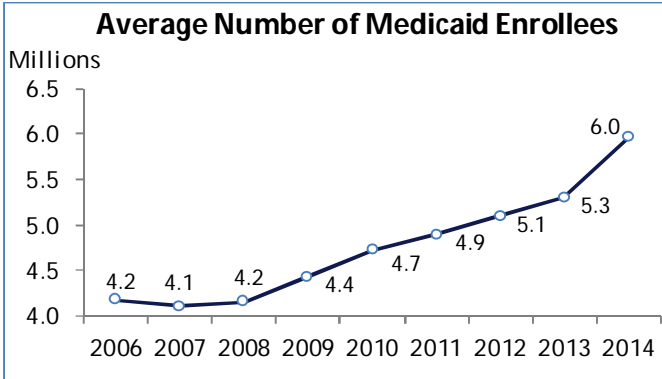
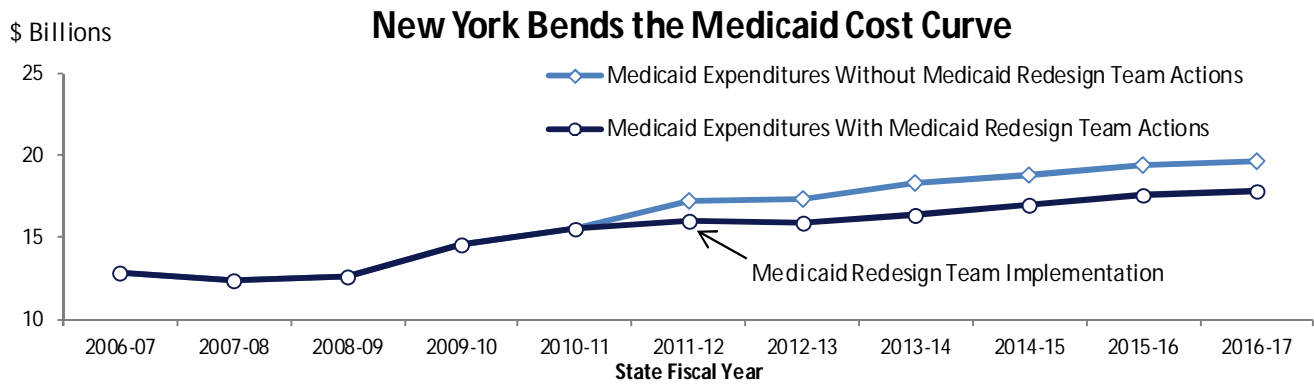
BUDGET SNAPSHOT: HEALTH



Medicaid enrollment is projected to total 6.2 million in SFY 2015-16, an increase of 6.5% from the previous year.

The elderly and disabled comprise 23% of the Medicaid population yet account for 64% of total Medicaid expenditures.

The State has received \$8 billion in federal support over the next five years, to support health care restructuring activities.



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 \$17.57 billion in State Fiscal Year (SFY) 2015-16 and \$17.87 billion in SFY 2016-17.
- **Medicaid Redesign Team (MRT) Recommendations:** In addition to the initiatives implemented over the prior four years, the Executive proposes a cost-neutral series of new MRT initiatives for SFY 2015-16.
- **Health Care Facility Transformation Program:** The Executive proposes \$1.4 billion in new capital funding to support a \$700 million investment in the Brooklyn healthcare system; a \$300 million redesign of the Oneida County health care system; and a \$400 million investment in rural provider restructuring projects.
- **Local Takeover of Medicaid Expenditure Growth:** Effective January 1, 2015, the State fully assumed the growth in local Medicaid expenditures which, when combined with existing limits on local Medicaid spending, will provide counties with \$2.03 billion in savings in SFY 2015-16.
- **New York State Health Benefit Exchange:** The Executive proposes \$388.4 million in State support for the New York State of Health, and includes a new assessment on health insurance policies.
- **Restructure Public Health Care Program Funding:** The Executive proposes to consolidate 41 separate public health programs into five pools and to reduce total funding for these programs by \$21.31 million.
- **Roswell Park Cancer Institute:** The Executive proposes to consolidate two appropriations for Roswell Park, and to reduce total funding for the Institute by \$15.5 million.

BUDGET REVIEW AND ANALYSIS: HEALTH



The State of New York spends approximately \$68 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, and Elderly Pharmaceutical Insurance Coverage (EPIC) programs. In addition to its health insurance programs, DOH promotes and supervises public health activities throughout the State, reduces 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 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 14

Agency	Appropriations				5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Department of Health*	128,162.38	134,444.31	6,281.92	4.90	
State Office for the Aging	248.71	253.84	5.13	2.06	
Office of Medicaid Inspector General	56.83	54.96	-1.87	-3.30	

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

Table 15

Disbursements					
Agency	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	5-year Trend
Department of Health	49,054.10	54,319.29	5,265.19	10.73	
State Office for the Aging	222.05	227.34	5.29	2.38	
Office of Medicaid Inspector General	56.70	53.70	-3.00	-5.29	

Department of Health

The Executive proposes a two year All Funds appropriation of \$134.4 billion, an increase of \$6.2 billion or 4.9 percent from the State Fiscal Year (SFY) 2014-15 level. The Executive recommends funding support of 5,139 Full Time Equivalent (FTE) positions, an increase of 325 positions.

Medical Assistance (Medicaid) Program: The Executive budget includes total Medicaid spending of \$62.05 billion, an increase of \$3.29 billion or 5.3 percent from SFY 2014-15, which is primarily attributable to an expected increase in federal funds. The State share of DOH Medicaid expenditures is projected to comprise \$17.57 billion of overall Medicaid spending, an increase of \$608.91 million or 3.4 percent from SFY 2014-15. To support projected expenditures in SFY 2015-16 and SFY 2016-17, the Executive proposes a two-year Medicaid appropriation totaling \$125.22 billion.

Table 16

All State Agency Medicaid Expenditure Projections (\$ in Millions)				
	SFY 2014-15	SFY 2015-16	Year-to-Year Change	
			Amount	Percent
State Share	\$22,023	\$22,462	\$439	2.0%
Federal Share	\$28,002	\$30,724	\$2,722	8.9%
Local Share	\$8,726	\$8,860	\$134	1.5%
All Funds	\$58,751	\$62,046	\$3,295	5.3%

Health Care Reform Act (HCRA) Financing: In SFY 2015-16, HCRA receipts are projected to total \$5.51 billion, an increase of \$85 million from SFY 2014-15. HCRA disbursements are also projected to total \$5.51 billion, an increase of \$76 million from SFY 2014-15.

Medicaid Global Cap: The Executive proposes the continuation of a Medicaid spending cap which limits growth in the Department of Health (DOH) State Funds Medicaid spending to the 10-year rolling average of the medical component of the Consumer Price Index, currently estimated at 3.6 percent.

DOH Medicaid expenditures are presently capped at \$16.96 billion in SFY 2014-15 and \$17.57 billion in SFY 2015-16. The Executive proposes to extend the global cap for one additional year and to cap SFY 2016-17 DOH Medicaid expenditures at \$17.87 billion. The Executive Budget would codify the global cap within the Social Services Law and make permanent all provisions related to the cap, including the authorization for DOH to reduce payments rates and benefits in the event that Medicaid expenditures exceed the global cap.

Federal Medicaid Waiver: The Executive Budget includes \$4 billion in appropriation authority to allow the State to distribute the first two years of federal funding through the Delivery System Reform Incentive Payment (DSRIP) program. Implementation of the DSRIP program will begin April 1, 2015 and will support health care restructuring proposals designed to reduce unnecessary hospitalizations by promoting alternative care models; increase access to primary care; promoting health workforce development; and make investments in health home development, long term care and behavioral health services.

Federal Health Care Reform: Under the Patient Protection and Affordable Care Act (ACA), the State began to receive enhanced matching rates for single, childless adults beginning January 1, 2014. The Executive estimates a total State benefit of \$1.42 billion in SFY 2015-16 from this enhanced matching rate. In addition, under the ACA local social services districts will realize a savings of \$522.2 million in SFY 2015-16.

Table 17

State and Local Relief Under the ACA			
(\$ in Millions)			
Fiscal Year	State Savings	Local Savings	Total
2014-15	1,129.0	435.1	1,564.1
2015-16	1,422.0	522.2	1,944.2
2016-17	1,698.0	595.7	2,293.7
3 Year Totals	4,249.0	1,553.0	5,802.0

State Assumption of Local Medicaid Expenditure Growth: Effective January 1, 2015, the State fully assumed the growth in local Medicaid expenditures which, when combined with existing limits on local Medicaid spending, will provide counties with a \$2.03 billion in savings in SFY 2015-16.

Table 18

Medicaid Takeover - Local Savings

(\$ in Millions)

	SFY 2014-15	SFY 2015-16	SFY 2016-17	SFY 2017-18
Medicaid 3% Cap	\$1,367	\$1,661	\$1,808	\$1,945
Local Growth takeover	\$187	\$370	\$552	\$735
Family Health Plus	\$147	\$0	\$0	\$0
Total	\$1,701	\$2,031	\$2,360	\$2,680

Medicaid Redesign Team (MRT) – Phase V Recommendations: The Executive Budget proposal continues the savings actions enacted as part of the previous four State budgets, including: the 78 discrete cost containment initiatives recommended by the MRT; additional recommendations that developed through the MRT Workgroup process (MRT Phases II, III, and IV); and the elimination of scheduled Medicaid inflationary rate increases.

In addition to continuing the initiatives that have been implemented over the past several years, the Executive proposes a series of MRT initiatives that are designed to be cost-neutral; including new investments in health care delivery, balanced by savings resulting from pharmacy reductions, long term care initiatives, and other Medicaid program reductions. The Executive proposal includes:

- **Pharmacy Reductions:** a \$89.3 million net State share reduction is recommended, including proposals to establish minimum supplement rebates, negotiate rebates directly with manufacturers for high cost drugs and maximize Medicaid managed care rebate collections (a \$41.4 million reduction); to eliminate “prescriber prevails” provisions and to allow the Clinical Drug Review Program (CDRP) to require prior authorization for drugs meeting CDRP criteria prior to the Drug Utilization Review Program Board’s evaluation of the drugs (a \$5.3 million reduction); to reduce pharmacy reimbursement for brand name drugs from average wholesale price (AWP) less 17 percent to AWP less 24 percent and to increase the dispensing fee for brand name drugs from \$3.50 to \$8.00 (a \$18 million net reduction); implement managed care pharmacy efficiencies (a \$13.4 million reduction); implement 340B pricing in Medicaid Managed Care (a \$10.9 million reduction); and to expand the role of the existing specialty pharmacy vendor (a \$300,000 reduction).
- **Long Term Care Reductions:** a \$33.1 million net State share reduction, including proposals to carve out managed long term care transportation and to transfer the management of these services to the State’s transportation broker (a \$7.4 million reduction); to rebase Certified Home Health Agency rates from a 2009 cost base to a 2013 cost base (a \$15 million reduction); and to eliminate spousal refusal provisions (a \$10.7 million reduction).

- **Alzheimer’s Disease Investments:** a \$25 million increase in support for Alzheimer’s Disease programs, including the development of new Alzheimer’s Disease caregiver support programs (a \$17 million increase); additional funding for the Alzheimer’s Disease Assistance Centers (a \$4 million increase) and an increase in the Alzheimer’s Community Assistance Programs (a \$4 million increase).
- **Long Term Care Investments:** a \$47.1 million State share increase related to a variety of long term care investments, including a managed long term care technology demonstration program (a \$1 million increase); a Nursing Home Transition and Diversion rate increase (a \$3.8 million increase); an expansion of the NY Connects (a \$8.2 million increase); a traumatic brain injury rate increase (a \$11.1 million increase); and a new nursing home advanced training initiative to improve worker retention (a \$23 million increase).
- **Medicare Cost Sharing:** a \$45.8 million net State share reduction, related to implementing cost-sharing limits to Medicare Part C claims (a \$20.9 million reduction) and Medicare Part B claims (a \$24.9 million reduction), to ensure that Medicaid crossover claim payments do not exceed the amount that Medicaid would have otherwise paid if it were the primary payor.
- **Hospital Investments:** a \$100 million State share increase is included for hospital quality and essential/rural community provider investments, including the creation of a new hospital quality pool (a \$45.4 million increase); a reduction in the penalty for the potentially preventable negative outcomes (a \$25.5 million investment); a reduction in the assessment on obstetrical care services (a \$15 million investment); a restoration of rate reductions for elective deliveries (a \$9.6 million increase), and a rate increase for certain essential community providers (\$4.5 million).
- **Vital Access Provider (VAP) Funding:** a \$290 million State share increase is included for restructuring grants to distressed providers (\$250 million) and to supplement grants for public DSRIP providers (\$40 million), which would bring total State Share VAP funding to \$476 million. The Executive would dedicate \$7.5 million in VAP funds for critical access hospitals and \$10 million to support providers that serve geographically isolated regions.
- **Medicaid Waiver Supplement** The Executive provides a \$100 million net State share increase for distressed hospitals that are currently receiving assistance from the Interim Access Assurance Fund, which will expire on March 31, 2015.



- **Immigrant Medicaid Coverage:** a \$38.3 million net State share increase is included to support additional individuals that will become eligible for Medicaid because of their immigration status under a recent Presidential Executive Order.
- **Health Home Investments:** a \$25 million investment in health homes, including health home care management for children (a \$22.5 million increase) and enhanced health home services for criminal justice populations (a \$2.5 million increase).
- **Additional MRT Investments:** a \$14.3 million net State share increase, including a mobility management pilot and needs assessment to improve upstate transportation services (a \$800,000 increase); a new program to support local water fluoridation activities (a \$5 million increase); a transportation fee enhancement for emergency services (a \$6 million increase); and an expansion of the existing ombudsman program to all managed care products (a \$2.5 million increase).
- **Other Medicaid Reductions:** an \$8.1 million net State share reduction, including a carve-out of family planning services from current outpatient bundled rate (a \$600,000 reduction); an increase in OMIG audit activities (a \$2 million reduction); an in-sourcing of Office of Health Insurance Program contracted staff (a \$500,000 reduction); and a new retail clinic managed care pilot program (a \$5 million reduction).
- **Basic Health Plan (BHP):** The Executive proposal would implement the BHP as authorized under the ACA. The program will provide health insurance coverage to individuals with incomes between 133 percent and 200 percent of the federal poverty level. The BHP would reduce State share Medicaid expenditures by a total of \$944.7 million in SFY 2015-16, a year to year increase of \$644.7 million, related to expanded federal support for certain excluded immigrant populations.
- **Affordable Care Act Savings and Financial Plan Relief:** a \$294 million downward reduction in Medicaid spending reflects the incremental increase in enhanced federal support provided under the ACA. To achieve financial plan savings, the Executive increases Mental Hygiene Stabilization Fund support by \$200 million and shifts additional OPWDD expenditures under the global cap.
- **Additional Program Costs:** a new cost of \$275.3 million related to a 53rd Medicaid cycle in SFY 2015-16 (a \$207 million increase) and a delay in supportive housing payments (a \$68.3 million increase).

New York State Health Benefit Exchange: The Executive proposes \$388.4 million in State support for the New York State of Health and includes a new 0.375 percent assessment on health insurance plans to support \$68.9 million in operating cost of the health exchange.

Roswell Park Cancer Institute Funding: The Executive proposes to consolidate two appropriations for Roswell Park, and to reduce total funding for the Institute by \$15.5 million, from \$102.60 million to \$87.10 million.

Restructure Health Care Program Funding: The Executive proposes to consolidate 41 separate public health programs into five separate pools, for a savings of \$21.3 million in SFY 2015-16.

Table 19

**SFY 2015-16 Executive Budget
DOH Local Program Consolidation Proposal**

Program	2014-15 Enacted	2015-16 Exec. Request
Chronic Disease Prevention and Control Programs	\$37,281,100	\$32,312,000
Evidence-Based Cancer Services	\$25,281,000	
Obesity and Diabetes	\$6,803,300	
Healthy Neighborhoods	\$1,872,800	
Childhood Asthma Coalitions	\$1,163,300	
Cystic Fibrosis	\$800,000	
Hypertension Prevention	\$631,700	
Adelphi University Breast Cancer	\$283,300	
Hypertension	\$232,300	
Children's Asthma	\$213,400	
Maternal and Child Health Programs	\$38,667,854	\$30,818,000
Adolescent Pregnancy Prevention (APPS)	\$10,632,000	
School Based Health Centers	\$10,400,000	
School Based Health Clinics	\$7,932,000	
Prenatal Care Assistance	\$2,296,400	
Infertility Grant Program	\$1,911,000	
Physically Handicapped Children Program	\$3,480,000	
School Based Health Centers-subschedule	\$826,354	
Genetic Disease Screening	\$609,000	
Maternity and Early Childhood Foundation	\$283,300	
Sickle Cell Screening	\$213,400	
Safe Motherhood Initiative	\$34,700	
Maternal Mortality Services	\$31,300	
Sudden Infant Death Syndrome	\$18,400	
Infectious Disease Programs	\$5,347,700	\$4,541,000
Public Health Campaign (Tuberculosis only)	\$4,809,500	
Health Promotion Initiatives	\$538,200	
Roswell Park Cancer Institute (RPCI)	\$102,600,000	\$87,108,000
Roswell Park Cancer Institute	\$96,600,000	
Roswell Park Operating Costs	\$6,000,000	
Public Health Workforce Programs	\$59,672,000	\$38,165,000
Rural Health Development (Network & Care Access)	\$16,200,000	
Working Retraining	\$26,817,000	
GME Empire Clinical Research (ECRIP)	\$8,612,000	
GME DANY Ambulatory Care Training	\$4,060,000	
GME Area Health Education Centers (AHEC)	\$2,077,000	
GME DANY Diversity in Medicine	\$1,605,000	
Public Management Leaders	\$261,600	
Statewide Health Broadcasts	\$39,400	
Health Outcomes and Advocacy Programs	\$17,337,000	\$14,717,000
Medical Necessity and Quality of Care Review	\$10,199,000	
Poison Control	\$3,000,000	
Nursing Home Transition and Diversion Waiver	\$2,303,000	
Cardiac Services	\$653,000	
Enriched Housing	\$475,000	
Hospital Cost Report	\$300,000	
Brain Trauma Foundation	\$232,000	
Falls Prevention	\$142,000	
Long Term Care Community Coalitions	\$33,000	
Total of All Consolidate Appropriations	\$260,905,654	\$207,661,000

Reprogram Enhancing the Quality of Adult Living (EQUAL) Program Funding: The Executive proposes to discontinue funding for the EQUAL program and reprogram half of the funding (\$3.3 million) to create a new initiative that would support the move of adult home residents to supportive community housing. The proposal would generate \$3.3 million in savings in SFY 2015-16.

AIDS Support Services: The Executive proposes \$5 million to identify undiagnosed persons, to link them with treatment, to facilitate access to necessary medications to keep them HIV negative, and to prevent the further spread of the disease.

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:

- **Resident Working Audits:** discontinue the requirement that DOH conduct audits of medical residents' working hours, for a savings of \$1.1 million in SFY 2015-16.
- **Physician Profile Website:** discontinue the physician profile website, for a savings of \$1.2 million in SFY 2015-16.
- **Pilot Health Insurance Program:** discontinue support for the Pilot Health Insurance Program which supported the management and evaluation of public health insurance programs, for a savings of \$1.1 million in SFY 2015-16.
- **Department of Financial Services (DFS) Program Funding:** program funding is transferred from DOH to DFS, including \$4.7 million for the Childhood Lead Poisoning Prevention program and \$275,700 for the Lead Poisoning Prevention program.
- **Rape Crisis Center Transfer:** The Executive would transfer \$1.89 million in funding for rape crisis centers from DOH to the Office of Victims Services.
- **Emergency Food Funding:** funding is increased to the Hunger Prevention and Nutrition Assistance Program (HPNAP) by \$4.5 million annually, increasing total support for the program to \$34.5 million.
- **Spinal Cord Injury Research Program (SCIRP):** support for SCIRP's research efforts is continued at \$7 million, which is unchanged from SFY 2014-15 levels.
- **Indian Health Care Services:** an additional \$6.4 million in support for Indian health care services to support program cost increases.

- **Adult Care Facilities Criminal History Record Check:** provide \$1.3 million for continuation of criminal history record checks for staff at adult care facilities.

State Operations: The Executive proposes \$16.98 million in savings which includes: reducing overtime at State run veterans' homes (a \$1 million reduction), reducing junior level security through attrition at Wadsworth labs (a \$110,000 reduction), implementation of a two percent non personal service reduction (a \$5.87 million reduction), and the managing of timing on new hires through attrition (a \$10 million reduction).

Capital Projects: The Executive proposes \$1.4 billion to support various provider infrastructure improvements and health care system redesigns projects, in addition to the \$1.2 billion that was included in the SFY 2014-15 budget. This investment includes:

- \$700 million in capital funding for to support the Brooklyn health care system;
- \$300 million for support the development of an integrated health care system in Oneida county; and
- \$400 million to support debt restructuring and other capital projects to promote appropriate regional consolidations among health care providers and further health care transformation in rural communities.

Article VII Proposals

Part A – Public Health Savings Initiatives: The Executive recommends Article VII legislation that would repeal requirements for the DOH to maintain and disseminate physician profiles; eliminate DOH's requirement to audit the number of working hours of hospital residents; and eliminate the EQUAL program.

Part B – Medical Assistance program: The Executive recommends Article VII legislation that would:

- make a variety of changes to the Medicaid pharmacy program, related to rebates, pharmacy reimbursement, and prior authorization requirements;
- codify and make permanent the existing Medicaid Global Cap language from unconsolidated law into the Social Services law;
- eliminate the New York Prescription Saver Program;



- modify hospital reimbursement provision, including a reduction of the assessment on hospital inpatient obstetrical services, the establishment of a general hospital quality pool; the authorization to provide dedicated funds to rural or isolated providers, and modify certain Upper Payment Limit (UPL) distributions;
- eliminate notice periods for hospital inpatient and diagnostic and treatment center rates;
- authorize the DOH to establish rates of payment for the Basic Health Plan (BHP) program;
- align Medicaid managed care and fee-for-service payments for professional services provided through State University of New York clinical practice management plans;
- limit state and local Medicaid liability for temporary emergency medical care, services, and supplies prior to an eligibility determination;
- reinvest enhanced federal funding generated through the Consumer First Choice Option into the State's *Olmstead* plan;
- establish an energy efficiency and/or disaster preparedness demonstration program for nursing homes;
- eliminate a separate recruitment, training and retention rate for managed long term care plans;
- allow the Department of Civil Service to authorize term appointments without examination to temporary positions within DOH requiring special expertise or qualifications in health insurance programs;
- authorize a grant increase for transitioning children in foster care to managed care and developing reimbursement rates for this population; and
- add certain populations to BHP eligibility criteria.

Part C – Child Health Plus (CHP): The Executive recommends Article VII legislation that would require payment rates from Child Health Plus plans to providers for outpatient behavioral health services be equivalent, at a minimum, to the Medicaid rates for such services.

Part D - Extenders: The Executive recommends Article VII legislation that would extend various expiring demonstration and pilot projects and previously enacted Medicaid savings initiatives.

Part E – Indigent Care Pool: The Executive recommends Article VII legislation that would extend for three years the general hospital indigent care pool and modify disproportionate share hospital (DSH) provisions by authorizing DOH to adjust distributions if Federal DSH payments are reduced.

Part F – Delivery System Reform Incentive Program (DSRIP): The Executive recommends Article VII legislation that would authorize DOH to develop and use value based payments for performing provider systems participating in DSRIP.

Part G – NY State of Health: The Executive recommends Article VII legislation that would establish a premium assessment on all accident and health insurers in the individual, small group, and large group insurance markets in the State to offset the non-public program operational costs of the exchange.

Part H – Health Care Infrastructure: The Executive recommends Article VII legislation that would:

- allow diagnostic and treatment centers to operate in the retail space of a business (“limited services clinics”);
- provide an accreditation and regulation for “urgent care centers” and repeal public health law provisions to eliminate upgraded diagnostic and treatment centers; and
- allow the Public Health and Health Planning Council (PHHPC) to review the procedures performed in outpatient settings and make recommendations for changes.

Part I – HIV/AIDS and Risk Reduction: The Executive recommends Article VII legislation that would:

- repeal the requirement of written informed consent of inmates prior to HIV testing;
- prohibit the use of the possession of condoms as evidence in prostitution and loitering charges;
- exclude hypodermic syringes procured through the state’s syringe exchange, or other pharmacy/medical based program, from the crime of criminal possession of a controlled substance in the 7th degree;
- exclude hypodermic syringes procured through the state’s syringe exchange, or other pharmacy/medical based program, from the definition of drug related paraphernalia; and
- remove the limit of ten syringes that may be prescribed and to repeal the ban on advertising the furnishing of syringes without a prescription.



Part J – Advanced Home Health Aides: The Executive recommends Article VII legislation that would establish a program for "advanced home health aides" who would be authorized to perform tasks, such as the administration of medications under the direct supervision of a registered professional nurse.

Part K – Certificate of Need (CON): The Executive recommends Article VII legislation that would streamline the Certificate of Need planning process and modify standards used by PHHPC in considering prospective facility operators.

Part L – Office Based Surgery (OBS): Article VII legislation is proposed to include office-based anesthesia in office-based surgery requirements as well as to standardize and limit the procedures permitted in such settings.

Part M – Water Fluoridation: The Executive recommends Article VII legislation that would require localities that fluoridate their water to provide notice to the public and the DOH before discontinuing such fluoridation; and allow DOH to provide grants to localities for fluoridation programs.

Part Q – Private Equity: The Executive recommends Article VII legislation that would authorize up to five business corporations, except for publicly traded entities, to participate in a private equity demonstration program to authorize capital investment in health care projects.

State Office of the Aging

The Executive proposes an All Funds appropriation of \$253.8 million, which is an increase of \$5.1 million or 2.1 percent from the SFY 2014-15 level. The Executive recommends funding support of 95 FTE positions, unchanged from the SFY 2014-15 level.

Office for Community Living: The Executive proposes legislation to engage with various agencies and stakeholders in developing a plan for the creation of an Office of Community Living in order to improve service delivery and outcomes for older adults and disabled individuals that live in the community.

Office of the Medicaid Inspector General

The Executive proposes an All Funds appropriation of \$55.0 million, which is a decrease of \$1.9 million or 3.3 percent from the SFY 2014-15 level. The Executive recommends funding support of 453 FTE positions, a decrease in 27 positions.

Transfer of Positions to the Office of Health Insurance Programs (OHIP): The Executive proposes \$1 million in savings related to the transfer of 28 staff to OHIP which is funded under the Medicaid global cap.

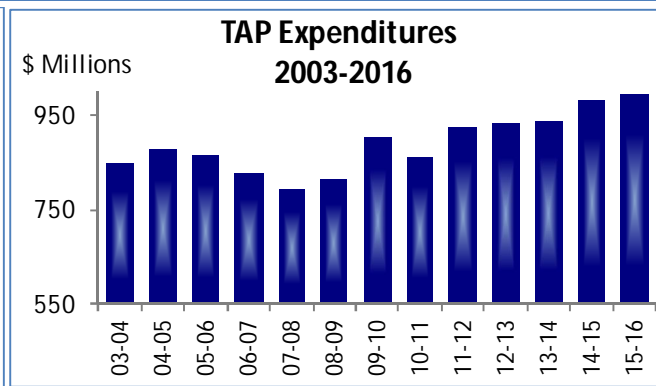
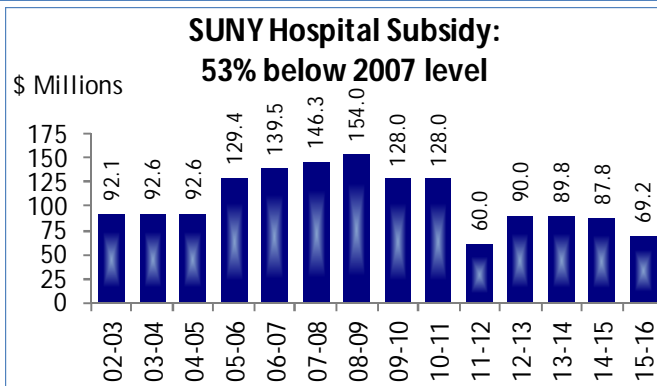
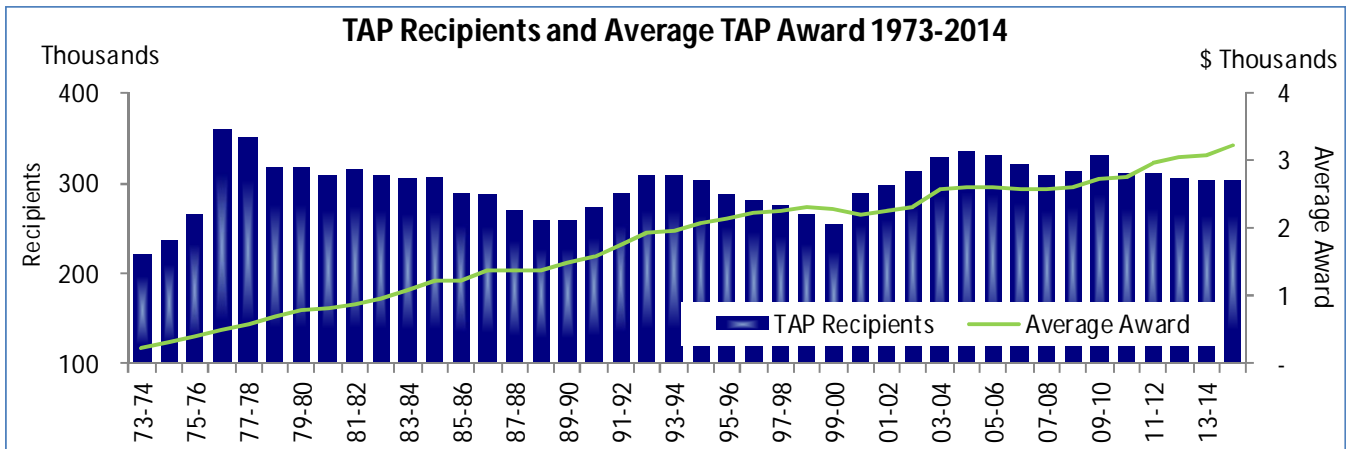
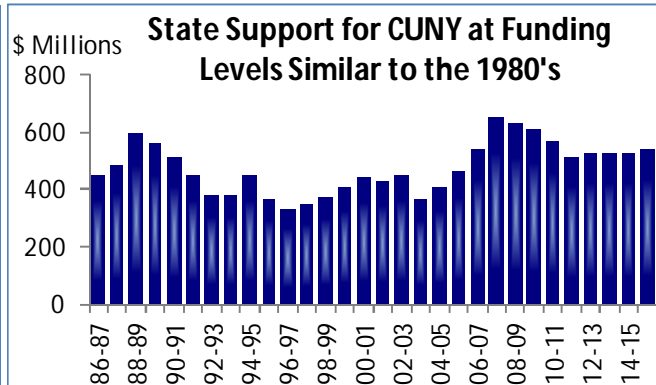
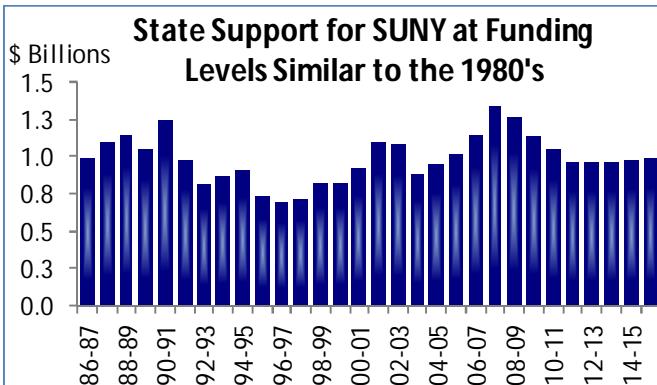
BUDGET SNAPSHOT: HIGHER EDUCATION



SUNY Tuition in 2015-16: \$6,470, an increase of \$300.

CUNY Tuition in 2015-16: \$6,330, an increase of \$300.

SUNY and CUNY serve a combined 730,000 students.



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

BUDGET HIGHLIGHTS: HIGHER EDUCATION



- **Emphasizing Performance:** The Executive proposal would begin to shift state support for Higher Education from enrollment based to performance based targets. The Executive would require that the State University of New York (SUNY) and the City University of New York (CUNY) design performance improvement plans in order to receive 10 percent of their State support. A \$30 million appropriation is included to implement these plans.
- **The DREAM Act:** The Executive recommends funding the DREAM Act at \$27 million to allow undocumented immigrants to apply for state college tuition assistance.
- **Get on Your Feet Loan Forgiveness Program:** The Executive provides \$5 million for a program to ensure certain New York residents who graduate from college and continue to live in New York pay nothing on Federal Student Loans for two years.
- **Higher Education Capital:** The Executive Budget provides \$462.4 million in new capital appropriations to SUNY, which includes \$200 million in critical maintenance project funding. CUNY is provided with \$160.9 million in new capital appropriations with \$103 million in support for critical maintenance. In addition the Executive provides \$50 million in new capital resources to fund the planning and development costs for the School of Pharmacy at Binghamton University, with \$25 million appropriated within SUNY and \$25 million appropriated under the Urban Development Corporation.
- **SUNY and CUNY Back Office Consolidation:** The Executive proposal would require SUNY and CUNY to develop a plan to combine certain administrative functions.
- **Standardize Financial Aid Letters:** The Executive proposes a standard financial award letter for colleges and universities in the state which will include data regarding institutional performance.

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 460,000 students and CUNY which is composed of 24 campuses educating 275,000 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. 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 2015-16 Academic Year (AY) will mark the last 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 three years, community colleges have received funding increases on a 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 306,000 students attending undergraduate institutions in the State. In the 2014-15 AY, the Legislature provided the first TAP increase in over a decade.

Table 20

Agency	Appropriations				5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-156 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
State University of New York	10,147.04	9,657.70	-489.34	-4.82	
City University of New York	4,305.12	4,101.00	-204.12	-4.74	
Higher Education Services Corporation	1,169.01	1,196.79	27.78	2.38	

Table 21

Agency	Disbursements				5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
State University of New York	8,166.88	8,151.99	-14.89	-0.18	
City University of New York	1,526.47	1,573.42	46.95	3.08	
Higher Education Services Corporation	1,104.96	1,135.75	30.79	2.79	

State University of New York: The Executive proposes an All Funds appropriation of \$9.65 billion which is a decrease of \$489.3 million or 4.82 percent below the State Fiscal Year (SFY) 2014-15 level. The Executive recommends funding support of 43,576 full-time equivalent positions which is unchanged from the SFY 2013-14 level.

SUNY State Operated Colleges: The Executive provides \$987 million in funding for SUNY State Operated Colleges, an increase of \$7.5 million of General Fund support from SFY 2014-15. However, under the Executive proposal, each SUNY school will be required to submit a Performance Improvement Plan which would outline certain goals including improving access and completion, requiring experiential learning, creating a master researcher program, and financial incentives for Presidents tied to Start-Up NY. If a campus does not have an approved Plan, 10 percent of their State Operating Funds would be withheld. A total \$18 million is allocated for the implementation of Performance Improvement Plans. A \$7.6 million appropriation to pay for contractual increases from AY 2014-15 was not continued. Unfunded contractual increases for AY 2015-16 are \$56.7 million.

The Executive provides \$1.82 billion in appropriations for tuition, an increase of \$154.9 million from SFY 2013-14, which reflects a scheduled increase in tuition. State funded fringe benefits decreased by \$193 million to \$1.4 billion for the SUNY system due to appropriations being moved to General State charges.

The Executive provides \$21.08 million for the Educational Opportunity Program, which is a \$1.28 million decrease from SFY 2014-15. Educational Opportunity Centers (EOC) would be funded at \$51.03, which is the same level of funding as in SFY 2014-15. The EOC appropriation includes a \$2 million allocation for ATTAIN labs. A separate \$994,160 appropriation for ATTAIN labs which was contained in the SFY 2014-15 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 \$18.6 million from amounts authorized in SFY 2014-15.



Community College Base Aid: The Executive proposal would continue funding Community College Base Aid at \$2,497 per full-time equivalent (FTE) student, maintaining the AY 2014-15 level of support. The Executive Budget includes \$459.4 million to support base aid, which is an increase of \$361,900 from AY 2014-15. Funding of \$3 million is continued for the Next Generation College Linkage Program for community colleges. Additionally, the Executive provides \$1.5 million for grants to pay for enhanced services at three community colleges using the community schools model.

The Executive also proposes to create nine regional planning councils for the 29 Community Colleges within the economic development regions outside of New York City to ensure that schools are working together on a regional basis.

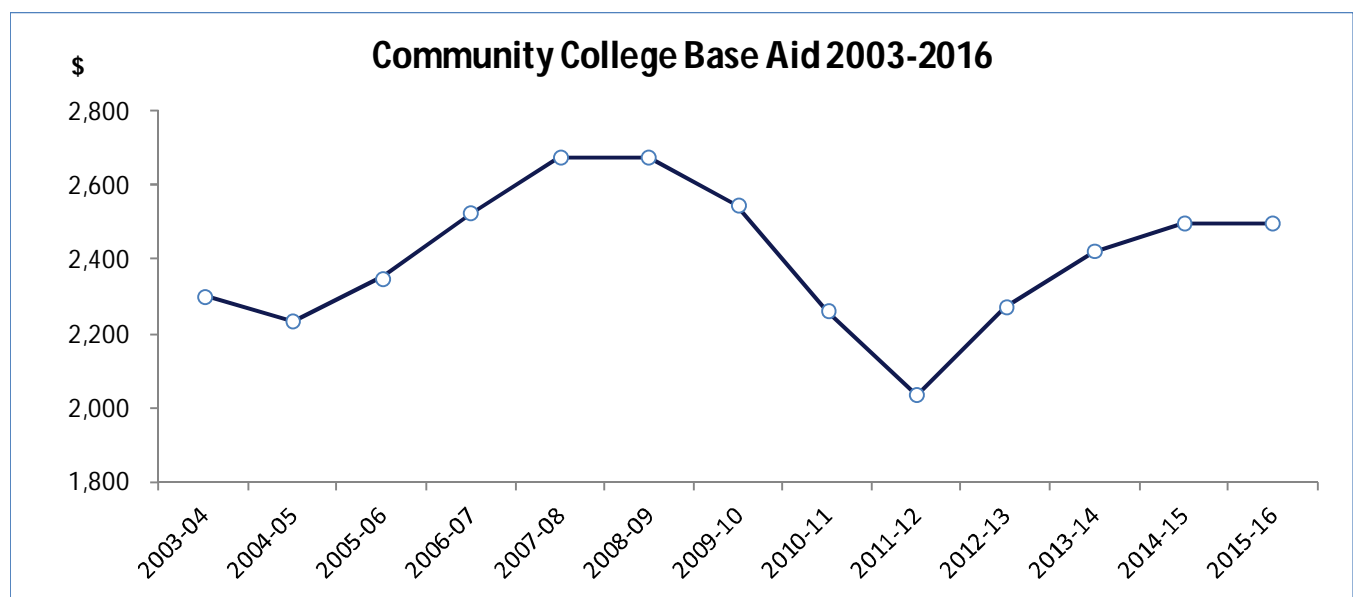


Figure 2

University Wide Programs: The Executive funds SUNY University Wide programs at \$131.7 million, which is a decrease of \$6.23 million from AY 2014-15. The overall decrease is a result of decreases to the Educational Opportunity Program (EOP) and ATTAIN labs as well as:

- a decrease of \$250,000 for the Cornell Veterinary School;
- the elimination of \$333,000 in funding for the Animal Disease Lab at Cornell University;
- a \$70,000 reduction to funding for energy projects;
- a \$70,000 decrease for the Educational Pipeline; and
- Funding for charter schools administration is provided at \$848,600, an increase of \$141,600.

Other Programs: The Executive decreases funding for child care centers to \$1 million, which is a reduction of \$653,000 from the 2014-15 enacted budget. Additionally, the Executive eliminates funding of \$1.73 million for the Graduate, Achievement, and Placement program and \$300,000 for Harvest New York.

SUNY Capital

The Executive proposes \$462.4 million in Capital funding for SFY 2015-16 which would include the following projects:

- \$200 million for critical maintenance projects at various SUNY campuses;
- \$143 million to provide for the state's 50 percent share of projects at SUNY community colleges, which includes \$81.2 million for projects not included in the 2014-15 Budget due to a technical error;
- \$19 million for the Stony Brook Health Science Center;
- \$25 million to construct a School of Pharmacy at SUNY Binghamton. An additional \$25 million is also provided for this purpose through the Urban Development Corporation;
- \$25.10 million for the SUNY Construction Fund; and
- \$50 million in support for SUNY's Residence Hall Rehabilitation Fund.

In addition, capital funding is provided under the Urban Development Corporation (UDC) for the following SUNY projects:

- \$55 million to support a new round of SUNY 2020 Challenge Grants; and
- \$19 million for the Cornell Veterinary School.

City University of New York (CUNY)

The Executive proposes an All Funds appropriation of \$4.10 billion, a decrease of \$204.12 million or 4.74 percent below SFY 2014-15 levels. The Executive recommends funding support of 13,611 full-time equivalent positions which is maintained at the SFY 2014-15 level.



CUNY Senior Colleges: The Executive provides \$536.54 million in funding for CUNY Senior Colleges, an increase of \$9.9 million of General Fund support from SFY 2014-15. Under the Executive proposal, CUNY schools will be required to submit a Performance Improvement Plan to outline certain goals including improving access and completion rates, requiring experiential learning, creating a master researcher program, and financial incentives for Presidents tied to Start-Up NY. If a campus does not have an approved plan, 10 percent of their state operating funds would be withheld. A total \$12 million is allocated for the implementation of Performance Improvement Plans.

The Executive provides \$1.08 billion in appropriations for tuition, an increase of \$60.8 million from SFY 2014-15, reflecting a scheduled increase in tuition. State funded fringe benefit payments maintain funding at \$673.43 million. CUNY's unfunded contractual need is \$33.9 million for AY 2015-16.

The Executive provides \$18.38 million for the Search for Education, Evaluation, and Knowledge (SEEK) program, which is a reduction of \$1.12 million from SFY 2014-15. Additionally, the Executive appropriates \$500,000 to the Joseph Murphy Institute which is a decrease of \$1 million. The Executive maintains CUNY LEADS at \$1.0 million.

Community College Base Aid: The Executive proposal would continue funding Community College Base Aid at \$2,497 per full-time equivalent (FTE) student, maintaining the AY 2014-15 levels of support. The Executive Budget funds base aid at \$206 million which is a decrease of \$76,700. Funding for the Job Linkage program is maintained at \$2 million.

The Executive proposes support for College Discovery at \$883,390, a reduction of \$54,000 from last year. The Executive proposes the elimination of \$1.7 million for the Accelerated Study in Associates Program (ASAP).

Capital Projects

The Executive proposes \$181.8 million in Capital funding for SFY 2015-16, to support the following projects:

- \$103 million for critical maintenance projects;
- \$20.9 million to provide for the State's 50 percent share of projects at CUNY community colleges which includes \$4.5 million for Hostos College's Allied Health and Sciences Building Complex, which was not included in the 2014-15 Budget due to a technical error;
- \$21 million to fund Dormitory Authority services on behalf of CUNY;

- \$15.98 million to support the CUNY construction fund; and
- \$55 million is appropriated in UDC for a new round of the CUNY 2020 Challenge Grant Program.

Other Opportunity Programs Appropriated in the State Education Department

The Executive Budget maintains funding for the following opportunity programs at their AY 2014-15 levels:

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

The Executive Budget increases support for the following programs:

- Higher Education Opportunity Program (HEOP): funded at \$26.61 million; a \$1.6 million increase;
- Science and Technology Entry Program (STEP): funded at \$11.84 million; a \$720,150 increase;
- Collegiate Science and Technology Entry Program (CSTEP): funded at \$8.95 million; a \$546,370 increase; and
- Liberty Partnership Program: funded at \$13.75 million; an \$837,600 increase.

Higher Education Services Corporation

The Executive proposes an All Funds appropriation of \$1.19 billion which is an increase of \$27.78 million or 2.38 percent above SFY 2014-15 levels. The Executive recommends funding support of 276 full-time equivalent positions which is 9 positions below SFY 2014-15 levels.

Tuition Assistance Program: The Executive Budget appropriates the Tuition Assistance Program (TAP) at \$1.02 billion, an increase of \$43 million from SFY 2014-15 resulting from increased payments due to tuition increases at SUNY and CUNY community colleges.



The DREAM Act: The Executive recommends funding the DREAM Act at \$27 million to allow undocumented immigrants to apply for state college tuition assistance. To become eligible, students must have attended high school in New York State, and have applied for admission at a college in New York within five years of receiving a diploma. Enactment of the DREAM Act would be contingent on the enactment of the Executive's proposed Education Tax Credit.

Get on Your Feet Loan Forgiveness Program: The Executive provides a new \$5 million so that certain New York residents who graduate from college, continue to live in New York and participate in the Federal Pay as You Earn program pay nothing on Federal Student Loans for a period of two years.

Teacher Scholarship: The Executive proposes a new masters-in-education incentive scholarship. To become eligible students must be in a master's degree program for teaching at a public university. Up to 500 awards may be granted to new recipients annually.

Other Scholarships and Awards: The Executive Budget maintains SFY 2014-15 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 \$2.6 million; the Licensed Social Worker Loan Forgiveness Program at \$1.22 million; and the New York Young Farmer Loan Forgiveness program at \$100,000. Additionally, the Executive appropriates \$3.5 million in Federal Funds for GEAR UP, a decrease of \$1.5 million from last year. The Executive Budget increases funding for scholarships administered by HESC by \$15.4 million for a total of \$60.8 million in SFY 2015-16.

Table 22

HESC Scholarship Estimated Spending

AY 16 Scholarship Projections	2014-15	2015-16	Change
Scholarship For Academic Excellence	\$ 11,582,000	\$ 12,150,000	\$ 568,000
Memorial Scholarships for Families of Deceased etc	\$ 1,131,000	\$ 1,104,000	\$ (27,000)
Regents Award for Children of Dec. or Dis. Veterans	\$ 253,000	\$ 257,000	\$ 4,000
Veterans Tuition Award	\$ 7,502,000	\$ 8,120,000	\$ 618,000
Regents Physician Loan Forgiveness Program	\$ 840,000	\$ 860,000	\$ 20,000
Military Service Recognition	\$ 1,725,000	\$ 2,019,000	\$ 294,000
World Trade Center	\$ 14,250,000	\$ 14,242,000	\$ (8,000)
Social Worker Loan Forgiveness Program	\$ 1,151,000	\$ 1,222,000	\$ 71,000
Flight 587 Memorial Scholarship	\$ 434,000	\$ 345,000	\$ (89,000)
Math and Science Scholarship Program	\$ 564,000	\$ 705,000	\$ 141,000
Flight 3407 Memorial Scholarships	\$ 78,000	\$ 43,000	\$ (35,000)
McGee Nursing Faculty Scholarship Ext.	\$ 1,559,000	\$ 1,821,000	\$ 262,000
Nursing Faculty Loan Forgiveness Ext.	\$ 672,000	\$ 776,000	\$ 104,000
STEM Scholarship	\$ 3,603,000	\$ 17,100,000	\$ 13,497,000
Young Farmers Loan Forgiveness	\$ 100,000	\$ 100,000	\$ -
Total AY Value:	\$ 45,444,000	\$ 60,864,000	\$ 15,420,000

Note: Data for 2014-15 estimated and 2015-16 are forecasts.

Sources: HESC Budget Request

Other Higher Education Initiatives

Higher Education Facilities Capital Matching Grants Program (HeCap): The Executive provides \$30 million in capital funding for HeCap.

Standardize Financial Aid Letters: The Executive proposes a standardized financial aid letter for colleges and universities in the state which will include data regarding institutional performance, the estimated cost of attendance, graduation rates, and loan default rates.

Sexual Assault Policy: The Executive would require all colleges and universities in New York State to implement prevention and response policies for reports of sexual assault, dating violence, domestic violence, and stalking.

Curriculum Review: The Executive would provide that any new curriculum or program of study offered at SUNY or CUNY no longer has to be approved by the Board of Regents unless it requires a master plan amendment.



BUDGET SNAPSHOT: HUMAN SERVICES

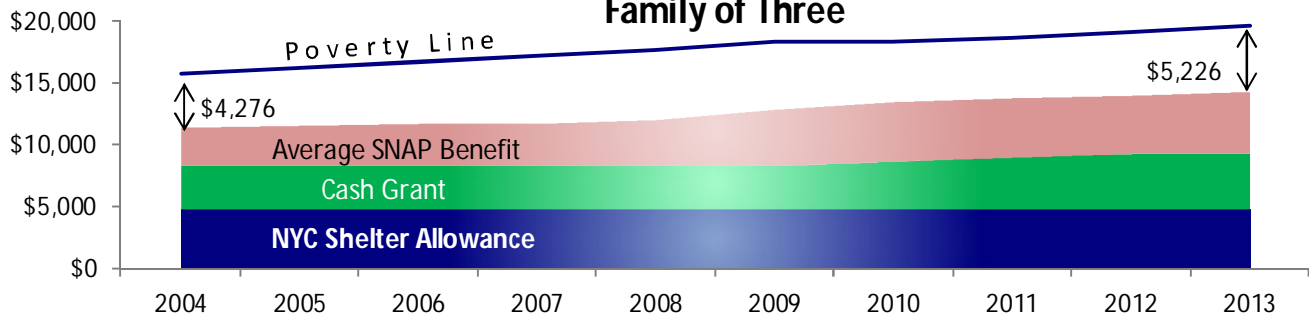


As of January 2015, there are over 25,000 homeless children living in shelters in New York City.

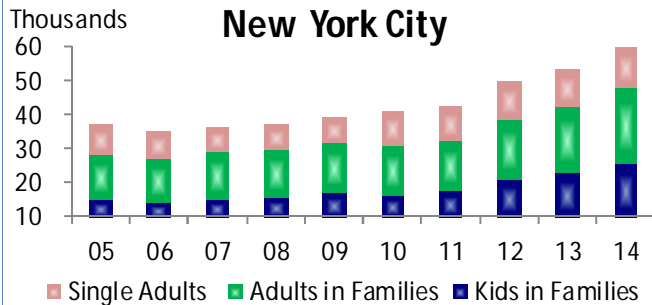
The Executive Budget maintains \$899.11 million for child care subsidies.

For every preservation dollar appropriated, NPPs raised \$43 and RPPs raised \$26 for their preservation activities within their communities.

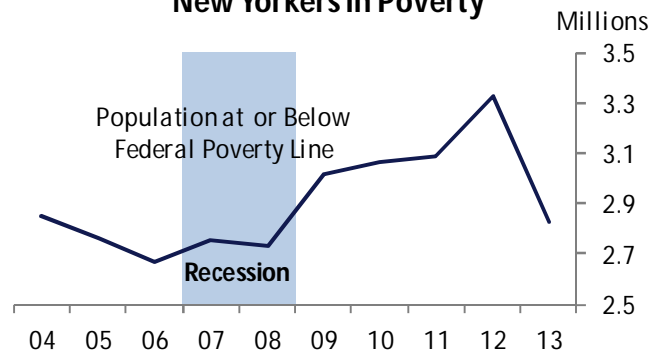
**Annual Public Assistance Grant Compared to Federal Poverty Line
Family of Three**



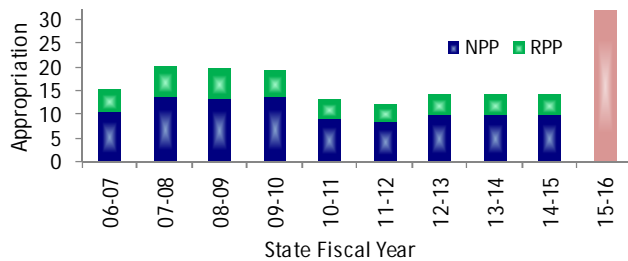
**Homeless Shelter Census
New York City**



New Yorkers in Poverty

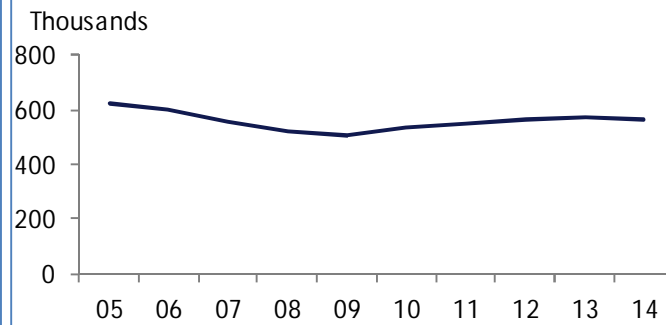


**Neighborhood and Rural Preservation
Program Support**



Note: 15-16 value reflects combined NPP and RPP funding.

Public Assistance Caseload



Sources: Division of the Budget; Division of Housing and Community Renewal; Office of Temporary and Disability Assistance; New York State Social Services Law; New York Codes, Rules, and Regulations; U.S. Department of Health and Human Services; Kaiser Family Foundation; Coalition for the Homeless.

BUDGET HIGHLIGHTS: HUMAN SERVICES



- **Minimum Wage:** The Executive proposes to increase the minimum wage to \$11.50 per hour in New York City and \$10.50 per hour in the remainder of the State, effective December 31, 2016. The minimum wage is otherwise scheduled to increase from \$8.75 to \$9.00 per hour on December 31, 2015.
- **Raise the Age of Juvenile Jurisdiction:** The Executive Budget provides \$25 million for developing diversion and probation services for 16 and 17 year olds who will be phased into the juvenile justice system and housed in OCFS facilities beginning in December 1, 2015. Under the Executive proposal, juvenile jurisdiction would be raised to age 17 in 2017 and to age 18 in 2018.
- **J.P. Morgan Chase Settlement Funding for Affordable Housing:** The Executive Budget commits \$439.5 million in funding from the J.P. Morgan Chase settlement in support of various supportive housing, rental assistance and affordable housing initiatives.
- **Temporary Assistance for Needy Families (TANF) Spending:** The Executive provides \$30 million for the Summer Youth Employment Program and eliminates \$28.2 million in support for TANF initiatives added by the Legislature in SFY 2014-15.
- **Nonprofit Infrastructure Capital Investment Program:** The Executive proposes a new \$50 million capital program to make targeted investments, including renovations, expansions, and technology upgrades to eligible nonprofit human services.

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.

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 Housing 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 23

Appropriations					
Agency	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	5-year Trend
Office of Temporary and Disability Assistance	5,480.02	5,443.06	-36.96	-0.67	
Office of Children and Family Services	3,909.65	3,995.16	85.51	2.19	
Department of Labor	4,588.62	4,099.80	-488.82	-10.65	
Division of Housing and Community Renewal	580.44	710.81	130.37	22.46	
State of New York Mortgage Agency	191.79	176.97	-14.82	-7.73	
Office of National and Community Service	30.68	30.68	0.00	0.01	
Nonprofit Infrastructure Capital Investment Program	0.00	50.00	50.00	100.00	
Pay for Success	53.00	69.00	16.00	30.19	
Raise the Age	0.00	25.00	25.00	100.00	
Division of Human Rights	18.01	18.01	0.00	0.00	
Division of Veterans' Affairs	18.13	17.53	-0.60	-3.31	
Office of Welfare Inspector General	1.16	1.16	0.00	0.00	

Table 24

Agency	Disbursements		Change (\$ in Millions)	Change (%)	5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)			
Office of Temporary and Disability Assistance	5,422.96	5,026.89	-396.07	-7.30	
Office of Children and Family Services	3,122.32	3,236.55	114.24	3.66	
Department of Labor	606.84	567.00	-39.84	-6.57	
Division of Housing and Community Renewal	238.73	247.97	9.24	3.87	
State of New York Mortgage Agency	0.00	0.00	0.00	0.00	
Office of National and Community Service	14.91	14.91	0.00	0.00	
Nonprofit Infrastructure Capital Investment Program	0.00	0.00	0.00	0.00	
Pay for Success	0.00	0.00	0.00	0.00	
Raise the Age	0.00	0.00	0.00	0.00	
Division of Human Rights	13.62	14.27	0.65	4.77	
Division of Veterans' Affairs	15.82	15.71	-0.11	-0.70	
Office of Welfare Inspector General	0.97	0.97	0.00	0.00	

Office of Temporary and Disability Assistance

The Executive proposes an All Funds appropriation of \$5.44 billion, a decrease of \$36.9 million or 0.7 percent from the SFY 2014-15 level. The Executive recommends funding support for 1,968 full-time equivalent (FTE) employees, a decrease of 4 FTE employees, related to the transfer of staff to the Office of General Services (OGS) Business Service Center.

Public Assistance Benefits: The Executive Budget estimates a public assistance caseload of 540,434 recipients for SFY 2015-16, a decrease of 16,946 recipients from SFY 2014-15. A reduction in State spending for the Safety Net population in the amount of \$8.3 million is projected. The Executive estimates federal Temporary Assistance for Needy Families (TANF) support at \$1.1 billion, a decrease of \$54.7 million from the SFY 2014-15 level.

TANF Initiatives: The Executive proposes an appropriation of \$1.3 billion for TANF initiatives, an increase of \$13.5 million over SFY 2014-15. The Executive eliminates \$28.2 million in TANF initiatives

that were enacted in SFY 2014-15. The Executive includes \$30 million for Summer Youth Employment, an increase of \$2.5 million to accommodate a higher minimum wage.

Table 25

TANF Initiatives			
(\$ in Thousands)			
CATEGORY/ITEM	SFY 2014-15 Enacted	SFY 2015-16 Proposal	Change
FLEXIBLE FUND FOR FAMILY SERVICES	964,000	964,000	0
CHILD CARE SUBSIDIES	283,811	323,000	39,189
TANF INITIATIVES			
--ACCESS - WELFARE TO CAREERS	800	0	(800)
--ADVANTAGE SCHOOLS	500	0	(500)
--ATTAIN	5,000	0	(5,000)
--BRIDGE	102	0	(102)
--CAREER PATHWAYS	1,000	0	(1,000)
--CARETAKER RELATIVE/KINSHIP	500	0	(500)
--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 INITIATIVE	2,000	0	(2,000)
--NON-RESIDENTIAL DV	2,460	0	(2,460)
--NURSE-FAMILY PARTNERSHIP	3,000	0	(3,000)
--PREVENTIVE SERVICES INITIATIVE	1,000	0	(1,000)
--ROCHESTER-GENNESSEE REGIONAL TA	82	0	(82)
--SETTLEMENT HOUSES	2,000	0	(2,000)
--SUMMER YOUTH EMPLOYMENT	27,500	30,000	2,500
--SUNY/CUNY CHILD CARE	334	0	(334)
--WAGE SUBSIDY PROGRAM	950	0	(950)
--WHEELS FOR WORK	144	0	(144)
SUBTOTAL OF TANF INITIATIVES	55,724	30,000	(25,724)
TANF FUNDING TOTAL	1,303,535	1,317,000	13,465

SSI Administration: The Executive proposes \$685 million for State Supplement benefits to Supplemental Security Income (SSI), \$10 million over the SFY 2014-15 level, related to a one percent increase of anticipated SSI caseloads.

Emergency Assistance to Needy Families (EAF): The Executive proposal would establish a ten percent local share for the City of New York for EAF benefits provide short-term emergency assistance to eligible families earning less than 200 percent of the Federal Poverty Level. Under the Executive proposal, the City of New York’s share of EAF would be approximately \$15 million. Currently, EAF benefits are funded solely out of Federal TANF funds.

Homeless Programs: The Executive appropriates \$31.6 million to support homeless programs, an increase of \$400,000 over SFY 2014-15; of this amount \$16.3 million would be funded by proceeds of the Mortgage Insurance Fund.

NY/NY IV: The Executive Budget includes \$116 million for a new statewide program to provide supportive housing to various populations. Under this proposal, \$50 million would preserve existing units, while \$66 million would be dedicated to the development of 5,000 new units.

Homeless Services: The Executive proposes to cap Office of Children and Family Services youth facility billings at \$55 million per year, resulting in a savings of \$425 million to municipalities throughout the State through SFY 2018-19. Under the Executive proposal, New York City would be required to allocate its savings, approximately \$220 million, to support rental assistance programs or other homeless services.

Disability Determinations: The Executive proposes \$181 million Federal appropriation to support medical determinations on disability claims filed with the Social Security Administration's Disability Insurance and Supplemental Security Income Disability programs, an increase of \$15 million over SFY 2014-15.

Capital: The Executive proposes \$63.5 million, an increase of \$500,000, for capital investments in the Housing Program Fund to build supportive housing units.

The Executive proposes Article VII language that would authorize the 2016 Federal Supplemental Security Income (SSI) Cost of Living Adjustment (COLA), which ranges from \$2 to \$18, depending on living arrangement.

Office of Children and Family Services

The Executive proposes an All Funds appropriation of \$3.99 billion, an increase of \$85.5 million or 2.2 percent over the State Fiscal Year (SFY) 2014-15 level. The Executive recommends funding support for 3,059 full-time equivalent (FTE) employees, an increase of 65 FTEs, primarily related to filling 33 FTE positions that were expected in SFY 2014-2015, but will be filled through SFY 2015-16, and the transfer of 6 FTEs to the Business Services Center.

Child Care: The Executive Budget provides \$899.11 million for the Child Care Block Grant, which maintains funding for child care subsidies from the SFY 2014-15 level. Federal appropriations for TANF Child Care subsidies would be increased by \$39.19 million, while the General Fund appropriations would be reduced commensurately, resulting in no net change. Additionally, the Executive Budget eliminates \$7.3 million for the Facilitated Enrollment pilot program and \$334,000 for SUNY/CUNY TANF child care.

The Executive reached a new \$44 million agreement with the United Federation of Teachers (UFT) in 2014 and is currently negotiating a new agreement with the Civil Service Employees Association (CSEA)

for the same amount to cover unionized child care for the period October 2013 through October 2017. The Executive Budget provides \$6.5 million for UFT and \$12.4 million for CSEA, reflecting a negotiated agreement, to provide professional development and quality improvements.

Foster Care Subsidies: The Executive provides an increase of \$13.04 million for a Cost of Living Adjustment (COLA), providing a 2 percent salary increase for direct care and direct care support workers, foster and adoptive parents, and clinical staff effective April 1, 2015. An increase of \$8.85 million in the Foster Care Block Grant will finance an estimated 50 percent of increased costs, with the remainder coming from local social services districts. An additional \$4.2 million is provided for various programs, also to support the COLA.

Community Initiatives Elimination: The Executive eliminates \$13.83 million in funding for twenty-four community initiatives.

Investment in Homeless Services: The Executive proposes to cap OCFS youth facility billings to local districts at \$55 million per year. The new cap would provide fiscal relief for local social services districts which is estimated at \$425 million statewide through SFY 2018-19. New York City will be required to invest its share of savings, \$220 million, in rental assistance programs or other homeless services.

Human Services Call Center: The Executive provides \$13.6 million for the human services contact center, which consolidated human services call centers for OCFS, the Office for Temporary and Disability Assistance, 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 Executive recommends Article VII legislation that would:

- Expand services that Boards of Cooperative Educational Services (BOCES) may provide in an OCFS-operated facility to include special education services at youth facilities on a permanent basis and would newly authorize such contracts for foreign languages, music, art, career and technical skills.
- Make statutory changes in compliance with the Federal Preventing Sex Trafficking and Strengthening Families Act to reduce the incidence of sex trafficking among youth in foster care, thereby allowing the state and local social services districts to continue to receive approximately \$600 million in Federal funding.
- Authorize adoption assistance payments to encourage the private adoption of children with

special needs; payments would only be authorized for adoptive parents reside in the state at the time of application.

Department of Labor

The Executive proposes All Funds appropriations of \$4.09 billion, a decrease of \$488.8 million or 10.7 percent from the SFY 2014-15 level. The Executive recommends support for 3,120 FTEs, a decrease of 113 FTEs from the SFY 2014-15.

Unemployment Insurance (UI) Benefits: The Executive proposes a \$400 million decrease in UI benefits to reflect an anticipated decline in claims due to an improving economy. The Executive proposes \$464 million for UI administration, a decrease of \$9.4 million. The decrease in Federal administration funding will result in the loss of support for 107 FTE positions.

The Executive proposes a \$60 million reduction from the UI Interest Assessment account related to a lower interest payment to the federal government for UI borrowing, attributable to reforms made to the UI System in SFY 2014-15.

Workforce Investment Act (WIA): The Executive proposes decreases of \$5.7 million for WIA, of which \$885,000 is related to staff to assist dislocated workers and \$4.9 million is for WIA Boards for adult, youth and dislocated worker employment and training. These decreases are the result of a decline in federal funding.

Labor Contact Center: The Executive is proposing a \$916,000 decrease in funding for the Labor Contact Center, which serves as a single point of contact for the Division of Veteran Affairs, Worker's Compensation Board, State Insurance Fund and Empire State Development Corporation, related to the elimination of excess appropriation authority. Additionally, the Executive recommends an increase of six FTEs to fully staff the center.

Community Initiatives: The Executive proposes a decrease of \$12.7 million, reflecting the elimination of various labor programs funded in SFY 2014-15, including a reduction in support for the Displaced Homemaker program and the New York Committee on Occupational Safety and Health.

Article VII

The Executive recommends Article VII legislation that would:

- increase minimum wage from \$9.00 per hour to 11.50 for New York City and \$10.50 in the remainder of the State, effective December 31, 2016;

- provide leave to healthcare professionals who volunteer to respond to the Ebola crisis; and
- repeal 30 rarely used fees, resulting in a savings of \$243,000 annually.

Table 26

SFY 2015-16	
Proposed Repeal of Department of Labor Fees	
Fee	Proposed Savings
Antique Boiler Inspection Fees (2)	\$2,000
Boiler Certificate of Competency Fee	\$10,000
Boiler Shop Survey Fee	\$7,000
Building Plans Exam Fee	\$1,000
Commissary Operator Permit Fee	\$0
Day of Rest Easement Application Fee	\$4,000
Defense Dispensation Fee	\$0
Farm Grower Permit Fee	\$9,000
Farm Labor Contractor Permit Fee	\$14,000
Industrial Homework Certificates Employer Application Fee	\$0
Industrial Homework Certificates Homeworkeer Application Fee	\$1,000
Laser Regulation Permit Fee	\$25,000
Miniature Boiler Inspection Fee	\$0
Professional Employer Organization Exemption Fee	\$11,000
Professional Employer Organization Initial Registration and Renewal Fees (2)	\$65,000
Scaffold Plan Examination Fee	\$28,000
Ski Tows and Passenger Tramways Fees (2)	\$19,000
Slot Machine Repair License Fees (2)	\$0
Workplace Safety and Loss Certification Application Fee	\$18,000
Workplace Safety and Loss DOL Consultation Fee	\$0
Workplace Safety and Loss Incentive Application and Renewal Fees (2)	\$0
Workplace Safety and Loss Recertification Application Fee	\$21,000
Workplace Safety and Loss Specialist Certification and Recertification Fees (2)	\$8,000
Written Assurances Fee	\$0
Total Savings	\$243,000

Division of Housing and Community Renewal (DHCR)

The Executive proposes All Funds appropriations of \$710.81 million, an increase of \$130.4 million or 22.5 percent over the State Fiscal Year (SFY) 2014-15 level. The Executive recommends support for 683 Full Time Equivalent (FTE) positions, unchanged from the SFY 2014-15 level.

The Executive Budget commits \$655.7 million through DHCR appropriations and Article VII language for a variety of housing efforts including affordable housing, supportive housing, capital improvements to housing stock, and rental assistance. The funding for these programs comes from several sources:

- **Settlement Funding:** The Executive Budget includes \$439.5 million in funding from the J.P. Morgan Chase mortgage foreclosure settlement, whose proceeds were first assumed in the SFY 2014-15 enacted budget, yet allocations were never made.
- **Mortgage Insurance Fund (MIF):** The Executive proposes Article VII language to utilize \$125 million in excess MIF reserves.
- **Capital:** The Executive proposes \$91.2 million in capital funding, which is unchanged from the SFY 2014-15 level.

The allocations from these sources are as follows:

Table 27

Proposed Housing Program Allocations			
Program	14-15 Enacted	15-16 Executive	Change
	\$ millions	\$ millions	\$ millions
NY/NY IV Supportive Housing Program	0	116	116
Middle Income Housing Program	0	50	50
Mitchell-Lama Repair and Revitalization	0	50	50
ESD Restore New York Communities Initiative	0	50	50
NYC Rental Assistance Program (LINC1)	0	40	40
HIV/AIDS Rent Cap	0	27	27
NYCHA Capital Repairs	0	25	25
SONYMA Mortgage Rate Reduction and Repair Program	0	22	22
Community Development Financial Institution Fund (CDFI)	0	15	15
Affordable Housing Corporation	25	29	4
Access to Home	1	21	20
Public Housing Modernization Program	6.4	6.4	0
Low Income Housing Trust Fund	46.7	47.7	1
Homes for Working Families Program	10.7	17.5	6.8
Main Street Program	4.2	4.2	0
Housing Opportunity Program for the Elderly	1.4	6.4	5
Mitchell-Lama Housing Project Rehabilitation	32	42	10
Rural Rental Assistance Program	21	21.6	0.6
Neighborhood Preservation Program/Rural Preservation Program	14.3	32	17.7
Rural and Urban Community Investment Fund Program	6.8	17	10.2
Homeless Housing: NYSSHP/STEHP/AIDS Housing	6	16.3	10.3
Total	175.5	656.1	480.6

Other Housing Initiatives: The Executive is fully funding the Tenant Protection Unit.

The Executive proposes funding Periodic Subsidies to Local Areas at \$4.5 million, a decrease of \$1 million from the SFY 2014-15 level.

The Executive eliminates \$742,000 in funding for the New York City Housing Authority Tenant Pilot Program.

State of New York Mortgage Agency

The Executive proposes an All Funds appropriation of \$176.97 million, a decrease of \$14.8 million or 7.7 percent from the State Fiscal Year (SFY) 2014-15 level to reflect 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.

National and Community Service

The Executive provides an All Funds appropriation of \$30.68 million, which maintains SFY 2014-15 funding levels. The Executive recommends support for 10 FTEs, unchanged from prior year levels.

Nonprofit Infrastructure Capital Investment Program

The Executive Budget establishes a new \$50 million Nonprofit Infrastructure Capital Investment Program to make targeted investments in capital projects that will improve the quality, efficiency, and accessibility of eligible nonprofit human services organizations that provide direct services.

Pay for Success

The Executive proposes All Funds appropriations of \$69 million, an increase of \$16 million or 30.2 percent over SFY 2014-15. This increase would allow the Executive to provide funding for two human service initiatives, instead of just one, at amounts that are yet to be determined.

Raise the Age

The Executive includes \$25 million to support reforms related to "Raise the Age". Under the Executive proposal, the age of juvenile jurisdiction would be raised to age 17 on January 1, 2017 and age 18 on January 1, 2018. Of amounts appropriated, approximately \$12.5 million would support additional



capacity costs for OCFS secure facilities as they begin intake of 16 and 17 year olds who will no longer be housed in adult Department of Corrections and Community Supervision facilities, beginning December 1, 2015. The remaining \$12.5 million would support the development of diversion and probation services for 16 and 17 year old youth.

The Executive proposes new capital funding of \$110 million to provide additional OCFS facility capacity related to “Raise the Age” proposals.

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

- raise the lower age of juvenile jurisdiction from seven to 12 on January 1, 2018 for all offenses except homicide;
- expand Family Court jurisdiction to include youth ages 16 and 17 charged with non-violent felonies, misdemeanors, or harassment or disorderly conduct violations;
- create “Youth Parts” in a superior court to process juvenile offender cases and allow the Youth Part to hear certain cases;
- prohibit confinement of any minor in adult jail or prison, prohibit detention and placement for certain youth who are low risk, and prohibit the use of detention in PINS proceedings; and
- mandate diversion attempts for low-risk (per risk assessment) misdemeanor cases.

Division of Human Rights

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

Division of Veterans’ Affairs

The Executive proposes All Funds appropriations of \$17.5 million, an overall decrease of \$600,000 from the SFY 2014-15 level. The Executive recommends support for 98 FTEs, unchanged from the SFY 2014-15 level.

The Budget proposes an increase of \$200,000 for Supplemental Burial Benefits and a decrease of \$800,000 for various community programs supported by legislative restorations.

Office of Welfare Inspector General

The Executive proposes All Funds appropriations of \$1.16 million, which maintains SFY 2014-15 funding levels. The Executive recommends 7 FTEs which is unchanged from the SFY 2014-15 levels.



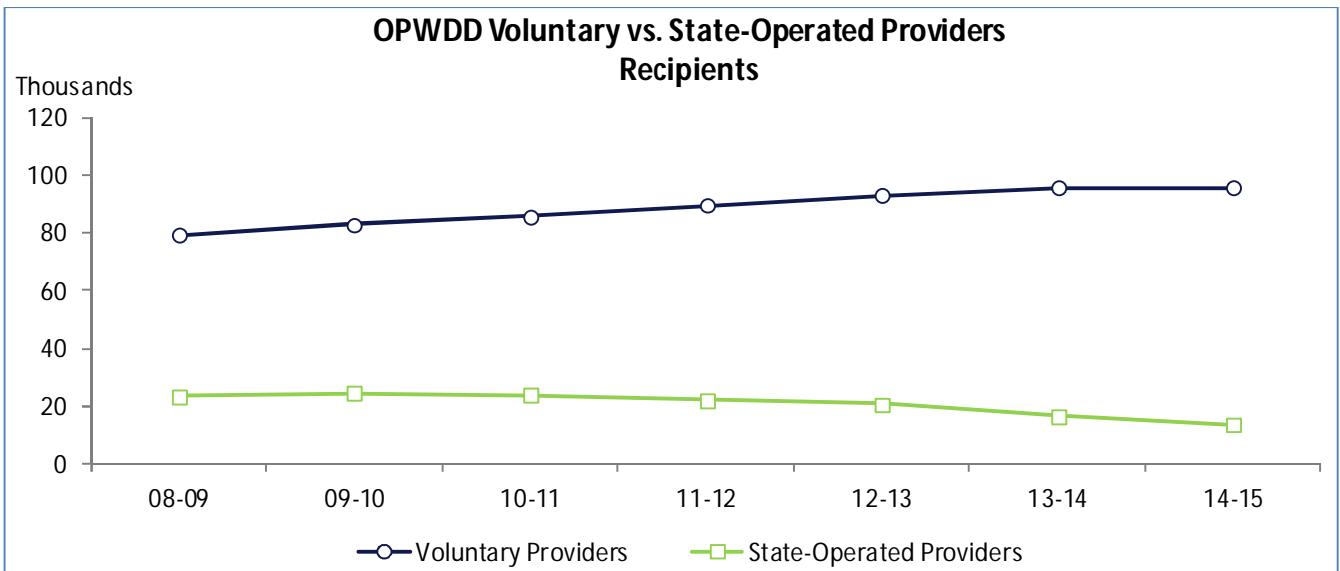
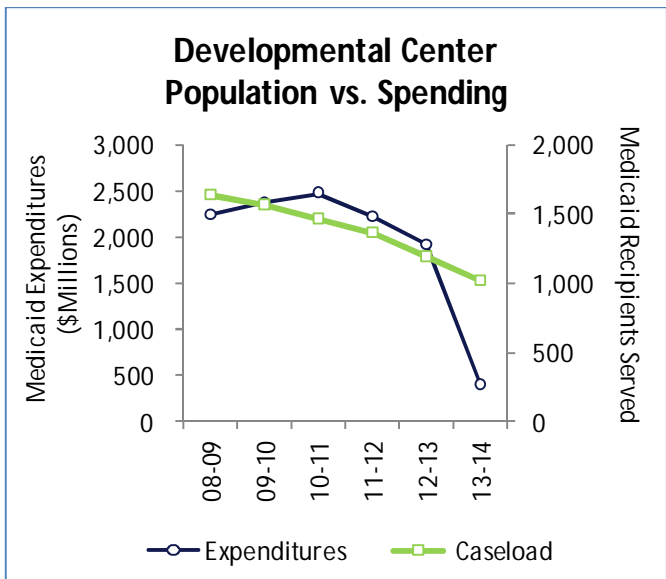
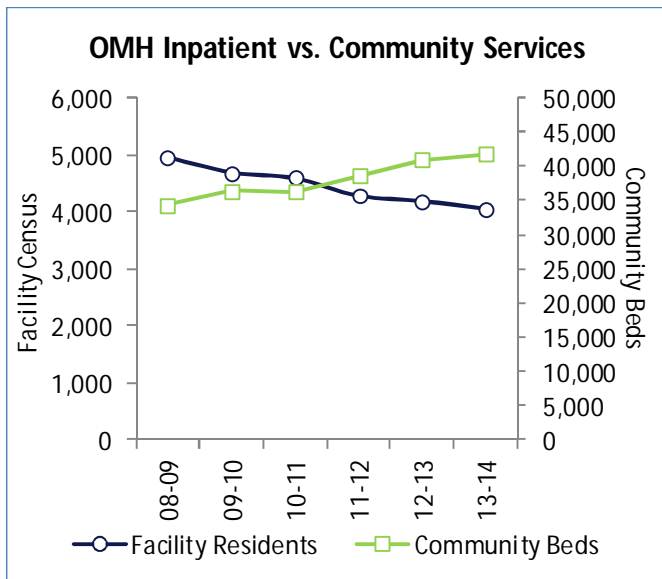
BUDGET SNAPSHOT: MENTAL HYGIENE



In SFY 2014-15, NYS psychiatric hospitals served 4,000 people, a reduction of 21,000 from 1980 levels.

More than 85% of developmentally disabled individuals receive necessary services from not-for-profit providers.

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



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

BUDGET HIGHLIGHTS: MENTAL HYGIENE



- **Cost of Living Adjustment (COLA):** The Executive Budget includes \$112 million to support the second year of a two percent COLA for direct care staff, direct support staff, clinical staff, foster parents, and adoptive parents across the various human services agencies.
- **Balancing Incentive Program (BIP):** The Executive budget includes \$245 million in time-limited federal support to assist in the transition of individuals from institutional settings to a community-based setting, including \$177 million in Office for People with Developmental Disabilities (OPWDD) services and \$68 million in Office of Mental Health (OMH) services.
- **OMH Facility Downsizing and Reinvestment:** The Executive Budget includes \$8.1 million in savings related to the elimination of 137 additional OMH State-operated inpatient beds. The Executive Budget provides \$7.5 million in community reinvestment to increase services in the areas impacted by these downsizings, which represents a re-investment of \$110,000 per bed.
- **OPWDD Service Expansions:** The Executive Budget includes an increase of \$30 million in State share support to support the creation of up to 3,500 new service slots for individuals in the community and \$6.2 million to support community-based services for 209 individuals that are transitioning out of an institutional setting.
- **Criminal Justice Mental Health Services:** The Executive Budget includes \$22 million to support enhanced services for at-risk individuals that are in or leaving a correctional facility, including supportive housing, assertive community treatment, and reduced parole officer caseloads.
- **Supportive Housing Programs:** The Executive Budget provides \$22.4 million in additional funding for supportive housing programs, including \$10 million for increased rental subsidies, \$10 million related to the creation of 1,700 new supportive housing beds for individuals with a serious mental illness, and \$2.4 million to support the addition of 80 beds for individuals suffering from substance abuse.
- **Opiate Abuse Prevention and Treatment Programs:** The Executive Budget includes \$5 million additional support for opiate abuse prevention and treatment programs, bringing total funding for these programs to \$7.8 million.

BUDGET REVIEW AND ANALYSIS: MENTAL HYGIENE



The State of New York spends approximately \$7.72 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 responsibility for tracking, investigating and pursuing serious abuse and neglect complaints related to facilities and provider agencies that are operated, certified or licensed by: OMH, OPWDD, OASAS, the Department of Health (DOH), the Office of Children and Family Services (OCFS) and the State Education Department.

Table 28

Agency	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	5-year Trend
Office for People with Developmental Disabilities	4,423.10	4,392.19	-30.91	-0.70	
Office of Mental Health	3,649.56	3,923.96	274.40	7.52	
Office of Alcoholism and Substance Abuse Services	582.18	596.50	14.32	2.46	
Department of Mental Hygiene	600.00	600.00	0.00	0.00	
Developmental Disabilities Planning Council	4.76	4.76	0.00	0.00	
Justice Center for the Protection of People with Special Needs*	49.64	54.54	4.90	9.87	

Note: 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 29

Agency	Disbursements				5-year Trend
	2014-15 (\$ in Millions)	2015-16 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Office for People with Developmental Disabilities	3,502.47	3,608.31	105.84	3.02	
Office of Mental Health	3,339.71	3,470.96	131.25	3.93	
Office of Alcoholism and Substance Abuse Services	582.09	596.08	13.99	2.40	
Department of Mental Hygiene	0	0	0.00	0.00	
Developmental Disabilities Planning Council	4.20	4.20	0.00	0.00	
Justice Center for the Protection of People with Special Needs	41.65	41.69	0.04	0.10	

Note: 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.

Cost of Living Adjustment (COLA): As a continuation of the State Fiscal Year (SFY) 2014-2015 agreement, the Executive Budget includes \$112.46 million in State share funding to support a 2 percent compensation increase for direct care staff, direct support staff, clinical staff, foster parents and adoptive parents funded by OPWDD (\$57.1 million), OMH (\$20 million), OASAS (\$6.32 million), OCFS (\$13.04 million), DOH (\$8.6 million) and the State Office for the Aging (\$7.4 million).

Balancing Incentive Program (BIP): The Executive proposal allocates \$353.23 million in federal funding under BIP program to support the service expansions and program redevelopment in both OMH and OPWDD, as outlined below:

Table 30

Balance Incentive Program (\$ in thousands)	
	2015-16 Projected Full Year
OPWDD	
Additional (Template) Funding for High Cost Individuals	\$100,090
Total Impact - eMedNY Spending	\$100,090
Transformation Fund	\$45,230
Incentivising Employment	\$23,955
DISCO Managed Care Plan Start-Up	\$12,800
Electronic Health Records	\$14,270
Transition to a Standard Reimbursement Methodology	\$12,723
Environmental Modifications	\$2,724
Family Care	\$8,400
People First Waiver- Technology	\$1,650
Center for Quality Leadership	\$2,727
Self-Direction	\$2,000
Community Fund	\$50,000
Voluntary Operated START (Crisis Intervention)	\$1,120
Total Impact - State Only Funds (MHPF)	\$177,599
State Operated START (Crisis Intervention)	\$7,700
Total Impact - State Operations	\$7,700
OPWDD Subtotal	\$285,389
OMH	
Personalized Recovery Oriented Services (PROS)	\$4,600
Community Residences (CRs)	\$6,800
Home and Community Based Services (HBCS) Waiver	\$15,360
Self-directed Care Pilot	\$1,000
Uniform Assessment System for NY (UAS-NY) Integration	\$80
Health and Recovery Plan (1915i Services)	\$40,000
OMH Subtotal	\$67,840

Office for People with Developmental Disabilities (OPWDD)

The Executive proposes an All Funds appropriation of \$4.39 billion, a decrease of \$30.91 million or 0.7 percent from SFY 2014-15. The Executive recommends the support for 18,637 full-time equivalent (FTE) positions, an increase of 50 from the SFY 2014-15 level.

Transitioning Individuals into the Community: The Executive proposes a decrease of \$69.6 million in support for state-operated facilities, reflecting \$58 million in savings from prior year census declines (407 individuals) and \$11.6 million related to the transition of an additional 249 individuals out of institutional setting and into the community. To support this transition, the Executive proposal includes \$7.1 million to support the creation of additional community-based programs.

Additional Community Based Service Expansions: The Executive Budget includes an increase of \$30 million in State share support for the creation of up to 3,500 new service slots for individuals in the community.

Other Savings Proposals: The Executive proposes \$3 million in spending reductions related to transferring additional individuals from out-of-state placements to in-state community-based services and \$6 million in reductions related to an effectiveness review of existing OPWDD programs.

State Employee Pilot Projects: The Executive proposes \$2.2 million in additional funding to support the expansion of an existing pilot program which would reassign 112 State employees to provide services in the community.

State Operations: The Executive Budget includes \$94.95 million in additional costs related to salary and fringe benefit increases, offset by \$41.42 million in savings related to overtime reductions and additional efficiencies.

The Executive proposal also includes Article VII proposals that would enact technical amendments to clarify that OPWDD has statutory authority to oversee nursing-related services in non-certified settings, such as the home of an individual with developmental disabilities, as well as the authority to engage in the corporate practice of nursing.

Office of Mental Health (OMH)

The Executive proposes All Funds appropriations of \$3.9 billion, an increase of \$274.4 million or 7.52 percent from SFY 2014-15. The Executive recommends support for 14,569 FTEs, an increase of 189 FTEs from the SFY 2014-15 level.

State Psychiatric Facility Downsizing and Reinvestment: The Executive Budget includes an \$8.1 million reduction related to the elimination of 137 beds from State–operated psychiatric facilities, in addition to the 399 beds that will be closed during SFY 2014-15. The Executive Budget provides \$7.5 million in community reinvestment to increase services in the areas impacted by these downsizings, which represents a re-investment of \$110,000 per bed. These reinvestments would be implemented prior to any bed closure and the Executive includes language to require that these beds be vacant for 90 days prior to any reduction in capacity.

Supportive Housing Programs: The Executive Budget includes \$10 million per year, for five years, to provide an increase in supportive housing rental subsidies as part of the NY/NY IV agreement. In addition, the Executive provides \$10.04 million to establish new supportive housing placements for



400 individuals transitioning out of adult homes, 100 individuals transitioning out of nursing homes and 1,200 homeless individuals under the NY/NY III agreement.

Services for Serious Mentally Ill Inmates: The Executive proposes an increase of \$19.56 million to expand services for individuals leaving prison, including: \$5.45 million to support additional assessments, enhance discharge reviews, and staff training; \$6.71 million to support discharge planning and placement in OMH facilities; and \$7.8 million to support 200 assertive community treatment slots and 400 housing units for individuals leaving prison. In addition, the Executive proposes an additional \$2 million in the Department of Corrections and Community Supervision (DOCCS) to support a reduction in parole officer caseloads.

Additional Savings Proposals: The Executive proposes \$10 million in savings related to improved commercial insurance payments related to mental health parity, \$8 million for enhanced audit recoveries, and \$2 million related to continuing program effectiveness reviews.

State Operations: The Executive proposal includes a \$39.39 million increase related to salary and fringe benefit cost increases and \$5.7 million to support the addition of 50 new Sexual Offender Management and Treatment Act (SOMTA) beds at OMH facilities.

These increases are offset by \$26.75 million in reductions related to a decrease in overtime spending and other administrative efficiencies.

Capital Projects: The Executive proposes an appropriation increase of \$223.51 million to support the reconstruction of South Beach Psychiatric Center and other ongoing facility projects.

The Executive proposal also includes Article VII proposals that would:

- extend the authority of OMH to recover Medicaid exempt income from providers of community residences;
- extend, for three years, the authority for OMH to enter into agreements with SED related to the provision of educational services to children in OMH facilities, and to modify the pilots to allow OMH to enter into agreements with boards of cooperative education services; and
- extend for three years the ability for OMH facility directors, who act as representative payees, to continue using an individual's funds for their care and treatment as outlined in federal law and regulations.

Office of Alcoholism and Substance Abuse Services (OASAS)

The Executive proposes All Funds appropriations of \$596.50 million, an increase of 14.32 million or 2.46 percent from SFY 2014-15. The Executive recommends the support for 735 FTEs, a decrease of 26 FTEs from the SFY 2014-15 level.

Expanding Community Services: The Executive proposes a \$2.39 million increase to provide for the establishment 80 new congregate care beds within the NY/NY III program. In addition, the Executive provides \$920,000 to support additional community bed development, to be supported by a 5 percent reduction in OASAS-operated inpatient addiction treatment center capacity.

Opiate Abuse Prevention and Treatment Programs: The Executive Budget includes \$5 million additional support for opiate abuse prevention and treatment programs, bringing total funding for these programs to \$7.8 million.

State Operations: The Executive budget proposes an increase of \$2.5 million, reflecting an increase in salary and fringe benefit increases.

Capital Projects: The Executive proposes an \$8.6 million increase related to the advancement of projects from the design phase to construction phase.

Justice Center for the Protection of People with Special Needs

The Executive proposes All Funds appropriations of \$54.54 million, an increase of \$4.90 million or 9.87 percent from SFY 2014-15. The Executive recommends support for 429 FTEs, an increase of 128 FTEs from the SFY 2014-15 level.

Transfer of Functions from Other State Agencies: The Executive Budget includes \$2.25 million in funding to support the Justice Center's assumption of investigative responsibility for all cases of abuse and neglect in State-operated programs as well as to deliver statewide training to law enforcement individuals to better prepare them for interviewing individuals with special needs and disabilities.

State Operations: The Executive proposal includes an increase of \$2.76 million for additional salary and fringe benefit costs offset by \$1 million related to administrative efficiencies.

Developmental Disabilities Planning Council

The Executive proposes All Funds appropriations of \$4.8 million, unchanged from the SFY 2014-15 level. The Executive recommends support for 18 FTEs, unchanged from the SFY 2014-15 level.



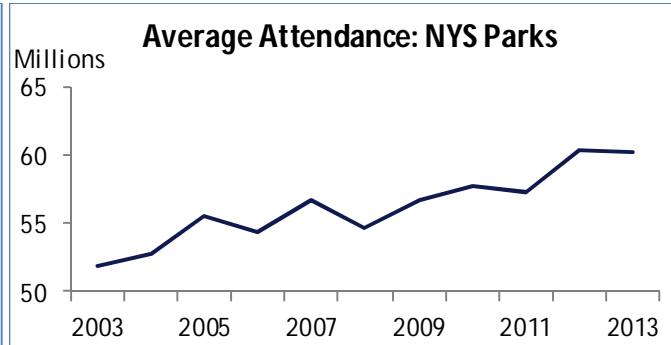
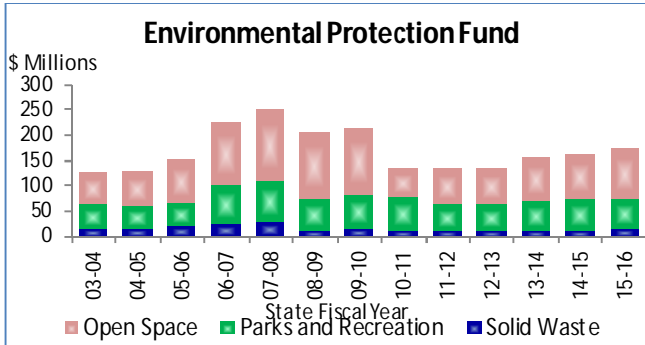
BUDGET SNAPSHOT: ENVIRONMENT, AGRICULTURE AND ENERGY



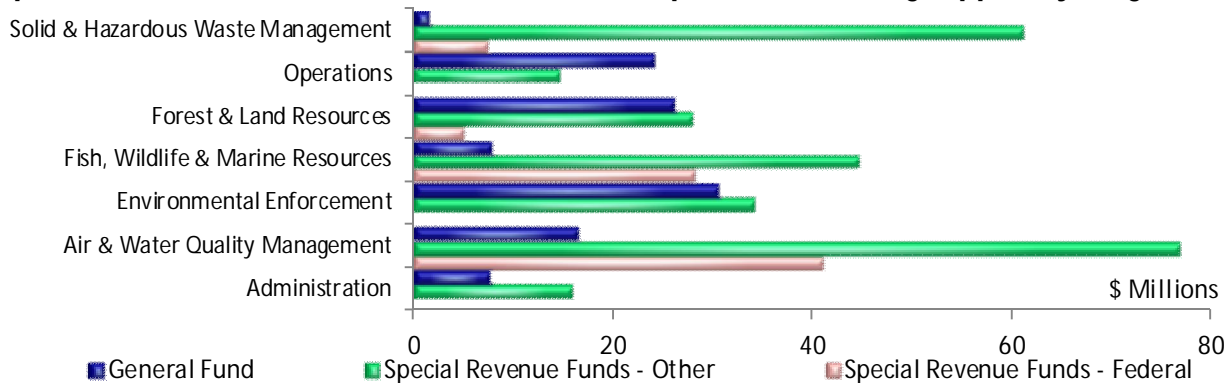
There are 36,000 farms in New York State.

There were 60 million visits to New York State Parks in 2013.

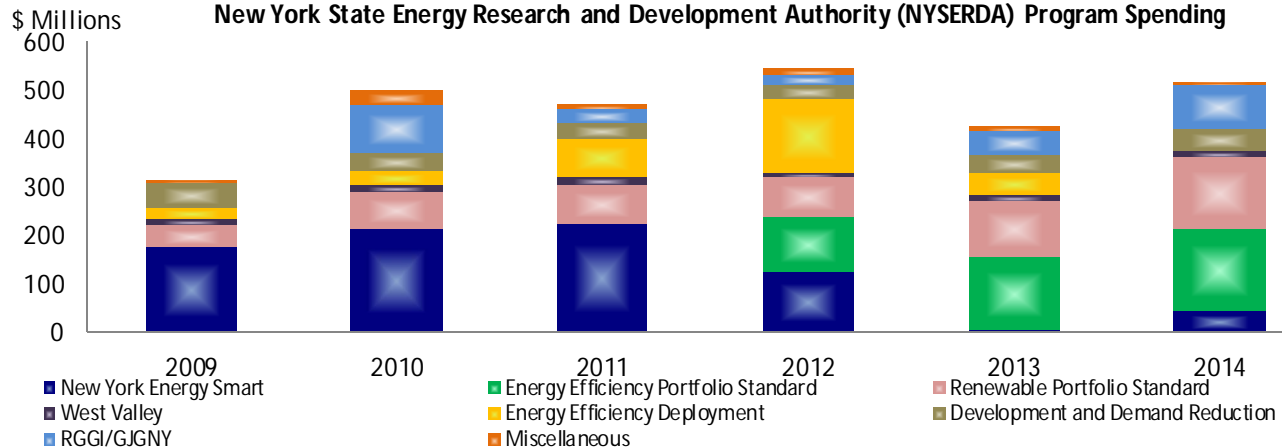
Over 19% of New York State's electrical power comes from renewable sources.



Department of Environmental Conservation State Operations Funding Support by Program Area



New York State Energy Research and Development Authority (NYSERDA) Program Spending



Sources: NYS Division of Budget, Office of Parks, Recreation, and Historic Preservation, NYSERDA.

BUDGET HIGHLIGHTS: ENVIRONMENT, AGRICULTURE AND ENERGY



- **Environmental Protection Fund (EPF) (\$172 million):** The Executive proposes to fund the EPF at \$172 million, an increase of \$10 million from State Fiscal Year (SFY) 2014-2015 levels. Appropriations include \$15.2 million for solid waste programs, \$60.2 million for parks and recreation, and \$96.6 million for open space programs.
- **Brownfield Tax Credits and State Superfund:** The Executive proposes legislation to extend and modify the Brownfield Cleanup Program for 10 years. The Executive also includes a new \$100 million appropriation to continue the State's Superfund program for one year, which would include funding for the Environmental Restoration Program (ERP).
- **Southern Tier and Hudson Valley Farm Initiative:** The Executive proposes to allocate \$50 million from the Special Infrastructure Account to help agriculture and agriculture-related businesses in the Southern Tier and Hudson Valley maintain and grow their businesses.
- **State Fair:** The Executive proposes to provide \$50 million in capital funding for capital improvements to the State Fairgrounds.
- **DEC Pollution Control Program Fee Changes:** The Executive proposal adjusts several DEC fees to raise an anticipated \$8 million in support of DEC programs.
- **Capital Improvements:** The Executive proposes \$10 million in new capital funding for the Olympic Regional Development Authority (ORDA), with \$2.5 million of this funding continuing to be provided by a New York Works appropriation in the Office of Parks, Recreation, and Historic Preservation.
- **Elimination of NYSERDA State Operations and Aid to Localities appropriations:** The Executive Budget includes legislation that would fund NYSERDA directly through existing assessments on gas and electric corporations, eliminating a state pass-through, which essentially takes NYSERDA off Budget.
- **Long Island Power Authority (LIPA):** The Executive Budget proposes allowing LIPA to refinance certain debt to reduce debt service costs.

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 consumers 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 787,000 acres of State Forests, including 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, 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, as well as accuracy in labeling. The Department also acts to preserve the use of 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, the PSC's responsibilities were expanded to include Long Island Power Authority oversight.

The New York State Energy Research and Development Authority (NYSERDA) is a public 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. Most NYSERDA programs are not included in the Executive Budget because NYSERDA is funded primarily through various off-budget revenues.

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 180 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 31

Agency	Appropriations		Change (\$ in Millions)	Change (%)	5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)			
Department of Environmental Conservation	918.05	1,037.97	119.92	0.13	
Office of Parks, Recreation and Historic Preservation	386.08	410.58	24.50	0.06	
Department of Agriculture and Markets	172.09	164.37	-7.72	-0.04	
Department of Public Service	90.16	90.16	0.00	0.00	
Energy Research and Development Authority	28.33	12.50	-15.83	-0.56	
Olympic Regional Development Authority	11.22	11.82	0.60	0.05	
Adirondack Park Agency	5.09	5.26	0.17	0.03	
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 32

Agency	Disbursements		Change (\$ in Millions)	Change (%)	5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)			
Department of Environmental Conservation	905.50	872.14	-33.35	-3.68	
Office of Parks, Recreation and Historic Preservation	292.44	306.61	14.17	4.85	
Department of Agriculture and Markets	108.56	98.67	-9.89	-9.11	
Department of Public Service	77.27	77.73	0.46	0.60	
Energy Research and Development Authority	36.26	41.23	4.97	13.71	
Olympic Regional Development Authority	10.06	3.16	-6.90	-68.58	
Adirondack Park Agency	4.64	4.64	0.00	0.00	

Department of Environmental Conservation (DEC)

The Executive Budget proposes an All Funds appropriation of \$1.04 billion, an increase of \$119.68 million, or 13 percent from the State Fiscal Year (SFY) 2014-15 level. The Executive recommends support of 2,946 Full Time Equivalent (FTE) positions, an increase of 36 positions from the SFY 2014-15 levels. Eight of these FTEs will be provided to enhance the oil spill program.

Brownfield Tax Credits and State Superfund: The Executive proposal includes a new \$100 million appropriation to continue the State's Superfund program and the Environmental Restoration Program for one year. In addition, it would extend and modify the Brownfield Tax Credits and Brownfield Cleanup Program for 10 years.

Environmental Protection Fund (EPF): The Executive Budget proposes \$172 million for the EPF, an increase of \$10 million from SFY 2014-15. Of these funds, \$13 million would be supported by the Regional Greenhouse Gas Initiative (RGGI), which is \$10 million more than last year. Appropriations include \$15.2 million for solid waste programs, \$60.2 million for parks and recreation, and \$96.6 million for open space programs.

Table 33

2015-16 Environmental Protection Fund				
(\$ in Thousands)				
	2014-15 Enacted Budget	2015-16 Executive Request	Change (\$)	% Change
SOLID WASTE				
Landfill Closure/ Gas Management	250	250	0	0.00%
Municipal Recycling	7,000	7,500	500	7.14%
Pollution Prevention Institute	3,250	3,250	0	0.00%
Secondary Marketing	1,000	1,000	0	0.00%
Environmental Justice Grants**	-	1,000	1,000	100.00%
Natural Resources Damages	1,000	1,000	0	0.00%
Pesticide Database	1,200	1,200	0	0.00%
Subtotal, Solid Waste	13,700	15,200	1,500	10.95%
PARKS & REC				
Waterfront Revitalization	12,500	12,500	0	0.00%
<i>Inner City/Underserved</i>	6,250	6,250	0	0.00%
Municipal Parks	15,500	15,750	250	1.61%
<i>Tivoli Park**</i>	-	250	250	100.00%
<i>Inner City/Underserved</i>	7,750	7,875	125	1.61%
Hudson River Park (HRP)	3,000	2,000	-1,000	-33.33%
Public Access & Stewardship	17,350	18,500	1,150	6.63%
<i>Friends Groups Capacity Grants**</i>	-	500	500	100.00%
ZBGA	11,350	11,450	100	0.88%
Subtotal, Parks & Rec	59,700	60,200	500	0.84%
OPEN SPACE				
Land Acquisition	21,650	25,500	3,850	17.78%
<i>Land Trust Alliance</i>	2,000	2,000	0	0.00%
<i>Urban Forestry</i>	1,000	1,000	0	0.00%
<i>Resiliency Planting Program*</i>	250	250	0	0.00%
Smart Growth	400	600	200	50.00%
Farmland Protection	14,000	14,000	0	0.00%
Agricultural Waste Management	1,500	1,500	0	0.00%
Biodiversity Stewardship	500	500	0	0.00%
Albany Pine Bush Commission	2,125	2,125	0	0.00%
Invasive Species	4,700	5,700	1,000	21.28%
<i>Lake George</i>	550	450	-100	-18.18%
LI Pine Barrens Commission	1,250	1,250	0	0.00%
Oceans & Great Lakes Initiative	5,050	6,050	1,000	19.80%
Water Quality Improvement Program	7,800	8,000	200	2.56%
<i>Suffolk County*</i>	3,000	3,000	0	0.00%
LI South Shore Estuary Reserve	900	900	0	0.00%
Non-Point Source Poll Control	18,700	19,000	300	1.60%
<i>Agricultural</i>	14,200	14,200	0	0.00%
<i>Non-Agricultural</i>	4,500	4,800	300	6.67%
Soil & Water Conservation Districts	4,725	5,275	550	11.64%
<i>Agricultural Climate Adaptation**</i>	-	500	500	100.00%
Finger Lake; Lake Ontario Watershed	1,500	1,500	0	0.00%
Hudson River Estuary Plan	3,800	4,700	900	23.68%
<i>Mohawk River</i>	800	800	0	0.00%
Subtotal Open Space	88,600	96,600	8,000	9.03%
TOTAL EPF	162,000	172,000	10,000	6.17%
* 14-15 New Categories				
** 15-16 New Categories				
Source: NY State Division of the Budget				

Environmental Justice Grants: The Executive proposes moving Environmental Justice grants from Aid to Localities to the EPF and increasing the appropriation from \$490,000 to \$1 million.

DEC Pollution Control Program Fee Changes: The Executive Budget includes legislation that would adjust several DEC Air and Water program fees which would raise an anticipated \$8 million to fund DEC programs. The proposed adjustments would include fees for all sources subject to the federal Clean Air Act, certain State Pollution Discharge Elimination System (SPDES) fees, and state air quality control program fees.

Natural Resources Account: The Executive proposes \$5.9 million, an increase of \$1.1 million from SFY 2014-15, to increase the number of foresters and enhance program offerings in the Forest and Land Resources Program.

Federal Conservation Fund Increase: The Executive proposes \$28 million in federal funds for fish and wildlife conservation, an increase of \$4 million.

Other Programs: The Executive proposes to eliminate funding for Waste Tire Site Mitigation (\$200,000), Invasive Species and Water Dredging (\$2 million), Sewage Right-to-Know (\$500,000), Cornell Community Integrated Pest Management (\$550,000), the Pharmaceutical Take Back Program (\$150,000), Dutch Hollow Brook Watershed (\$200,000), the Rockland Bergin Flood Mitigation Task Force (\$100,000), and the EPCAL Sewage Treatment Facility (\$5 million).

Habitat Conservation and Access Capital Account: The Executive proposes the creation of a new account with funds from the sale of lifetime fishing and hunting licenses that would be used for capital expenses for management, protection, restoration, and public access for fish and wildlife habitats.

Oil Spill Fund: The Executive proposes to increase fees associated with the Oil Spill Fund, including a license fee increase from 1 cent to 9.5 cents, and an increase in the license fee surcharge from 1.5 cents to 13.75 cents. Additionally, allowable uses of the Oil Spill Fund would be expanded to include spill prevention activities and administration of the fund would be transferred from the Office of the State Comptroller to the Department of Environmental Conservation. There would be a projected \$3 million increase in spending out of the account in SFY 2015-16.

Fee Increase for Air Pollution Sources and Water Pollutant Discharge Sources: The Executive proposes to raise Title V fees and Non-Title V fees for air pollution sources. The Non-Title V fee structure would also be modified. Some SPDES fees would also be raised. All of the fees raised would be subject to Consumer Price Index adjustments in the future.

Elimination of Water Well Drill Fee: The Executive proposes that water well drillers would no longer have to pay a fee as part of the certificate of registration process.

Office of Parks, Recreation, and Historic Preservation

The Executive Budget proposes an All Funds appropriation of \$422 million, an increase of \$24 million, or 6 percent from the SFY 2014-15 level. The Executive recommends support of 1,746 FTE positions, an increase of 12 positions from the SFY 2014-15 level. Four of these FTEs would be provided for parks recently created or taken over by New York State, including Buffalo Harbor State Park (2 FTEs), Grant Cottage (1 FTE), and Joseph Davis State Park (1 FTE). The remaining eight FTEs will be assigned to parks that have recently experienced increased visitation.

The Executive eliminates both State Operations (\$500,000) and Aid to Localities (\$500,000) funding for the National Heritage Trust.

The Executive recommends \$173.7 million in capital funding, an increase of \$25 million from the SFY 2014-15 levels reflecting a \$20 million increase in New York Works Infrastructure funding and a \$5 million increase to capital used to rehabilitate and preserve various facilities.

Department of Agriculture and Markets

The Executive Budget proposes All Funds appropriations of \$164.37 million, a decrease of \$7.71 million, or 4.5 percent from the SFY 2014-15 level. The Executive recommends support of 475 FTEs, a decrease of 1 FTE from the SFY 2014-15 level.

Agricultural Programs: The Executive Budget recommends \$18.695 million in Aid to Localities funding, a decrease of \$8.195 million from SFY 2014-15. This change is primarily due to the decrease or elimination of prior year restorations. In addition, the Executive proposes funding farm to school initiatives to help schools purchase more food from local farmers at \$250,000.

Table 34

Executive Budget 2015-16 Proposed Aid to Localities Appropriations

	Total 2014-15	Total 2015-16	\$ Change
Cornell Diagnostic Lab			
"Core" Diagnostic Lab	5,425,000	4,425,000	(1,000,000)
NYS Cattle Health Assurance Program	360,000	360,000	-
Quality Milk Production Services Program	1,174,000	1,174,000	-
Cornell University Johnes Disease Program	480,000	480,000	-
Cornell University Rabies Program	510,000	50,000	(460,000)
Cornell University Avian Disease Program	252,000	252,000	-
Other Cornell Programs			
Cornell University Agriculture in the Classroom	80,000	80,000	-
Cornell University Future Farmers of America	350,000	192,000	(158,000)
Association of Agricultural Educators	66,000	66,000	-
Cornell University Farm Family Assistance	600,000	384,000	(216,000)
Geneva Exp. St. for Seed Inspection Program	128,000	128,000	-
Hop Evaluation and Field Testing Program	200,000	40,000	(160,000)
Cornell University Golden Nematode Program	62,000	62,000	-
Integrated Pest Management	500,000	500,000	-
Cornell University Pro-dairy Program	822,000	822,000	-
Cornell University Onion Research	50,000	0	(50,000)
Cornell University Vegetable Research	100,000	0	(100,000)
Cornell University Honeybee Research	50,000	0	(50,000)
Cornell University Maple Research	105,000	0	(105,000)
Other Programs			
Ag Child Care (Migrant)	7,521,000	6,521,000	(1,000,000)
Local Fairs	500,000	340,000	(160,000)
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	-
Dairy Profit Teams/NY FVI	220,000	0	(220,000)
New York State Apple Growers Association	750,000	206,000	(544,000)
Apple Research and Development Program	500,000	0	(500,000)
Wood Products Development Council	100,000	0	(100,000)
Maple Producers Association	150,000	0	(150,000)
NY Corn and Soybean Growers Association	75,000	0	(75,000)
Tractor Rollover Protection Program	150,000	0	(150,000)
Northern NY Agricultural Development	600,000	0	(600,000)
Eastern Equine Encephalitis Program	175,000	0	(175,000)
Turfgrass Environmental Stewardship	150,000	0	(150,000)
Animal Care & Control of NYC	250,000	0	(250,000)
North Country Low-cost Rabies Vaccine	25,000	0	(25,000)
NY Christmas Tree Farmers	120,000	0	(120,000)
New York State Berry Growers	320,000	0	(320,000)
Grown on Long Island	100,000	0	(100,000)
Genesee County Ag. Academy	100,000	0	(100,000)
Island Harvest Food Bank	20,000	0	(20,000)
Taste NY	1,100,000	1,100,000	-
Farm-To-School	0	250,000	250,000
TOTAL	\$26,890,000	18,695,000	(8,195,000)

Source: NY State Division of the Budget.

Elimination of license fees: The Executive Budget includes legislation that would eliminate certain fees for food salvagers, refrigerated warehouses, disposal plants or transportation services, commercial feed manufacturers, brand name licenses, fertilizer distribution, soil or plant inoculation sales, and dealer licenses.

Special Infrastructure Funding: The Executive proposes to use \$50 million from the Special Infrastructure Account for the Southern Tier and Hudson Valley Farm Initiative to help agriculture and agriculture-related businesses maintain and grow their businesses. In addition, the Executive proposes to allocate a separate \$50 million from this Account for capital improvements to the State Fairgrounds.

Dairy Commission: The Executive proposes to establish a Dairy Commission to evaluate dairy prices, producer margins, and programs for dairy price stability and farm profitability.

Department of Public Service

The Executive Budget proposes an All Funds appropriation of \$90 million, unchanged from the SFY 2014-15 level. The Executive recommends support of 515 FTEs, an increase of 2 FTEs from the SFY 2014-15 level.

Long Island Power Authority (LIPA) Debt: The Executive Budget includes legislation that would allow LIPA to issue additional bonds to refinance its debt. The total amount of bonds available would be capped at \$4.5 billion.

Continuing Funding for Public Health Education: The Executive proposes to continue the authorization for the Department of Health to finance the public health education programs with revenues generated from an assessment on cable television companies.

NYS Energy Research and Development Authority

The Executive proposes an All Funds appropriation of \$12.5 million, a decrease of \$15.8 million, or 56 percent from the SFY 2014-15 level.

Elimination of State Operations and Aid to Localities Appropriations: The Executive Budget eliminates State Operations and Aid to Localities appropriations for NYSERDA. The Executive proposes legislation that would authorize NYSERDA to receive funds directly from existing assessments on gas and electric corporations, bypassing the state pass-through and taking the agency off-budget.



West Valley: The Executive Budget recommends \$12.5 million in capital funding for the Federal match for West Valley, a \$400,000 increase over last year. Additionally, the Executive Budget includes Article VII legislation to transfer \$913,000 from NYSERDA to the General Fund to offset New York State's debt service requirements for West Valley.

Regional Greenhouse Gas Initiative (RGGI) Transfer: The Executive Budget includes legislation that would transfer \$36 million from RGGI proceeds to fund green energy tax credits and carbon reduction programs.

Adirondack Park Agency

The Executive proposes an All Funds appropriation of \$5,263,000, an increase of \$177,600, or 3.5 percent from the SFY 2014-15 level. The Executive recommends support of 54 FTE positions, unchanged from the SFY 2014-15 level.

Olympic Regional Development Authority

The Executive proposes an All Funds appropriation of \$11.8 million, an increase of \$600,000 or 11.9 percent above the SFY 2014-15 level.

Capital: The Executive proposes \$7.5 million in new capital support for energy efficiency, lift maintenance, and other maintenance need of Olympic and ski facilities. A \$2.5 million capital appropriation under the Office of Parks, Recreation, and Historic Preservation is continued.

BUDGET SNAPSHOT: TRANSPORTATION

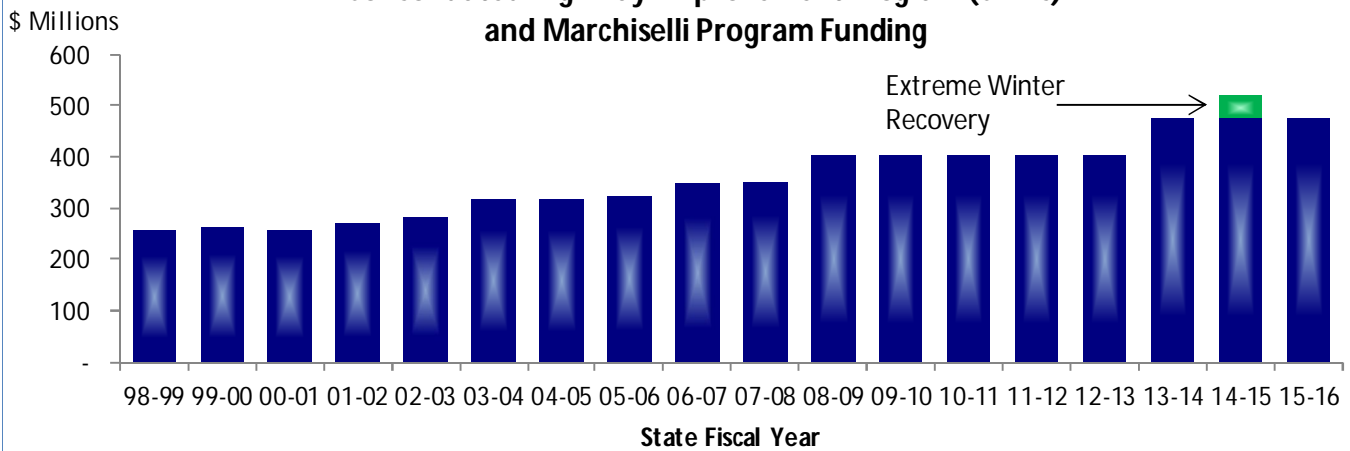


The proposed 2015-19 MTA Capital Program would cost \$32 billion.

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

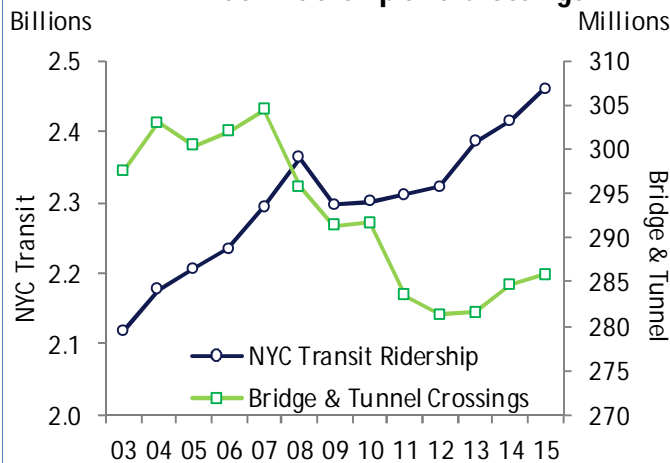
The average wait time at the DMV has decreased from approximately 60 minutes to 30 since 2013.

Consolidated Highway Improvement Program (CHIPs) and Marchiselli Program Funding



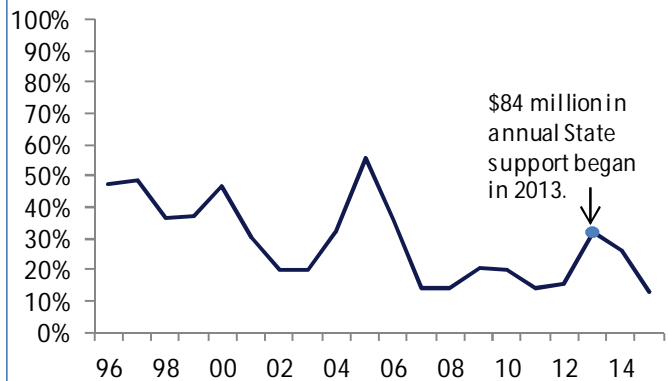
Note: In SFY 2014-15, \$40 million was distributed through the CHIPs program for extreme winter recovery.

MTA Annual Ridership and Crossings



Note: Data for 2014 and 2015 is projected.

Thruway Pay-As-You-Go Capital (as a percent of total capital expenditures)



Note: Excludes New NY Bridge Project; Data for 2014 and 2015 is projected.

Source: NYS Assembly Ways and Means Committee, Metropolitan Transportation Authority, and Jacobs Civil Consultants, Inc.

BUDGET HIGHLIGHTS: TRANSPORTATION



- **Department of Transportation (DOT) Capital Plan:** The Executive proposes Capital Plan obligations of \$3.53 billion in State Fiscal Year (SFY) 2015-16, an increase of \$110 million or 3.2 percent. This includes \$150 million for the first year of a five-year, \$750 million State and local bridge improvement initiative. The Executive proposal does not include a five-year DOT capital plan.
- **DOT Fleet Upgrade:** The Executive proposes \$50 million to fund the purchase of new snow plows and other equipment for severe winter storms.
- **Transit Operating Assistance:** The Executive proposes \$4.82 billion in support for transit systems, an increase of \$9 million over prior year levels.
- **MTA Capital Support:** The Executive proposal includes a new State contribution of \$750 million over five years to help fund the MTA's 2015-19 capital program. The Executive proposal also includes \$250 million for the MTA's Penn Access project, which will bring the Metro-North to Penn Station and add four new stations in the Bronx.
- **Thruway Capital Support:** The Executive proposal includes a new capital appropriation of \$1.285 billion to fund the replacement of the Tappan Zee Bridge as well as other Thruway improvements.
- **Dedicated Funds Transfer:** The Executive proposal would redirect \$20 million of dedicated mass transit funding to pay debt service costs associated with previously issued Metropolitan Transportation Authority (MTA) bonds.
- **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. The Executive does not continue funding of \$40 million for extreme weather recovery that was distributed through the CHIPS program in SFY 2014-15.
- **Design-build:** The Executive proposes to permanently authorize design-build contracting and to extend it to all State agencies and public authorities.

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. State Fiscal Year (SFY) 2014-15 marks the end of a two-year, \$7.1 billion capital program including support for local government highway and bridge construction, CHIPs, rail, and aviation projects. DOT also supports 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 54 percent since 1995 and in 2014 reached an all-time high of 2.7 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 over 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.

In addition, the Thruway Authority 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 35

Agency	Appropriations		Change (\$ in Millions)	Change (%)	5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)			
Department of Transportation	10,203.09	9,990.86	-212.23	-2.08	
Metropolitan Transportation Authority	2,303.64	3,086.64	783.00	33.99	
Department of Motor Vehicles	318.41	324.94	6.53	2.05	
New York State Thruway Authority	26.00	21.50	-4.50	-17.31	

Table 36

Agency	Disbursements		Change (\$ in Millions)	Change (%)	5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)			
Department of Transportation	9,106.01	8,636.41	-469.60	-5.16	
Metropolitan Transportation Authority	183.23	512.17	328.94	179.52	
Department of Motor Vehicles	309.36	305.48	-3.88	-1.25	
New York State Thruway Authority	25.80	25.80	0.00	0.00	

Department of Transportation

The Executive proposes All Funds appropriations of \$9.99 billion, a decrease of \$212 million or 2.1 percent from the SFY 2014-15 level. The Executive recommends funding support of 8,304 full-time equivalent (FTE) positions, which is a reduction of 33 from the SFY 2014-15 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.

Table 37

Special Infrastructure Account: Transportation	
(\$ in Millions)	
	SFY 2015-16
Thruway Stabilization Program: to help fund the Tappan Zee Bridge replacement, Bus Rapid Transit across the bridge, and other Thruway Authority needs across the State.	1,285.0
MTA Penn Station Access Project: to bring the Metro-North Railroad into Penn Station and add four new stations in the Bronx.	250.0
Structured Parking: to create space for transit-oriented development around commuter rail stations on Long Island and in Westchester Counties.	150.0
Statewide Transportation Infrastructure: for unspecified transit, rail, port and aviation projects (within the \$115 million appropriation for Statewide Infrastructure Improvements, including \$50 million for the State Fairgrounds).	65.0
DOT Fleet Upgrade: for the purchase of new snow plows and other equipment for severe winter storms (within the \$150 million appropriation for emergency response).	50.0
Total	1,800.0

Transit Assistance: The Executive proposes \$4.82 billion in support for transit systems, which is an increase of \$9 million from SFY 2014-15. Of this amount, \$4.36 billion is directed to the MTA, which is an increase of \$9 million or 0.2 percent from SFY 2014-15. New this year, the Executive proposes using an additional \$121.5 million from dedicated mass transit operating revenues for mass transit capital projects. Of this amount the MTA would receive \$104 million, bringing the MTA's total State cash assistance to \$4.46 billion. This funding comprises 31 percent of the MTA's 2015 annual budget of \$14.384 billion, compared to 32 percent in SFY 2014-15.

The Executive also proposes a new State contribution of \$750 million in bonding authority, over five years, to help fund the MTA's 2015-19 capital program. The State's previous contribution to the MTA's 2010-14 capital program was \$770 million over three years. 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 which exempted certain entities from the requirement to pay such tax.

The Executive recommends the redirection of \$20 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 2014-15, \$30 million was redirected for the same purpose, as was \$20 million the year before.

The Executive proposal includes appropriation language to specify that the Verrazano Narrows Bridge Staten Island Resident Rebate Program and its companion Commercial Rebate Program will be

discontinued after the enactment of the budget, if at least 50 percent of program costs are not supported by “sources available to the legislature”.

Of the \$4.82 billion in total transit operating assistance, \$179 million is for upstate transit systems and \$286 million is for non-MTA downstate transit systems, reflecting no change from prior year levels. Of the \$121.5 million in capital mass transit support the Executive proposes, non-MTA downstate transit systems would receive the remaining \$17.4 million, bringing their total cash support to \$303.5 million.

Table 38

Executive Proposal: Transit Operating Assistance				
Cash Disbursements				
(\$ in Millions)				
	SFY 2014-15	SFY 2015-16		
	Enacted	Executive	\$ Change	% Change
	Budget	Proposal		
MTA				
NYC Transit Authority	1,748.5	1,731.3	-17.2	-1.0
Commuter Rail (MNR & LIRR)	650.6	647.8	-2.8	-0.4
MTA (Payroll Mobility Tax & Other)	1,947.3	1,976.2	28.9	1.5
MTA Total	4,346.4	4,355.3	8.9	0.2
Non-MTA Downstate Systems				
Nassau	62.8	62.8	0.0	0.0
NYC DOT	82.7	82.7	0.0	0.0
Rockland	3.2	3.2	0.0	0.0
Staten Island Ferry	31.0	31.0	0.0	0.0
Suffolk	24.4	24.4	0.0	0.0
Westchester	51.9	51.9	0.0	0.0
FORMULAS	30.0	30.0	0.0	0.0
Non-MTA Downstate Systems Total	286.1	286.1	0.0	0.0
Upstate Systems				
Capital District Transportation Authority (CDTA)	32.1	32.1	0.0	0.0
Central New York Regional Transportation Authority (CNYRTA)	29.3	29.3	0.0	0.0
Niagara Frontier Transportation Authority (NFTA)	46.3	46.3	0.0	0.0
Rochester Genesee Regional Transportation Authority (RGRTA)	33.6	35.6	2.0	5.9
FORMULAS	37.3	35.4	-2.0	-5.3
Upstate Systems Total	178.7	178.7	0.0	0.0
Transit Operating Assistance Total:	4,811.2	4,820.0	8.9	0.2

The small increase in transit operating assistance for RGRTA and the accompanying decrease in the FORMULAS line reflect a merger between Ontario County’s transit system and RGRTA.

DOT Capital Plan: The Executive proposes Capital Plan obligations of \$3.53 billion in SFY 2015-16, an increase of \$110 million or 3.2 percent. It includes a road and bridge capital construction program,

including consultant engineering, worth \$2.03 billion for SFY 2015-16. Other major components of the \$3.53 billion Capital Plan include \$478 million for CHIPs and Marchiselli, \$408 million for State Forces Engineering, and \$367 million in preventive maintenance. The Executive does not continue funding of \$40 million for extreme weather recovery that was distributed through the CHIPs program in SFY 2014-15. The Executive proposal does not include a five-year DOT capital plan.

Table 39

DOT Capital Plan (On an Obligations Basis) (\$ in Millions)						
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Construction Contracts, Consultant Engineering, Right of Way	2,231.4	2,045.2	3,118.3	2,125.0	1,934.0	2,029.0
State Forces Engineering	385.8	374.0	373.0	394.0	410.0	408.0
Preventive Maintenance	265.5	295.9	303.4	322.0	354.0	367.0
Administration	100.0	99.0	99.0	89.0	76.0	81.0
CHIPs/Marchiselli	402.8	402.8	402.8	478.0	478.0	478.0
Rail, Aviation, Non-MTA Transit, Misc.	167.3	232.5	195.9	241.0	163.0	163.0
Total	3,552.8	3,449.3	4,492.4	3,649.0	3,415.0	3,526.0

The plan reflects a \$375 million New York Works appropriation, which will provide:

- \$150 million for the first year of a five-year, \$750 million State and local bridge improvement initiative;
- \$155 million to accelerate DOT projects of regional significance;
- \$45 million to fund engineering services;
- \$10 million for freight rail;
- \$10 million for aviation; and
- \$5 million to support non-MTA mass transit.

Dedicated Highway and Bridge Trust Fund (DHBTf): The DOT capital plan is funded largely from the DHBTf. The DHBTf itself is funded through dedicated transportation taxes and fees (including those collected by the DMV), as well as bond proceeds, federal funds and a General Fund transfer. The DHBTf has a projected funding shortfall of \$694 million in SFY 2015-16 which is \$32 million lower than in SFY 2014-15 and partially closed with \$686 million transfer from the General Fund.

Table 40

Dedicated Highway and Bridge Trust Fund (\$ in Millions)

	SFY 2014-15 Projection	SFY 2015-16 Projection	\$ Change	% Change
Receipts				
Dedicated Taxes (including Motor Vehicle Fees, Petroleum Business Tax, Motor Fuel Tax, Highway Use Tax, Auto Rental Tax, Corporation & Utility Tax)	1,967.9	1,952.6	(15.3)	(0.8%)
Miscellaneous Receipts (primarily bond proceeds)	707.6	633.7	(73.8)	(10.4%)
Transfers from Federal Funds	380.9	291.3	(89.6)	(23.5%)
Transfers from General Fund	726.4	694.3	(32.2)	(4.4%)
Transfers from other Funds	2.3	1.8	(0.5)	(22.9%)
Total Receipts	3,785.1	3,573.6	(211.5)	(5.6%)
Disbursements				
Road and Bridge Capital Construction Program Administration	701.4	630.0	(71.4)	(10.2%)
State Forces Engineering	78.9	75.0	(3.9)	(4.9%)
Consultant Engineering	394.6	406.6	12.0	3.0%
DOT Operations	137.9	133.6	(4.3)	(3.1%)
DMV Operations	700.5	687.0	(13.5)	(1.9%)
DMV Operations	195.6	189.7	(5.9)	(3.0%)
Total Disbursements	2,208.8	2,121.8	(87.0)	(3.9%)
Transfers Out				
Transfers for ITS	39.8	50.9	11.1	27.8%
Transfer for State Debt Service	888.8	914.4	25.6	2.9%
Transfer for Local Debt Service (CHIPS)	528.3	486.5	(41.8)	(7.9%)
Total Disbursements	3,665.7	3,573.6	(92.1)	(2.5%)

The \$89.6 million decrease in the Federal funds transfer does not reflect a reduction in Federal funding, it is explained by the timing of federally reimbursed engineering services. The \$71.4 million decrease in the Road and Bridge Capital Construction Program is offset by the \$150 million New York Works appropriation for the State and local bridge improvement initiative. The \$119.4 million surplus in SFY 2014-15 would reduce, from \$149 million to \$30 million, the deficit carried over from SFY 2013-14.

State Operations Appropriations: The Executive proposes All Funds State Operations appropriations of \$33.11 million, reflecting no change from the SFY 2014-15 level.

The Executive also includes the following Article VII proposals:

- to permanently authorize design-build contracting and to extend it to all State agencies and public authorities including SUNY and CUNY. Design-build contracting authority expired on December 9, 2014;



- to repeal the one-time, \$50 Intrastate Authority Application fee paid by motor carriers of passengers and property such as trucking companies, movers, ambulette providers, and charter bus operators, and to authorize a new \$100 fee for DOT inspections of vehicles transporting more than eleven passengers in commerce, but excluding school and transit buses;
- to adjust State Transit Operating Assistance (STOA) funding to accommodate the merger of the Ontario County transit system and the Rochester-Genesee Regional Transportation Authority (RGRTA);
- to create the Transit Assistance for Capital Investments Fund to support the capital needs of the MTA and non-MTA downstate transit systems;
- to extend the authorization to defer reductions in STOA payments to rural transit systems that would otherwise result from changes in Medicaid-related transportation services;
- to authorize shared services agreements between DOT and the Thruway Authority; and
- to increase toll evasion penalties and enforcement tools for the MTA, Thruway Authority, Bridge Authority, and Port Authority. The legislation would extend the maximum financing term for bus purchases made by municipal transit systems from five to ten years.

Department of Motor Vehicles:

The Executive proposes All Funds appropriations of \$324.9 million, an increase of \$6.5 million or 2 percent above the SFY 2014-15 level. The Executive recommends funding support of 2,159 FTEs, a reduction of 42 positions and \$3 million in personal service expenses.

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. The DMV appropriations are as follows:

Table 41

Department of Motor Vehicles Appropriations (\$ in Thousands)					
	2013-14 Enacted	2014-15 Enacted	2015-16 Executive	\$ Change	% Change
Administration Program					
DMV Seized Asset Account	400	400	400	0	0.0%
Federal Seized Asset Account	1,000	1,000	1,000	0	0.0%
Banking Service Account	15,000	5,300	5,300	0	0.0%
Administrative Adjudication Program					
Administration Adjudication Account	44,261	41,754	42,189	435	1.0%
Clean Air Program					
Mobile Source Account	24,642	19,162	19,162	0	0.0%
Compulsory Insurance Program					
Compulsory Insurance Account	17,657	14,687	14,758	71	0.5%
Governor's Traffic Safety Committee					
Highway Safety Research and Development	13,426	13,626	13,839	213	1.6%
Highway Safety Programs	20,880	21,200	21,400	200	0.9%
Highway Safety Research & Development	4,800	4,800	5,500	700	14.6%
Transportation Safety Program					
Motorcycle Safety Account	1,736	1,499	1,628	129	8.6%
Internet Point Insurance Reduction Program Account	664	669	512	(157)	(23.5%)
SUBTOTAL	144,466	124,097	125,688	1,591	1.3%
Capital (Transportation Support)	205,759	194,314	199,255	4,941	2.5%
Total	350,225	318,411	324,943	6,532	2.1%

The Executive proposes DMV operations appropriations of \$199.3 million, an increase of \$4.9 million or 2.5 percent from fees deposited into the DHBTF.

The Executive also includes the following Article VII proposals:

- to permanently authorize the DHBTF and the Dedicated Mass Transportation Trust Fund (DMTTF) to receive revenues generated by the DMV, and to permanently authorize funding the operations of the DMV from the DHBTF;
- to adjust the process for obtaining an overweight vehicle permit; and
- to address federal commercial driver learner's permit requirements.

Thruway Authority:

The Executive proposes All Funds appropriations of \$21.5 million, a decrease of \$4.5 million from the SFY 2014-15 level. The Authority's \$2 billion annual budget is funded primarily through various off-budget revenues, mostly tolls. Most programs are therefore not included in the Executive Budget, with two exceptions. The first is a State Operations appropriation of \$21.5 million, a reduction of \$2.5 million from SFY 2014-15. The second is a Capital appropriation to the Canal Development Program which was discontinued in the Executive proposal. The appropriation was \$2 million in SFY 2014-15. The reduction of \$4.5 million is fully offset by an increase in the personnel costs of the Division of State Police which patrols the Thruway. Overall State assistance to the Thruway Authority is therefore unchanged from last year at \$85 million.

The Executive also includes the following Article VII proposals:

- to authorize shared services agreements between DOT and the Thruway Authority; and
- to reduce a state operations appropriation from \$24 million to \$21.5 million.

Metropolitan Transportation Authority:

In September 2014, the MTA proposed a \$32 billion 2015-19 Capital Program which had a \$15.2 billion funding gap. The Executive vetoed the MTA's capital program and proposed, in the Executive budget, a new State contribution of \$750 million to help fund the MTA's five year program. This proposal represents a decrease of \$20 million from the State's previous contribution to the MTA's 2010-14 capital program of \$770 million over three years. The MTA is expected to resubmit a new five year capital plan by the end of SFY 2014-15.

The Executive proposes contingency appropriations of \$2.3 billion, an increase of \$33 million from the SFY 2014-15 budget. This contingency appropriation can be used to support operating costs as well as debt service payments for the MTA in SFY 2016-17 in the event that the state budget for that fiscal year is not enacted by April 1, 2016.

The Executive also includes the following Article VII proposal:

- to extend the authorization for procurement methods such as Request for Proposals (RFPs) for four years.

New York Work Task Force:

The Executive proposes a State Operations appropriation of \$850,000 for the New York Works Task Force, a reduction of \$150,000 from SFY 2014-15. The New York Works Task Force coordinates capital infrastructure plans across State agencies and authorities.



BUDGET SNAPSHOT: ECONOMIC DEVELOPMENT

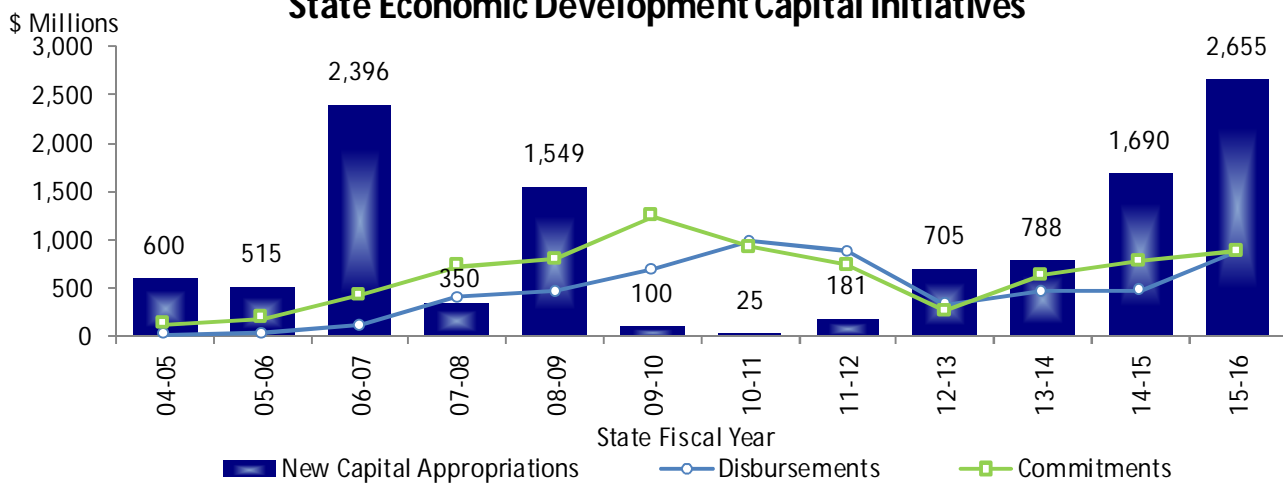


New York State ranks second in the nation in academic research and development investment.

STARTUP-NY has approved 15 private institutions designating nearly 409,000 square feet of space for private development.

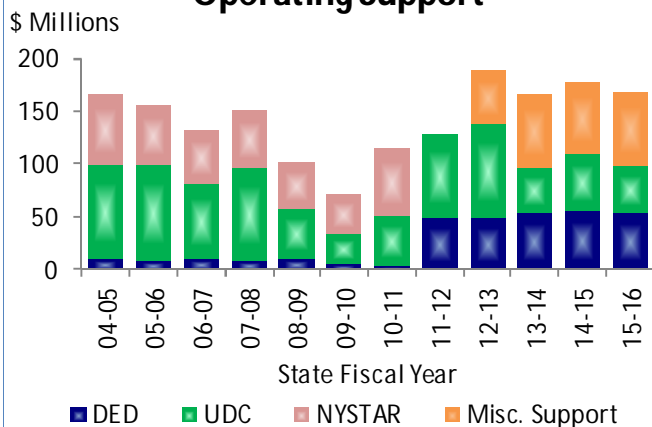
New York State currently has 8,894 MWBE business certifications.

State Economic Development Capital Initiatives

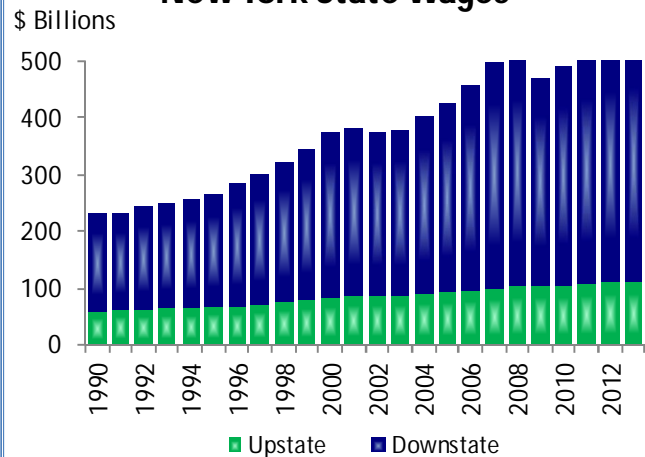


Note: Includes amounts made available through the ESDC and Miscellaneous Capital Appropriations.

Economic Development Operating Support



New York State Wages



Sources: 2004-2014 Enacted Budgets; 2015-16 Executive Budget; 2005-2015 Executive Budget Five-Year Capital Program and Financial Plans; U.S. Bureau of Labor Statistics; New York State Department of Labor.

BUDGET HIGHLIGHTS: ECONOMIC DEVELOPMENT



- **New Capital Initiatives:** The Executive provides \$1.89 billion in appropriations for capital project investments throughout the State. This reflects a \$584.78 million increase over the prior year.
- **Upstate Revitalization Initiative:** The Executive proposes \$1.5 billion, consisting of three \$500 million grants awarded competitively, for upstate revitalization. This initiative would utilize the existing Regional Economic Development Council structure to develop regional investment plans that identify existing assets, highlight needs and recommend investment areas. Seven regions would be eligible to compete, including: Capital Region, Central New York, Finger Lakes, Mid-Hudson, Mohawk Valley, North Country and Southern Tier.
- **New York Power Electronics Manufacturing Consortium:** The Executive proposes \$33.5 million as a part of a multi-year \$135 million commitment to develop and commercialize the use of wide bandgap power electronic devices.
- **Binghamton University School of Pharmacy:** The Executive proposes \$25 million, coupled with a \$25 million State University of New York appropriation, to construct a new School of Pharmacy at the University.
- **New NY Broadband Fund:** The Executive proposal includes \$500 million to expand rural broadband access that is expected to generate a private-sector 1:1 match for a total of \$1 billion.
- **Statewide Infrastructure Improvements:** The Executive provides \$115 million, which would include \$50 million for NY State Fair improvements, as well as support for other various economic development projects.
- **Transit-oriented Development Projects:** The Executive proposes \$150 million to supplement support for the development of structured parking facilities at Ronkonkoma and Nassau Hubs.

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 42

Agency	Appropriations		Change (\$ in Millions)	Change (%)	5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)			
Urban Development Corporation	1,357.75	1,932.71	574.96	42.35	
New York State Gaming Commission*	114.55	146.23	31.68	27.66	
Department of Economic Development**	81.67	80.07	-1.60	-1.96	
Council on the Arts	41.68	46.88	5.20	12.48	

Note: *The Racing and Wagering Board and the Division of Lottery merged into the New York State Gaming Commission as part of the enacted SFY 2012-13 Budget.
 **The Foundation of Science, Technology and Innovation (NYSTAR) merged into the Department of Economic Development as part of the enacted SFY 2011-12 Budget.

Table 43

Agency	Disbursements				5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Urban Development Corporation	721.18	948.47	227.29	31.52	
New York State Gaming Commission*	185.11	224.95	39.84	21.52	
Department of Economic Development**	98.45	101.80	3.35	3.40	
Council on the Arts	47.57	40.57	-7.00	-14.72	

Note: *The Racing and Wagering Board and the Division of Lottery merged into the New York State Gaming Commission as part of the enacted SFY 2012-13 Budget.
 **The Foundation of 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 All Funds appropriations of \$1.93 billion, an increase of \$574.96 million, or 42.35 percent from the State Fiscal Year (SFY) 2014-15 level.

Capital: The Executive proposes Capital Projects appropriations of \$1.89 billion, an increase of \$584.78 million, or 44.81 percent from the SFY 2014-15 level. These amounts will support the initiatives enumerated in the table below.

Table 44

Economic Development Capital Initiatives (\$ in Thousands)			
Category/Item	2014-15 Enacted	2015-16 Exec. Request	\$ Change
Upstate Revitalization Initiative	0	1,500,000	1,500,000
Regional Economic Development Councils	150,000	150,000	0
NY-SUNY/CUNY 2020 Challenge Grant Programs	110,000	110,000	0
New York Works Economic Development Fund	0	45,000	45,000
New York Power Electronics Manufacturing Consortium	0	33,500	33,500
Binghamton University School of Pharmacy	0	25,000	25,000
Cornell University College of Veterinary Medicine	5,000	19,000	14,000
Clarkson-Trudeau Partnership	10,000	5,000	(5,000)
Western NY Football Retention Efforts	2,195	2,223	28
Buffalo Regional Innovation Cluster	680,000	0	(680,000)
Nano Utica	180,000	0	(180,000)
New York Genome Center	55,750	0	(55,750)
SUNY College of Nanoscale Science and Engineering	50,000	0	(50,000)
Economic Transformation Program	32,000	0	(32,000)
Onondaga County Revitalization Projects	30,000	0	(30,000)
Funding Total	1,304,945	1,889,723	584,778

Regional Economic Development Councils (REDC): The Executive Budget provides \$150 million for a fifth round of REDC competitive awards, and \$70 million in Excelsior Tax Credits designated for this same purpose. To date, the Executive has announced four rounds of REDC awards totaling \$2.9 billion to create or retain approximately 150,000 jobs.

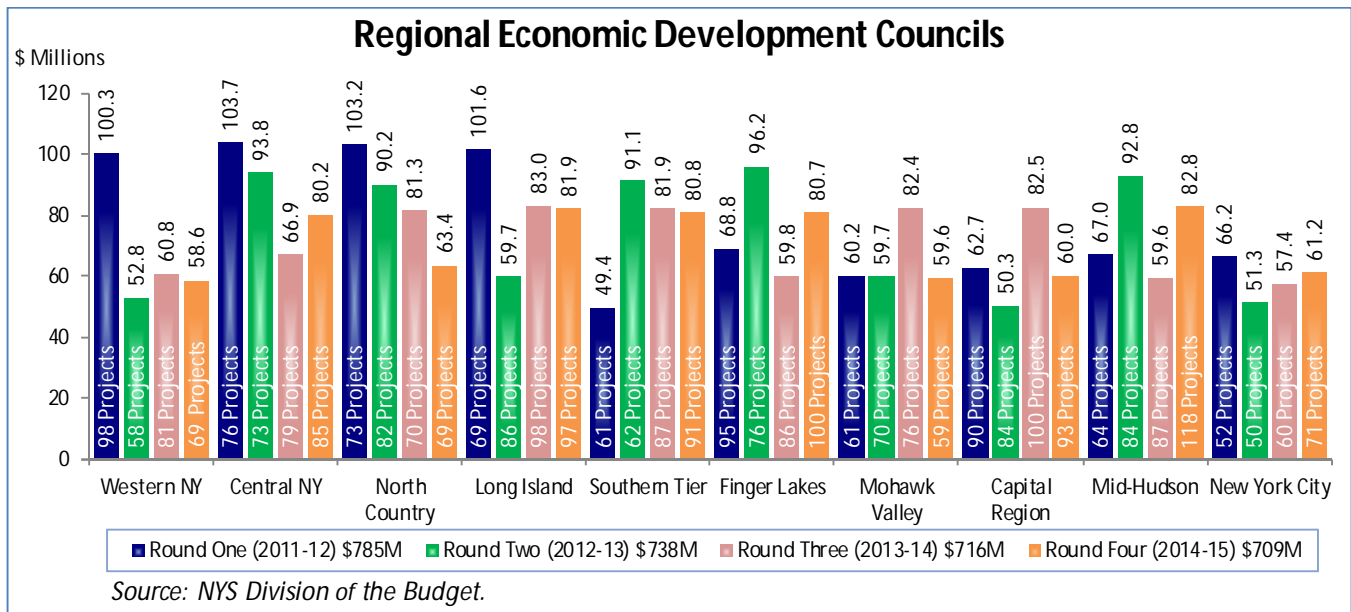


Figure 3

Colleges/Universities: The Executive provides a total of \$159 million in economic development capital for collegiate initiatives, including \$110 million for the continuation of the SUNY/CUNY 2020 competitive grant program, \$25 million to construct the Binghamton University School of Pharmacy, \$19 million for the upgrade and expansion at the Cornell University College of Veterinary Medicine, and \$5 million to support the Clarkson-Trudeau Partnership to promote biotechnology research and development.

New York Power Electronics Manufacturing Consortium: As part of a multi-year \$135 million commitment, the Executive proposes \$33.5 million to develop and further upgrade the materials used on semiconductors. A public/private partnership with SUNY Polytechnic Institute and General Electric would produce low cost, high performance 6 silicon carbide (SiC) wafers to allow power devices to become smaller, faster and ultimately more efficient. The consortium would be supported by the START-UP NY initiative and would attract at least 500 jobs in the Capital Region and a five-year investment of \$500 million.

Western New York Football: The Executive also provides a total of \$6.73 million for the retention of the Buffalo Bills in Western New York.

Economic Development Funds: The Executive proposes \$45 million in capital funding through the New York Works Economic Development Fund and maintains \$31.18 million in operating support for the Empire State Economic Development Fund.

Department of Economic Development

The Executive proposes All Funds appropriations of \$80.07 million, a decrease of \$1.54 million, or 1.88 percent from the SFY 2014-15 level. The Executive recommends support for seven Full Time Equivalent (FTE) positions, in an effort to support an initiative aimed at increasing Minority- and Women-Owned Business Enterprise (MWBE) participation in State contracting from 25 percent to 30 percent.

High Technology Programs: The Executive proposes to maintain prior year funding of \$32.46 million for various high technology programs, which include: \$13.82 million for the Centers for Advanced Technology and \$8.72 million for all ten Centers of Excellence.

New York State Hot Spots and Incubators: The Executive provides \$5 million to support 15 existing Hot Spots and Incubators, an increase of \$1.25 million from the prior year. Hot Spots designations have not yet been announced for the following regions: Capital District, Long Island, Mid-Hudson, Mohawk Valley and New York City.

New York State Tourism: The Executive maintains funding of \$8.5 million for the I Love NY Program and \$5 million for the Market NY Program to support tourism marketing efforts. The Executive also proposes \$50 million in capital funding for New York State Fair redevelopment and improvements.

Other Initiatives: The Executive proposes a \$90 million sweep from the New York Power Authority to provide support for a fourth, \$50 million allocation for the Open for Business marketing campaign/START-UP NY promotion, \$20 million for various economic development initiatives and \$20 million for General Fund relief. Within the \$20 million designation for various economic development initiatives lies multi-year funding to create a new Global NY Development Fund and continued support for the NYS Innovation Venture Capital Fund. The Global NY Development Fund would provide loans and grants to assist small- and medium-sized businesses with export and international trade opportunities.

The Executive Budget includes \$500 million to expand rural broadband access through a New NY Broadband Program. This would allow for broadband speeds of at least 100 Mbps at the lowest cost across the state. Each Regional Economic Development Council would submit funding plans, and the program is expected to generate an equivalent private-sector match for a total of \$1 billion investment.



New York State Gaming Commission

The Executive proposes All Funds appropriations of \$146.23 million, an increase of \$31.7 million, or 27.7 percent from the SFY 2014-15 level.

Commercial Gaming Revenue: The Executive proposes a new appropriation of \$34.2 million for counties and municipalities for commercial casino gaming. The Upstate New York Gaming and Economic Development Act of 2013, which authorized up to four Upstate destination gaming resorts in three defined regions of the State, provides for 10 percent of revenues from commercial gaming licenses fees to be split evenly between the host city and the host county with an additional 10 percent to counties in which a casino is located. Allocations are as follows:

Table 45

Host Aid		Regional Aid	
<i>Municipality</i>	<i>Amount</i>	<i>Region</i>	<i>Amount</i>
Monticello	\$ 5,100,000	Catskill/Hudson Valley	\$ 5,100,000
Schenectady	\$ 5,000,000	Capital Region	\$ 5,000,000
Tyre	\$ 7,000,000	Southern Tier	\$ 7,000,000
Total	\$ 17,100,000	Total	\$ 17,100,000

The Executive proposes Article VII language that would:

- extend the video lottery gaming vendor's capital awards program and certain pari-mutuel tax rates and simulcast provisions for one year;
- expand electronic gaming offerings at Video Lottery Gaming Facilities. The proposal expands the definition of "video lottery gaming" to make games that combine elements of chance and skill; and
- extend the term of the Reorganization Board of the New York Racing Association, Inc. from three to four years.

Administration: The Executive proposes a shift of funding source for various programs from the General Fund. As a result, the Executive Budget includes an increase of \$6.97 million in the General Fund, offset by Special Revenue Funds decreases totaling \$9.5 million, resulting in a net decrease of \$2.5 million. The net decrease is attributable to the fact that fringe benefits are now appropriated centrally.

Council on the Arts

The Executive proposes All Funds appropriations of \$46.88 million, an increase of \$5.2 million, or 12.5 percent from the SFY 2014-15 level. The Executive recommends support for 2 FTE positions, an increase from the SFY 2014-15 level.

Arts Grants: The Executive proposes an additional \$5 million to further support Local Assistance Arts Grants to local non-profit arts organizations.



BUDGET SNAPSHOT: PUBLIC PROTECTION

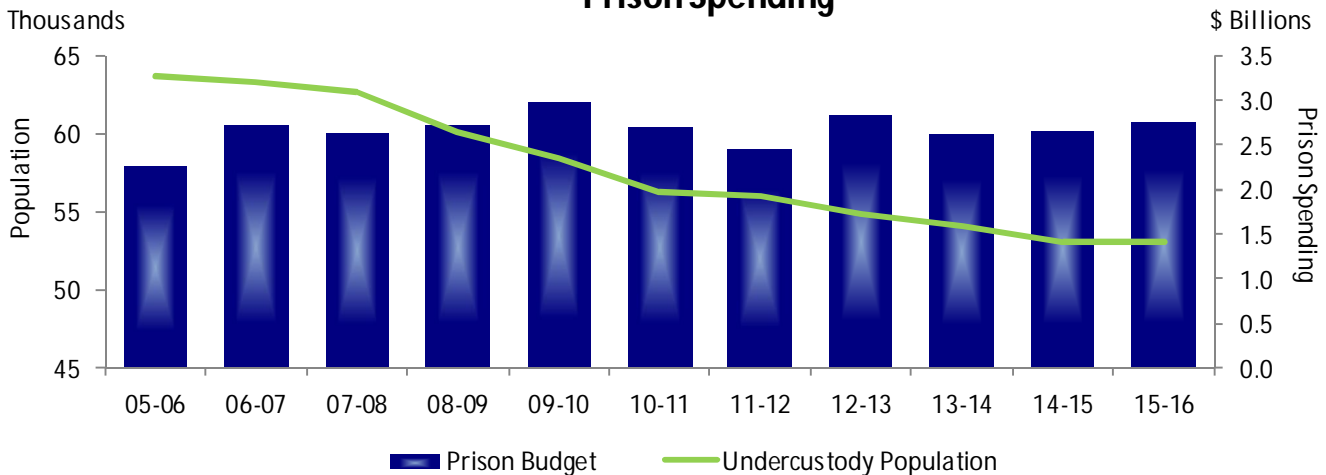


Over the past five years, 13 prisons have been closed to reflect a continued reduction in the prison population.

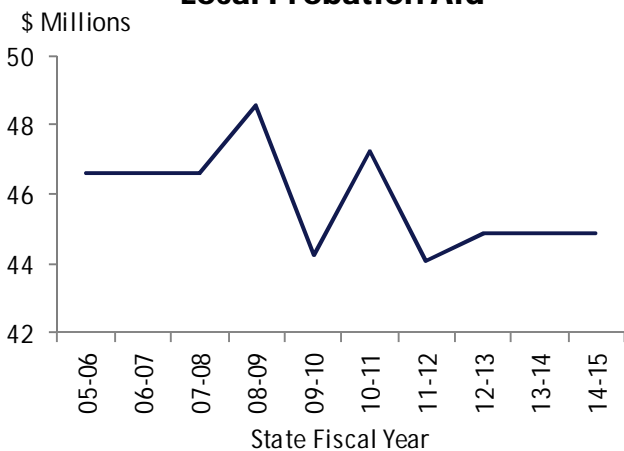
New York's prison population has been reduced from 71,600 in 1999 to approximately 53,200 today.

Currently, there are 97 youths age 16 and 17 in DOCCS facilities and 1,815 under the age of 21.

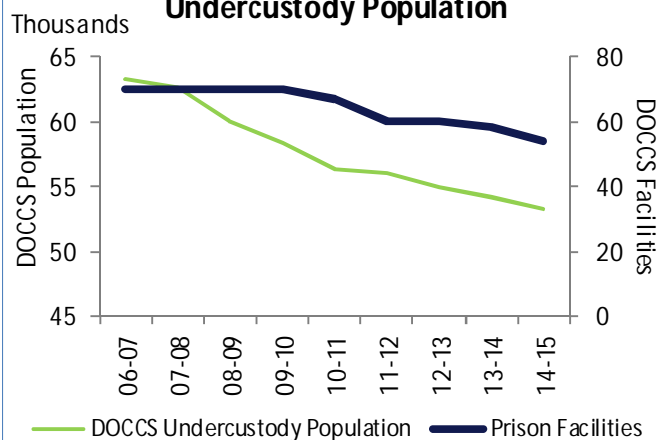
NYS Undercustody Population vs. Prison Spending



Local Probation Aid



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



- **Raise the Age of Juvenile Jurisdiction:** The Executive Budget provides \$25 million to support the development of diversion and probation services for 16 and 17 year olds who will be transitioned into the juvenile justice system over a multi-year period, beginning in December 1, 2015. Under the Executive proposal, juvenile jurisdiction would be raised to age 17 on January 1, 2017 and to age 18 on January 1, 2017.
- **Grand Jury Reform:** The Executive Budget would establish an independent monitor, appointed by the Governor, to review cases in which a police officer or peace officer is accused of causing the death of an unarmed civilian in the line of duty.
- **Indigent Legal Services Settlement:** The Executive Budget includes \$4 million in additional funding for the Office of Indigent Legal Services to implement the Hurrell-Harring settlement agreement, including support for a caseload tracking system; grants to improve legal services in the affected counties; defense counsel for indigent clients at arraignment; and additional oversight staff.
- **Emergency Preparedness and Response Activities:** The Executive proposal includes \$150 million to support preparedness and disaster response efforts, including \$40 million to continue the National Guard's Joint Task Force Empire Shield and to support the deployment of 300 additional uniformed officers at New York City train stations.
- **Enhanced Training for Oil Spill Preparedness:** The Executive proposal would provide \$1.9 million to the Office of Fire Prevention and Control to provide staff, training, and equipment related to state and local oil spill fire response activities.
- **State Operations Response Management System:** The Executive proposal provides \$15 million to support the establishment of a statewide emergency management and response network to promote the coordination of state and local disaster response.

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), Division of Military and Navy Affairs (DMNA), Office of Indigent Legal Services (ILS), Office of Victim Services (OVS), Office for the Prevention of Domestic Violence (OPDV), New York Interest on Lawyers Account (IOLA), State Commission of Correction (SCOC), and Judicial Commissions.

In total, these agencies work to promote public safety and ensure that the state is prepared to respond to emergencies. 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 and ensure fair representation within our court system and that our citizen's legal interests are protected.

Table 46

Agency	Appropriations		Change (\$ in Millions)	Change (%)	5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)			
Department of Corrections and Community Supervision*	2,833.09	2,946.09	113.00	3.99	
Division of Homeland Security and Emergency Services	1,030.85	935.35	-95.50	-9.26	
Division of State Police	681.91	704.21	22.30	3.27	
Division of Criminal Justice Services	262.89	251.69	-11.20	-4.26	
Department of Law	314.45	226.05	-88.40	-28.11	
Division of Military and Naval Affairs	115.92	117.51	1.59	1.37	
Office of Victim Services	75.66	111.62	35.96	47.53	
Office of Indigent Legal Services	82.90	86.90	4.00	4.83	
Interest on Lawyer Account	46.84	46.84	0.00	0.00	
Judicial Commissions	5.55	5.55	0.00	0.00	
Office for the Prevention of Domestic Violence	4.94	4.94	0.00	0.00	
State Commission of Correction	2.89	2.89	0.00	0.00	

*In 2011-12, The Department of Correctional Services and Division of Parole were merged into the Department of Corrections and Community Supervision.

Table 47

Agency	Disbursements				5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Department of Corrections and Community Supervision	2,893.64	2,934.49	40.85	1.41	
Division of Homeland Security and Emergency Services	2,615.19	2,368.33	-246.86	-9.44	
Division of State Police	690.17	708.19	18.02	2.61	
Department of Law	222.23	228.77	6.54	2.94	
Division of Criminal Justice Services	254.21	226.09	-28.12	-11.06	
Division of Military and Naval Affairs	134.08	111.24	-22.84	-17.03	
Office of Victim Services	66.90	68.82	1.92	2.87	
Office of Indigent Legal Services	51.91	67.91	16.00	30.82	
Judicial Commissions	5.55	5.55	0.00	0.00	
Office for the Prevention of Domestic Violence	2.28	2.28	0.00	0.00	
State Commission of Correction	2.65	2.65	0.00	0.00	

Department of Corrections and Community Supervision

The Executive proposes All Funds appropriations of \$2.95 billion, an increase of \$113 million or 3.99 percent from the State Fiscal Year (SFY) 2014-15 level. The Executive recommends support for 28,919 Full Time Equivalent (FTE) positions, an increase of 98 FTEs from the SFY 2014-15 level.

Workforce: The Executive provides an additional \$113 million to support an additional institutional pay period in SFY 2015-16 (\$75 million) and negotiated salary increases (\$35.65 million). These increases would be offset by \$31.6 million in savings related to reduced overtime and vacancy controls. The Executive proposal would hire 156 new program staff to fill critical agency needs.

Services for Seriously Mentally Ill Inmates: The Executive proposes an additional \$2 million to support the addition of 25 new parole officers to reduce caseloads for high needs individuals, from 25 parolees per officer to 15 parolees per officer. In addition, the Executive proposes an increase of \$19.56 million in the Office of Mental Health, to expand services for individuals leaving prison, including: \$5.45 million to support additional assessments, enhanced discharge reviews, and staff training; \$6.71 million to support discharge planning and placement in OMH facilities; and \$7.8 million to support 200 assertive community treatment (ACT) slots and 400 supported housing units for individuals leaving prison.

Hepatitis C Drugs: The Executive Budget provides an additional \$24 million in funding for the treatment of inmates who have been diagnosed with Hepatitis C, which is estimated to cost \$80,000 to \$90,000 per patient.

Medical Parole for Certain Non-Violent Offenders: The Executive recommends Article VII language that would allow the DOCCS Commissioner to make the final determination regarding medical parole for terminally ill inmates who have been convicted of non-violent crimes. The proposal is estimated to save \$1 million annually in inmate health care costs.

Division of Criminal Justice Services

The Executive proposes All Funds appropriations of \$251.69 million, a decrease of \$11.21 million or 4.26 percent from the SFY 2014-15 level. The Executive recommends support for 436 FTE positions, an increase of 9 FTEs from the SFY 2014-15 level.

Local Program Assistance: The Executive proposes the elimination of \$15.43 million in General Fund support for various programs.

Legal Services Assistance Fund (LSAF) Allocations: The Executive reduces aggregate LSAF appropriations by \$80,000 as detailed below:

Table 48

DCJS LSAF Allocations		
(\$)		
Program	SFY 2014-15	SFY 2015-16
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	2,830,000	-
Prisoners Legal Services	2,200,000	1,000,000
Domestic Violence Related Legal Services	950,000	-
Indigent Parolee Program	600,000	-
Various Civil and Criminal Legal Services	-	5,500,000
Grand Total	14,194,000	14,114,000

Raise the Age of Juvenile Jurisdiction: The Executive Budget provides \$25 million to support the development of diversion and probation services for 16 and 17 year olds who will be transitioned into the juvenile justice system over a multi-year period, beginning in December 1, 2015. Under the Executive proposal, juvenile jurisdiction would be raised to age 17 on January 1, 2017 and to age 18 on January 1, 2018.

Criminal Justice System Reform: The Executive recommends Article VII language that would:

- create an Executive-appointed “independent monitor” to review evidence and grand jury proceedings when a grand jury does not indict a police or peace officer who allegedly caused the death of an unarmed person while acting in his or her official capacity;
- allow district attorneys to produce a grand jury report when a grand jury dismisses charges or declines to return an indictment in such cases;
- establish an expedited appeals process to the Court of Appeals in cases where the Appellate Division declined a change of venue motion;
- require annual reports from state law enforcement agencies to DCJS that include information on violation and misdemeanor arrests, the number of instances when such arrests may have resulted in the death of a civilian, and demographic information on the subject of each appearance ticket or summons issued by that agency;
- establish a “use of force” policy for State and local law enforcement agencies created by the Municipal Police and Training Council;
- require that every application for a search warrant include information on whether a warrant application had been previously submitted to another judge, and if so, the result of the previous submission; and
- amend current law to grant more limited “use immunity,” rather than “transactional immunity,” when a witness is compelled to testify in a legal proceeding, including the grand jury.

Division of Homeland Security and Emergency Services

The Executive proposes All Funds appropriations of \$935.36 million, a decrease of \$95.5 million or 9.26 percent from the SFY 2014-15 level. The Executive recommends support for 444 FTE positions, an increase of 11 FTEs from the SFY 2014-15 level.

Equipment for High Crime Areas: The Executive proposal includes \$60 million to support the purchase of equipment purchases by local police departments located in high crime areas, including funding for new and replacement body cameras and bullet proof vests for uniformed officers, as well as bullet-proof glass for police vehicles.



Counterterrorism Activities: The Executive proposal includes \$40 million for counter-terrorism activities, including the National Guard's Joint Task Force Empire Shield; the deployment of 300 additional uniformed officers at New York City train stations; the convening of an International Security Task Force of terrorism experts; and performing a comprehensive audit of the state's existing preparedness and prevention efforts.

Emergency Vehicle Purchase: The Executive proposal includes an investment of \$50 million in emergency vehicles, high axle vehicles, and additional snow plows. These assets would be tracked using a new GPS system, to better coordinate deployments in conjunction with local partners.

Emergency Responder Course: The Executive Budget includes \$3.2 million in new funding to continue offering a citizens emergency preparedness course, in collaboration with the National Guard. Since its establishment in SFY 2014-15, in-person training has been provided to 37,800 citizens and 2,800 have completed online coursework in emergency preparedness. This funding would support the Executive's goal to train 100,000 citizens by the conclusion of SFY 2015-16.

Enhanced Training for Oil Spill Preparedness: The Executive proposal would provide \$1.9 million to the Office of Fire Prevention and Control to hire six new fire training specialists and to establish training programs for local fire departments in combating oil spills. The Executive proposal would also support the purchase of emergency equipment and supplies related to State and local responses to oil spills.

State Operations Response Management System: The Executive proposal provides \$15 million to support the establishment of a statewide emergency management and response network, which would include new protocols, business processes, and enterprise solutions. Local governments would be trained on new processes, and systems development would be supported through the State's existing IT Innovation Capital Fund.

Hurricane Sandy Recovery: The Executive's SFY 2015-16 financial plan assumes \$3.4 billion over the next three years in federal aid related to Superstorm Sandy.

Capital Projects: The Executive proposal includes \$15 million in Capital Project appropriation for SFY 2015-16, which is a decrease of 89 percent from SFY 2014-15. Under the Executive proposal, the establishment of College of Emergency Preparedness, Homeland Security and Cybersecurity and the Statewide Interoperability Program will be supported primarily by prior year appropriation amounts.

Division of State Police

The Executive proposes All Funds appropriations of \$704.21 million, an increase of \$22.3 million or 3.27 percent from the SFY 2014-15 level. The Executive recommends support for 5,537 FTE positions, a decrease of 95 FTEs from the SFY 2014-15 level.

Workforce: The Executive proposal includes \$6.3 million to support the August 2014 class of Troopers. The Executive also includes Article VII language that would authorize the transfer of State Police employees engaged in certain finance and human resource functions to the Office of General Services (OGS) as part of the centralization of such functions within OGS's Business Services Center.

Capital Projects: The Executive proposal includes \$2 million in health and safety alterations and improvements; a new \$18 million for the replacement of essential equipment and vehicles; \$5.5 million for the preservation of existing facilities; and a new \$6 million for the design and construction of a Forensic/Evidence Storage Facility in Genesee County.

Department of Law

The Executive proposes All Funds appropriations of \$226.06 million, a decrease of \$88.4 million or 28.11 percent from the SFY 2014-15 level. The Executive recommends support for 1,833 FTE positions, unchanged from the SFY 2014-15 level.

Technology Projects: The Executive Budget provides \$1 million in capital support to continue critical technology projects for the Department which includes upgrading the phone system and case management system.

Division of Military and Navy Affairs

The Executive proposes All Funds appropriations of \$117.51 million, an increase of \$1.59 million or 1.37 percent from the SFY 2014-15 level. The Executive recommends support for 344 FTE positions, unchanged from the SFY 2014-15 level.

Office of Indigent Legal Services

The Executive proposes All Funds appropriations of \$86.9 million, an increase of \$4 million or 4.83 percent from the SFY 2014-15 level. The Executive recommends support for 19 FTE positions, an increase of 8 FTEs from the SFY 2014-15 level.



Indigent Legal Services Settlement: The Executive Budget includes \$4 million in additional funding for implementation of the *Hurrell-Harring* settlement agreement, including: \$500,000 to support 8 FTEs to implement the terms of the agreement; \$500,000 for the acquisition and development of a caseload tracking system to be used by the five counties named in the settlement (Onondaga, Ontario, Schuyler, Suffolk, and Washington); \$2 million for grants to improve legal services in the affected counties; and \$1 million to provide indigent clients with defense counsel at arraignment.

Office of Victim Services

The Executive proposes All Funds appropriations of \$111.63 million, an increase of \$35.96 million or 47.53 percent from the SFY 2014-15 level. The Executive recommends support for 74 FTE positions, unchanged from the SFY 2014-15 level.

The Executive Budget transfers \$1.89 million in grants for rape crisis centers from the Department of Health to the Office of Victim Services. The Executive also proposes a \$27 million increase in federal appropriations for victim and witness assistance grants.

Office for the Prevention of Domestic Violence

The Executive proposes All Funds appropriations of \$4.94 million, unchanged from the SFY 2014-15 level. The Executive recommends support for 28 FTE positions, unchanged from the SFY 2014-15 level.

New York Interest on Lawyer Account

The Executive proposes All Funds appropriations of \$46.84 million, unchanged from the SFY 2014-15 level. The Executive recommends support for 8 FTE positions, unchanged from the SFY 2014-15 level.

Commission of Correction

The Executive proposes All Funds appropriations of \$2.89 million, unchanged from the SFY 2014-15 level. The Executive recommends support for 32 FTE positions, unchanged from the SFY 2014-15 level.

Judicial Commissions

The Executive proposes All Funds appropriations of \$5.55 million, unchanged from the SFY 2014-15 level. The Executive recommends support for 50 FTE positions, unchanged from the SFY 2014-15 level.

BUDGET SNAPSHOT: LOCAL GOVERNMENTS

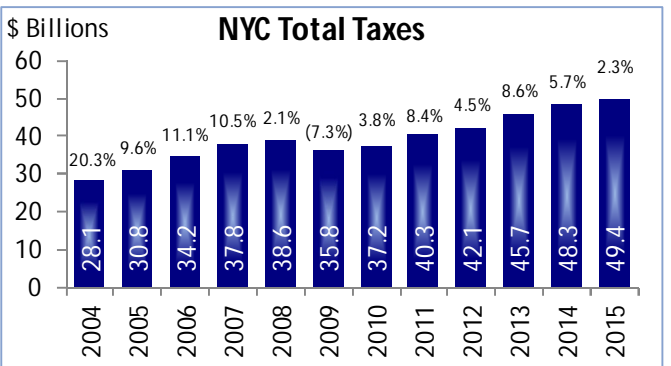
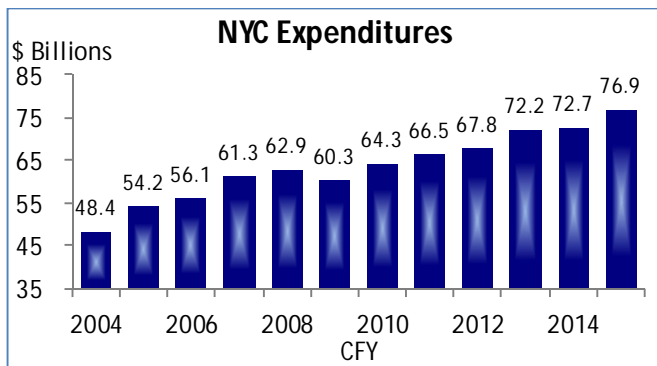
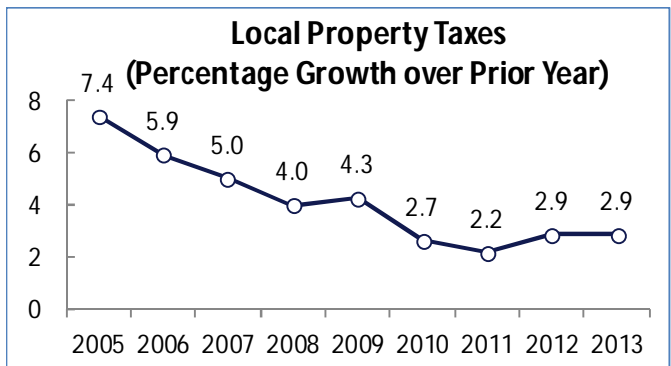
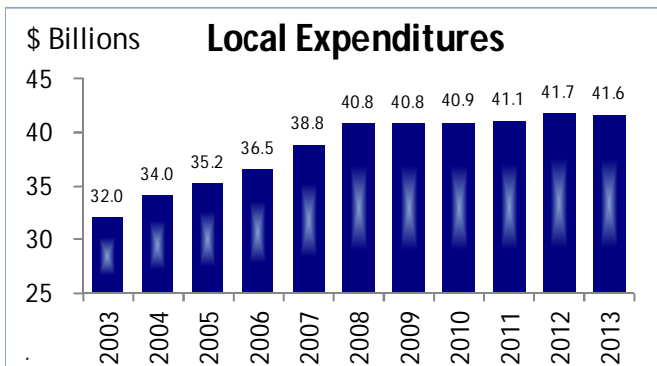
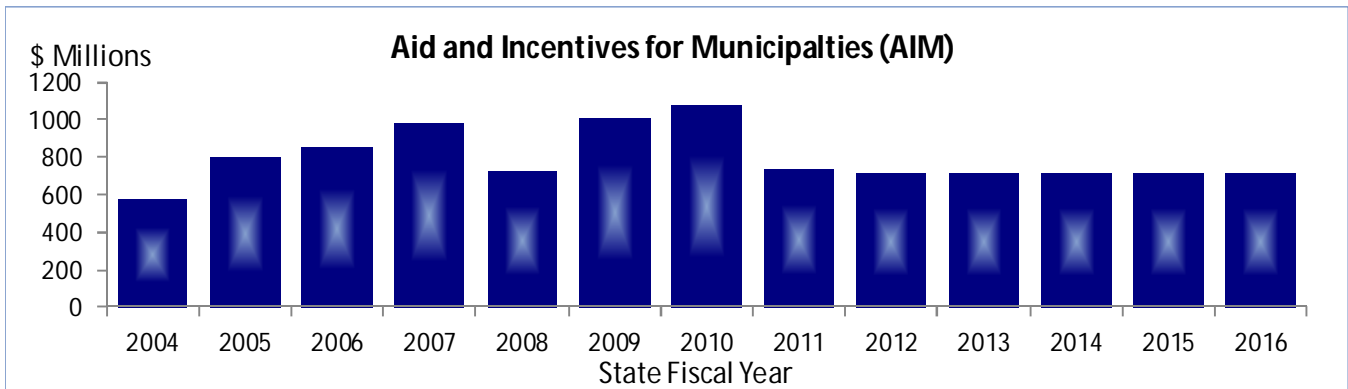


2014 Tax Caps Overridden:
16 counties
18 cities
230 towns
165 villages

Eligible Financial Restructuring Board Municipalities:
8 counties
44 cities
149 towns
188 villages

Maintains AIM Funding of \$715 million in SFY 2015-16

OSC Municipal Stress Monitoring System:
Significant stress: 14
Moderate stress: 12
Susceptible to stress: 24



Sources: NYS Division of the Budget, NYC Comptroller CAFR, NYC OMB, NYS Comptroller.

BUDGET HIGHLIGHTS: LOCAL GOVERNMENT



- **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 2015-16. 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 2014-15, a total of \$80 million will be available for distressed municipalities.
- **Video Lottery Terminal (VLT) Aid:** The Executive appropriates \$27.2 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. This represents a \$2.08 million decrease from 2014-15 budget year.
- **Special Infrastructure:** The Executive provides \$ 150 million, for the implementation of local government and school district shared services cooperation agreements, mergers, and other actions that permanently reduce operational costs and property tax burdens.

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 to assist fiscally eligible municipalities in financial distress.

Table 49

Agency	Appropriations		Change (\$ in Millions)	Change (%)	5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)			
Aid and Incentives for Municipalities	794.00	794.00	0.00	0.00	
Municipalities with VLT Facilities	29.20	27.20	-2.00	-6.85	
Miscellaneous Financial Assistance	9.90	0.00	-9.90	-100.00	
Small Government Assistance	0.22	0.22	0.00	0.00	

Table 50

Agency	Disbursements		Change (\$ in Millions)	Change (%)	5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)			
Aid and Incentives for Municipalities	737.01	738.16	1.15	0.16	
Municipalities with VLT Facilities	29.30	27.20	-2.10	-7.17	
Miscellaneous Financial Assistance	7.90	0.40	-7.50	-94.94	
Small Government Assistance	0.22	0.22	0.00	0.00	



Aid & Incentives for Municipalities (AIM)

The Executive Budget for State Fiscal Year (SFY) 2015-16 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 2015-16, 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 51

2015-16 Executive Budget---Aid and Incentives for Municipalities Proposal

Municipality	Amount	Municipality	Amount
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
Cities Total			647,093,629
Towns			47,783,780
Villages			19,854,292
Total			714,731,701

Source: NYS Division of the Budget.

Consolidations, Dissolutions, and Financial Restructuring Board

The Executive provides appropriation and reappropriation authority of \$80 million to support the Local Government Performance and Efficiency Grant Program and the 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 and would be subject to a \$5 million cap.

Financial Restructuring Board: The Financial Restructuring Board can make loans or grant awards of up to \$5 million to 389 fiscally eligible municipalities that accept the Board's recommendations. Municipalities are eligible if they meet one of the following two conditions: a city, town, county, and village, outside of New York City, with an average full value property tax rate greater than the average full value property tax rate of 75 percent of the other municipalities, or has a fund balance which is less than five percent of the municipal budget.

The Financial Restructuring Board has offered its recommendations to the villages of Wilson, Fulton, and Fishkill. The Board is expected to provide recommendations to the Cities of Rome, North Collins, Albany, Rochester and Jamestown. The Board is also likely to schedule a meeting to accept pending applications from the City of Utica, and the Village of Owego.

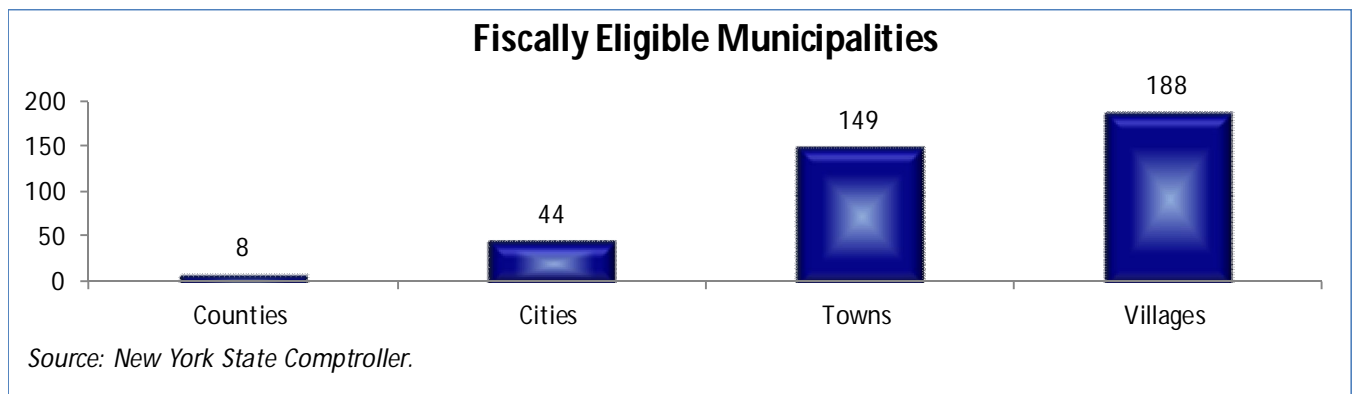


Figure 4

Citizens Reorganization Empowerment Grants and Citizen Empowerment Tax Credits: The Executive Budget provides funding for the Citizens Reorganization Empowerment grants of up to \$100,000 per local government to cover costs associated with studies, plans and implementation efforts related to local government reorganization activities. The Citizen Empowerment Tax Credits grants provide an annual additional aid to municipalities that consolidate or dissolve in an amount equal to 15 percent of the newly combined municipal tax levy. A minimum of 70 percent of such aid must be used for property tax relief. These grants would share a \$35 million appropriation.

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.

Municipal Restructuring - Transformational Grants: The Executive proposes \$150 million Capital Projects appropriation, for the implementation of local government and school district shared services cooperation agreements, mergers, and other actions that permanently reduce operational costs and property tax burdens. This appropriation authority can also be used to provide funding to local governments and school districts for similar purposes of the Local Government Efficiency Grant Program, the Citizen Empowerment Tax Credit, Local Government Performance and Efficiency program and Financial Restructuring Board, which are in the Aid to Localities Budget.

Video Lottery Terminal (VLT) Aid

The Executive propose funding to hosts VLT municipalities \$27.2 million, returning to the SFY 2013-14 funding level or a decrease of \$2.1 million. These funds help localities that host Video Lottery Terminal facilities to address potential costs associated with operating these facilities or any other expense.

Table 52

Aid to Municipalities with Video Lottery Terminal (VLT) Facilities	
(\$ Thousands)	
Yonkers	19,600
Batavia Downs	630
Fairgrounds (Buffalo)	907
Finger Lakes	1,860
Monticello	970
Saratoga	2,436
Vernon Downs	492
Tioga Downs	350
Total	27,245
<i>Source: New York State Division of Budget</i>	

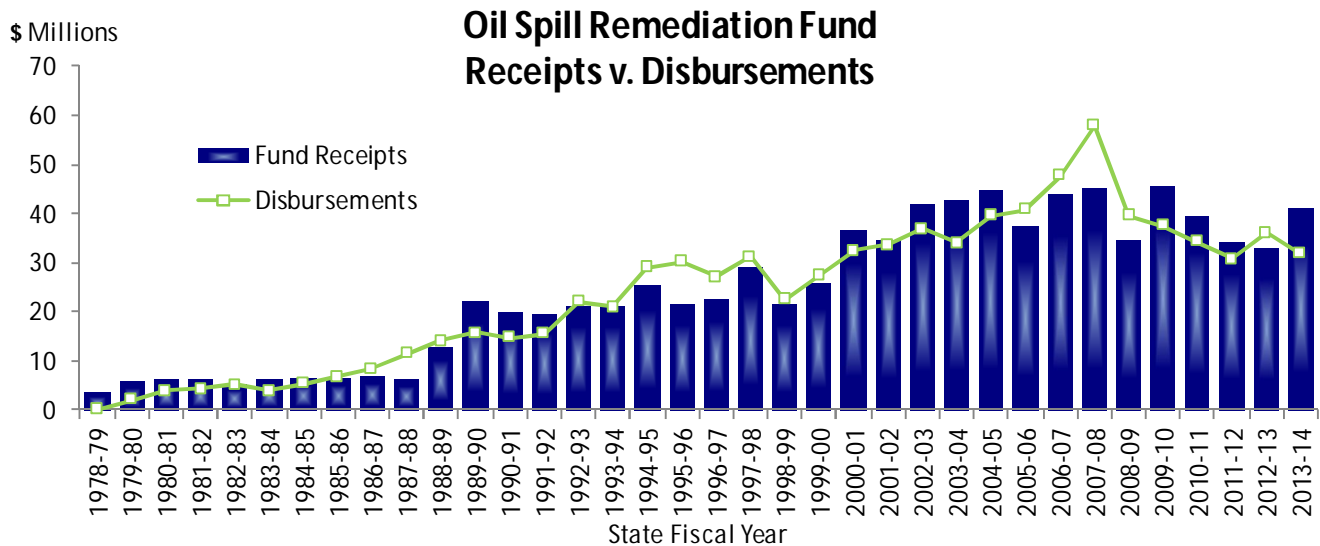
BUDGET SNAPSHOT: GENERAL GOVERNMENT



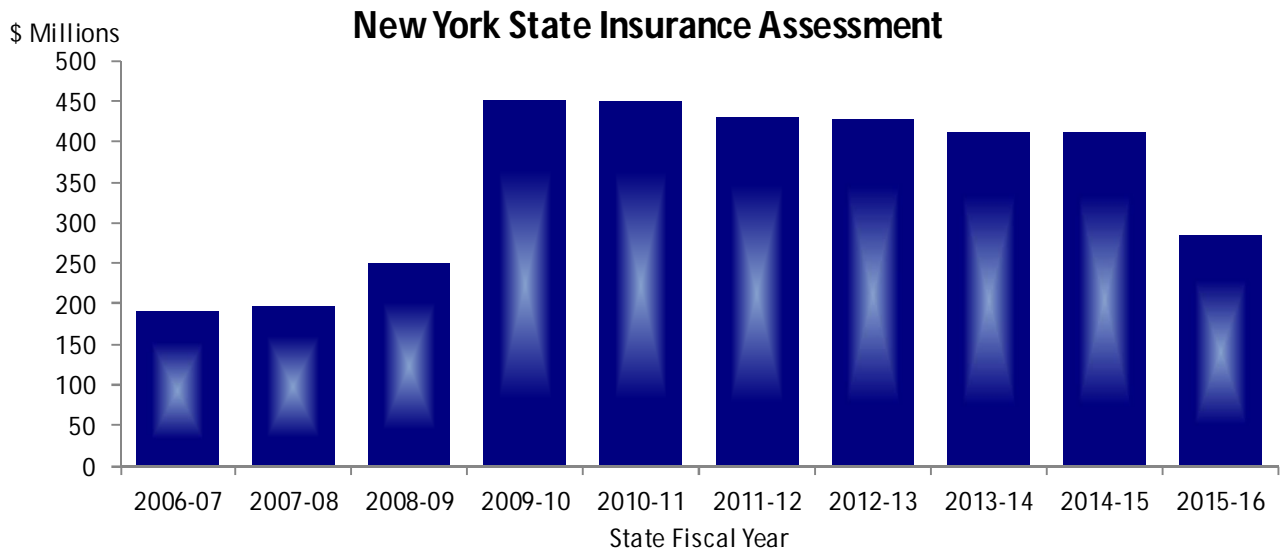
The Oil Spill Remediation Fund has collected more than \$250 million in cost recoveries and penalties.

Fourteen states offer public financing of election campaigns.

The Department of Financial Services is supported by assessments on banking and insurance institutions.



Note: The Executive Budget would move the Oil Spill Remediation Fund into DEC in SFY 2015-16 and increase fees to enhance receipts.



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

BUDGET HIGHLIGHTS: GENERAL GOVERNMENT



- **Public Campaign Financing and Campaign Finance Reform:** The Executive Budget provides legislation for the public financing of political campaigns, which includes requirements for eligibility, use and disclosure of funds, and related financing mechanisms. This legislation also sets parameters for limits on contributions to party accounts and transfers between committees; mandates greater disclosure, and amends statutes related to contribution limits and the personal use of campaign funds. These proposals are proposed for the 2018 election cycle.
- **Harriman Office Campus:** The Executive proposes a \$152 million, five-year strategic action plan at the Harriman Campus to renovate and repair campus buildings and campus-wide systems including electric, water, steam, sewer, and waste. This plan includes a new permanent headquarters for the Department of Corrections and Community Supervision.
- **Workers' Compensation Capital:** The Executive proposes \$60 million for information technology costs associated with a five-year Worker's Compensation Board business process redesign project.
- **Retention of Highly Skilled IT Employees:** The Executive proposes \$1 million to provide one-time annual bonuses to eligible state employees that are either certified in emerging high-demand technology skills, or possess the skills and experience necessary to receive certification training. An additional \$1 million would be available to provide training at no cost to the employee.

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 create 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 the 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 53

Agency	Appropriations		Change (\$ in Millions)	Change (%)	5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)			
Office of General Services	1,113.98	1,269.86	155.88	13.99	
Office of Information Technology Services	955.75	933.93	-21.82	-2.28	
Department of Taxation and Finance	456.08	462.30	6.22	1.36	
Department of Financial Services	552.20	425.34	-126.86	-22.97	
Department of Audit and Control	307.61	307.76	0.15	0.05	
Workers' Compensation Board	187.24	247.24	60.00	32.04	
Department of State	139.75	135.35	-4.40	-3.15	
Statewide Financial System	29.70	30.14	0.44	1.48	
Division of Budget	50.75	50.18	-0.57	-1.12	
Executive Chamber	18.48	18.48	0.00	0.00	
Division of Alcoholic Beverage Control	18.07	18.07	0.00	0.00	
State Board of Elections	41.14	11.14	-30.00	-72.92	
Office of the Inspector General	6.89	6.89	0.00	0.00	
Joint Commission on Public Ethics	4.38	4.38	0.00	0.00	
Division of Tax Appeals	3.12	3.04	-0.08	-2.56	

Table 54

Agency	Disbursements				5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Office of General Services	277.59	280.16	2.57	0.93	
Office of Information Technology Services	461.96	652.56	190.61	41.26	
Department of Taxation and Finance	363.54	357.32	-6.21	-1.71	
Department of Financial Services	502.17	502.46	0.29	0.06	
Department of Audit and Control	175.09	175.16	0.08	0.04	
Workers' Compensation Board	197.47	198.56	1.09	0.55	
Department of State	139.66	130.23	-9.43	-6.75	
Statewide Financial System	32.40	29.71	-2.69	-8.30	
Division of Budget	30.91	30.76	-0.14	-0.46	
Executive Chamber	13.58	13.58	0.00	0.00	
Division of Alcoholic Beverage Control	17.54	17.65	0.12	0.66	
State Board of Elections	29.58	9.48	-20.10	-67.94	
Office of the Inspector General	6.92	6.92	0.00	0.00	
Joint Commission on Public Ethics	4.33	4.33	0.00	0.00	
Division of Tax Appeals	3.04	3.04	0.00	0.00	

State Board of Elections (SBOE)

The Executive proposes an All Funds appropriation of \$11.1 million, which is a \$30 million reduction from the State Fiscal Year (SFY) 2014-15 level. This reduction reflects the elimination of the 2014 Public Campaign Finance Program for the Office of State Comptroller. Support for 80 Full Time Equivalent (FTE) positions remains unchanged from the SFY 2014-15 level.

The Executive recommendation continues a \$3 million Special Revenue Fund appropriation for the testing of voting machines to ensure that they conform to State and federal standards.

The Executive recommends Article VII legislation that would:

- enact a public financing system modeled on New York City's, where contributions are matched \$6 to \$1. The legislation will seek to apply the current pilot project for public funding of the Comptroller's race to all statewide and legislative races. No funding is provided for public campaign financing since it is not effective until the 2018 election year.
- lower contribution limits for all state offices. Specifically, contributions to "housekeeping accounts" would be limited to \$25,000 per year, party committee transfers or spending for candidates would be limited to contributions less than \$500 per contributor, transfers between committees will be limited to \$5,000, corporate contributions would be reduced to \$1,000 per year and LLCs will be treated as corporations rather than individual contributors.
- establish a new tax return checkoff allowing resident taxpayers to contribute to the "New York State Campaign Fund."
- limit the personal use of campaign contributions to expenses that are directly related to elections or public duties and enumerates a list of prohibited expenditures.
- eliminate various printing and publication requirements under Election Law and instead authorizes digital distribution.

Office of General Services (OGS)

The Executive proposes an All Funds appropriation of \$1.27 billion, an increase of \$155.9 million or 14 percent from SFY 2014-15. The Executive recommends support for 1,848 Full Time Equivalent (FTE) positions, an increase of 190 positions.

Harriman Campus Strategic Action Plan: The Executive proposes a \$152 million capital plan for a strategic action plan to repair, renovate, and upgrade certain campus buildings for the relocation of various state agencies. This includes:

- \$60 million for Building 4, which will serve as the new headquarters of the Department of Corrections and Community Supervision;
- \$44 million for Building 7 for the relocation of the Department of Transportation;
- \$24 million to upgrade and repair electric, water, steam, sewer, and waste systems throughout the campus;

- \$13 million for Building 3 in order to renovate and upgrade consolidated daycare operations;
- \$7 million to replace the roof and renovate the fourth floor of Building 9 for the relocation of the Department of Taxation and Finance and other state agencies; and
- \$4 million for the demolition of Building 2 to make way for private development.

The Executive also includes \$1.4 million and 6 FTEs for the operation and management of Harriman Building Campus 5, which will house the Business Services Center.

Restacking: The Executive includes a \$2.9 million decrease related to the expiration of a contract related to reducing the amount of leased property occupied by state agencies, or restacking.

Business Services Center: The Executive Budget includes increases of \$3.2 million related to the annualization of 174 FTE transfers from other agencies to OGS's Business Services Center.

NYS Media Center: The Executive Budget includes a \$620,000 increase to the General Fund for the operations of the statewide media center to streamline billing mechanisms for General Fund agencies that are utilizing the center.

Energy Management: The Executive proposal includes an increase of \$470,000 and 5 FTEs for an energy management initiative to gain expertise in bulk purchasing of oil and natural gas.

Purchasing Database: The Executive includes \$170,000 and 4 FTEs for a database within the Statewide Financial System (SFS), to allow OGS and other agencies to execute purchasing reports on goods purchased. OGS would primarily use such information to negotiate future contracts for items purchased in bulk.

Other Programs: The Executive proposal includes an increase of \$300,000 and 1 FTE for expenses related to the Gift Shop located in the Concourse of the Empire State Plaza, and a \$162,000 increase related to special events on the State Plaza. Both increases are supported by specifically dedicated revenues.

Lastly, the Executive includes an increase of \$255,000 for maintenance costs related to the Ferry Street Warehouse. The Department of Environmental Conservation and the Department of Motor Vehicles use this warehouse for storage.

The Executive proposes Article VII language to allow employees of the Division of State Police in the unclassified service of the State engaged in business and financial services and other human resources functions to be transferred to OGS.

Office of Information Technology Services

The Executive proposes an All Funds appropriation of \$933.93 million, a decrease of \$21.8 million or 2.3 percent, from the State Fiscal Year (SFY) 2014-15 level. The Executive recommends funding support of 3,586 full-time equivalent positions, a decrease of 19 positions, which reflects the transfer of 4 FTEs to the Business Service Center and a reduction of 15 FTEs to reflect staffing levels at ITS.

Agency Operations: The Executive proposes General Fund appropriations of \$513.2 million, an increase of \$54.6 million over SFY 2014-15. The increase is attributable to continued consolidation of other agency's personal service and non-personal service information technology (IT) related obligations within ITS. Funding will support enterprise contracts as well as other agency IT operational and maintenance costs driven by consolidation.

The Executive reduces Internal Service Funds by \$48.4 million to \$301.1 million. The Internal Service Fund appropriation allows ITS to bill other State agencies for IT services performed on their behalf, and this decrease reflects the ongoing conversion from this billing structure to supporting costs directly from the General Fund.

The Executive also proposes a \$2 million appropriation related to a program that would provide one-time annual bonuses to eligible state employees that are either certified in emerging high-demand technology skills, or possess the skills and experience necessary to receive certification training. Of this amount, \$1 million would be available as bonuses to eligible high skills employees and the remainder would be available to provide training at no cost to the employee.

Capital: The Executive proposal eliminates a \$30 million capital appropriation that was appropriated in SFY 2014-15 that was to be available in the event that ITS administers funding for a capital project on behalf of another agency. Finally, the Executive maintains an \$85.7 million appropriation for Statewide IT enterprise projects, which is unchanged from SFY 2014-15.

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 Civil Service exams in order to become permanent employees; and
- Reclassify certain Civil Service titles that were transferred to ITS from other State agencies.



Department of Financial Services (DFS)

The Executive proposes an All Funds appropriation of \$425.3 million, which is a decrease of \$126.9 million or 23 percent from the SFY 2014-15 level. The Executive recommends funding support for 1,393 FTE positions, an increase of 20 FTEs over the SFY 2014-15 level to support examiner positions within the Banking and Insurance programs.

In addition, the Executive Budget provides an increase of \$1.9 million to the Banking Program for regulatory services and expenses; this increase aligns the appropriation with funds collected.

Lead Poisoning Prevention: The Executive budget increases funding for the Childhood Lead Poisoning Prevention program by \$4.7 million and the Lead Poisoning Prevention program by \$275,700. These programs are supported by an assessment on the insurance industry.

Program Eliminations: The Executive budget eliminates \$750,000 for the Entertainment Worker Demonstration Program, which expires on July 1, 2015, and would transition these enrollees to new coverage through the New York Health Benefit Exchange. The Executive budget eliminates one funding sub-allocation to the Department of Health related to the Childhood Obesity program (\$660,000).

Healthy NY Program and Direct Pay Subsidy Program: The Executive budget includes an \$144 million reduction in stop-loss funding for the Healthy NY and direct pay subsidy programs related to the transition of these individuals to the health benefit exchange, on January 1, 2014.

Department of Taxation and Finance

The Executive proposes \$462 million in All Funds appropriations for the Department of Taxation and Finance. This is an increase of \$6.22 million from SFY 2014-15 levels. The increase can be attributed to the creation of a Cigarette Strike Task Force that will investigate and prosecute the trafficking of illegal cigarettes; the local aid component of the Medical Marijuana Program; and expected administrative costs associated with the proposed Education Tax Credit.

The Executive recommends a workforce of 4,359 FTEs representing a decrease of 9 FTEs due to the transition of Human Resource Services into the Business Services Center.

Article VII legislation is proposed to: make warrantless wage garnishment permanent; lower the threshold to suspend delinquent taxpayers' driver's licenses, require practitioners to be compliant with tax obligations before receiving excess medical malpractice coverage; require grantees to be current

with tax obligations; authorize New York to enter reciprocal tax collection agreements with other states; authorize a professional and business license tax clearance; require new State Employees to comply with State tax obligations; allow OCFS to share child care data with the Department of Taxation and Finance.

Department of Audit and Control

The Executive proposes All Funds appropriations of \$307.7 million, an overall increase of \$143,000 over the SFY 2014-15 funding level. The Executive Budget recommends support for 2,633 FTE positions, a decrease of 10 FTEs from the SFY 2014-15 level.

The Executive Budget proposes a transfer of the Environmental Protection and Oil Spill Compensation Fund Program from the Department of Audit and Control to the Department of Environmental Conservation which is reflected by a decrease of \$500,000 and reduction of 10 agency staff. In addition, the Executive Budget reflects an increase of \$600,000 as a result of General State Charges rate increases.

Workers' Compensation Board

The Executive proposes All Funds appropriations of \$247.24 million, an increase of \$60 million or 32.04 percent over SFY 2014-15. The Executive recommends support for 1,204 FTE positions, an increase of 18 FTEs over the SFY 2014-15 level to reflect actual staffing levels within the agency.

IT Business Process Redesign: The proposed budget for SFY 2015-16 includes a new \$60 million capital appropriation to support an information technology program related to the agency's business process redesign. The program would provide for electronic processing of claims and improve data retrieval, among other technology upgrades.

The Executive recommends Article VII legislation that would repeal a total of 12 small "nuisance" fees, resulting in a savings of \$95,000 annually.

Department of State (DOS)

The Executive proposes All Funds appropriations of \$135.35 million, a decrease of \$4.4 million, or 3.2 percent from the State Fiscal Year (SFY) 2014-15 level. The Executive recommends support for 544 Full Time Equivalent (FTE) positions, a net increase of 4 positions, which includes the transfer of 1 FTE to the Business Services Center.

Office for New Americans: The Executive proposes \$6.8 million, a \$3 million increase in appropriations over SFY 2014-15. In SFY 2014-15, \$3 million was made available in Federal Community Services Block Grant funding that was allocated outside of the budget, and the increase maintains year-to-year funding for the office.

Business and Licensing: The Executive proposes to transfer \$2.9 million from the Administration, Consumer Protection, and Local Government and Community Services programs to the Business and Licensing program for non-personal service expenses. There is a corresponding increase of \$1.4 million in the Business and Licensing program, which reflects actual spending within the original programs. There is also a \$326,000 increase for e-licensing initiatives and a call center, reflecting actual spending, and a \$400,000 increase related to an increase in requests for maintenance in cemeteries related to vandalism. The Executive proposes an increase of 5 FTEs within the program related to new staff hired in SFY 2015-16 instead of SFY 2014-15.

Community Initiatives: The Executive proposes to eliminate a total of \$5.6 million in legislative adds. This includes:

- \$3.5 million for the County of Dutchess;
- \$1.4 million for Dutchess County Coordinated Jail-Based Services;
- \$505,000 for the Public Utility Law Project;
- \$75,000 for the Michigan Street African American Heritage Corridor;
- \$57,000 for the continued retention of attorney and client records in closed capital defense cases;
- \$35,000 for moving expenses for the New York State Legislative Service; and
- \$21,000 in travel costs for the New York Commission on Uniform State Laws.

The Executive also proposes to eliminate \$700,000 that was provided last year for the provision of Uniform Code Enforcement books to local governments, but plans to accommodate it within existing funding.

The Executive proposes Article VII language to 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. The Executive also includes language to eliminate the fee associated with licensing apartment information vendors and sharing agents.

Division of the Budget (DOB)

The Executive proposes All Funds appropriations of \$50.2 million, an overall decrease of \$567,000 from the SFY 2014-15 level. The Executive recommends support for 261 FTE positions, which is a reduction

of 1 FTE from the SFY 2014-15 level, due to the transfer of Human Resources functions to the OGS Business Service Center.

The proposal eliminates \$560,000 related to membership dues for the Council of State Governments, the National Conference of Insurance Legislators, and the National Conference of State Legislators. In addition, there is a transfer of \$7,000 related to the Information Technology (ITS) consolidation initiative. The Executive proposal also continues a \$1 million appropriation for expert witnesses or legal services for the Attorney General (AG) providing representation for New York State.

The Budget proposal continues to authorize interchange and transfer of appropriations among State agencies. The Budget also provides new LEAN certification language which will permit agencies to give bonuses to certified employees leading LEAN projects in these agencies.

Statewide Financial System (SFS)

The Executive proposes All Funds appropriations of \$30.1 million to support the ongoing maintenance and operating cost of SFS, an overall increase of \$437,000 over the SFY 2014-15 level. The Executive recommends support for 139 FTE positions, unchanged from the SFY 2014-15 level.

The increase of \$437,000 relates to additional work for the processing of payments for the SSI State Supplement Program. In addition, the Executive proposal reflects a decrease of \$1.7 million in consultant services as additional State positions are filled. There is a concomitant increase of \$1.7 million for the OSC Data Center and for supplies and equipment as additional agencies begin to participate.

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 State Fiscal Year (SFY) 2014-15 level. The Office of the Governor receives \$17.8 million and the Office of the Lieutenant Governor receives \$630,000. The Executive recommends support for 143 FTE positions, which is unchanged from the SFY 2014-15 level. There are 136 FTEs for the Office of the Governor and seven FTEs 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 State Fiscal Year (SFY) 2014-15 level. The Executive recommends support for 127 FTE positions, unchanged from the SFY 2014-15 level.



Office of Inspector General

The Executive proposes All Funds appropriations of \$6.9 million, unchanged from the State Fiscal Year (SFY) 2014-15 level. The Executive recommends support for 71 FTE positions, which is unchanged from the SFY 2014-15 level.

Joint Commission on Public Ethics

The Executive proposes All Funds appropriations of \$4.4 million, unchanged from the State Fiscal Year (SFY) 2014-15 level. The Executive recommends support for 45 FTE positions, which is unchanged from the SFY 2014-15 level.

Division of Tax Appeals

The Executive Budget recommends a \$3.0 million General Fund Appropriation and a workforce of 27 FTEs for the Division of Tax Appeals. This represents the same level of workforce and a decrease of \$81,000 from SFY 2014-15.

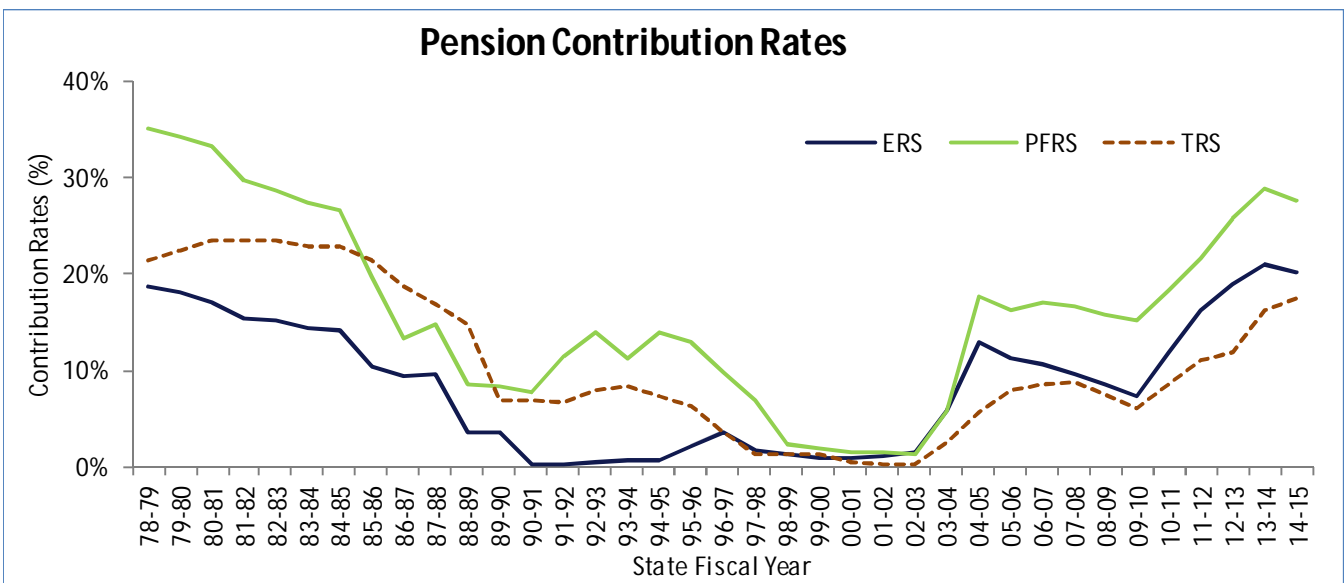
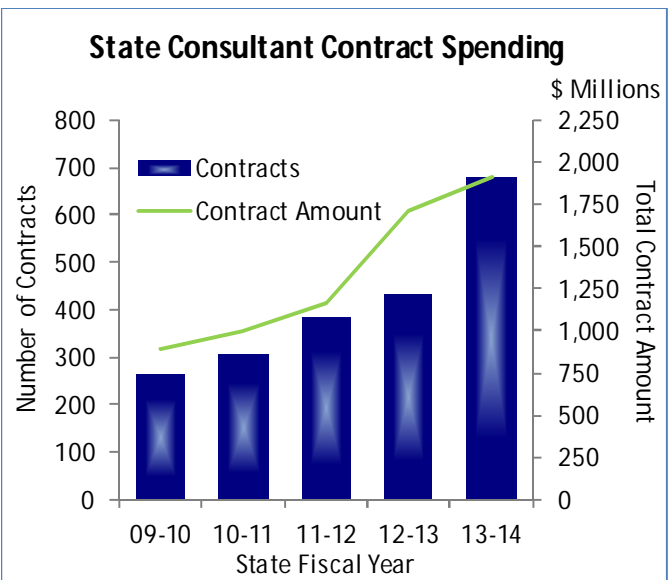
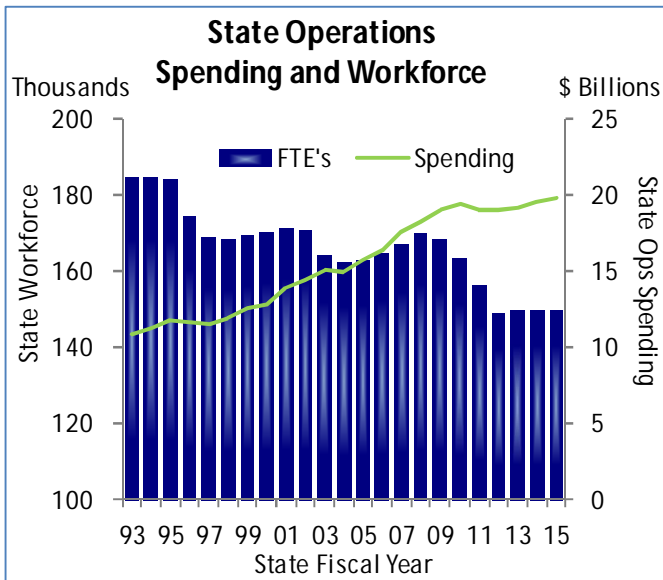
BUDGET SNAPSHOT: STATE OPERATIONS AND WORKFORCE



State Operations spending represents 21.5% of the budget.

By the end of SFY 2015-16, there will be approximately 180,965 State employees.

Pension spending represents 2.15% of the budget.



Sources: 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 and non personal service spending flat with limited exceptions, such as costs attributable to the NY State of Health marketplace and the new Basic Health Plan (BHP) program. Agencies are expected to continue to utilize less costly forms of service deliveries, improve administrative practices, and pursue statewide solutions, particularly at mental hygiene State-operated facilities.
- **Fringe Benefits/Fixed Costs:** The Executive Budget includes a payment of the State's pension bill by the end of July 2015, instead of March 1, 2016, which will save the State an estimated \$41 million. Additionally, health insurance costs for State employees increased by less than anticipated, and the Executive Budget includes a planned audit to identify and remove ineligible dependents from the New York State Health Insurance Program (NYSHIP). Finally, the Executive Budget adjusts State Workers' Compensation costs to reflect lower medical inflation rates and slower growth in average weekly wages.
- **University Systems:** Spending for the State University of New York (SUNY)/CUNY is projected to decline, mainly due to the closure of the Long Island College Hospital.
- **Independent Officials:** Spending for the Legislature, the Department of Audit and Control (OSC), and the Department of Law is projected to remain essentially flat through SFY 2018-19. Judiciary spending is projected to increase by 1.7 percent in SFY 2015-16, driven primarily by the authorization of additional Family Court Justices in the SFY 2014-15 Enacted Budget, statutory salary increases for non-judicial employees represented by the Civil Service Employees Association (CSEA), and increased funding for civil legal services.

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 180,119 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 55

Agency	Appropriations		Change (\$ in Millions)	Change (%)	5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-2016 Exec Request (\$ in Millions)			
General State Charges	3,770.33	3,598.79	-171.55	-4.55	
Department of Civil Service	50.37	50.87	0.50	0.99	
Office of Employee Relations	4.81	4.81	0.00	0.00	
Public Employment Relations Board	3.98	3.98	0.00	0.00	

Table 56

Agency	Disbursements				5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-2016 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
General State Charges	4,140.31	4,484.43	344.12	8.31	
Department of Civil Service	12.98	13.40	-0.30	3.20	
Office of Employee Relations	2.58	2.58	0.30	0.00	
Public Employment Relations Board	3.73	3.73	0.40	0.00	

General State Charges

The Executive proposes All Funds appropriations of \$3.59 billion, a decrease of \$171.6 million, or 4.6 percent from the SFY 2014-15 level. The Executive budget transfers \$232.8 million in fringe benefit appropriations, including the State's contribution to TIAA-CREF, from the State University of New York employees to the General State Charges budget.

Health Insurance Benefits: The Executive Budget proposes a \$140.9 million increase over SFY 2014-15 level for health insurance benefits contributions, which reflects a 4.2 percent increase in the NYSHIP healthcare costs. The increase reflects savings of \$13 million annually due to a health insurance dependent eligibility audit that is proposed for SFY 2015-16.

Pensions: The Executive Budget proposes a \$101.5 million increase in pension funding associated with a one percent increase in the employer rates for the New York State and Local Employee Retirement System (NYSLERS) and New York State and Local Police and Fire Retirement System (NYSLPFRS). This amount reflects a State payment to the systems in July 2015 rather than March 2016, generating \$41 million in savings.

Workers' Compensation Benefits: The Executive proposes a \$23.75 million decrease in Workers' Compensation benefits for injured State employees. Actual payments for injured workers are increasing but the reduction is attributable to a decrease in appropriation authority.

Other Fringe Benefits: The Executive budget proposes a decrease of \$28.9 million for fringe benefits due to a reduction of \$28.9 million in appropriation authority.

The Executive recommends Article VII legislation that would:

- increase salaries of Management Confidential (M/C) employees over the next four State fiscal years to provide previously authorized but withheld increases. The salary schedule increase is as follows:
 - 2 percent general salary increase, effective July 1, 2015;
 - 2 percent general salary increase, effective April 1, 2016;
 - 2 percent general salary increase, effective April 1, 2017; and,
 - 1 percent general salary increase, effective April 1, 2018.

- authorize an external audit of dependent eligibility in the New York State Health Insurance Plan.

Department of Civil Service

The Executive proposes All Funds appropriations of \$50.87 million, an increase of \$500,000 over the SFY 2014-2015 level. The Executive recommends support for 347 FTE positions, a net increase of 2 FTEs over the SFY 2014-15 level. This reflects the transfer of one employee who performs human resource functions to the Business Services Center and three new FTEs related to a new pilot program.

The proposed budget for SFY 2015-16 provides \$500,000 to establish a pilot program in up to five agencies to implement efficiencies in recruitment, testing and employee retention.

Office of Employee Relations

The Executive provides an All Funds appropriation of \$4.8 million, which maintains SFY 2014-15 funding levels. The Executive recommends support for 37 FTEs, unchanged from the SFY 2014-2015 level.

Public Employee Relations Board

The Executive proposes an All Funds appropriation of \$3.98 million, which is unchanged from SFY 2014-15 level. The Executive recommends support for 33 FTE positions, which is also unchanged from the SFY 2014-15 level.

Table 57

Workforce Impact Summary

All Funds
FY 2014 Through FY 2016

	FY 2014 Actuals (03/31/14)	Starting Estimate (03/31/15)	Attritions	New Fills	Mergers	Net Change	Ending Estimate (03/31/16)
Adirondack Park Agency	52	54	0	0	0	0	54
Aging, Office for the	88	95	0	0	0	0	95
Agriculture and Markets, Department of	483	476	(29)	29	(1)	(1)	475
Alcoholic Beverage Control, Division of	121	127	0	0	0	0	127
Alcoholism and Substance Abuse Services, Office of	765	761	(25)	0	(1)	(26)	735
Arts, Council on the	25	28	0	2	0	2	30
Audit and Control, Department of	2,498	2,643	(10)	0	0	(10)	2,633
Budget, Division of the	258	262	0	0	(1)	(1)	261
Children and Family Services, Office of	2,951	2,994	(30)	101	(6)	65	3,059
City University of New York	13,864	13,611	0	0	0	0	13,611
Civil Service, Department of	318	345	(5)	8	(1)	2	347
Correction, Commission of	28	32	0	0	0	0	32
Corrections and Community Supervision, Department of	28,975	28,821	0	156	(58)	98	28,919
Criminal Justice Services, Division of	417	427	0	9	0	9	436
Deferred Compensation Board	4	4	0	0	0	0	4
Economic Development, Department of	142	152	0	8	(1)	7	159
Education Department, State	2,611	2,672	0	20	0	20	2,692
Elections, State Board of	54	80	0	0	0	0	80
Employee Relations, Office of	30	37	0	0	0	0	37
Environmental Conservation, Department of	2,917	2,910	0	36	0	36	2,946
Executive Chamber	134	136	0	0	0	0	136
Financial Control Board, New York State	13	13	0	0	0	0	13
Financial Services, Department of	1,271	1,373	0	20	0	20	1,393
Gaming Commission, New York State	369	406	(60)	60	(1)	(1)	405
General Services, Office of	1,449	1,658	(110)	148	152	190	1,848
Health, Department of	4,701	4,814	(127)	436	16	325	5,139
Higher Education Services Corporation, New York State	298	285	(8)	0	(1)	(9)	276
Homeland Security and Emergency Services, Division of	377	433	0	11	0	11	444
Housing and Community Renewal, Division of	685	683	0	0	0	0	683
Hudson River Valley Greenway Communities Council	1	1	0	0	0	0	1
Human Rights, Division of	154	164	0	0	0	0	164
Indigent Legal Services, Office of	10	11	0	8	0	8	19
Information Technology Services, Office of	3,689	3,605	(15)	0	(4)	(19)	3,586
Inspector General, Office of the	63	71	0	0	0	0	71
Interest on Lawyer Account	8	8	0	0	0	0	8
Judicial Conduct, Commission on	46	50	0	0	0	0	50
Justice Center for the Protection of People with Special Needs	284	327	(2)	69	30	97	424
Labor Management Committees	72	77	0	0	0	0	77
Labor, Department of	3,417	3,233	(539)	433	(7)	(113)	3,120
Law, Department of	1,715	1,833	0	0	0	0	1,833
Lieutenant Governor, Office of the	4	7	0	0	0	0	7
Medicaid Inspector General, Office of the	448	480	0	0	(27)	(27)	453
Mental Health, Office of	14,593	14,380	(269)	498	(40)	189	14,569
Military and Naval Affairs, Division of	357	344	0	0	0	0	344
Motor Vehicles, Department of	2,237	2,163	0	0	(4)	(4)	2,159
Parks, Recreation and Historic Preservation, Office of	1,748	1,734	0	12	0	12	1,746
People with Developmental Disabilities, Office for	19,271	18,605	(379)	448	(19)	50	18,655
Prevention of Domestic Violence, Office for	27	28	0	0	0	0	28
Public Employment Relations Board	27	33	0	0	0	0	33
Public Ethics, Joint Commission on	37	45	0	0	0	0	45
Public Service Department	494	513	(17)	20	(1)	2	515
State Police, Division of	5,386	5,632	(260)	176	(11)	(95)	5,537
State University Construction Fund	146	152	0	0	0	0	152
State University of New York	43,326	43,576	0	0	0	0	43,576
State, Department of	536	540	0	5	(1)	4	544
Statewide Financial System	111	139	0	0	0	0	139
Tax Appeals, Division of	25	27	0	0	0	0	27
Taxation and Finance, Department of	4,280	4,368	0	0	(9)	(9)	4,359
Temporary and Disability Assistance, Office of	1,790	1,972	0	0	(4)	(4)	1,968
Transportation, Department of	8,540	8,304	0	0	0	0	8,304
Veterans' Affairs, Division of	85	98	0	0	0	0	98
Victim Services, Office of	69	74	0	0	0	0	74
Welfare Inspector General, Office of	2	7	0	0	0	0	7
Workers' Compensation Board	1,145	1,186	(12)	30	0	18	1,204
Grand Total	180,041	180,119	(1,897)	2,743	0	846	180,965

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 \$2.8 billion, which is an increase of \$78.43 million or 2.9 percent from the State Fiscal Year (SFY) 2014-15 level.

Table 58

Agency	Appropriations				5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Office of Court Administration	2,726.14	2,804.57	78.43	2.88	

Table 59

Agency	Disbursements				5-year Trend
	2014-15 Adjusted (\$ in Millions)	2015-16 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)	
Office of Court Administration	2,707.60	2,783.37	75.77	2.80	

Civil Legal Services: The proposed budget includes a total of \$70 million to support the recommendations of the Chief Judge's task force to expand civil legal services, an increase of \$15 million from the SFY 2014-15 level.

Family Court Judges: The Judiciary's budget includes a \$24.3 million increase in personal service over the SFY 2014-15 level. This includes support for additional Family Court judgeships created effective January 1, 2016, as well as the annualization of the cost of the 20 Family Court judgeships created effective January 1, 2015. The proposed budget also provides funding for non-judicial positions that would support these new judgeships.



Economy



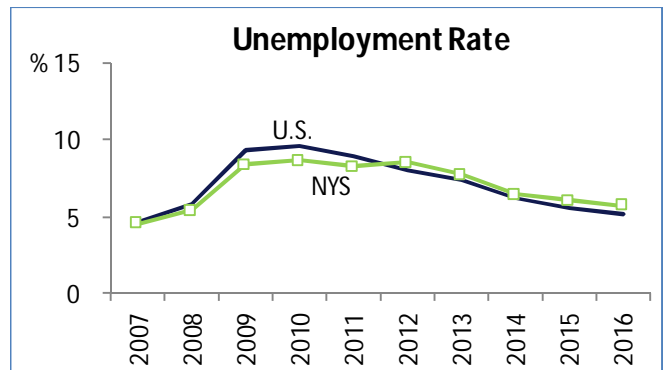
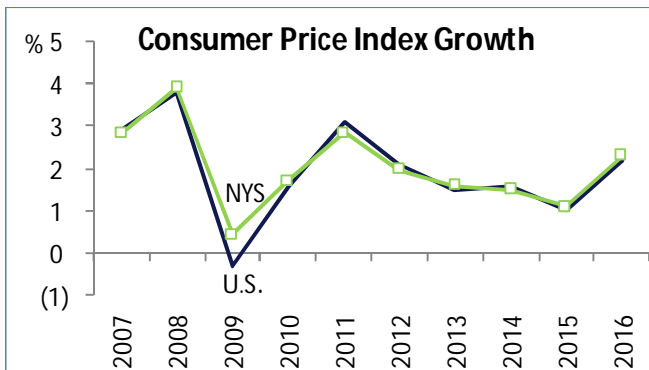
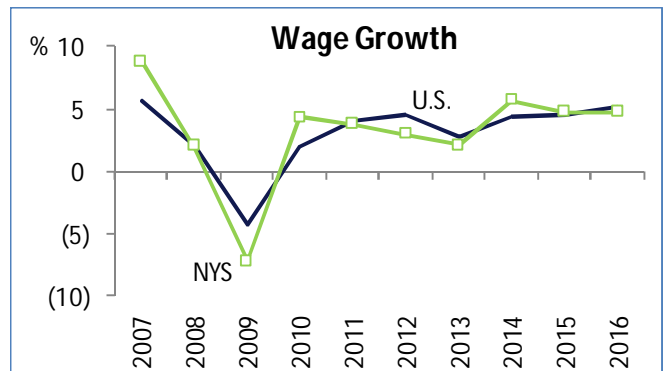
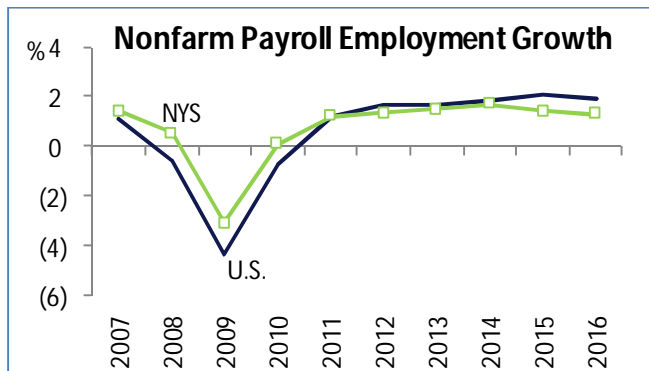
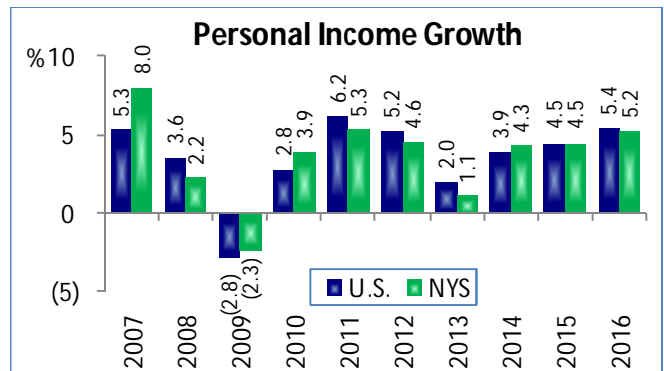
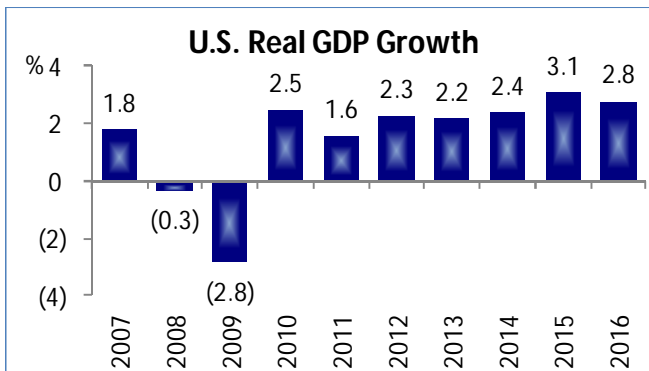
BUDGET SNAPSHOT: ECONOMY



The national economy is expected to continue to accelerate in 2015, growing by 3.1 percent.

New York State private sector continues to enjoy above historical average job growth, especially in the leisure and hospitality, and construction sectors.

New York State total wages are expected to grow at 4.7 percent in 2015 and 2016.



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



- **U.S. Real Gross Domestic Product (GDP):** According to the Executive, U.S. real GDP is projected to grow 3.1 percent in 2015, supported by household spending which has been boosted by higher real disposable income from falling energy prices; strong household wealth; and significant strengthening in the labor market. In addition, the Executive suggests that solid improvement in residential housing investment and positive growth in federal government spending and state and local government spending should contribute to real GDP growth. The Executive forecasts U.S. real GDP to grow 2.8 percent in 2016.
- **U.S. Employment:** The Executive projects U.S. employment growth of 2.1 percent in 2015, which is consistent with an average monthly private sector employment gain of 229,000 jobs. The Executive expects the government sector to show growth, though slow, which is an improvement over the declines in the prior three years. The Executive projects a 1.9 percent increase in U.S. employment in 2016.
- **NYS Employment:** The forecast in the Executive Budget states that employment in New York State will grow at a rate of 1.4 percent in 2015 and by another 1.3 percent in 2016. The Executive projects a 1.7 percent increase in private employment in 2015 and 1.6 percent in 2016.
- **NYS Regions:** Regionally, according to the Executive, in the first half of 2014 New York State private sector employment growth was strongest in **New York City** at 3.6 percent. Among the Upstate regions, employment in the Capital District grew the fastest at 1.0 percent, followed by Western New York at 0.8 percent. Three upstate regions, the Southern Tier, Mohawk Valley, and North Country suffered a decline in employment in the first half of 2014 compared to the same period in 2013.
- **NYS Wages:** The Executive forecasts State wages to grow 4.7 percent in 2015 and 2016, following growth of 5.7 percent in 2014. Projected wage growth for 2015 is lower than in 2014 as job growth is expected to slow modestly in 2015. The Executive states that bonus growth in the finance and insurance sector is projected to gradually improve, but remain well below historical average growth rates.

BUDGET REVIEW AND ANALYSIS: ECONOMY



The National Economy: After growing an estimated 2.4 percent in 2014, the Executive projects the U.S. economy will improve further in 2015, growing 3.1 percent as measured by Gross Domestic Product (GDP) (see Table 1).

Table 60

U.S. Economic Forecast Comparison			
	2014	2015	2016
Real Gross Domestic Product (GDP) (2009 chained percent change)			
Division of the Budget	2.4	3.1	2.8
Blue Chip Consensus	N/A	3.2	2.9
Global Insight	2.4	3.1	2.7
Macroeconomic Advisers	2.5	3.3	2.9
Consumer Price Index (CPI) (percent change)			
Division of the Budget	1.6	1.0	2.2
Blue Chip Consensus	N/A	0.8	2.3
Global Insight	1.6	0.1	2.3
Macroeconomic Advisers	1.6	0.5	2.3
Unemployment Rate (percent)			
Division of the Budget	6.2	5.5	5.2
Blue Chip Consensus	N/A	5.5	5.1
Global Insight	6.2	5.5	5.3
Macroeconomic Advisers	6.1	5.3	5.0

Note: Numbers are as reported in the Executive Budget 2015-16 released on January 21, 2015.
Source: NYS Division of the Budget.

- **Consumption:** The Executive projects consumption spending growth of 3.3 percent in 2015, following growth of 2.5 percent in 2014. According to the Executive, growth in consumption spending will be bolstered by employment growth, continued growth in equity prices, the recovery of the housing market, and the recent plunge in energy prices, which boosts real disposable income.
- **Investment:** The Executive projects 5.2 percent growth in nonresidential fixed investment in 2015, down from 6.2 percent in 2014, as growth in spending on structures and equipment slows. Furthermore, the Executive indicates that the projected slowdown in expenditures on

equipment and structures could be due to a falloff in investments associated with oil and natural gas extraction as energy prices have fallen.

- **Inflation:** The Executive forecasts that, as low energy prices persist, inflation, as measured by the Consumer Price Index (CPI), will drop to 1.0 percent in 2015 from a pace of 1.6 percent in 2014.
- **Exports and Imports:** The Executive forecasts that exports of U.S. goods and services will rise 5.1 percent in both 2015 and 2016, up from 3.3 percent in 2014. According to the Executive, the improvement in the demand for U.S. goods and services is expected to occur if countries such as Canada, China, and Mexico can maintain economic growth, and the Eurozone can avoid a recession. However, a rising dollar and sluggish growth abroad present risks to U.S. exports. The Executive states that imports are projected to grow 5.3 percent in 2015 and 6.2 percent in 2016, as the U.S. economy strengthens.
- **Government Spending:** The Executive projects that state and local government spending, adjusted for inflation, will grow 0.9 percent in 2015 and 0.7 percent in 2016, following growth of 0.9 percent in 2014. However, the Executive estimates that federal government spending will grow 0.7 percent in 2015 and 0.2 percent in 2016, after declining 1.6 percent in 2014.
- **Employment:** The Executive projects U.S. employment growth of 2.1 percent in 2015, which indicates an average monthly gain of 229,000 private sector jobs. The Executive anticipates that the following services sectors will contribute most to steady improvement in private-sector employment in 2015: professional and technical services, management, administrative support, and waste services, health care and social assistance services, and leisure, hospitality, and other services. The Executive expects the government sector to show slow growth.
- **Corporate Profits:** The Executive projects corporate profits will grow by 8.4 percent in 2015, following growth of 0.5 percent in 2014. The Executive implies that the stronger growth in corporate profits is due to stronger growth in profits in the rest of the world, and improving growth in domestic final sales which help raise nonfinancial profits.
- **Stock Market:** The Executive acknowledges that equity market turbulence has remained a constant throughout the recovery. However, in the long run, equity market price growth is expected to be consistent with growth in corporate earnings. The Executive projects equity market growth of 8.3 percent in 2015, following growth of 17.5 percent in 2014.

The New York State Economy: The Executive suggests that the State economy will continue to go through a period of adjustment in which private employment growth is above average, while wage

growth is below average, and the wage base becomes more diversified. The Budget Division projects that State private employment will grow 1.7 percent in 2015, the fifth consecutive year of above-average growth, after growing 2.0 percent in 2014.

- **Personal Income:** The Executive forecasts total State personal income will grow 4.5 percent in 2015, up from 4.3 percent growth in 2014. According to the Executive, growth in State personal income has been mainly due to wage growth.
- **Wages:** The Executive forecasts wages in the State will grow 4.7 percent in 2015 and 2016, following growth of 5.7 percent in 2014. Projected wage growth for 2015 is lower than in 2014, as job growth is expected to slow. In addition, estimated wage growth for 2014 is somewhat elevated due to an acceleration in bonus payments from the first quarter of 2013 to the fourth quarter of 2012. The Executive states that bonus growth in the finance and insurance sector is projected to gradually improve.
- **Employment:** According to the Executive, the State labor market grew robustly in 2014, especially in the private sector. Total nonfarm employment in the State grew 1.7 percent in 2014, 0.1 percentage point lower than in the nation. The Executive forecasts that employment in the State will grow 1.4 percent in 2015 and 1.3 percent in 2016, slower than the nation's employment growth (see Figure 5).

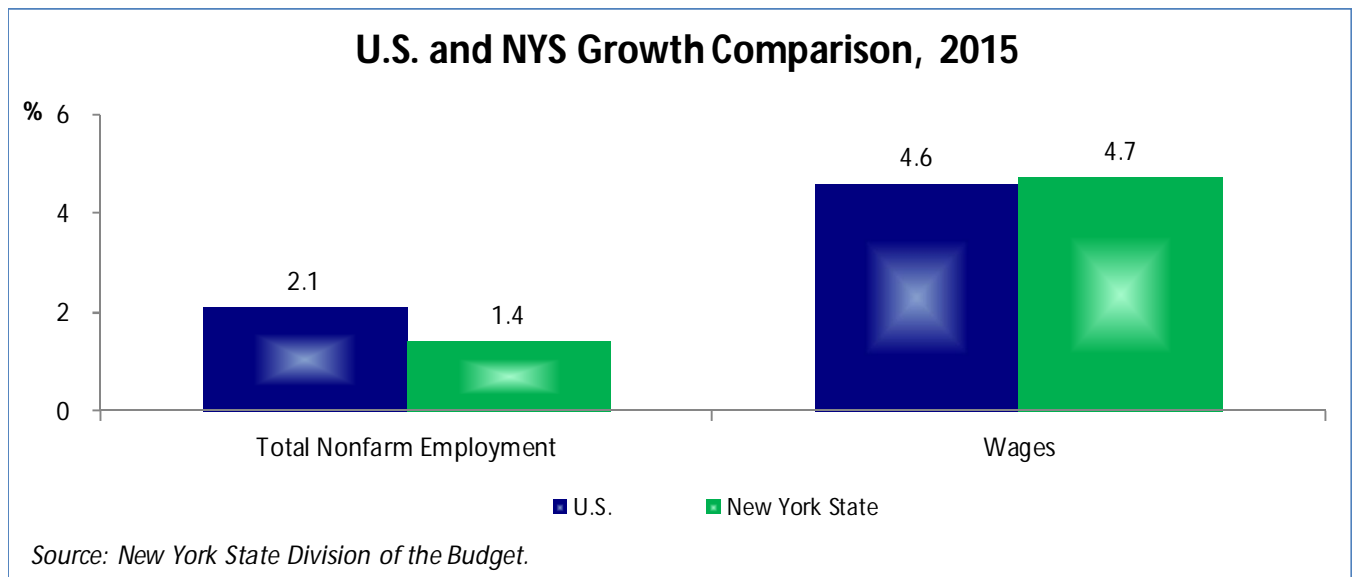


Figure 5

Employment by Sector: The Executive projects that private employment in the State will grow 1.7 percent in 2015 after growing 2.0 percent in 2014. The leisure, hospitality and other services, construction, management, administrative, and support services, professional, scientific, technical

services, and educational services sectors are expected to have the fastest growth in 2015 (see Table 2).

Table 61

New York State Employment Growth Forecast for 2015	
	Percent
Total	1.4
Total Private	1.7
Leisure, Hospitality and Other Services	2.7
Construction	2.5
Management, Administrative, and Support Services	2.5
Professional, Scientific, and Technical Services	2.3
Educational Services	2.2
Healthcare & Social Assistance Services	1.8
Transportation and Warehousing	1.6
Retail Trade	1.3
Real Estate and Rental and Leasing	1.0
Information	0.5
Wholesale Trade	0.4
Utilities	0.4
Finance and Insurance	0.3
Manufacturing and Mining	0.0
Government	0.0
<small>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.</small>	
<small>Source: NYS Division of the Budget.</small>	

- **Employment by Region:** According to the Executive, the New York City region led the State in private employment growth in the first half of 2014. Among the Upstate regions, employment in the Capital District grew the fastest at 1.0 percent, followed by the Western New York at 0.8 percent. Three upstate regions, the Southern Tier, Mohawk Valley, and North Country, are estimated to have suffered a decline in employment in the first half of 2014, compared to the same period in 2013 (see Figure 6).

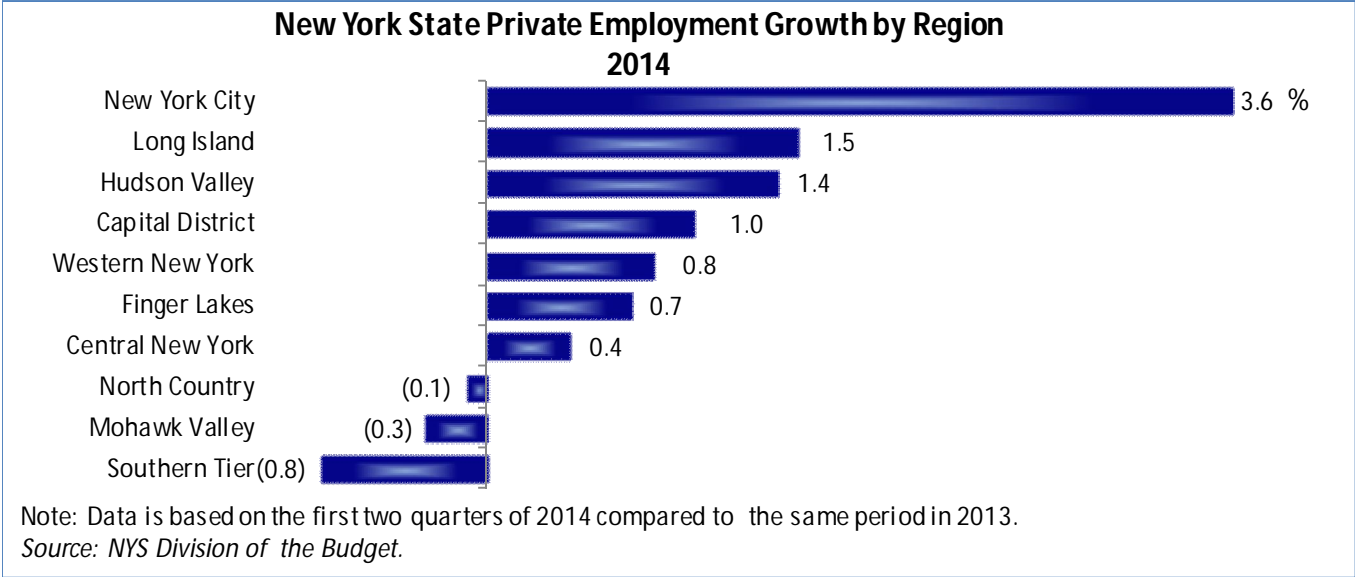


Figure 6

Risks: The Executive acknowledges a number of risks to the economic forecast presented in the budget. In addition to other risks, the Executive indicates that if the euro-area economic recovery is more sluggish than expected, then exports and corporate profits could witness slower growth. Furthermore, oil prices are expected to continue to trend downward, but a shift in the trend could impact consumer spending.



Revenue



BUDGET SNAPSHOT: REVENUE

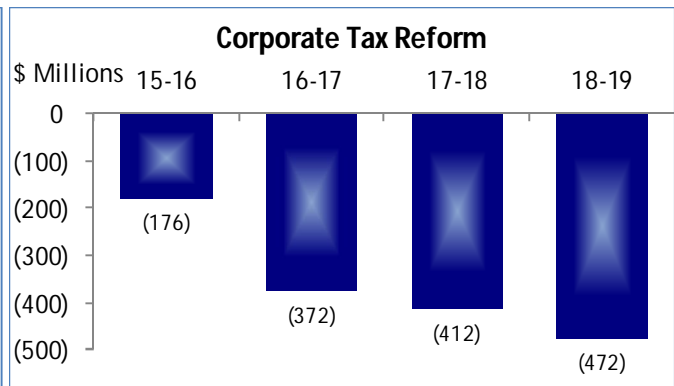
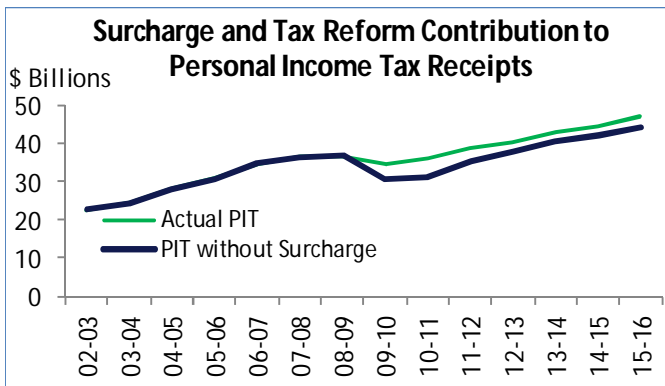
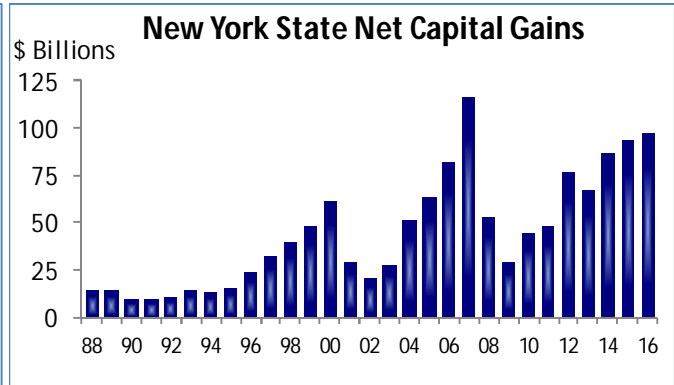
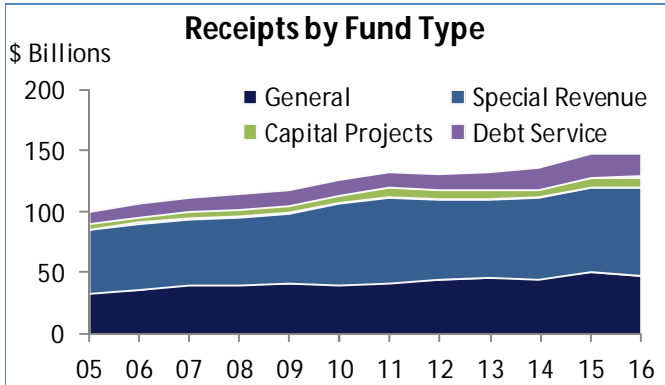
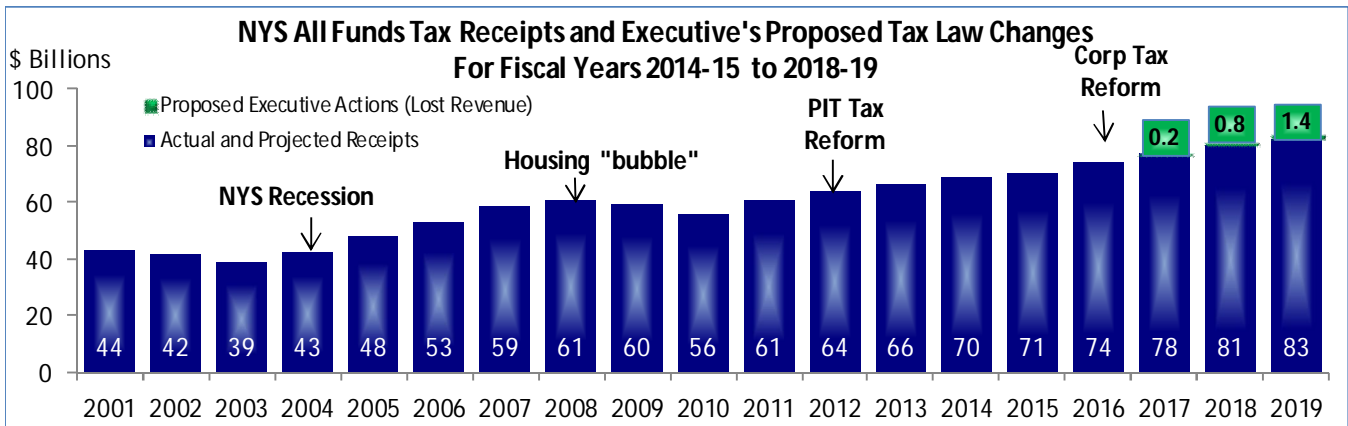


Year-to-date All Funds Tax revenue Growth is 1.5%

2015-16 All Funds Revenue total \$149 billion; growth at 0.8%

2015-16 All Funds tax receipts total \$74.4 billion; growth at 5.1%

2015-16 Miscellaneous Receipts drop 17.4% after 25.2% growth in 2014-15



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

BUDGET HIGHLIGHTS: REVENUE



The Executive proposes various revenue actions that reduce tax collections by \$227 million in State Fiscal Year (SFY) 2016-17 and a revenue loss of \$1.4 billion in SFY 2018-19.

- **Property and Other Tax Credits:** The Executive proposes a “Circuit Breaker” tax credit for homeowners and renters as well as an Education Tax Credit for contributions made to education organizations. In addition, the Executive proposes an expanded Youth Jobs Program and an Employee Training tax credit.
- **Tax Cuts and Reforms:** The Executive proposes to reduce the corporate income tax rate for small businesses from 6.5 percent to 2.5 percent and require marketplace providers such as eBay and Amazon to collect sales tax from sellers they facilitate.
- **Tax Simplification, Enforcement Actions and Extenders:** The Executive proposes several simplifications and enforcement initiatives that will increase receipts by \$24 million in 2015-16 and \$38 million in 2016-17.
- **School Tax Relief (STAR) Program Actions:** The Executive proposes to convert the STAR benefit into a personal income tax credit for new homeowners together with several modifications to the STAR program’s benefits.
- **Technical Corrections:** The Executive proposes technical corrections to Corporate and Estate Tax reform legislation enacted with last year’s budget as well as various other technical corrections.
- **Gaming Initiatives:** The Executive proposes: extending the Video Lottery Gaming (VLG) Vendor’s capital awards program for one year; expanding electronic gaming offerings at VLG facilities; and extending the NYRA reorganization board from three to four years.
- **Repeal of Fees:** The Executive proposes the repeal of 59 fees charged by seven State agencies for a revenue loss of \$3 million beginning in 2015-16.

BUDGET REVIEW AND ANALYSIS: REVENUE



Table 62

Executive Budget - All Funds Receipts					
(\$ in Millions)					
	2013-14	2014-15	% Change	2015-16	% Change
Personal Income Tax	\$42,961	\$44,338	3.2%	\$46,888	5.8%
User Taxes	\$15,099	\$15,394	2.0%	\$15,981	3.8%
Business Taxes	\$8,259	\$7,717	-6.6%	\$8,083	4.7%
Other	\$3,371	\$3,418	1.4%	\$3,498	2.3%
Total Taxes	\$69,690	\$70,867	1.7%	\$74,450	5.1%
Miscellaneous Receipts	\$24,233	\$30,329	25.2%	\$25,054	-17.4%
Federal Funds	\$43,789	\$46,937	7.2%	\$49,763	6.0%
Total All Funds	\$137,712	\$148,133	7.6%	\$149,267	0.8%

Source: New York State Division of the Budget.

SFY 2014-15 All Funds Receipts Estimate

- All Funds receipts are estimated to increase 7.6 percent, to \$148.133 billion in SFY 2014-15 primarily due to strong Miscellaneous Receipts growth attributable to the \$5.4 billion in settlements with financial institutions.
- The Executive estimates SFY 2014-15 All Funds tax receipts to total \$70.867 billion, or 1.7 percent over the previous fiscal year, an increase of \$1.177 billion. The majority of the additional revenue is attributed to Personal Income Tax receipts growth of 3.2 percent, or \$1.377 billion.

SFY 2015-16 All Funds Receipts Forecast

- All Funds receipts are forecast to increase by 0.8 percent, or \$1.134 billion, to \$149.267 billion.
- The Executive forecasts SFY 2015-16 All Funds tax receipts to total \$74.450 billion, an increase of 5.1 percent or \$3.583 billion over SFY 2014-15. The increase is attributed to the Personal Income Tax that is forecast to increase by \$2.550 billion, or 5.8 percent.

Tax Actions

- **Tax Credits:** The Executive proposal includes \$360 million in tax cuts that do not have a fiscal impact until in SFY 2016-17, and increases to \$1.5 billion in SFY 2018-19.
 - The Executive proposes a statewide “circuit breaker” tax credit for homeowners with incomes less than \$250,000 whose taxes exceed six percent of their income. Under the proposal homeowners would receive a credit of up to 50 percent of the excess of property taxes paid over a certain income threshold. The credit will apply to jurisdictions that stay under the property tax cap (except in the City of New York). The average statewide credit is estimated at \$956 when fully implemented. The following provides more detail on the way the credit will be calculated (when fully phased in over four years):
 - For households earning less than \$75,000:
 - The credit would be 50 percent of the amount by which property taxes exceed 6 percent of income; and
 - Maximum credit would be \$2,000.
 - For households earning more than \$75,000 but less than \$150,000:
 - The credit would be 50 percent declining to 40 percent (as income increases) of the amount by which property taxes exceed 6 percent of income; and
 - The maximum credit decreases to a minimum of \$1,500.
 - For households earning more than \$150,000 but less than \$250,000:
 - The credit will be 40 percent declining to 15 percent (as income increases) of the amount by which property taxes exceed 6 percent of income; and
 - The maximum credit decreases to a minimum of \$1,000.
 - The Executive proposes a statewide “circuit breaker” tax credit for renters with incomes less than \$150,000. For renters a property tax “equivalent” is calculated equal to 13.75 percent of the annual rent. The average statewide credit is estimated at \$408 when fully implemented. The following provides more detail on the way the credit will be calculated (when fully phased in):
 - For households earning less than \$75,000:
 - The credit will be 50 percent of the amount by which the property tax equivalent exceeds 6 percent of income; and

- Maximum credit will be \$750 for Downstate (NYC, Nassau, Suffolk, Rockland, Westchester, Putnam, Orange, and Dutchess) and \$500 for Upstate.
 - For households earning more than \$75,000 but less than \$150,000:
 - The credit will be 50% declining to 40 percent (as income increases) of the amount by which the property tax equivalent exceeds 6 percent of income; and
 - Maximum credit will be \$750 for Downstate and \$500 for Upstate.
 - The Executive proposes an Education tax credit for contributions made to public education entities, school improvement organizations, local education funds, and educational scholarship organizations. Corporate and individual taxpayers will receive a nonrefundable 75 percent credit of their authorized contribution, up to a maximum annual credit of \$1 million. The program is capped at \$100 million annually. Fifty percent of the maximum allowed credits will be allocated to public education entities, school improvement organizations, and local education funds, and 50 percent to educational scholarship organizations. Enactment of this credit will be contingent upon passage of the DREAM Act.
 - The Executive proposes the creation of the Urban Youth Jobs program that doubles the current allocation of the existing Youth Credit to \$20 million for tax years 2015 through 2018 with a focus on jurisdictions with high youth unemployment.
 - The Executive proposes the creation of the Employee Training Incentive Program (ETIP) tax credit that will provide up to \$5 million annually in tax credits from the Excelsior Jobs Program to support 50 percent of training costs up to \$10,000 per eligible employee. Eligible employers must create at least 10 net new jobs or make a significant capital investment.
 - The Executive proposes the extension of the Excelsior Tax Credit program to entertainment companies that create at least 100 net new jobs and make a significant investment in New York.
- **Tax Cut and Reform:** \$42 million in additional revenue in SFY 2016-17.
- The Executive proposes to reduce the net income tax on small business from 6.5 percent to 2.5 percent over three years for businesses with net income below \$290,000.
 - The Executive proposes to extend the wine tasting sales tax exemption to include beer, cider and liquor.

- The Executive proposes to reform the Investment Tax Credit provided for master tapes by limiting eligibility to costs associated with master tapes that were produced only in New York.
- The Executive proposes to reform the Industrial Development Authority (IDA) Program by authorizing the Department of Economic Development (DED) to approve any future IDA projects that contain State tax benefits based on job and/or investment targets. To receive assistance from an IDA, all newly participating businesses must be tax compliant, and will be subject to a clawback of State tax benefits if job/investment targets are not met.
- The Executive proposes to expand sales tax collection requirements for marketplace providers. Online providers such as Amazon and eBay supply a marketplace for outside sellers to sell their products to consumers. Under this proposal, the marketplace provider would be required to collect the tax when they facilitate the sale, whether the seller is located within, or outside, New York.
- The Executive proposes to exempt solar power purchase agreements from State and Local sales tax. Electricity generated at the premises of, and sold to, a customer via solar equipment owned by the equipment vendor will be exempt from State sales and use tax (with local option).
- The Executive proposes amendments to Tax Law Article 9 Refunds and Section 184 Assessment requiring telecommunications companies with wireless lines of business that are requesting a refund of prior-year Article 9 tax to provide customer refunds first. Additionally, the Executive Budget requires that the Section 184 gross receipts tax on telecommunications be imposed on the wireless lines of business of telecommunications companies.

➤ **Tax Simplification:**

- The Executive Budget proposes updates to New York City's corporate tax structure by implementing reforms similar to those the State undertook last year. The City's Banking Corporation Tax is merged into the General Corporation Tax to provide tax simplification and relief, and improve voluntary compliance.
- The Executive proposes to combine the Department of State (DOS) biennial information State and tax return filings and repeal the \$9 DOS fee; it requires LLCs and corporations that currently file biennial information statements with the DOS to provide the information as part of their tax return.

- The Executive proposes to allow Petroleum Business Tax refunds for farm use of Highway Diesel Motor Fuel. Farmers who purchase taxable highway diesel fuel will be able to request a refund for the portion used for farm use.
 - The Executive proposes to impose Local Sales Tax on prepaid wireless based on retail location. The local sales tax collection for prepaid wireless will be based on vendor location, not the customer's residential location.
- **Enforcement Initiatives:** The Executive Budget proposes 11 enforcement initiatives that are expected to raise \$24 million in 2015-16 and \$38 million in 2016-17. These actions would:
- lower the tax debt threshold required to suspend delinquent taxpayers' driver's licenses from \$10,000 to \$5,000;
 - allow New York to enter reciprocal tax collection agreements with other states;
 - close certain sales tax avoidance strategies. In particular, tax loopholes related to the sale for resale exemption, non-resident business purchases and single-owner entity designation will be closed;
 - authorize a professional and business license tax clearance. The State will be authorized to deny a professional or business license to an applicant who has outstanding tax liabilities over \$500;
 - require newly hired New York State employees to be compliant with State tax obligations;
 - require practitioners to be compliant with State tax obligations before receiving excess medical malpractice coverage;
 - require grantees to be compliant with State tax obligations before receiving a State grant from a State or Local Authority;
 - authorize Multi-Agency data sharing to enhance enforcement initiatives;
 - convert the current STAR delinquency/offset program into a tax clearance program. The bill makes permanent the program that makes properties ineligible for the STAR exemption if one or more of the owners has past-due tax liabilities;

- allow OCFS to share child care data with the Department of Taxation and Finance (DTF); and
 - enhance motor fuel tax enforcement by requiring wholesalers to register and file monthly returns reporting gallons delivered and also to remit any additional prepaid sales tax due for fuel accepted in one prepayment zone but delivered into another.
- **Tax Law Extenders:** The Executive Budget proposes the following extensions to existing Tax Laws:
- make permanent the limitation on charitable contribution deductions for taxpayers with adjusted gross income over \$10 million. The current charitable contribution deduction limitation of 25 percent allowed under State Tax Law is scheduled to expire at the end of tax year 2015;
 - make warrantless wage garnishment permanent. The Executive Budget makes permanent the authorization for DTF to garnish wages of delinquent taxpayers without filing a warrant with the Department of State or County Clerks;
 - extend and alter the Brownfield Cleanup Program (BCP). The Executive proposes to extend the BCP for 10 years with changes including:
 - limit eligibility for the tangible property credit to “upside down” properties, sites located in Environmental Zones, and defined housing projects;
 - provide bonus credits for projects located in an Environmental Zone or BOA, affordable housing, or manufacturing;
 - limit eligible site preparation costs;
 - establish a fast-track option without tax credits;
 - require sites in the BCP prior to April 1, 2015 to obtain a certificate of completion by December 31, 2017, or meet the new tangible property credit eligibility criteria;
 - limit the time frame within which the BCP redevelopment tax credits may be claimed; and
 - amend existing provisions and alter program administration.
 - extend pari-mutuel simulcasting provisions for one year.

➤ **School Tax Relief (STAR) Program Actions:**

- The Executive proposes to gradually convert the STAR Benefit into a refundable Personal Income Tax Credit for new homeowners. This proposal will be phased-in for first-time homebuyers and homeowners who move and purchase a new home. Current STAR recipients will be allowed to opt into the new program.
- The Executive proposes to cap the annual growth in Basic and Enhanced exemption benefit at their 2014-15 levels, beginning with the 2015-16 school years.
- The Executive proposes to eliminate the New York City STAR PIT rate reduction benefit for taxpayers with income over \$500,000.
- The Executive proposes to recoup STAR savings retrospectively from unlawfully claimed exemptions.
- The Executive proposes to allow unenrolled registrants to receive the STAR Exemption benefit for Tax Year 2014.

➤ **Technical Corrections:**

- The Executive proposes to require an annual report that includes information that can be used to assess the economic impact of the Commercial Production Tax Credit program.
- The Executive proposes to amend the Corporate Tax Reform statute for various technical corrections.
- The Executive proposes to amend the Estate Tax statute for technical changes that extend the imposition of the tax and clarify the treatment of gift add-backs.
- The Executive proposes to amend the Personal income Tax, MTA Mobility Tax and Credit for Disabled Workers statutes for technical changes.

➤ **Gaming Initiatives:**

- The Executive proposes to extend the Video Lottery Gaming (VLG) Vendor's Capital Awards Program for one year.

- The Executive proposes to expand Electronic Gaming Offerings at Video Lottery Gaming (VLG) Facilities.
 - The Executive proposes to extend the NYRA Reorganization Board's maximum term from three years to four years.
- **Repeal of Fees:** The Executive Budget proposes the repeal of 59 fees charged by seven different State agencies, for over \$3 million in annual loss of revenue beginning in SFY 2015-16.

Table 63

TAX REFORM, REVENUE ACTIONS, AND STAR

(\$ in Millions)

	General Fund		All Funds			
	2015-16	2016-17	2015-16	2016-17	2017-18	2018-19
Tax Credits						
Provide Income Based Property Tax Relief	0	(350)	0	(350)	(850)	(1,350)
Education Tax Credit	0	0	0	0	(100)	(100)
Urban Youth Jobs Program Tax Credit	0	(10)	0	(10)	(10)	(10)
Employee Training Incentive Program (ETIP) Tax Credit	0	0	0	0	0	0
Extend the Excelsior Tax Credit Program to Entertainment Companies	0	0	0	0	0	0
Total	0	(360)	0	(360)	(960)	(1,460)
Tax Cuts and Reform Actions						
Reduce the Net Income Tax on Small Businesses	0	(26)	0	(26)	(29)	(32)
Extend the Wine Tasting Sales and Use Tax Exemption to other Alcoholic Beverages	0	0	0	0	0	0
Reform the Investment Tax Credit for Master Tapes	0	0	0	0	15	15
Reform the Industrial Development Authority (IDA) Program	4	9	4	9	9	9
Expand Sales Tax Collections Requirements for Marketplace Providers	0	56	0	59	59	59
Exempt Solar Power Purchase Agreements from State and Local Sales Tax	0	0	0	0	0	0
Tax Law Article 9 Refunds and Section 184 Assessment	0	0	0	0	0	0
Total	4	39	4	42	54	51
Tax Simplification Actions						
New York City Corporate Tax Reform	0	0	0	0	0	0
Combine the DOS Biennial Information Statement and Tax Return Filings and Repeal \$9 Fee	0	0	0	0	0	0
Allow Petroleum Business Tax Refunds for Farm Use of Highway use Diesel Motor Fuel	0	0	0	0	0	0
Impose Local Sales Tax on Prepaid Wireless Based on Retail Location	0	0	0	0	0	0
Total	0	0	0	0	0	0
Enforcement Initiatives						
Lower the Outstanding Tax Debt Threshold Required to Suspend Delinquent Taxpayers	9	3	9	3	3	3
Allow New York to Enter Reciprocal Tax Collection Agreements with Other States	1	3	1	3	3	3
Close Certain Sales and Use Tax Avoidance Strategies	5	10	5	10	10	10
Authorize a Professional and Business License Tax Clearance	0	3	0	3	3	3
Require new State Employees to be Tax Compliant	1	2	1	2	2	2
Require Practitioners to Comply with State Tax Obligations Before Receiving Excess Med/Mal Coverage	1	2	1	2	2	2
Require Grantees to comply with State Tax Obligations before Receiving a State Grant from a State or Local Authority	1	2	1	2	2	2
Authorize Multi Agency Data Sharing to Enhance Enforcement Initiatives	0	0	1	1	1	1
Extend Current STAR / Tax Delinquency Program and Convert it from Offset into a Tax	1	1	0	0	0	0
Allow OCFS to Share Child Care Data with the Department of Taxation and Finance	0	2	0	2	2	2
Enhance Motor Fuel Tax Enforcement	1	2	5	10	10	10
Total	20	30	24	38	38	38
Tax Law Extenders						
Make Permanent the Limitation on Charitable Contribution Deduction for High Income Earners	0	70	0	70	140	125
Make Warrantless Wage Garnishment Permanent	15	15	15	15	15	15
Extend and Reform the Brownfield Cleanup Program	0	0	0	0	0	0
Extend Certain Tax Rates and Certain Simulcasting Provisions	0	0	0	0	0	0
Total	15	85	15	85	155	140
School Tax Relief (STAR) Program Actions						
Convert the STAR Benefit into a Tax Credit for New Homeowners - Credit Portion	0	(97)	0	(97)	(197)	(298)
Convert the STAR Benefit into a Tax Credit for New Homeowners - Spending Savings	97	197				
Cap Annual Growth in Basic and Enhanced Exemption Benefits at Zero Percent	54	54	0	0	0	0
Eliminate the NYC PIT Rate Reduction Benefit for High-Income Taxpayers	41	51	0	0	0	0
Recoup Savings Retrospectively from Unlawfully Claimed Exemptions	1	0	0	0	0	0
Allow Unenrolled Registrants to Receive the STAR Exemption Benefit for 2014	(1)					
Total	192	205	0	(97)	(197)	(298)
Technical Corrections						
Require Commercial Production Tax Credit Economic Impact Report	0	0	0	0	0	0
Amend the Corporate Tax Reform Statute for Technical Changes	0	7	0	7	30	30
Amend the Estate Tax Statute for Technical Changes	0	0	0	0	0	0
Amend the PIT, MTA Mobility Tax, and Credit for Disabled Workers	0	0	0	0	0	0
Total	0	7	0	7	30	30
Gaming Initiatives						
Extend the Video Lottery Gaming (VLG) Vendor's Capital Awards Program for one year	0	0	0	0	0	0
Expand Electronic Gaming Offerings at VLG Facilities	0	0	20	40	40	40
Extend NYRA Reorganization Board	0	0	0	0	0	0
Total	0	0	20	40	40	40
Repeal Nuisance Fees						
Repeal 59 Nuisance Fees Charged by Various State Agencies	(0)	(0)	(3)	(3)	(3)	(3)
Total	(0)	(0)	(3)	(3)	(3)	(3)
Other Fees						
Align DEC Fees with Service Levels	0	0	8	8	8	8
Enhance Oil Spill Preparedness	0	0	9	9	9	9
Impose Vehicle Inspection Fee	0	0	4	4	4	4
Total	0	0	21	21	21	21
Total Actions	231	6	81	(227)	(822)	(1,441)

Table 64

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

	2013-14 Actual	2014-15 Estimate	Change	Percent Growth
Personal Income Tax	42,961	\$44,338	\$1,377	3.2%
Gross Receipts	51,575	52,714	\$1,139	2.2%
Withholding	33,368	35,149	\$1,781	5.3%
Estimated Payments	14,637	14,108	(\$529)	-3.6%
Vouchers	9,454	10,734	\$1,280	13.5%
IT 370s	5,183	3,374	(\$1,809)	-34.9%
Final Payments	2,395	2,191	(\$204)	-8.5%
Delinquencies	1,175	1,266	\$91	7.7%
Total Refunds	8,614	8,376	(\$238)	-2.8%
Prior Year Refunds	5,367	4,962	(\$405)	-7.5%
Current Refunds	2,078	1,750	(\$328)	-15.8%
Previous Refunds	554	464	(\$90)	-16.2%
Credits		612		
State/City Offsets	615	588	(\$27)	-4.4%
Collections	42,961	44,338	\$1,377	3.2%
User Taxes and Fees	15,099	15,394	\$295	2.0%
Sales and Use Tax	12,588	13,034	\$446	3.5%
Motor Fuel Tax	473	487	\$14	3.0%
Cigarette Tax	1,453	1,282	(\$171)	-11.8%
Highway Use	136	136	\$0	0.0%
Alcoholic Beverage Tax	250	251	\$1	0.4%
Auto Rental Tax	114	119	\$5	4.4%
Taxi Surcharge	85	85	\$0	0.0%
Business Taxes	8,259	7,717	(\$542)	-6.6%
Corporate Franchise	3,812	2,852	(\$960)	-25.2%
Utility Tax	798	773	(\$25)	-3.1%
Insurance Tax	1,444	1,524	\$80	5.5%
Bank Tax	1,050	1,428	\$378	36.0%
Petroleum Business Tax	1,155	1,140	(\$15)	-1.3%
Other	3,371	3,418	47	1.4%
Estate and Gift	1,238	1,149	(\$89)	-7.2%
Real Estate Transfer	911	990	\$79	8.7%
Pari Mutuel	17	18	\$1	5.9%
Payroll Tax	1,204	1,260	\$56	4.7%
Total Taxes	\$69,690	\$70,867	\$1,177	1.7%
All Funds Misc Receipts	24,233	30,329	\$6,096	25.2%
Federal Grants	43,789	46,937	\$3,148	7.2%
Total All Funds Receipts	\$137,712	\$148,133	\$10,421	7.6%

Table 65

Total Collections SFY 2015-16 (\$ in Millions)

	2014-15 Estimate	2015-16 Forecast	Change	Percent Growth
Personal Income Tax	44,338	46,888	2,550	5.8%
Gross Receipts	52,714	56,125	3,411	6.5%
Withholding	35,149	37,410	2,261	6.4%
Estimated Payments	14,108	14,996	888	6.3%
Vouchers	10,734	11,348	614	5.7%
IT 370s	3,374	3,648	274	8.1%
Final Payments	2,191	2,378	187	8.5%
Delinquencies	1,266	1,341	75	5.9%
Total Refunds	8,376	9,237	861	10.3%
Prior Year Refunds	4,962	5,678	716	14.4%
Current Refunds	1,750	1,750	-	0.0%
Previous Refunds	464	488	24	5.2%
Credits	612	783		
State/City Offset	588	538	(50)	-8.5%
Collections	44,338	46,888	2,550	5.8%
User Taxes and Fees	15,394	15,981	587	3.8%
Sales and Use Tax	13,034	13,604	570	4.4%
Motor Fuel Tax	487	484	(3)	-0.6%
Cigarette Tax	1,282	1,283	1	0.1%
Highway Use	136	145	9	6.6%
Alcoholic Beverage Tax	251	256	5	2.0%
Auto Rental Tax	119	124	5	4.2%
Taxi Surcharge	85	85	-	0.0%
Business Taxes	7,717	8,083	366	4.7%
Corporate Franchise	2,852	4,589	1,737	60.9%
Utility Tax	773	805	32	4.1%
Insurance Tax	1,524	1,604	80	5.2%
Bank Tax	1,428	(10)	(1,438)	-100.7%
Petroleum Business Tax	1,140	1,095	(45)	-3.9%
Other	3,418	3,498	80	2.3%
Estate and Gift	1,149	1,105	(44)	-3.8%
Real Estate Transfer	990	1,037	47	4.7%
Pari Mutuel	18	18	-	0.0%
Payroll Tax	1,260	1,337	77	6.1%
Total Taxes	70,867	\$74,450	3,583	5.1%
All Funds Misc Receipts	30,329	25,054	(5,275)	-17.4%
Federal Grants	46,937	49,763	2,826	6.0%
Total All Funds Receipts	148,133	\$149,267	1,134	0.8%



Capital and Debt



BUDGET SNAPSHOT: CAPITAL AND DEBT



State Supported Debt is estimated to total \$55.0 billion.

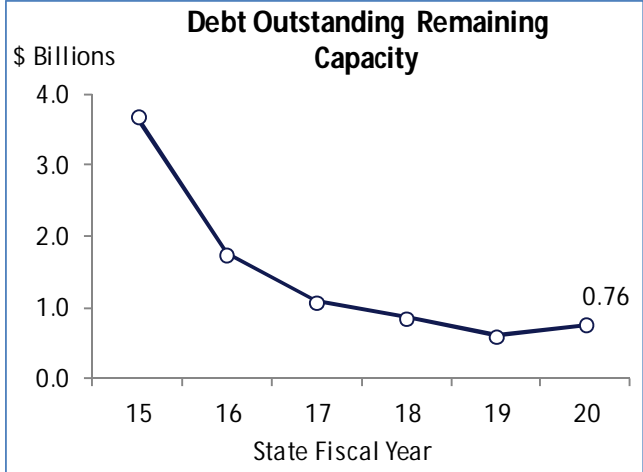
Capital Plan spending totals \$10.9 billion.

New capital project obligations total \$6.2 billion.

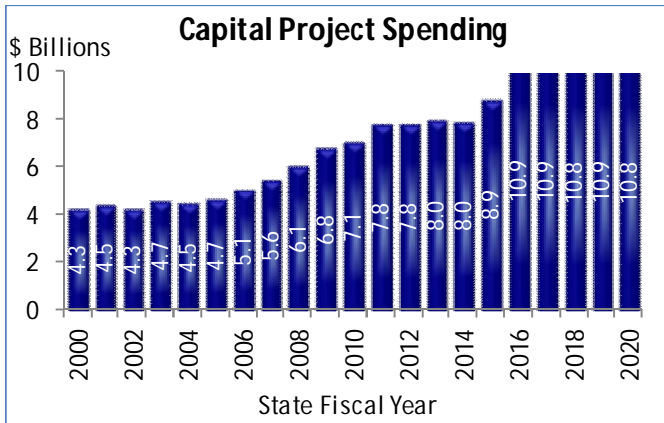
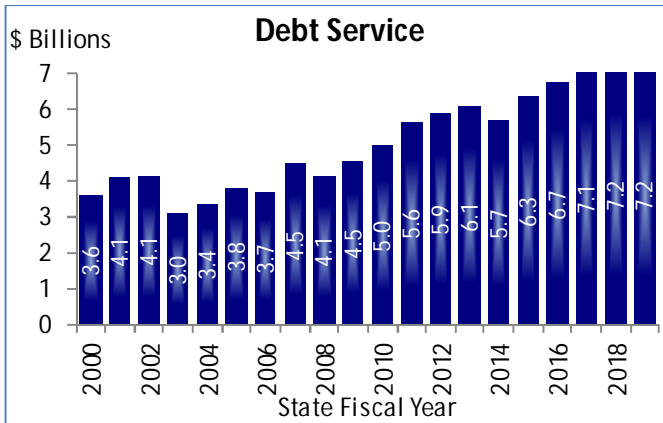
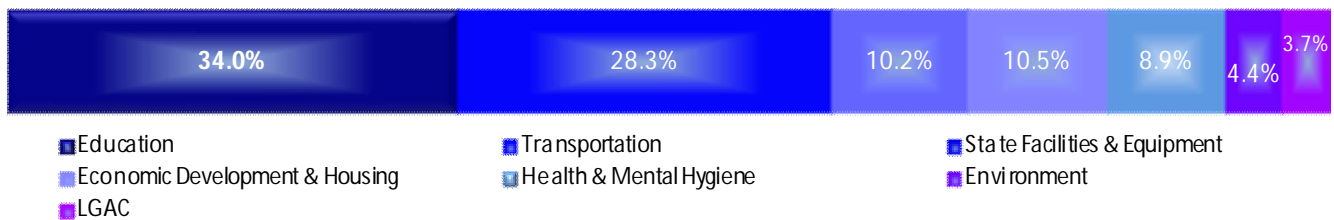
State Supported Debt Service totals \$5.5 billion.

New Capital Obligations SFY 2015-16 Executive Budget (\$ in Thousands)

	FY 2016 Appropriations
Special Infrastructure Account	3,050,000
Economic Development	1,754,723
Transportation/ Transit	5,852,854
Health & Mental Hygiene	1,490,572
Higher Education	676,254
Parks and Environment	726,600
Social Welfare	314,700
State Facilities, IT & Public Protection	399,400
All Other Capital Appropriations	296,656
Total	14,561,759



NYS-Supported Debt Outstanding by Function 2015-16



Source: NYS Division of the Budget.

BUDGET HIGHLIGHTS: CAPITAL AND DEBT



- **Capital Program and Financing:** The Executive's Capital Program and Financing Plan totals \$10.9 billion for State Fiscal Year (SFY) 2015-16.
- **Debt Issuance:** The Executive proposes to issue \$6.2 billion in debt to finance new and existing capital project spending in SFY 2015-2016, an increase of \$2.5 billion, or 67 percent from SFY 2014-15.
- **Debt Outstanding:** State-supported debt outstanding is projected to remain under the statutory debt cap over the Plan period, declining from \$3.7 billion in SFY 2014-15, to \$1.75 billion in SFY 2015-16.
- **Dedicated Infrastructure Investment Fund:** The Executive proposes a new \$4.6 billion Capital Fund to be supported exclusively by non-recurring revenues derived from recent settlements with financial institutions. The Dedicated Infrastructure Investment Fund is proposed to support an Upstate Revitalization competition (\$1.5 billion) and other statewide infrastructure investments (\$3.1 billion). Monies in the Fund may be transferred to the General Fund in the event of a natural disaster; a decline in Medicaid revenues in excess of \$100 million; or an economic downturn that lasts greater than three months.
- **Health Care Capital Restructuring Program:** The Executive proposal includes \$1.0 billion for projects to restructure health care institutions in Brooklyn and an integrated delivery system in Oneida County.
- **Transportation:** The Executive proposes \$1.5 billion to support State and local bridge initiatives including highways, bridges, rail, aviation, non-MTA transit programs (\$750 million); and the MTA Capital Plan (\$750 million).

BUDGET REVIEW AND ANALYSIS: CAPITAL AND DEBT



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.

Table 66

Capital Spending by Function and Financing Source Capital Program and Financing Plan SFY 2015-16 Through SFY 2019-20 (\$ in Millions)

Spending	2015-16	2016-17	2017-18	2018-19	2019-20
Transportation	4,560	4,385	4,307	4,424	4,582
Education - EXCEL	540	441	437	417	417
Higher Education	1,780	1,728	1,632	1,585	1,543
Economic Development & Gov't Oversight	958	1,146	1,167	1,098	1,066
Mental Hygiene	443	472	482	427	427
Parks and Environment	681	654	630	583	528
Health	507	494	434	433	283
Social Welfare	181	215	217	214	206
Public Protection	425	308	290	291	290
General Government	261	156	169	97	79
Other	<u>593</u>	<u>893</u>	<u>1,033</u>	<u>1,301</u>	<u>1,359</u>
Total	<u>10,927</u>	<u>10,891</u>	<u>10,796</u>	<u>10,870</u>	<u>10,780</u>
Off-Budget Spending	<u>(1,012)</u>	<u>(957)</u>	<u>(939)</u>	<u>(870)</u>	<u>(843)</u>
Net Cash Spending	<u>9,915</u>	<u>9,935</u>	<u>9,857</u>	<u>10,000</u>	<u>9,937</u>

The Five-Year Capital Plan

The Executive is proposing a \$54.3 billion Five-Year Capital Plan that reprioritizes and accelerates existing projects and implements a portion of the New York Works program. The Executive's SFY 2015-16 Capital Plan totals \$10.9 billion, which reflects an increase of 22.7 percent, or \$2.0 billion from SFY 2014-15.

New Capital Initiatives

The Executive budget proposes \$14.6 billion in new capital obligations in various infrastructure programs such as economic development, transportation, health care, higher education, parks and environment, social welfare, State facilities, public protection and other programs.

Table 67

New Capital Appropriations SFY 2015-16 Executive Budget (\$ in Thousands)			
Special Infrastructure Account	3,050,000	Higher Education	676,254
Thruway Stabilization Program	1,285,000	SUNY/CUNY Systemwide Maintenance	322,000
Broadband Initiative	500,000	Community College Projects	164,254
Hospitals	400,000	NY SUNY & CUNY 2020 Grants	110,000
Penn Station Access	250,000	Binghamton School of Pharmacy	50,000
Municipal Restructuring	150,000	Capital Matching Grants	30,000
Transit-Oriented Development	150,000		
Resiliency, Mitigation, Security & Response	150,000	Parks & Environment	726,600
Southern Tier/Hudson Valley Farm Initiative	50,000	Hazardous Waste Remediation	100,000
Other Infrastructure Improvements	115,000	Core Parks and Historical Preservation	173,700
		Core DEC Program	452,900
Economic Development	1,754,723	Social Welfare	314,700
Upstate Revitalization Fund	1,500,000	Raise the Age	110,000
Regional Economic Development Councils	150,000	Non-profit Infrastructure Capital Investment Program	50,000
Nano/GE Power Electronics	33,500	Affordable & Homeless Housing	154,700
Cornell Veterinary College	19,000		
All Other Economic Development	52,223		
Transportation/Transit	5,852,854	State Facilities, IT & Public Protection	399,400
DOT Bridge Program(1)	750,000	Harriman Campus Upgrades	152,000
MTA Capital Contribution	750,000	Information Technology	146,700
Other Downstate Transit	121,548	Public Protection	100,700
Core Transportation & DMV Program	4,231,306		
Health & Mental Hygiene	1,490,572	All Other Capital Appropriations	296,656
Health Care Facility Transformation	1,000,000		
Core DOH Program	150,600		
Core Mental Hygiene Program	339,972		
		Total Capital Appropriations	14,561,759

(1) \$150 million per year over five years.

The Executive proposal allocates \$4.55 billion of financial settlement revenue to finance a portion of the new capital obligations (as cash or Pay-As-You-Go financing), consisting of \$3.05 billion in a new Special Infrastructure account and \$1.5 billion in support of the new Upstate Revitalization Fund.

The Executive proposal includes \$1.0 billion for projects to restructure health care institutions in Brooklyn, and an integrated delivery system in Oneida County.

The Executive proposal includes support for State and local bridge initiatives including highways, bridges, rail, aviation, non-MTA transit programs (\$750 million); and the MTA Capital Plan (\$750 million).



Financing the Capital Plan for 2015-16

The Executive proposes to finance this year's Capital program with a combination of Pay-As-You-Go (PAYGO) funding, \$3.2 billion and bonded resources \$5.7 billion.

Table 68

Capital Program and Financial Plan Financing Sources SFY 2015-16 (\$ in Millions)				
Financing Source	FY 2015	FY 2016	\$ Change	Annual % Change
Authority Bonds	4,539	5,650	1,112	24%
Federal Pay-As-You-Go	1,705	1,348	(356)	-21%
State Pay-As-You-Go	2,351	3,218	867	37%
General Obligation Bonds	312	710	398	128%
Total	8,906	10,927	2,021	23%

State Debt Issuances Over Five Years

Table 69

State Debt Issuances Summarized By Financing Program SFY 2014-15 Through SFY 2019-20 (\$ in Thousands)						
	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
<u>General Obligation Bonds</u>	311,926	710,215	470,940	437,081	428,336	418,671
<u>Revenue Bonds</u>						
Personal Income Tax	2,334,526	4,271,371	3,797,083	3,684,522	3,950,707	3,907,894
Sales Tax	1,059,365	1,214,136	1,250,560	1,288,077	1,326,720	1,366,521
Subtotal Revenue Bonds	3,393,891	5,485,507	5,047,643	4,972,599	5,277,427	5,274,415
Total State- Supported	3,705,817	6,195,722	5,518,583	5,409,680	5,705,763	5,693,086

A total \$6.2 billion in new issuances are expected in SFY 2015-16, to be sold through the following bond sales:

- \$4.3 billion through the PIT Revenue Bond Program;
- \$1.2 billion through the Sales Tax Revenue Bond Program; and
- \$710 million of State General Obligation Bonds.

State Supported Debt

Table 70

New York State-Supported Debt Outstanding by Function SFY 2015-16 (\$ in Millions)		
	Amount	Share
Economic Development & Housing	5,762	10.47%
Education	18,717	34.01%
Environment	2,397	4.35%
Health & Mental Hygiene	4,903	8.91%
Transportation	15,570	28.29%
State Facilities & Equipment	5,634	10.24%
LGAC	2,058	3.74%
Total State-Supported Debt	55,042	

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

Debt Affordability

State-supported debt outstanding is projected to remain under the statutory debt cap over the Five-Year Plan, declining from \$3.7 billion in SFY 2014-15 to \$761 million in remaining capacity by SFY 2019-20. The State cap on the amount of debt outstanding is limited to four percent of Personal Income. The Executive estimates \$1.7 billion of available room under the statutory debt cap for SFY 2015-16 will be reduced to \$1.1 billion million in SFY 2016-17.

State-related debt outstanding as a percentage of personal income is expected to decrease from 4.8 percent in SFY 2015-2016 to 4.3 percent in SFY 2019-20.

State-related debt service is projected at \$6.1 billion in SFY 2015-2016, a decrease of \$246 million, or 4 percent, from SFY 2014-2015.



State-Related Debt

State-related debt outstanding is projected to total \$56.9 billion in SFY 2015-2016, an increase of \$2.0 billion or 3.6 percent from SFY 2014-15. Over the plan, State-related debt outstanding is projected to increase from \$54.9 billion in SFY 2014-15 to \$61.1 billion in SFY 2019-20, or an average increase of 7.4 percent.

Table 71

State-related Debt Outstanding (Other State Debt Obligations in Addition to State-supported) (\$ in Millions)		
	2014-15 Estimated	2015-16 Projected
Contingent Contractual		
DASNY/MCFFA Secured Hospitals Program	304	255
Tobacco Settlement Financing Corporation	1,745	1,375
Moral Obligation		
HFA Moral Obligation Bonds	5	4
State Guaranteed		
Job Development Authority (JDA)	9	6
Other State Financing		
MBBA Prior Year School Aid Claims	263	234
Total	2,326	1,874

State-related debt is defined 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).

Other debt obligations in addition to State-supported debt are estimated to total \$1.9 billion, a decrease of \$452 million or 19 percent from SFY 2014-15. 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.

State Debt Retirements

Retirements of State-related debt significantly impacts the State's ability to finance its capital programs. Retirements reflect the completion of annual principal payments owed to bondholders. In SFY 2015-16 State-related debt retirements are projected to be \$4.2 billion, an increase of \$218 million from last fiscal year. Over the next five years, retirements of State-related debt are projected to increase slightly, averaging \$4.5 billion annually.

Table 72

New York State - Principal Retirement	
Period	Cumulative Percentage of Existing Debt Scheduled for Retirement as of 1/01/2015
5 Years	32%
10 Years	59%
15 Years	78%
20 Years	90%
25 Years	97%
30 Years	100%



Budget Bills and Hearing Schedule



APPROPRIATION BUDGET BILLS

A. 3000 / S. 2000	State Operations Budget Appropriation Bill
A. 3001 / S. 2001	Legislature and Judiciary Budget Appropriation Bill
A. 3002 / S. 2002	Debt Service Budget Appropriation Bill
A. 3003 / S. 2003	Aid to Localities Budget Appropriation Bill
A. 3004 / S. 2004	Capital Projects Budget Appropriation Bill
A. 3005 / S. 2005	Public Protection and General Government Article VII Bill
A. 3006 / S. 2006	Education, Labor and Family Assistance Article VII Bill
A. 3007 / S. 2007	Health and Mental Hygiene Article VII Bill
A. 3008 / S. 2008	Transportation, Economic Development and Environmental Conservation Article VII Bill
A. 3009 / S. 2009	Revenue Article VII Bill

NON-APROPRIATION 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. 3005 - PUBLIC PROTECTION AND GENERAL GOVERNMENT

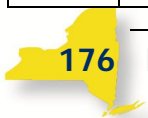
PART	DESCRIPTION	SUMMARY
A	Medical parole release for certain non-violent offenders	This part would authorize the Commissioner of the Department of Corrections and Community Supervision (DOCCS) to make the final determination regarding the medical parole release of certain non-violent offenders, instead of the Board of Parole.
B	Extend various criminal justice programs	This part would extend for two years various criminal justice and public safety programs, including continuation of the existing formula for distribution of certain monies recovered by county district attorneys that would otherwise expire in 2015.
C	Transfer Division of State Police employees to the Office of General Services	This part would authorize the transfer of certain Division of State Police employees engaged in business, financial, and human resource functions to the Office of General Services in accordance with the Civil Service Law.
D	Eliminate various fees in the Workers' Compensation Law	The part would eliminate a number of fees paid to the Department of Labor (DOL) for a variety of licensure requirements and renewals.
E	Campaign finance reform and public financing of campaigns	This part would require that statements filed by political committees include information about intermediaries; limit contributions to "housekeeping accounts" to \$25,000; provide that the receipt of any campaign contribution or loan in excess of \$1,000 be disclosed within 48 hours of receipt; lower the campaign contributions limits for all candidates participating in the public financing system, and to a lesser extent, for candidates not participating in public financing; limit transfers from party or constituted committees to other party or constituted committee to no more than \$5,000 per election, except that such committees could transfer or spend up to \$500 from each contributor to support or oppose a candidate; limit contributions from any contributor to a party or constituted committee to no more than \$25,000 per year; apply the corporate contribution limit to limited liability companies (LLCs),

		<p>and lower the LLC and corporate contribution limit to \$1,000; enact new prohibitions on the use of campaign contributions for “personal use” – including prohibiting using contributions to pay certain fines or penalties; and enact a voluntary public financing system for campaigns.</p> <p>The provisions include reporting and disclosure requirements, eligibility criteria, including criteria based on accrual of “matchable contributions” by candidates, limits on the total amounts of public funds that may be provided in any election cycle, allowable uses for public matching funds, and requirements on the State Board of Elections to conduct audits and provide for repayment of any excess State funds disbursed. This part also provides for civil and criminal penalties for violations of the proposed public financing system, and creates the “New York State Campaign Finance Fund,” which allows for certain transfers from the abandoned property fund into such Campaign Finance Fund, and establish a check-off for the “New York State Campaign Finance Fund” on tax returns.</p>
F	Eliminate certain election printing and publication requirements	This part would eliminate the requirement that the State Board of Elections (SBOE) annually print and distribute the full text of the Election Law to all County boards of election and to the public when requested; eliminate the requirement that certified copies of election results be published in local legal ads and instead require that such results be posted on a local board of elections’ web site for a minimum of three days; and eliminate the requirements that constitutional amendments and ballot questions be published in local newspapers and instead require that they be posted and disseminated on the SBOE’s and Department of State’s websites for a minimum of three days.
G	Office of Information Technology Services	This part would authorize up to 300 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. This part would also reclassify certain Civil Service titles that were transferred to ITS from other state agencies.
H	Management/Confidential salary increases	The part would increase the salaries of management/confidential employees, superintendents of correctional facilities, and other state officers and employees

I	Commission on Executive and Legislative Compensation	This part would establish a commission every four years commencing June 1, 2015 to examine, evaluate and make recommendations as to appropriate compensation and non-salary benefits for legislators, statewide elected officials, and certain executive agency officers.
J	New York State Health Insurance Program	The part would provide for an amnesty period for employees who may have ineligible dependents enrolled.
K	Rainy Day Reserve Fund and Retirement System Reporting	This part would increase the maximum allowable deposit to the rainy day reserve fund; change how state agency contracts for consultant services are reflected in the budget; and require public retirement systems to file a report related to estimated employer pension contribution rates expressed as a percentage of the employer payroll.
L	Video Lottery Terminal Aid	This part would return video lottery gaming aid for eligible municipalities to 2013-14 amounts.
M	Office of General Services Construction Contracts	This bill would extend until June 30, 2017 the authority of the Office of General Services (OGS) to enter into construction contracts without formal competitive bidding in certain emergencies. This part would also increase the threshold for such contracts from \$300,000 to \$1,000,000.
N	Office of General Services Delegation of Small Capital Projects	This part would increase the authority of the Office of General Service (OGS) to delegate the responsibility of executing small capital construction projects to agencies and departments from those projects under \$50,000 to those under \$150,000.
O	Dedicated Infrastructure Investment Fund	This part would establish the Dedicated Infrastructure Investment Fund, which would be comprised of the Upstate Revitalization Account and the Special Infrastructure Account, and would provide for the guidelines and uses of such fund.
P	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 2015-16 Executive Budget, and propose certain modification 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 account, (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. 3007 - HEALTH AND MENTAL HYGIENE

PART	DESCRIPTION	SUMMARY
A	Implement Department of Health savings initiatives	This part would eliminate the Physician Profiles website, reporting requirements related to the Office of Professional Medical Conduct (OPMC), Department of Health (DOH) auditing requirements of hospital residents working hours, and the Enhancing the Quality of Adult Living (EQUAL) program.
B	Implement Medicaid Redesign Team (MRT) recommendations	This part would authorize DOH to negotiate Medicaid supplemental rebates; increase the average wholesale price (AWP) discount and dispensing subsidies for brand name drugs; amend Clinical Drug Review Program criteria; eliminate prescriber prevails provisions in fee-for-service Medicaid; codify and continue the Medicaid Cap; eliminate the New York Prescriber Saver Program; reduce the assessment on inpatient obstetrical services; establish a general hospital quality pool; authorize certain payments to sole community hospitals; modify Vital Access Provider (VAP) and Upper Payment Limit (UPL) funding provisions; modify certain hospital reimbursement methodologies; develop rates of payment for the Basic Health Program; increase certain supplemental payments in Medicaid Managed Care; maximize Medicare payments in dual and crossover billing; eliminate spousal refusal for spouses residing together in the community; authorize an assessment of mobility and transportation needs of disabled or other special needs populations; prevent Medicaid payment for services delivered prior to Medicaid eligibility; reinvest savings from the Consumer First Choice Option (CFCO) into the State's Olmstead Plan; establish a nursing home energy and emergency preparedness savings reinvestment pilot program; authorize the appointment of certain staff within the Office of Health Insurance Programs; modify foster care transition into managed care grant provisions; and make certain technical corrections.
C	Modify Child Health Plus rate setting	This part would require fees paid to managed care organizations for ambulatory behavioral health services provided to Child Health Insurance Program enrollees be equivalent to the fees for the same services under Medicaid.
D	Extend the authority for previously enacted Medicaid savings initiatives	This part would extend various previously enacted Medicaid savings initiatives and Health Care Reform Act (HCRA) provisions in the Public Health Law, Mental Hygiene Law, and Social Services Law.



E	Modify the Indigent Care Pool	This part would modify the General Hospital Indigent Care Pool to allow DOH flexibility to adjust the Disproportionate Share Hospital (DSH) payments in response to reductions in federal funding if necessary.
F	Modify the Delivery System Reform Initiative Payment (DSRIP) program	This part would establish value based payment reimbursement methodologies as part of the Delivery System Reform Incentive Payment program (DSRIP).
G	Health Insurance Assessments	This part would establish administrative assessments by the Department of Financial Services (DFS) on individual, small and large group insurers to support the NYS Health Benefit Exchange.
H	Standardize primary care delivery models	This part would establish limited services clinics, standardize urgent care centers, eliminate upgraded diagnostic and treatment centers, and modify the charge of the Public Health and Health Planning Council (PHHPC) to include reviewing sedation and anesthesia procedures in outpatient settings.
I	Modify HIV/AIDS testing provisions and criminal law provisions regarding condoms and hypodermic syringes	This part repeals the requirement of written informed consent of inmates prior to HIV testing; amends the Penal Law to prohibit the possession of condoms as evidence in prostitution and loitering charges; amends the Criminal Procedure Law to exclude hypodermic syringes procured through the state's syringe exchange, or other pharmacy/medical based program, from the crime of criminal possession of a controlled substance in the 7 th degree; amends the General Business Law to exclude hypodermic syringes procured through the state's syringe exchange, or other pharmacy/medical based program, from the definition of drug related paraphernalia; amends the Public Health Law to remove the limit of ten syringes that may be prescribed; and amends the Public Health Law to repeal the ban on advertising the furnishing of syringes without a prescription.
J	Expand home health aide tasks	This part would provide an exemption to the Nurse Practice Act to allow home health aides to provide more advanced tasks in home care and hospice settings.
K	Modify the Certificate of Need (CON) process	This part amends the Public Health Law to remove the requirement of proof of public need for a hospital that is constructing a primary care facility, or for a hospital that is undertaking construction which does not involve a change in capacity, services, medical equipment, or facility replacement, or geographic location of services.
L	Modify office-based surgery provisions	This part would include office-based anesthesia in office-based surgery requirements to standardize and limit the procedures permitted in such settings

M	Modify water fluoridation provisions	This part would require localities to notify the Department of Health of any intent to discontinue water fluoridation and establish a grant program for water fluoridation equipment purchase and maintenance.
N	Authorize the State Office for the Aging to seek public input on the creation of an Office of Community Living	This part would require the State Office for the Aging to collect data to evaluate the potential benefits to individuals, their families, providers, and the State from creating an Office of Community Living and submit a report by December 15, 2015.
O	Exempt Income	This part would authorize the Office of Mental Health (OMH) to continue to recover Medicaid exempt income from community residence service providers.
P	Educational Services Pilot Program for Children and Youth	This part would authorize a pilot program between OMH and the New York State Education Department (SED) that would offer educational services for students residing in an OMH hospital.
Q	Create a private equity pilot program	This part would authorize the Department of Health to create a pilot program which would permit not more than five for-profit business corporations to make private capital investments in hospitals.
R	Representative Payees	This part would authorize OMH facility directors who act as representative payees to continue to utilize funds for the cost of a client's care and treatment.
S	Implementation of the Nurse Practice Act	This part would make technical amendments allowing the Office of People with Developmental Disabilities (OPWDD) to implement provisions that would authorize direct care staff to work in non-certified settings.

A. 3006 - EDUCATION, LABOR AND FAMILY ASSISTANCE

PART	DESCRIPTION	SUMMARY
A	Amend School Aid	This part would continue the Contract for Excellence program for the 2015-2016 school year; allow school districts, Boards of Cooperative Educational Services (BOCES), and approved private schools to submit an application for a waiver from certain special education requirements; establish a phase-in for regional tuition rates for special education itinerant services; establish provisions relating to the distribution of school aid; establish commercial gaming revenue grants; maintain funding formula for Aid to Public Libraries; and extend various other provisions of Education Law.
B	Program approval at SUNY and CUNY	This part would provide that any new curriculum or program of study offered at the State University of New York (SUNY) or the City University of New York (CUNY) no longer requires approval by the Board of Regents unless it requires a master plan amendment.
C	The Get On Your Feet Loan Forgiveness Program	This part would provide for two years loan forgiveness to students who graduate from a New York State college or university, participate in a federal income-driven repayment plan, have an income of less than \$50,000, and work in New York State.
D	The New York State DREAM Act	This part would enact the New York State DREAM Act to allow students without lawful immigration status to be eligible for the Tuition Assistance Program (TAP) and other state financial assistance programs.
E	Educations Investment Tax Credit	Contingent upon enactment of the DREAM Act, the bill authorizes a 75 percent nonrefundable credit, up to \$1 million, for a total of \$100 million in available credits annually.
F	Standard financial aid award letter	This part would require all colleges and universities in New York State to provide a standardized financial aid award letter to all financial aid applicants. The standardized letter would be developed by the Superintendent of the Department of Financial Services in consultation with the President of the Higher Education Services Corporation.
G	Minority ownership for public accountancy firms	This part would allow public accountancy firms to have minority ownership by individuals who are not certified public accountants.

H	Prevention and response policies and procedures relating to sexual violence	This part would require all colleges and universities in New York State to implement prevention and response policies and procedures for sexual assault, dating violence, domestic violence and stalking.
I	Federal Supplemental Security Income Cost of Living Adjustment	This part would authorize the 2016 Federal Supplemental Security Income (SSI) Cost of Living Increase (COLA) and provide for a COLA increase of \$2 to \$18 depending on living arrangement.
J	Raise the age of juvenile jurisdiction	This part would: increase the age of juvenile jurisdiction from 16 to 17 on January 1, 2017, and to age 18 on January 1, 2018; increase the lower age of juvenile jurisdiction from seven to 12 on January 1, 2018; create a "Youth Parts" in Superior Court to process Juvenile Offenders, as well as 16 and 17 year olds accused of certain, serious crimes and allow for their removal to Family Court; prohibit confinement of any minor in adult jail or prison; prohibit detention and placement of certain low-risk youth; expand current parental notification requirements to 16 and 17 year olds; mandate diversion attempts for certain low-risk (per risk-assessment) misdemeanor cases; increase time allowed for probation adjustment; establish probation family engagement specialists to facilitate adjustment; establish a continuum of evidenced-based diversion services; effective January 1, 2018; prohibit the use of detention in Persons in Need of Supervision (PINS) proceedings and only authorize PINS foster care placements, if appropriate, for sexualized exploited youth who may be in need of specialized services; provide access to bail and weekend arraignment for Family Court cases; use of determinate sentencing for youth sentenced under Juvenile Offender or Youthful Offender statuses, including 16 and 17 year olds; require post-release supervision provided by the Office of Children and Family Services (OCFS) for Juvenile Offender youth coming out of OCFS facilities to facilitate better re-entry; expand the presumption for granting Youthful Offender status and provide for confidentiality of felony filings that are eligible for Youthful Offender status; provide for the conditional sealing of records of certain convictions; continue OCFS' authority to contract with BOCES for certain educational services for youth and expand such authority to allow OCFS to contract with BOCES to provide any educational services at OCFS youth facilities that BOCES provides to school districts; authorize the Department of Civil Service in consultation with OCFS to develop the required

		experience and qualifications for OCFS facility director positions; authorize state reimbursement of 100 percent for foster care, aftercare and independent living services, detention and Close to Home for 16 and 17 year old youth newly placed as a result in the change of age of juvenile jurisdiction; and waive reimbursement from Local Social Service Districts for placement with OCFS for 16 and 17 year old youth placed as a result in the change of age of juvenile jurisdiction.
K	Adoption assistance payments	This part would discontinue State payments for adoption subsidies for private adoptions when the child is located outside New York State.
L	Address sex trafficking in foster care	This part would enact various provisions related to the federal Preventing Sex Trafficking and Strengthening Families Act to allow a missing child report to be made and reported to the National Crime Information Center (NCIC) database of the Federal Bureau of Investigation for any youth under 21 years of age who the Office of Children and Family Services (OCFS) or an local social services district has reasonable cause to believe is, or is at risk of being, a sex trafficking victim; authorize kinship guardianship assistance payments to be made to a successor guardian upon the death or incapacity of the child's relative guardian; decrease the age at which a permanency hearing must address whether a foster child is receiving services to help transition him or her to independent living from 16 to 14 years of age; require that a foster child be at least 16 years of age to have a permanency goal of Another Planned Permanent Living Arrangement (APPLA); and require caseworkers to document the efforts made to secure an alternative permanency plan to APPLA and the steps being taken to ensure that foster children have regular and on-going age or developmentally appropriate activities.

M	Transfer funds from the Mortgage Insurance Fund to support various housing and housing related programs	This part would transfer \$125 million from the Mortgage Insurance Fund to the Housing Trust Fund Corporation, the Housing Finance Agency and the Homeless Housing Assistance Program to be distributed to the following programs: \$21.642 million for the Rural Rental Assistance Program; \$42 million for Mitchell-Lama Rehabilitation; \$8.479 million for the Neighborhood Preservation Program; \$3.539 million for the Rural Preservation Program; \$17 million for the Rural and Urban Community Investment Fund Program; \$7.5 million for the Low Income Housing Trust Fund; \$8.5 million for Homes for Working Families; and \$16.34 million for the New York State Supportive Housing Program.
N	Minimum Wage	This part would increase the statewide minimum wage to \$10.50 and create a New York City specific minimum wage of \$11.50 on December 31, 2016.
O	Leave for healthcare professionals volunteering to fight Ebola	This part would provide healthcare professionals who decide to volunteer overseas to respond to the Ebola outbreak to receive leave from work to do so.
P	Eliminate various fees in multiple parts of the Labor and Workers' Compensation Law	This part would eliminate a number of fees paid to Department of Labor (DOL) for a variety of licensure requirements and renewals.
Q	Experiential education requirement	This part would require the State University of New York (SUNY) and City University of New York (CUNY) students to participate in an approved experiential or applied learning activity as a degree requirement.

A 3008 - TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION

PART	DESCRIPTION	SUMMARY
A	Dedicated Highway and Bridge Trust Fund (DHBTF)	This part would make permanent certain provisions of law relating to the revenues and expenses of the DHBTF and the Dedicated Mass Transportation Trust Fund.
B	Infrastructure Investment Act	This part would make the Infrastructure Investment Act permanent; expand the authorization to enter into design-build contracts to include all state agencies, authorities, State University of New York (SUNY) and City University of New York (CUNY); increase the threshold at which design-build contracts may be utilized from \$1.2 million to \$5 million; and require that for design-build contracts estimated to cost in excess of \$50 million, a project labor agreement would need to be included in the request for proposals, unless certain conditions are met.
C	Department of Transportation (DOT) fees	This part would repeal the Intrastate Authority Application fee and authorize DOT to charge safety inspection fees for certain types of vehicles.
D	Rochester-Genesee Regional Transportation Authority (RGRTA)	This part would include the Ontario County transit system within the RGRTA district.
E	Create the Transit Assistance for Capital Investments Fund	This part would establish the Transit Assistance for Capital Investments Fund for capital expenses of both the Metropolitan Transportation Authority (MTA) as well as downstate non-MTA transit systems.
F	Statewide Mass Transportation Operating Assistance Program	This part would extend the “hold harmless” provision of the Statewide Mass Transportation Operating Assistance Program.
G	DOT and Thruway Authority shared services	This part would authorize DOT and the Thruway Authority to provide mutual aid and enter into shared services agreements with each other.
H	Overweight vehicle registrants	This part would eliminate the requirement for registrants of overweight vehicles to amend their registration to reflect a higher weight after having received an overweight permit from DOT.
I	Commercial drivers	This part would amend various sections of law relating to commercial learners’ permits.
J	State expenses, Thruway Authority	This part would reduce funding for State expenses previously paid by the Thruway Authority.

K	Increase toll evasion penalties for certain authorities	This part would double toll evasion penalties, create charges and fees, and create new enforcement tools for the Thruway Authority, MTA, Bridge Authority, and Port Authority.
L	Metropolitan Transit Authority and New York City Transit Authority procurement	This part would extend for four years the current procurement rules of the Metropolitan Transit Authority and the New York City Transit Authority.
M	Extend the authority of the New York State Urban Development Corporation (UDC) to administer the Empire State Development Fund	This part would extend the authority of the UDC to administer the Empire State Development Fund from July 1, 2015 until July 1, 2016.
N	Extend the general loan powers of the New York State Urban Development Corporation (UDC)	This part would extend the general loan powers of the UDC until July 1, 2016.
O	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 the New York State Energy and Research Development Authority a payment of \$913,000 to be deposited into the General Fund.
P	Increase the assessment on gas and electric corporations for research and development	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 sold and .010 cent per kilowatt-hour of electricity sold by such utilities in their intrastate utility operations in 2013. 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.
Q	Minority and Women-owned Business Enterprise Program	This part would extend the authorization for the Minority and Women-owned Business Enterprise (MWBE) program and the due date of the MWBE Disparity Study to December 31, 2017 and February 15, 2017, respectively.
R	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.
S	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 Department of Environmental Conservation for two additional years.

T	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.
U	Eliminate apartment information vendor and sharing agent licensing fee	This part would eliminate the fee that is paid to the Department of State's Division of Licensing associated with licensing apartment information vendors and sharing agents.
V	Repeal fees and restructure license periods for certain licenses administered by the Department of Agriculture and Markets	This part would eliminate license fees and modify license periods for eight licenses (Food Salvager, Refrigerated Warehouse and/or Locker Plant, Disposal Plant or Transportation Service, Commercial Feed Manufacturer, Agricultural Liming Materials, Soil and Plant Inoculants, and Farm Products Dealer) that currently do not generate significant revenue for the state. Two additional licenses (Commercial Fertilizer and Retail Food Stores) would have their license periods modified.
W	Refinance existing Long Island Power Authority debt	This part would authorize the refinancing of additional debt of the Long Island Power Authority (LIPA) and would permit the issuance of additional refinanced bonds.
X	Modify funding and administration of the Oil Spill Fund	This part would increase fees for major petroleum storage facilities and transfer the administration of the Oil Spill Fund from the Office of the State Comptroller to the Department of Environmental Conservation.
Y	Increase certain permit fees	This part would raise fees for certain air and State Pollutant Discharge Elimination System (SPDES) permits.
Z	Eliminate the well driller registration fee	This part would eliminate the fee for the water well driller certificate of registration.
AA	Create a Habitat Conservation and Access Account	This part would establish a Habitat Conservation and Access Account to fund fish and wildlife habitat management and public access projects.
BB	Municipal transit bus purchases	This part would increase the number of years a municipal transit system may finance bus purchases from five years to ten years.

A. 3012 - LIMIT IMMUNITY FROM PROSECUTION FOR TESTIMONY BEFORE A GRAND JURY

DESCRIPTION	SUMMARY
Amend the Criminal Procedure Law in relation to the definition of immunity	This bill would amend the Criminal Procedure Law to substitute more limited “use immunity” for “transactional immunity” that currently applies when a witness is compelled to waive a right to silence and provide information or testimony in a legal proceeding, including the grand jury.

A. 3011 – EXECUTIVE CRIMINAL JUSTICE REFORM ACT OF 2015

DESCRIPTION	SUMMARY
Criminal Justice Reform Act of 2015	<p>This bill would enact a series of criminal justice measures to require the review of evidence and any grand jury proceedings by a monitor appointed by the Governor, followed by possible recommendation of a special prosecutor, when a grand jury does not indict a police or peace officer who allegedly caused the death of an unarmed person; allow a district attorney to issue a grand jury report or a letter explaining non-indictment in cases where the subject of the grand jury review was a police or peace officer and the officer allegedly caused the death of an unarmed person; provide for court review of such grand jury report prior to release and allow certain public servants to appeal court approval of the release of the report; allow an aggrieved party to seek leave to appeal to the Court of Appeals from a pre-trial order of the Appellate Division concerning a motion for a change of venue; require the Municipal Police Training Council within the Division of Criminal Justice Services (DCJS) to develop a model law enforcement use of force policy suitable for adoption by law enforcement agencies throughout the state; require State police and all local law enforcement agencies to implement a use of force policy consistent with, or more restrictive than, such model policy; and require law enforcement agencies to report information annually to DCJS concerning arrests, summonses and appearance tickets issued for non-criminal violations and misdemeanors, including demographic information concerning age, sex, race and ethnicity, and identify such cases where the actions of a police or peace officer was a possible factor in the death of a person; and require an applicant for a search warrant to disclose whether an application for the warrant had been previously submitted to another judge and, if so, the result of the previous application.</p>

A. 3010 – FREESTANDING ART VII- THE EDUCATION OPPORTUNITY AGENDA

PART	DESCRIPTION	SUMMARY
A	Teacher preparation and registration requirement; tenure; takeover of failing schools; charter schools; and other miscellaneous provisions	This part would establish admission requirements for teacher preparation programs; establish decertification and suspension criteria for teacher preparation programs; provide for re-registration of teachers every five years; establish teacher continuing education requirements; establish the master-in-education teacher incentive scholarship program; amend the teacher and principal tenure laws; establish a process for the take-over and restructuring of failing school districts; provide for the automatic revocation of a teaching certificate if a teacher is convicted of a violent felony where a child was a victim; amend certain provisions relating to 3020-a proceedings; increase charter school supplemental basic tuition; increase the cap on the number of charter schools that may be authorized in the state; provide that charters that were issued to schools that have been closed may be reissued; amend the charter school lottery preferences; and establish reporting requirements and penalties for charter schools relating to enrollment of students with disabilities, limited English proficiency and students eligible for free and reduced price lunch.
B	Amend teacher evaluation	This part would amend the subcomponent scoring provisions of the Annual Professional Performance Review (APPR) for classroom teachers and building principals and other provisions relating to teacher evaluations.
C	Extend NYC Mayoral Control	This part would extend Mayoral Control for NYC until 2018.
D	Condition increase in General Support of Public Schools (GSPS) on enactment of "Education Opportunity Agenda"	This part would require Part A and Part B of this legislation to be enacted in order for school districts to be eligible to receive any increases in GSPS for the 2015-2016 school year and thereafter; and would require all school districts to submit documentation to, and receive approval from, SED demonstrating compliance with new APPR provisions by September 1, 2015 in order to receive any increases in GSPS.

A. 3009 - REVENUE

PART	DESCRIPTION	SUMMARY
A	STAR Growth Cap	Caps the amount of tax savings at the 2014-15 levels beginning with the 2015-16 School year.
B	NYC PIT STAR Rate Reduction	Eliminates the NYC STAR PIT reduction for taxpayers with incomes over \$500,000.
C	STAR Offset Program	STAR tax savings will not be used to offset delinquent tax liabilities. STAR benefits will apply once tax benefits are paid. The program becomes permanent.
D	STAR to Tax Credit Conversion	Closes the STAR program to new applicants and establishes a refundable PIT tax credit. Current STAR recipients can opt into the new program.
E	STAR Unlawful Exemptions	Authorizes the Department of Taxation and Finance (DTF) to recoup improperly granted STAR exemptions.
F	STAR Unenrolled Registrants	Allows homeowners to receive the benefit for tax year 2014 in those cases where taxpayers had registered with DTF but failed to file timely applications with local assessors.
G	Property Tax Credit "Circuit Breaker"	Phased over four years allows for a credit on property taxes paid for homeowners with incomes less than \$250,000 and renters with incomes less than \$150,000, whereby property taxes paid exceed six percent of income. Only applies to tax-cap compliant jurisdictions (except for NYC).
H	Charitable Contribution Deduction Cap	Makes permanent the current limitation on charitable contributions deductions for incomes over \$10 million.
I	PIT/MTA Mobility/Disabled Workers Technical Amendments	Various technical amendments to relevant Tax Law articles.
J	Reporting for the Commercial Production Credit	Requires new annual reporting requirements for the Department of Economic Development (DED) with regard to the Commercial Production Credit.
K	Extend Excelsior credit to entertainment companies	Amends the Excelsior Job Program to allow entertainment companies to participate subject to certain criteria for job creation and investments.
L	Investment Tax Credit (ITC) for Master Tapes	Reform the ITC by limiting the base of the credit to only include credits incurred in New York.
M	Urban Youth Jobs Program	Authorizes an additional \$10 million per year allocation for 2015 to 2017, renames the Youth Works Tax Credit Program, and includes new criteria to target at-risk youth.
N	Reduce Tax on Small	Reduces over a three-year period the income tax rate for small

	Businesses	corporate taxpayers from 6.5 percent to 2.5 percent.
O	Employee Training Incentive Program	Creates a new Employee Training tax credit equal to 50 percent of relevant expenses, up to \$10,000 per employee. Total program costs are capped at \$5 million allotted from currently available Excelsior tax credits.
P	Taxes on Wireless Communications	The franchise tax on transportation and transmission corporations will be extended to mobile telecommunications businesses.
Q	Sales tax refund requirements on Article 9 taxpayers	Requires taxpayers that pass through the economic incidence of a tax to their customers to refund such tax to their customers first before seeking a State refund.
R	Brownfields Cleanup Program	Extends the program for 10 years, limits eligibility for the tangible property credit, and streamlines program administration.
S	Combined Department of State (DOS) filings with tax return	Combines the DOS biennial information statements provided by corporations with their tax return filings. In addition it repeals the \$9 filing fee.
T	Corporate Tax Reform technical changes	Various technical changes to the Statute enacted with last year's budget including a sunset for the ITC for financial services.
U	Extend wine tasting sales tax exemption	Extends the wine tasting sales tax exemption to beer, cider and liquor.
V	Local sales tax on prepaid wireless	Amends the Tax Law to clarify that sales tax applies to prepaid mobile calling services based on the retailer's location.
W	Industrial Development Authority (IDA) reform	Reforms the IDA program by requiring the IDA to obtain approval by the DED before providing State tax exemption benefits to new projects. Such approval will require specific job and investment targets. The bill authorizes the Tax Commissioner to audit IDA projects.
X	Sales tax on marketplace providers	Requires marketplace providers (e.g. eBay and Amazon) to collect sales tax on taxable sales they facilitate.
Y	Close certain sales tax loopholes	The bill will end four specific sales tax avoidance practices including the practice of creating out-of-state entities for the purpose of purchasing and bringing property in the State.
Z	Exempt from sales tax solar power purchase agreements	Expands existing sales tax exemption for solar energy system equipment to include electricity generated by such equipment sold under a power purchase agreement.
AA	Allow petroleum refunds for farm use	Extends current farming reimbursements for the purchase of certain motor fuels to the purchase of highway diesel motor fuel exclusively for farming uses.
BB	Estate tax reform technical amendments	Amends the Estate Tax to make technical amendments including extending the applicability of relevant tax rates and the clarification of gift add back provisions.

CC	Enhance motor fuel enforcement	Requires wholesalers of motor fuel to register and file information returns and make adjustments for prepaid sales tax on motor fuel when purchased and sold in different tax regions.
DD	Make permanent warrantless wage garnishment	Makes permanent the authority of the DTF Commissioner to serve wage garnishments without filing a warrant.
EE	Lower debt threshold for delinquent taxpayer's driver license suspension	Lowers the threshold for driver's license suspension due to delinquent past-due tax liabilities from \$10,000 to \$5,000.
FF	Tax compliance for medical practitioners	Requires practitioners to be compliant with State tax obligations before receiving excess medical malpractice coverage.
GG	Tax compliance for grantees	Requires grantees to be current with State tax obligations before receiving a State grant from a State or local authority.
HH	Reciprocal tax collection agreements	Authorizes the DTF Commissioner to enter reciprocal collection agreements with other states.
II	Multi-agency sharing	Creates a mechanism for information sharing among various agencies of the State to enhance enforcement initiatives.
JJ	Professional and business tax clearance	Prevents applicants from receiving or renewing professional or business licenses if they owe certain past-due tax liabilities.
KK	New State employees tax clearance	Requires tax clearance for new State employees and, at local option, for new local government employees.
LL	Sharing of child care data	Allows the OCFS to share day care subsidy information with the DTF to verify child and dependent care credit claims.
MM	Extend VLG capital awards	Extends for one year the deadline to receive approval and complete capital projects reimbursed through the Video Lottery Gaming (VLG) vendor's capital award.
NN	Pari-mutuel gaming extension	Extends for one year various provisions of the racing, pari-mutuel wagering and breeding law.
OO	Expansion of electronic gaming offerings	Clarifies the State's authority to operate types of video lottery games.
PP	Extend NYRA board term	Extends from three to four years the maximum term of the New York Racing Association.
QQ	NYC Corporate tax reform	Implements various changes to the New York City's corporate tax structure by merging the corporate and bank taxes and adopting statutory changes similar to the ones enacted by the State with last year's corporate reform.
ELFA Part E	Education Tax Credit	Contingent upon enactment of the DREAM Act, the bill authorizes a 75 percent nonrefundable credit, up to \$1 million, for a total of \$100 million in available credits annually. Family income limitations will apply to children receiving scholarships.

**JOINT FISCAL COMMITTEE HEARINGS ON THE EXECUTIVE BUDGET
STATE FISCAL YEAR 2015-16**

DATE	TIME	TOPIC
January 28	9:30 AM	Environmental Conservation
January 29	9:30 AM	Transportation
February 2	10:00 AM	Health / Medicaid
February 3	9:30 AM	Elementary & Secondary Education
February 4	9:30 AM	Human Services
February 5	9:30 AM	Housing
February 9	9:30 AM	Taxes
	1:00 PM	Economic Development
February 10	9:30 AM	Higher Education
February 25	9:30 AM	Local Government Officials and General Government
February 26	10:00 AM	Public Protection
February 27	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.