



THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

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January 28, 2013

CHAIRMAN  
Ways and Means Committee

COMMITTEE  
Rules

Black, Puerto Rican, Hispanic and  
Asian Legislative Caucus

Dear Colleagues:

I am pleased to provide you with the Statistical and Narrative Summary of the Executive Budget for the upcoming State Fiscal Year, April 1, 2013 to March 31, 2014. The "Yellow Book" is intended to provide the Members of the Committee, the Members of the Assembly, and the public with an overview of the fiscal and policy proposals made by the Governor in the bills submitted as his Executive Budget on January 22, 2013. This publication may also be accessed using the Assembly Website at [www.assembly.state.ny.us/Reports/WAM/2013Yellow/](http://www.assembly.state.ny.us/Reports/WAM/2013Yellow/).

The "Yellow Book" marks the beginning of the Legislature's public review of the Governor's proposed budget. It is the Assembly's preliminary response to the budget, as required by Section 53 of the Legislative Law. Joint legislative fiscal committee hearings on the budget proposal will be the next step in our efforts to ensure public accessibility and accountability.

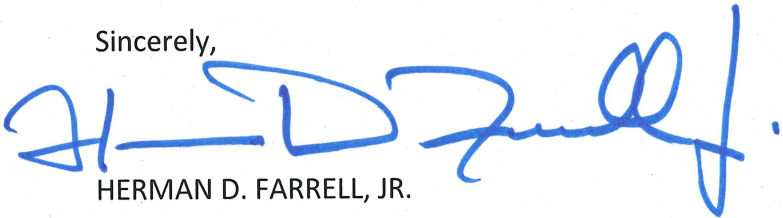
Section One, Overview of Executive Budget, provides an executive summary of the Governor's proposal for State Fiscal Year 2013-14 including analysis intended to place the proposed financial plan and spending in major programmatic areas in perspective. The section also includes an analysis of the national economy and the Executive's revenue forecast. The overview also lists the appropriation budget bills and detail on the non-appropriation budget bills.

Section Two, Summary of Recommended Appropriations by Agency, provides an overview of current appropriations and recommendations for the 2013-14 State Fiscal Year for each agency, a presentation of the proposed changes in each agency's budgeted personnel level, and a description of the programmatic and statutory modifications proposed in Article VII legislation included with the Executive Budget submission.

Speaker Silver and I know that you share our goal of meeting the challenges facing this State as we confront continuing economic uncertainty. Together, we will continue to strive toward producing an on-time budget that meets the needs of working families across the State. Live coverage of Assembly Sessions and Joint Budget Hearings, as well as a cable television schedule and local system list can be found at <http://www.assembly.state.ny.us/av/>.

As the Legislature begins its work on the State Fiscal Year 2013-14 Budget, I would like to express appreciation to my Assembly colleagues for the time and commitment you will dedicate to the budget process. I would also like to thank the public for their participation as we adopt a State Budget. Finally, I would also like to convey to the Ways and Means Committee staff my gratitude for their outstanding efforts to produce this document, which is a tremendous resource for the Members of the Assembly.

Sincerely,

A handwritten signature in blue ink, appearing to read "H. D. Farrell, Jr.", with a stylized flourish at the end.

HERMAN D. FARRELL, JR.

**STATISTICAL AND NARRATIVE SUMMARY  
OF THE  
EXECUTIVE BUDGET**

**FISCAL YEAR APRIL 1, 2013 TO MARCH 31, 2014**

**January 2013**

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

Prepared by the  
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# SECTION I

## Overview of Executive Budget



# Overview of the Executive Budget State Fiscal Year 2013-14

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# **Budget at a Glance**



# The Executive Budget Proposal: Financial Plan at a Glance

**All Funds Spending**  
**Total \$142.6 billion**  
**Growth \$7.1 billion**  
**(5.3%)**

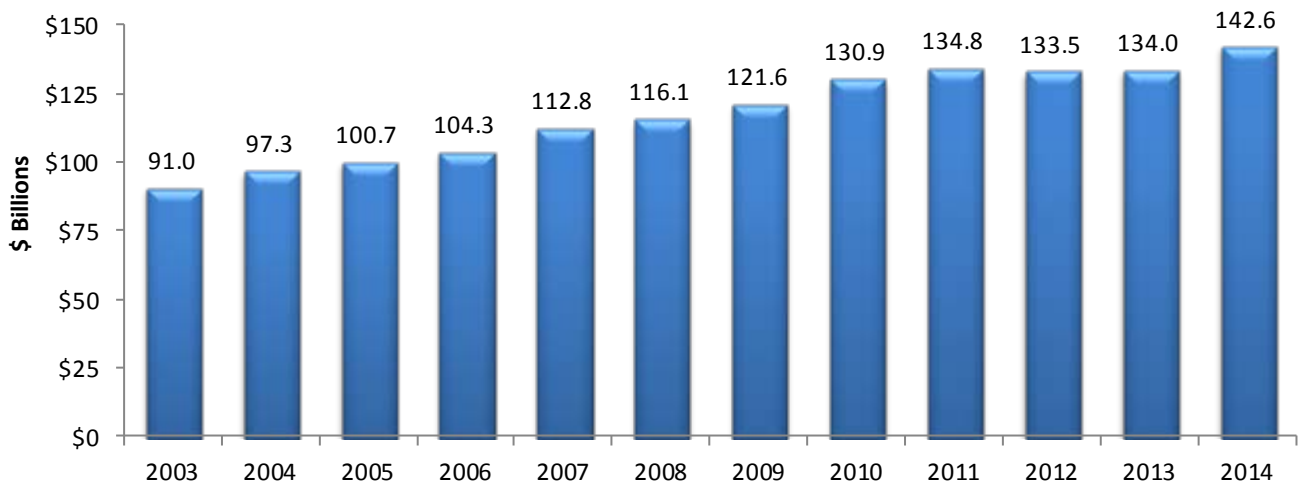
**General Fund**  
**Total \$61 billion**  
**Growth of**  
**\$1.9 billion (3.1%)**

**Budget Closes a**  
**2013-14 General**  
**Fund Gap of**  
**\$1.35 billion**

**Projected Gap**  
**2014-15 \$1.95 billion**  
**2015-16 \$3.56 billion**  
**2016-17 \$4.46 billion**

## Disbursements

### All Funds Disbursement History



## All Funds Profile

### All Funds Receipts (\$ in Millions)

- Federal Grants: \$49,358
- Personal Income Tax: \$42,520
- Miscellaneous Receipts: \$23,880
- Consumption User Taxes and Fees: \$15,176
- Business Taxes: \$8,460
- Other Taxes: \$3,078



### All Funds Disbursements (\$ in Millions)

- Health: \$45,598
- Education: \$26,386
- State Operations: \$19,532
- All Other: \$18,011
- Capital and Debt Service: \$12,145
- General State Charges: \$7,398
- Social Services: \$7,310
- STAR: \$3,419
- Higher Education: \$2,795



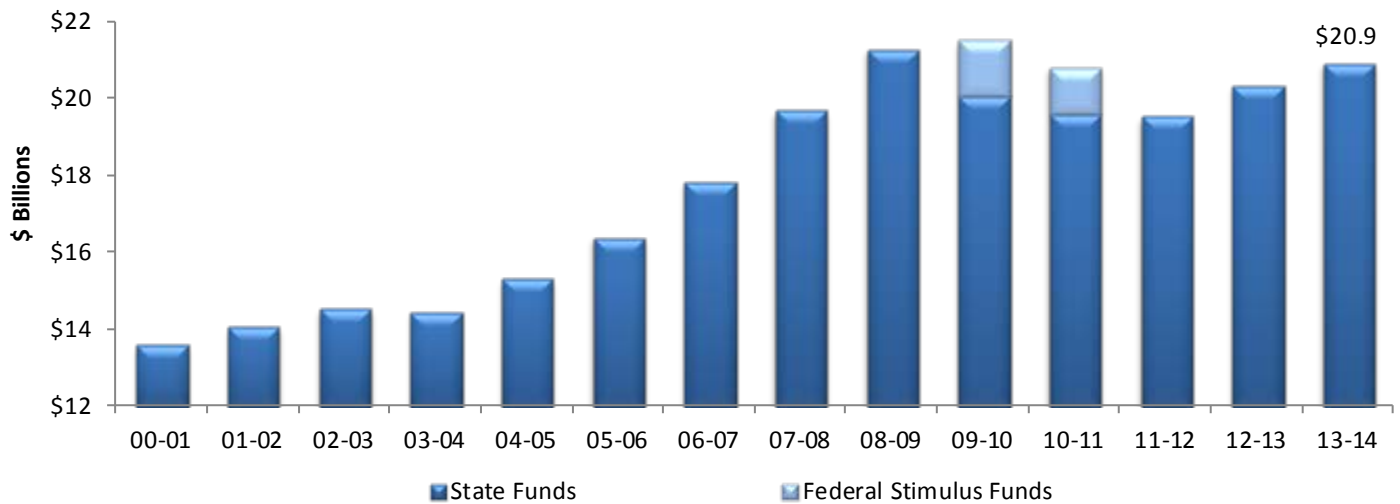
# The Executive Budget Proposal: Education at a Glance

*The Executive proposes an increase in education funding of \$889 million, or 4.4%*

*Over 30% of State education dollars support reimbursable costs*

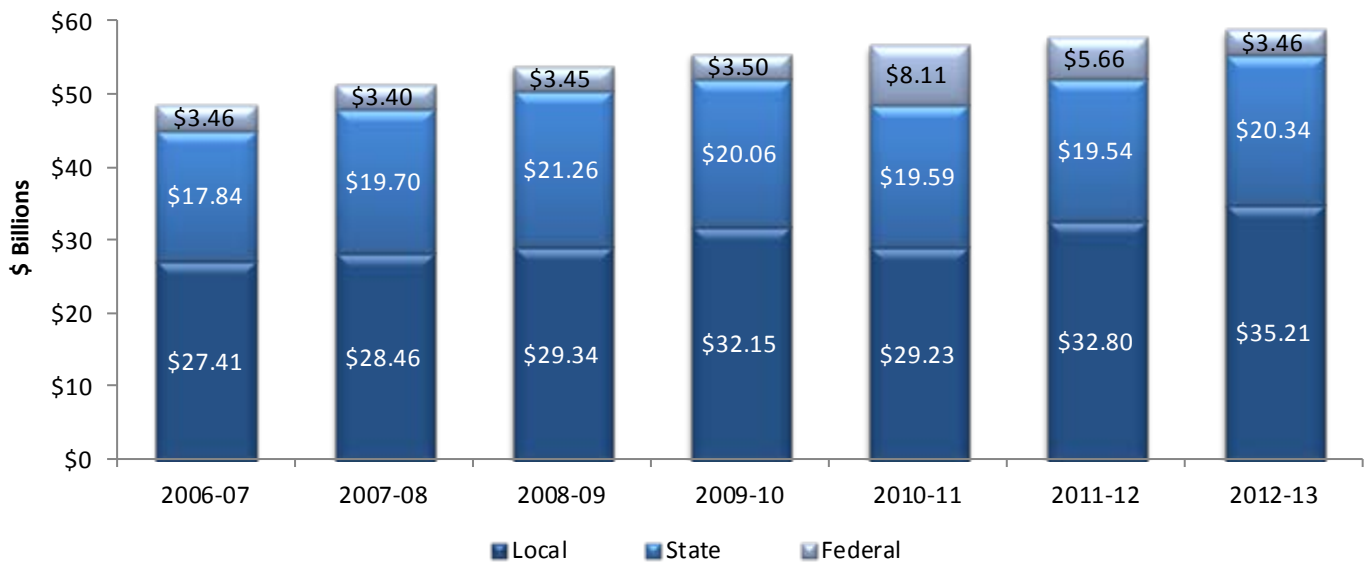
*Instructional costs comprise over 75% of school districts' spending*

## General Support for Public Schools



Note: 2013-14 includes a \$611 million increase in GSPS as well as \$203 million in other education funding.

## State, Local, and Federal Support for Public Schools



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

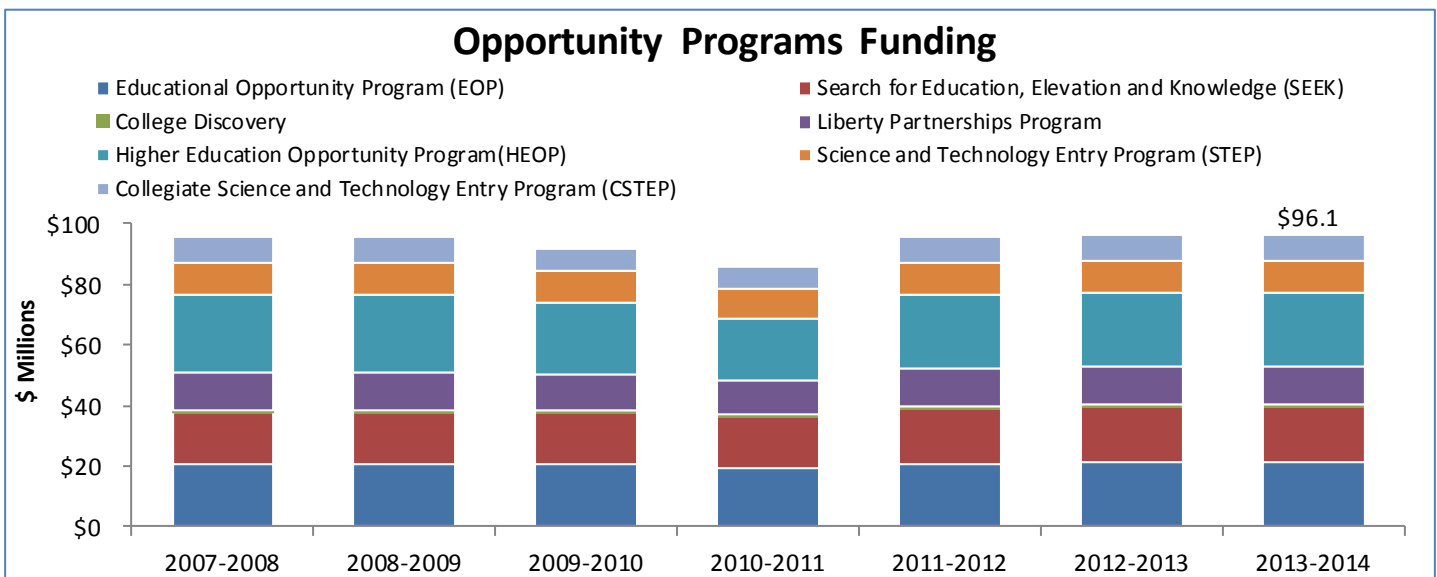
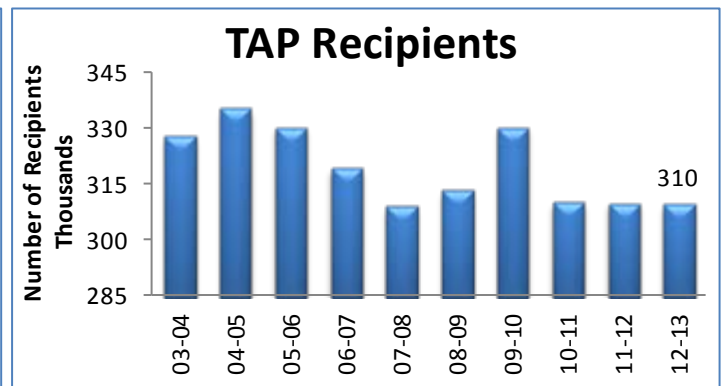
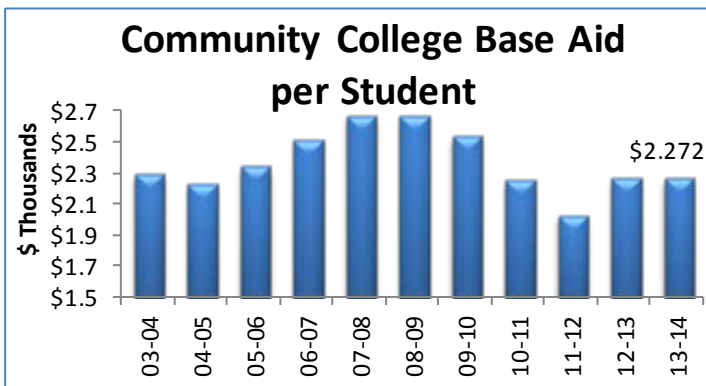
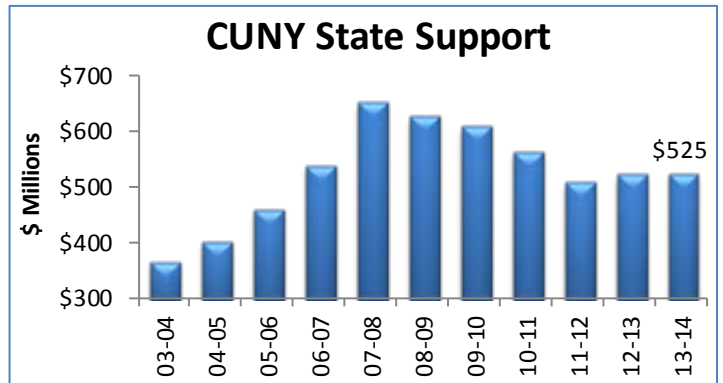
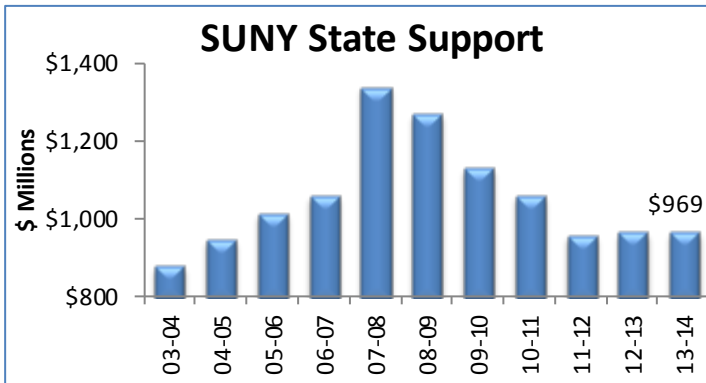


# The Executive Budget Proposal: Higher Education at a Glance

**SUNY Tuition in  
2013-14:  
\$5,870**

**CUNY Tuition in  
2013-14:  
\$5,739**

**TAP served nearly 310,000  
students last year, with an  
average award of over  
\$3,000**



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

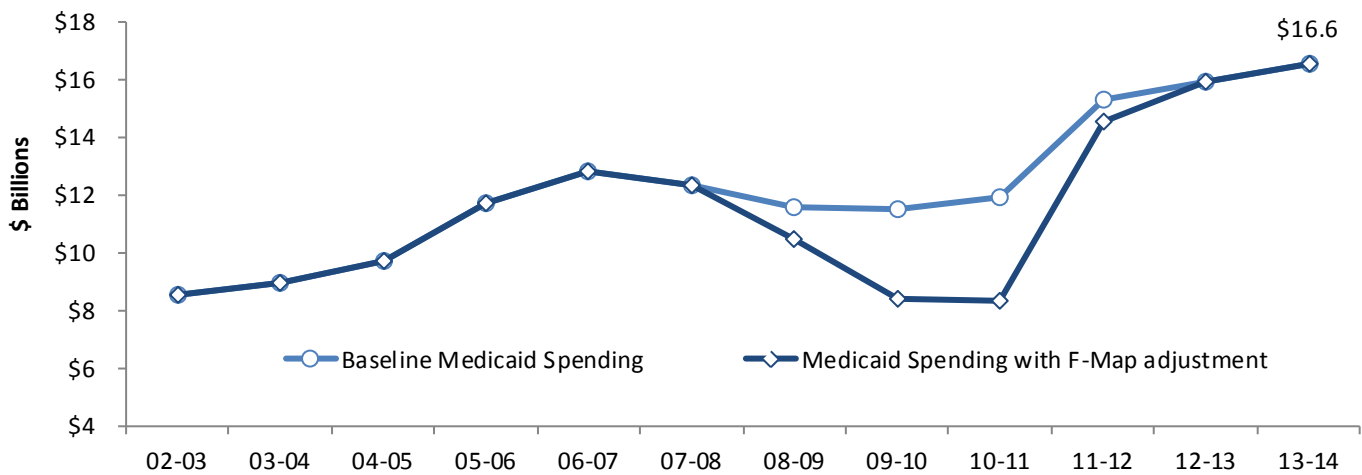
# The Executive Budget Proposal: Medicaid at a Glance

**Growth in Medicaid spending in SFY 2013-14 is limited to 3.9% or \$659 million**

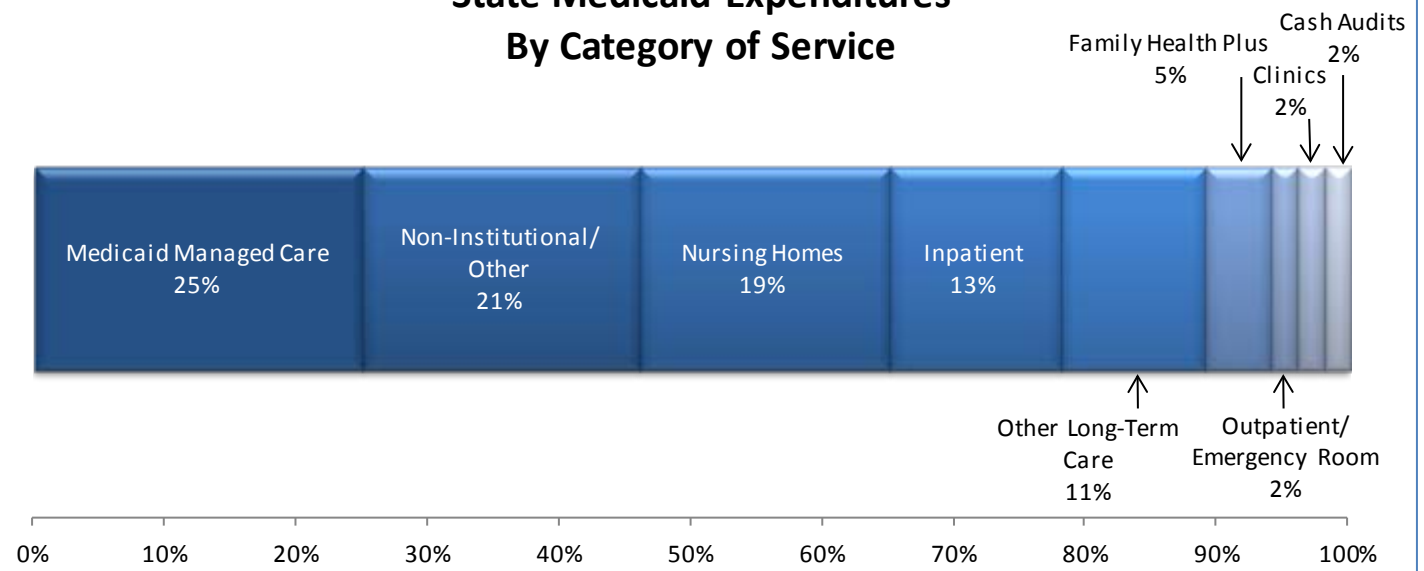
**The elderly and disabled comprise 25% of the Medicaid population yet account for 66% of total expenditures**

**73% of all Medicaid recipients in New York are enrolled in a managed care program**

**State Share DOH Medicaid Spending with Federal Stimulus (F-MAP) Adjustment**



**State Medicaid Expenditures By Category of Service**

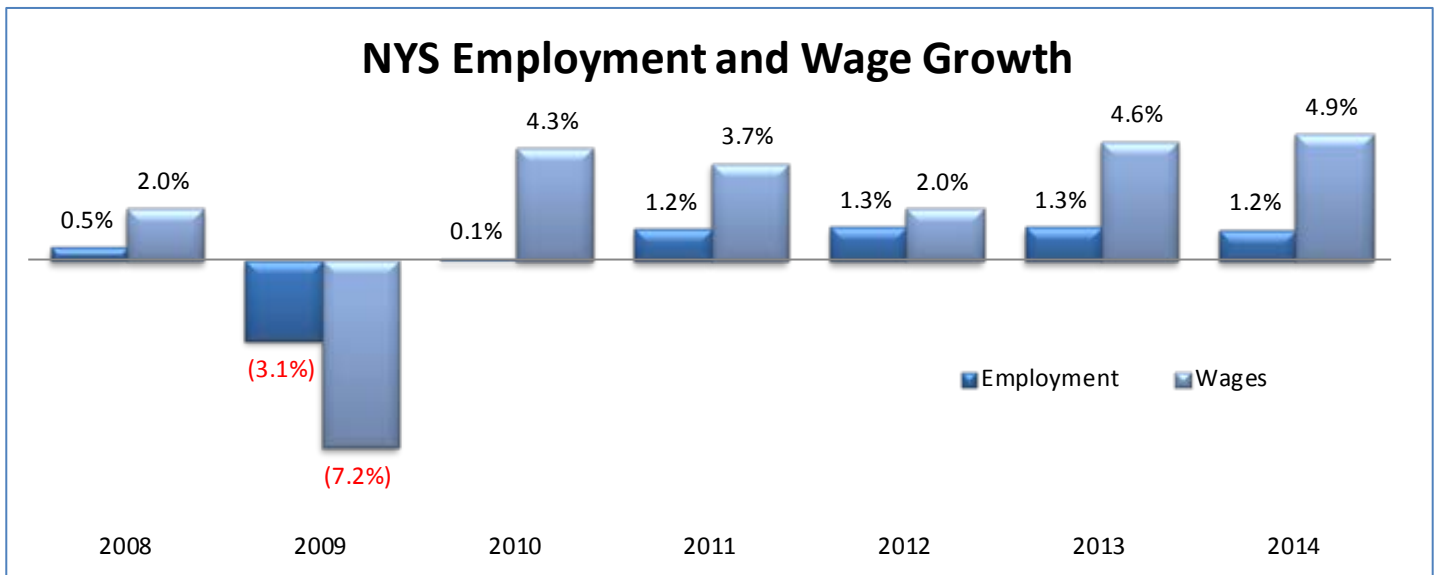


Sources: NYS Division of the Budget; NYS Department of Health.

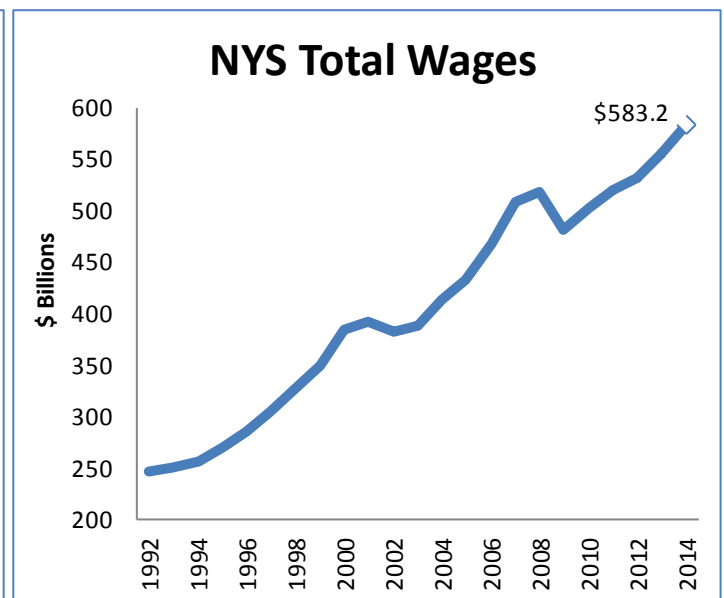
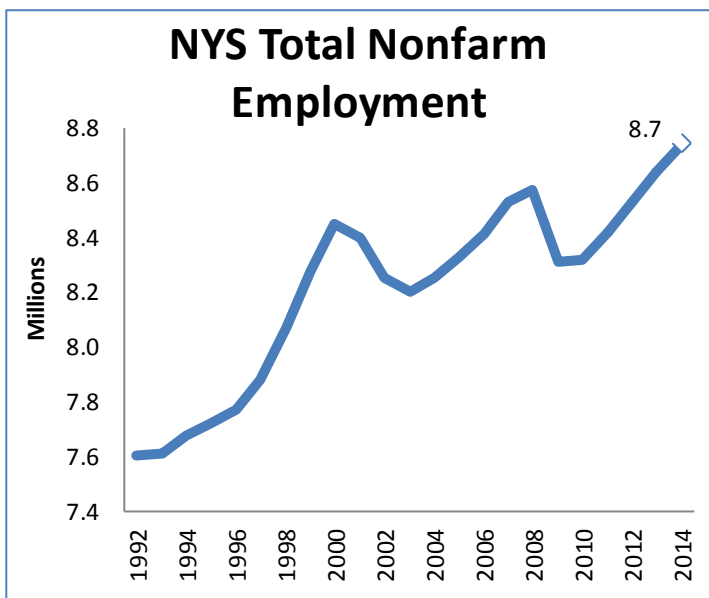
# The Executive Budget Proposal: Economy at a Glance

<p><i>NYS accounts for 6.4% of total U.S. employment</i></p>	<p><b>2012 Unemployment</b> NYS: 8.6% U.S.: 8.1%</p>	<p><b>2012 NYS total employment:</b> 8.53 million</p>	<p><b>2012 NYS total wages:</b> \$531.4 billion</p>
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## Growth in Employment and Wages



## Trends in New York State Employment and Wages



Sources: Bureau of Labor Statistics; NYS Division of the Budget.

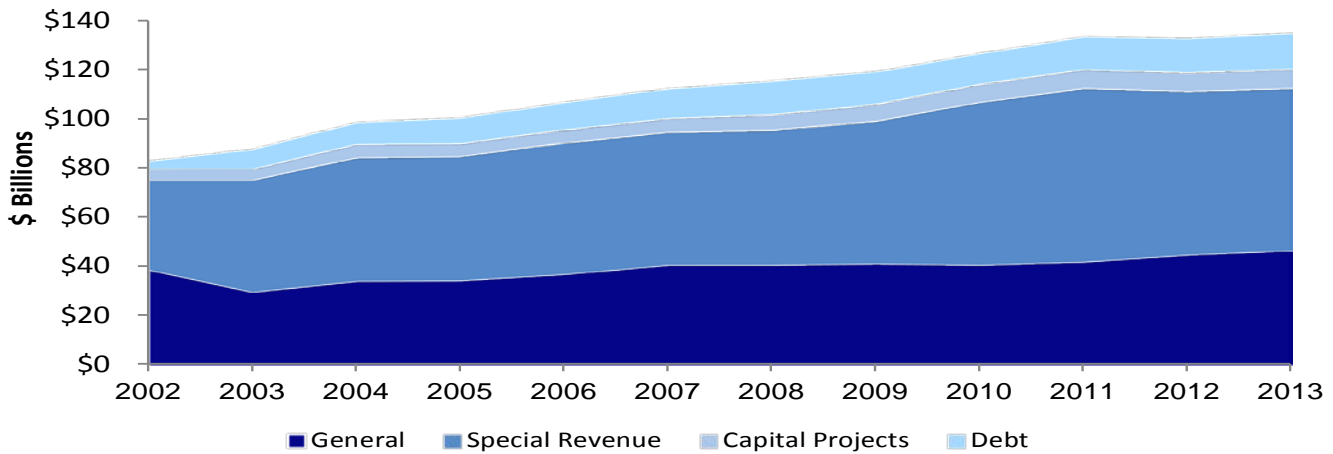


# The Executive Budget Proposal: Revenues at a Glance

<p><b>All Funds Revenue Total</b>  <b>\$142.453 billion;</b>  <b>Growth of 5.7%</b></p>	<p><b>Tax Revenue Total</b>  <b>\$69.2 billion;</b>  <b>Growth of 5.4%</b></p>	<p><b>Personal Income Tax Accounts for</b>  <b>61.4% of the Tax Revenue</b></p>	<p><b>Federal Funds Total</b>  <b>\$49.4 billion;</b>  <b>Growth of 11.8%</b></p>
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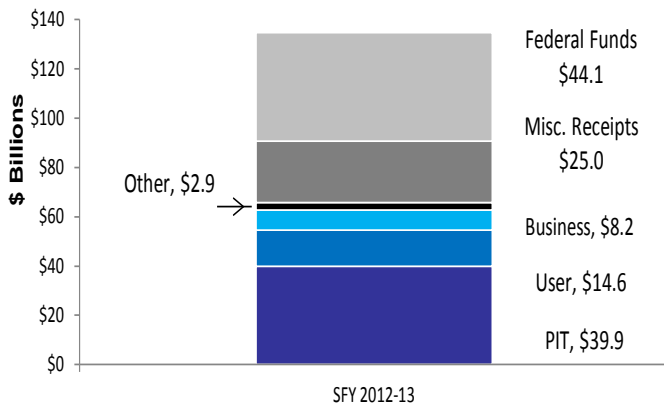
## All Funds Receipts Fund Type

### Receipts by Fund Type



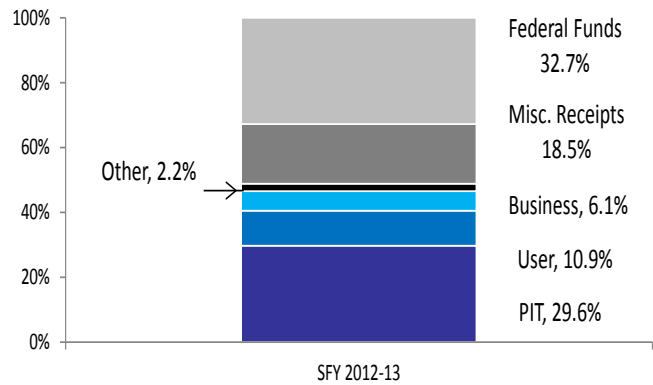
## Revenue Sources

### NYS All Funds Revenue Sources



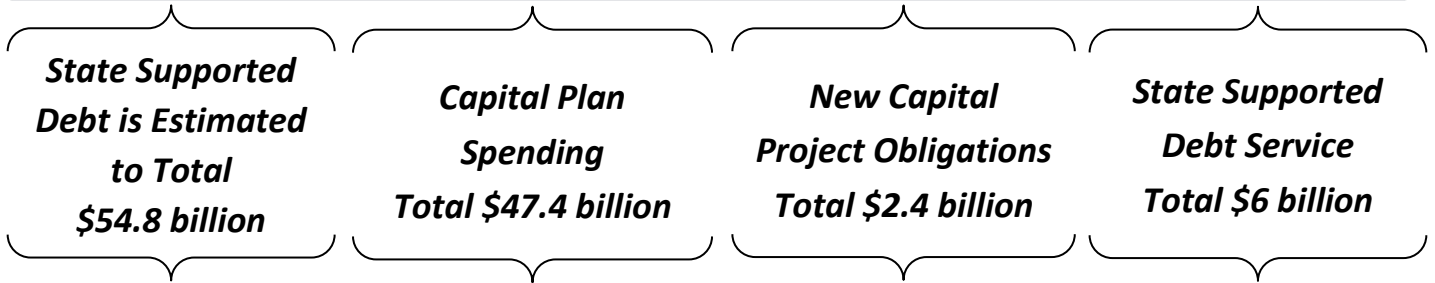
### NYS All Funds Revenue Sources

#### Percentage Shares



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

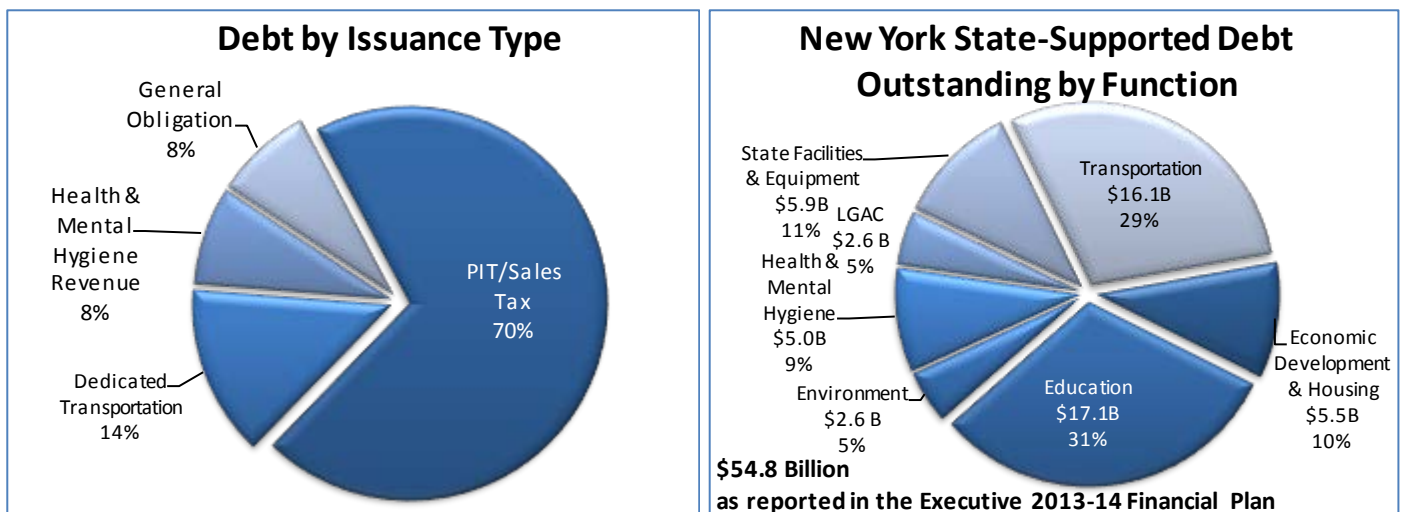
# The Executive Budget Proposal: Debt/Capital at a Glance



## Capital Spending

Capital Spending by Function SFY 2012-13 through 2017-18 (\$ in Millions)						
Spending	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Transportation	\$4,655	\$4,617	\$4,479	\$4,344	\$4,325	\$4,144
Parks and Environment	\$726	\$672	\$643	\$634	\$602	\$546
Economic Development & Gov't Oversight	\$568	\$736	\$875	\$962	\$643	\$638
Health and Social Welfare	\$618	\$546	\$220	\$235	\$235	\$250
Education - EXCEL	\$100	\$100	\$92	\$0	\$0	\$0
Education - All Other Programs	\$2,002	\$1,895	\$1,911	\$1,855	\$1,705	\$1,336
Public Protection	\$307	\$371	\$347	\$334	\$322	\$303
Mental Hygiene	\$552	\$519	\$639	\$622	\$589	\$615
General Government	\$67	\$97	\$110	\$72	\$80	\$70
Other	\$88	\$208	\$438	\$1,030	\$847	\$540
<b>Total</b>	<b>\$9,682</b>	<b>\$9,761</b>	<b>\$9,754</b>	<b>\$10,087</b>	<b>\$9,347</b>	<b>\$8,441</b>

## New York State Supported Debt



Source: NYS Division of the Budget.



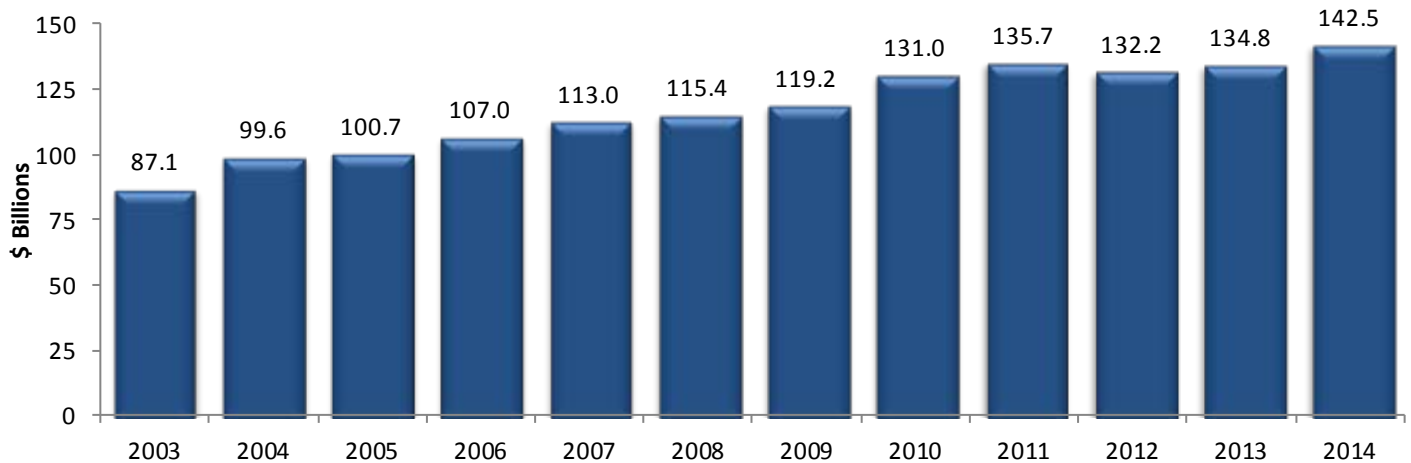


# **Financial Plan**

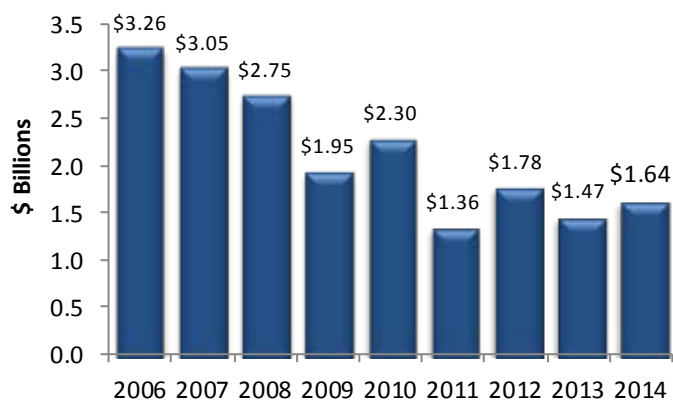


# Financial Plan Snapshot

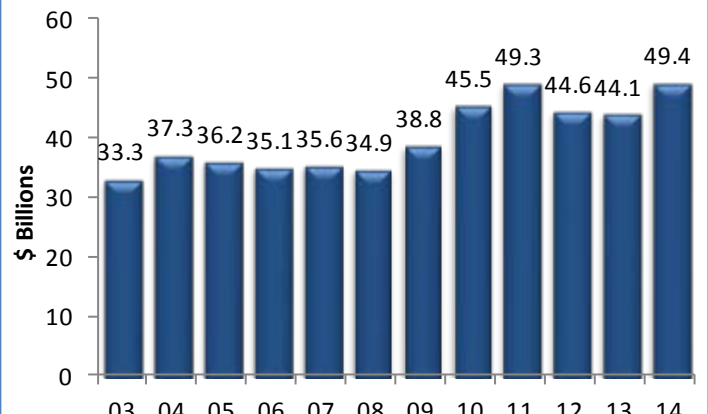
## All Funds Receipts



## General Fund Reserves



## Federal Aid



## Out Year General Fund GAPS

(\$ in Millions)

	Before Action	Executive Proposal
2013-14	(1,352)	0
2014-15	(3,979)	(1,953)
2015-16	(5,210)	(3,559)
2016-17	(5,663)	(4,464)

## General Fund GAP-Closing Plan 2013-14

(\$ in Millions)

<b>CURRENT SERVICES GAP ESTIMATES</b>	<b>(1,352)</b>
<b>Spending Controls</b>	<b>974</b>
Agency Operation	434
Local Assistance	412
Debt Management	128
<b>Revenue Extenders</b>	<b>331</b>
<b>Other Resources</b>	<b>47</b>
Gross Resources	566
Proposed Investments	(519)
<b>EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE</b>	<b>0</b>

Note: Forecast values are as reported in the Executive Budget.

Source: NYS Division of the Budget, 2013-14 NYS Executive Budget.



# FINANCIAL PLAN

## Overview of the Executive Budget

Table 1

	Size of Budget (\$ in Millions)			
	2012-13	2013-14	Difference	Percent
General Funds	\$59,154	\$61,006	\$1,852	3.1%
State Operating Funds	\$89,431	\$90,841	\$1,410	1.6%
State Funds	\$95,601	\$97,198	\$1,597	1.7%
All Funds	\$135,452	\$142,594	\$7,142	5.3%

- **An All Funds Budget of \$142.6 billion for State Fiscal Year (SFY) 2013-14:** The Executive proposal is \$7.1 billion above the estimated \$135.5 billion in spending for SFY 2012-13, representing an increase of 5.3 percent. Excluding extraordinary federal aid for Superstorm Sandy and the Affordable Care Act, the All Funds budget is estimated at \$136.5 billion. The All Funds Budget is the broadest measure of spending; accounting for state unrestricted and restricted funds as well as funds received from the federal government.
- **Federal spending increased by \$5.5 billion for SFY 2013-14 from \$39.9 billion to \$45.4 billion:** This increase is primarily due to \$5.1 billion of federal disaster aid for Superstorm Sandy and \$1 billion from the Affordable Care Act.
- **General Fund spending projected at \$61.0 billion:** The General Fund consists of unrestricted taxes and receipts, and spending on state operations and local governments not funded through dedicated revenues. The Executive proposal would increase General Fund spending by \$1.9 billion or 3.1 percent.
- **State Funds projected at \$97.2 billion:** State Funds spending consists of the General Fund plus Debt Service Funds, Capital Projects Funds and Other State Funds. This is an increase of 1.7 percent or \$1.6 billion higher than SFY 2012-13.
- **State Operating Funds spending of \$90.8 billion:** State Operating Funds excludes State Capital Projects Funds and federal spending from All Funds spending. This is an increase of \$1.4 billion or 1.6 percent.

**Table 2**  
**Executive Budget Financial Plan**  
**2013-14**  
**(\$ in Millions)**

	<u>Executive General Fund</u>	<u>Executive State Funds</u>	<u>Executive All Funds</u>
<b>OPENING BALANCE</b>	<u>1,474</u>	<u>3,312</u>	<u>3,116</u>
<b>RECEIPTS:</b>			
Personal Income Tax	28,471	42,520	42,520
User Taxes and Fees	9,492	15,167	15,167
Business Taxes	6,244	8,460	8,460
Other Taxes	<u>1,154</u>	<u>3,078</u>	<u>3,078</u>
Total Taxes	<u>45,361</u>	<u>69,225</u>	<u>69,225</u>
Licenses, Fees, etc.	680	680	680
Abandoned Property	650	650	650
ABC License Fees	26	1,318	1,318
Motor Vehicle Fees	54	54	54
Reimbursements	272	272	272
Investment Income	5	5	5
Other Transactions	<u>1,414</u>	<u>20,715</u>	<u>20,901</u>
Total Miscellaneous Receipts	<u>3,101</u>	<u>23,694</u>	<u>23,880</u>
Federal Grants	2	87	49,358
PIT in Excess of Revenue Bond Debt Service	8,764		
Sales Tax in Excess of LGAC Debt Service	2,546		
Real Estate Taxes in Excess of CW/CA Debt Service	496		
All Other	<u>903</u>		
Total Transfers from Other Funds	<u>12,709</u>		
<b>TOTAL RECEIPTS</b>	<u>61,173</u>	<u>93,006</u>	<u>142,463</u>
<b>DISBURSEMENTS:</b>			
School Aid	17,173	20,317	23,258
Higher Education	2,755	2,787	2,795
All Other Education	2,070	2,083	3,128
STAR	0	3,419	3,419
Medicaid - DOH	11,099	16,230	42,400
Public Health	791	1,939	3,198
Mental Hygiene	2,140	3,647	3,828
Children and Families	1,619	1,620	2,622
Temporary & Disability Assistance	1,390	1,390	4,688
Transportation	98	4,719	4,759
Unrestricted Aid	767	767	767
All Other	944	2,461	8,657
Total Local Assistance Grants	<u>40,846</u>	<u>61,379</u>	<u>103,519</u>
Personal Service	5,672	12,348	13,029
Non-Personal Service	<u>1,783</u>	<u>5,368</u>	<u>6,503</u>
Total State Operations	<u>7,455</u>	<u>17,716</u>	<u>19,532</u>
General State Charges	4,956	7,076	7,398
Debt Service	1,518	6,016	6,016
Capital Projects	1,256	5,011	6,129
State Share Medicaid	2,580		
Other Purposes	<u>2,395</u>		
Total Transfers to Other Funds	<u>7,749</u>		
<b>TOTAL DISBURSEMENTS</b>	<u>61,006</u>	<u>97,198</u>	<u>142,594</u>
<b>Other Financing Sources (uses):</b>			
Transfers from Other Funds		28,231	27,918
Transfers to Other Funds		(24,309)	(28,006)
Bonds and Note proceeds		338	338
Net Financing Sources		<u>4,260</u>	<u>250</u>
Excess/(Deficiency) of Receipts over Disbursements	<u>167</u>	<u>68</u>	<u>119</u>
<b>CLOSING BALANCE</b>	<u>1,641</u>	<u>3,380</u>	<u>3,235</u>



## Closing the SFY 2012-13 Executive Budget Gap

- **The Executive Proposal closes an estimated \$1.35 billion General Fund budget gap in SFY 2013-14:** The Executive has indicated that these actions are comprised of the following: \$974 million in spending control, \$331 million in continued revenue extenders, \$566 million in increased gross resources, and \$519 million in new investments that increase spending or reduce resources.

**Table 3**

<b>General Fund GAP-Closing Plan 2013-14 (\$ in Millions)</b>	
<b>CURRENT SERVICES GAP ESTIMATES</b>	<b>(1,352)</b>
<b>Spending Controls</b>	<b>974</b>
<b>Agency Operation</b>	<u>434</u>
Executive Agencies	214
Independent Officials	51
Health Insurance Rate Renewal	89
Fringe Benefits	80
<b>Local Assistance</b>	<u>412</u>
COLAs/Trend Factor Elimination	71
Public Health/HCRA/Aging	161
Social Services/Housing	104
Education	61
All Other	15
<b>Debt Management</b>	128
<b>Tax Extenders</b>	<u>331</u>
18-A Utility Assessment	255
Limit on High Income Charitable Contributions	70
Film Credit (extended in 2015)	0
Historic Properties Rehabilitation Credit (extended in 2015)	0
Tax Modernization	6
<b>Other Resources</b>	<u>47</u>
<b>Gross Resources</b>	<u>566</u>
Workers' Compensation Reform	250
Annual Professional Performance Review Noncompliance	240
Wage Garnishment/Driver License Suspension Proposal	35
All Other	41
<b>Proposed Investments</b>	<u>(519)</u>
Debt Reduction Reserve Deposit	(250)
Fiscal Stabilization Aid	(143)
Thruway Authority	(84)
Capital Commitment Plan	(5)
Empire State Development	0
All Other	(37)
<b>EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE</b>	<b>0</b>

- **Spending Controls:** The Executive proposes to reduce the gap using spending controls of \$974 million as follows:
  - Agency Operations (\$434 million or 32 percent of Gap Closing Plan):
    - \$214 million in reductions to Executive agencies through workforce management, facilities closures and operational efficiencies;
    - \$51 million in reductions to the Legislature, Judiciary, State Comptroller, Department of Law and University Systems;
    - \$89 million in reductions from health insurance rate renewal savings for the Empire Plan; and
    - \$80 million in Fringe benefits savings – opting to make monthly pension payments instead of an annual payment, and eliminating Federal Medicare Part B reimbursements for higher income retirees.
  - Local Assistance (\$412 million or 30 percent of Gap Closing Plan):
    - \$71 million reduction from the Human Services cost -of-living increase elimination;
    - \$161 million in Public Health/HCRA/Aging savings through the consolidation of various public health programs;
    - \$104 million in Social Services/Housing savings through supplemental federal TANF funding for Child Care and excess Mortgage Insurance Fund reserves;
    - \$61 million in Education through growth limits on preschool special education and increased lottery receipts; and
    - \$15 million in reductions in all other savings through delays in mental health bed development, fraud protection mechanisms related to STAR, and the elimination of certain legislative grants.
  - Debt Management savings (\$128 million or 9 percent of Gap Closing Plan): The Governor proposes savings through a new sales tax revenue bond credit, continuing competitive bond sales, and refundings that meet the state’s savings criteria.
- **Revenue Extenders:** The Executive proposes the extension of a number of laws that would otherwise expire (an additional \$331 million or 24 percent of Gap Closing Plan).
  - \$255 million in 18-A Utility Assessment on public utilities is extended for five years;
  - \$70 million in Limited High Income Charitable Contributions for taxpayers with incomes over \$10 million is extended for three years; and
  - \$6 million in Tax modernization including mandatory e-filing and e-payment, sales tax payment requirements, and segregated accounts for noncomplying vendors is permanently extended.

- **Other Resources:** The Executive proposes an increase in recurring resources and new investments in the following manner:
  - Resources (\$566 million):
    - \$250 million in State Insurance fund (SIF) reserves would become available as a result of the Governor’s Workers’ Compensation Reform;
    - \$240 million in savings resulting from Annual Professional Performance Review Noncompliance re-estimates from non-compliant school districts;
    - \$35 million from wage garnishment of delinquent taxpayers and the Driver License Suspension Program for delinquent taxpayers with over \$10,000 in unpaid taxes;
    - \$41 million in All Other actions including transfers from public authorities, surcharges to traffic violations, and an increase in the penalty for unstamped cigarettes.
  - Increases in spending (\$519 million):
    - \$250 million in Debt Reduction Reserve Deposit, financed from the \$250 million in SIF reserves cited above;
    - \$143 million in Fiscal Stabilization Aid for a one-time payment to school districts due to fiscal restraints of the current economic climate;
    - \$84 million in payments to the Thruway Authority for costs associated with State Police patrols; and
    - \$42 million in various other spending proposals.

### Multi-Year General Fund Gap Estimates

Table 4

<b>Multi -Year General Funds Gaps</b>			
(\$ in Millions)			
	<b>Executive Mid-Year</b>	<b>Before Action</b>	<b>Executive Proposal</b>
2013-14	(982)	(1,352)	0
2014-15	(3,590)	(3,979)	(1,953)
2015-16	(4,370)	(5,210)	(3,559)
2016-17	N/A	(5,663)	(4,464)

- **Executive Budget projects current out-year gaps confronting the State:** Budget gaps for SFY 2012-13 continue to be zero due to receipts and disbursement revisions. Out year gaps before actions are \$1.35 billion for SFY 2013-14, \$4.0 billion for SFY 2014-15, \$5.2 billion for SFY 2015-16 and \$5.7 billion for SFY 2016-17.
- **The Executive Budget proposes to transfer reserves from the State Insurance Fund (SIF):** The Executive proposal would, upon request of the Director of Budget, require that the Workers’ Compensation Board transfer surplus monies as follows:



- in SFY 2013-14, \$250 million to General Fund, and \$500 million to the Transformative Capital Fund;
- in SFY 2014-15, \$500 million to the General Fund;
- in SFY 2015-16, \$250 million to the General Fund;
- in SFY 2016-17, \$250 million to the General Fund; and
- all remaining surplus monies shall remain in the Workers' Compensation Fund or be transferred to the General Fund or to the State Insurance Fund.

The proposed gap closing actions described above reduce the gaps to the following: zero gap in SFY 2013-14, \$2.0 billion gap for SFY 2014-15, \$3.6 billion gap for SFY 2015-16 and \$4.5 billion in SFY 2016-17.

### General Fund Reserves

- **The Executive Budget projects \$1.6 billion in reserves at the end of the 2014 fiscal year:** The Tax Stabilization Reserve Fund is a constitutionally restricted fund that can only be used in the event of a revenue shortfall or deficit during a fiscal year. The balance of \$1.1 billion in the Tax Stabilization Reserve Fund is 1.9 percent of the value of the General Fund.

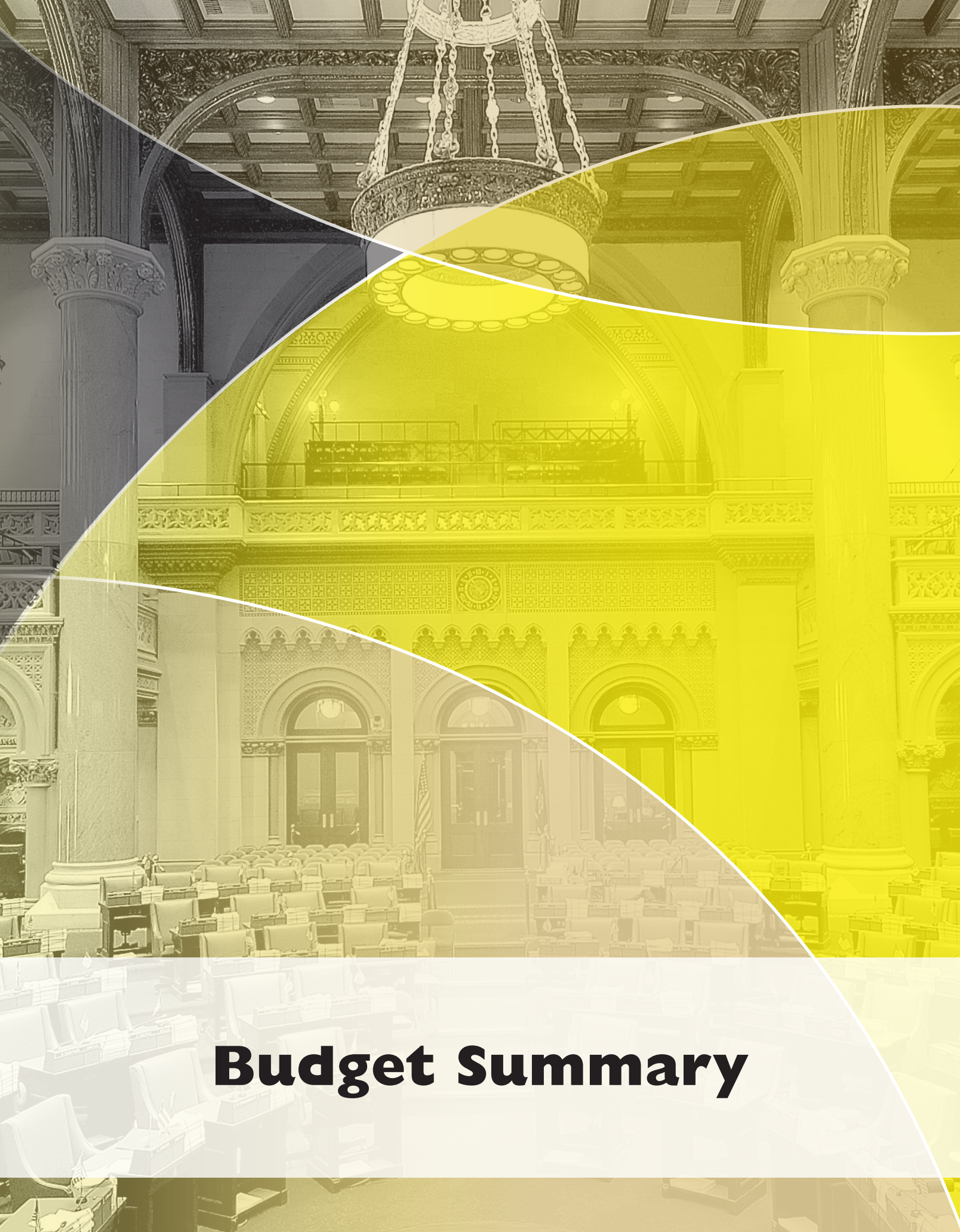
Table 5

Estimated General Fund Closing Balance (\$ in Millions)		
	2012-13	2013-14
Tax Stabilization Reserve Fund	1,131	1,131
Statutory Rainy Day Reserve Fund	175	175
Contingency Reserve Fund	21	21
Community Projects Fund	57	-
Reserved for Prior Year Labor Agreement	77	51
Reserved for Debt Reduction	13	263
<b>Closing Balance</b>	<b>1,474</b>	<b>1,641</b>

## Risks to the Financial Plan Identified by the Executive

- **Economic Outlook:** This includes uncertainties concerning the economy and receipts forecast in terms of national and international events such as the Eurozone Crisis, changes in consumer confidence, oil supplies and prices, regulatory changes concerning financial sector activities and bonus payouts, interest rates and financial markets, and household debt reduction.
- **Revenue Forecast:** The forecast contains specific transaction risks such as the receipt of certain payments from public authorities; non-forecasted miscellaneous receipts, as such as payments pursuant to the Tribal-State Compact that have not materialized in prior years; and the transfer of available fund balances to the General Fund.
- **Federal Actions:** Any reduction of federal aid, related to sequestration from the Budget Control Act of 2011, or disaster relief for Superstorm Sandy, would adversely impact the proposed Financial Plan.
- **Federal Reimbursement for State Mental Hygiene Services:** On January 11, 2013, based on a request from the federal government, the State submitted an amendment to the State Plan for OPWDD to lower Medicaid rates for services provided by State-operated providers. The State is in ongoing discussions with the federal government concerning alternate funding approaches to potentially mitigate, up to \$1.1 billion in potential reductions in SFY 2013-14.
- **Health Insurance Companies Conversions (HCRA):** Any decrease in the proceeds from the health care conversions could force the state to reduce HCRA spending or finance additional expenses from the General Fund. In SFY 2013-14, \$175 million in proceeds is projected to be used.
- **Debt and Capital Planning:** Implementation of the proposed Financial Plan is dependent on the state's ability to market its bonds successfully. Initially, the state finances most of its capital spending through the General Fund or STIP, which it then reimburses with the sale of its bonds. If the bonds are not sold at the levels or on the time table estimated in the Capital Plan, it could affect the state's cash levels.

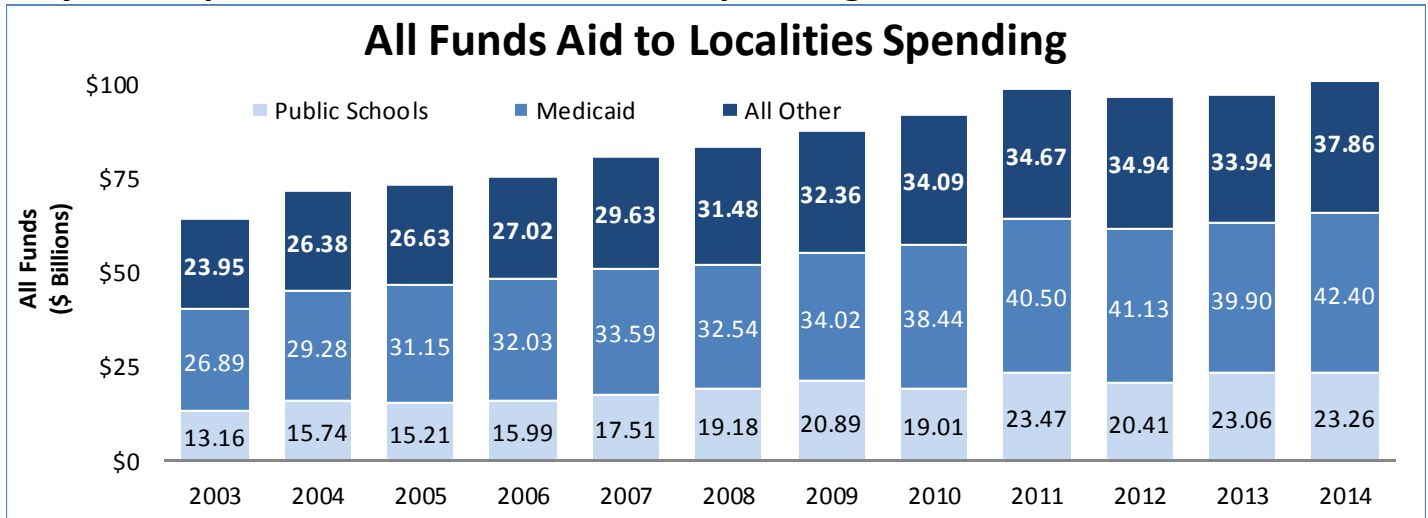




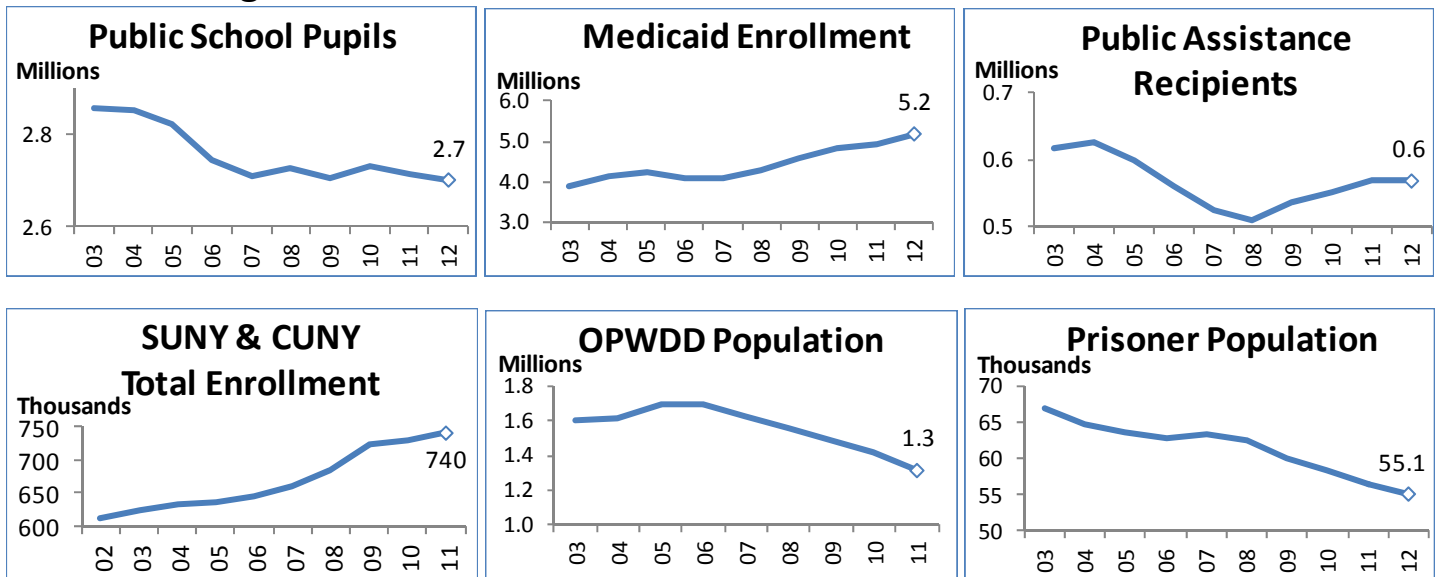
# **Budget Summary**

# Budget Snapshot

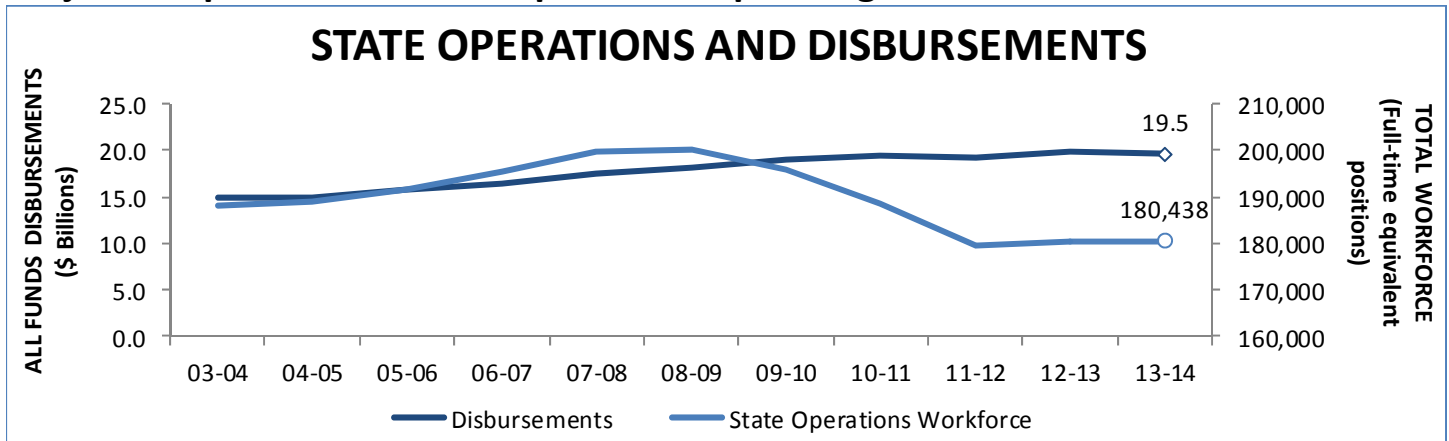
## Major Components of Local Assistance Spending



## Trends in Program Enrollment



## Major Components of State Operations Spending



Sources: Office of the State Comptroller; Division of Budget; and various State agencies.





# EDUCATION

The Executive proposes a year to year increase in overall Education funding of \$889 million or 4.4 percent. Education funding would increase from \$20.2 billion to \$21.1 billion.

Table 6

2013-14 Executive School Aid Proposal	
(\$ in Millions)	
Expense Based Aids and Grant Programs	289
Performance and Management Efficiency Grants	50
Gap Elimination Adjustment (GEA) Restoration	<u>272</u>
<b>Subtotal: Year to Year General Support for Public Schools Increase</b>	<b><u>611</u></b>
Fiscal Stabilization Funding	203
Education Reform Commission New Proposals:	
Full Day Prekindergarten	25
Extended Learning Time	20
Community Based Schools	15
High Performing Teacher Rewards	11
Early College High School Program	<u>4</u>
<b>Year to Year Increase: Total Education Funding</b>	<b>889</b>

- **General Support for Public Schools:** The Executive proposes a year to year increase in General Support for Public Schools (GSPS) of \$611 million or 3 percent, thereby increasing School Aid from \$20.2 billion in School Year (SY) 2012-13 to \$20.8 billion in SY 2013-14; this increase is based on a personal income growth factor of 3 percent enacted in the 2011-12 Budget. High need districts will receive 75 percent of the allocated increase and 69 percent of total formula based school aids.
  - Eligibility to receive increases in School Aid for the 2013-14 School Year would again be linked to district compliance with Annual Professional Performance Review (APPR) plan, which must be approved by September 1, 2013.
  - Six school districts, including the New York City School District, were unable to reach agreement and finalize an approved APPR plan for the 2012-13 School Year. As a result, these school districts are ineligible to receive State Aid increases for 2012-13, and remaining payments for the 2012-13 school year will be adjusted accordingly. As a result of

noncompliance with the APPR requirements, the New York City School District is slated to lose \$242 million as a mid-year reduction.

- *Formula Aid*: Funding for expense-based aid programs would increase by \$289 million, reflecting present law. Funding is maintained at the 2012-13 level for Foundation Aid and certain grants. The Governor’s budget maintains funding for the Universal Prekindergarten Program at last year’s level of \$385 million.
  - *School Performance Grants*: The 2011-12 Enacted Budget authorized two competitive multi-year grant programs totaling \$500 million. The proposed 2013-14 Executive Budget provides for \$50 million to be disbursed through a competitive grant process for Performance Improvement and Management Efficiency grants in the 2013-14 School Year.
  - *Gap Elimination Adjustment (GEA)*: The Governor’s Budget restores \$322 million for the Gap Elimination Adjustment (GEA) Restoration, which reflects a net impact of \$272 million, due to a \$50 million redirection from High Tax Aid. The GEA restoration takes into account various factors including pupil need and district wealth. High need districts will receive 75 percent of this increase.
- **Fiscal Stabilization Funding**: The Executive Budget provides \$203 million in new “Fiscal Stabilization Funding”, a one-time appropriation to school districts for SY 2013-14, in recognition of extraordinary increases in fixed costs. This additional one percent increase in overall education funding will be allocated pursuant to a chapter.
- **New NY Education Reform Commission Grants**: The Executive proposal provides \$75 million in competitive grants for SY 2013-14, based on the recommendations of the Governor’s Education Reform Commission as follows:
- \$25 million in grants for Full Day Prekindergarten programs, which would target high need students in lower wealth school districts. Funding from this program could be used to expand existing programs or to establish new programs.
  - \$20 million in grants to districts that extend learning time by at least 25 percent, either through an extended school day, additional school days, or a combination of both. The proposed grants would cover the full cost of extended learning time. Districts would receive the greater of \$1,500 per pupil or 10 percent of their average per pupil costs.
  - \$15 million in grants to support the transformation of schools into community schools by integrating social, health, and other services, as well as after-school programming. Grants up to \$500,000 will be made available to each grantee.
  - \$11 million in grants to reward high performing teachers, beginning with math and science teachers. These teachers will receive an annual stipend of \$15,000 for four years.
  - An additional \$4 million in grants to fund investment in Early College High School Programs.

- The Executive Budget will also require the State Education Department to implement recommendations towards requiring prospective teachers to pass a “bar exam” and be subject to a more intensive student-teaching experience.
- The State Education Department will additionally be required to create a school performance management system to streamline school district reporting and increase district transparency and accountability.

### ➤ **Special Education**

- **Preschool Special Education (4410):** The Executive recommends that a vendor be selected to conduct a large scale audit on fraud and abuse of preschool special education providers.
  - Additionally, the Executive Budget provides \$1 million in targeted grants to counties to develop a fiscal integrity tool to better detect fraud and abuse.
  - To incentivize county oversight of providers, the Executive Budget allows counties to retain 75 percent of audit recoveries, instead of the 40.5 percent currently authorized.
  - The Governor’s budget authorizes New York City to select providers for Preschool Special Education services (from a list of State approved providers), and authorizes the City to set provider rates within State parameters.
- **Private Schools for the Blind and Deaf (4201):** The Executive proposal alters the existing payment method for summer programs for children enrolled in 4201 schools, and instead makes this summer payment consistent with the school year payment schedule.
- **Waivers from Certain Duties:** The Executive proposal authorizes school districts, private schools, and BOCES to apply for one-year waivers from certain special education requirements. Waivers must enhance student achievement and/or opportunities for placement in regular classes and programs and must maintain compliance with Federal standards.

### ➤ **Other Education Programs:**

- **Nonpublic School Aid:** The Governor’s proposal provides an additional \$4.95 million in nonpublic school aid, for a total of \$128.57 million. This provides an increase of four percent to both the Mandated Services program and the Comprehensive Attendance Policy.
- **Teacher Resource and Computer Training Centers:** The Executive Budget eliminates \$10.2 million in aid for Teacher Resource and Computer Training Centers for the 2013-14 school year.
- **Library Aid:** State funding for library aid is continued at the 2012-13 level of \$81.6 million. Funding to reimburse libraries for MTA taxes is also continued at \$1.3 million.

- **Adult Literacy Education:** The Executive Budget provides \$5.3 million for Adult Literacy Education, reflecting a continuation of the \$1 million increase provided in SFY 2012-13.
- **Fiscal Stabilization Grants:** The Executive Budget reduces Fiscal Stabilization Grants by \$12.28 million to reflect a reduction in debt service for a total of \$32.79 million.
- **State Operations:** The Executive Budget provides an additional \$1.5 million to continue the January Regents exams. In addition, the Budget provides an additional \$1.9 million for Teacher Arbitration Hearings.





# HEALTH

The SFY 2013-14 Executive Budget includes \$57.63 billion in All Funds current year support for the Medicaid program across all state agencies, representing an increase of \$3.63 billion or 6.7 percent from SFY 2012-13 spending levels. The Executive proposal assumes \$22.45 billion in State share spending for the Medicaid program, an increase of \$662 million or 3.0 percent from SFY 2012-13 levels.

Table 7

All State Agency Medicaid Expenditure Projections (\$ in Millions)				
	SFY 2012-13	SFY 2013-14	Year-to-Year Change	Percent Change
State Share	21,784	22,446	662	3.0%
Federal Share	24,059	26,296	2,237	9.3%
Local Share	8,153	8,886	733	9.0%
<b>Total</b>	<b>53,996</b>	<b>57,628</b>	<b>3,632</b>	<b>6.7%</b>

- **Extension of the Medicaid Global Cap:** The Executive proposes the continuation of a Medicaid spending cap which limits growth in 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 3.9 percent. DOH Medicaid expenditures are presently capped at \$15.91 billion in SFY 2012-13 and \$16.42 billion in SFY 2013-14. The Executive proposes to extend the global cap for one additional year and to cap SFY 2014-15 DOH Medicaid expenditures at \$16.98 billion. Authorization to allow DOH to reduce payment rates and benefits in the event that Medicaid expenditures exceed the global cap would be reauthorized for one additional year.
- **Medicaid Redesign Team (MRT) - Phase I and Phase II Recommendations:** The Executive Budget continues the savings actions enacted as part of the SFY 2011-12 and SFY 2012-13 budgets, including the 78 discrete cost containment initiatives recommended by the MRT; the additional recommendations developed through the MRT Workgroup process; the elimination of scheduled Medicaid inflationary rate increases; and the implementation of a two percent across-the-board reduction in Medicaid rates. The Executive estimates that these actions will save the State approximately \$17.1 billion over the next five years.

➤ **Medicaid Redesign Team (MRT) - Phase III Recommendations:** In addition to the initiatives implemented over the prior two years, the Executive proposes a cost-neutral series of new MRT initiatives for SFY 2013-14. The Executive proposes new investments to supplement existing MRT programs that include:

- Funding for supportive housing (\$16.35 million);
- Promoting the expansion of health homes, including targeted programs to support Assisted Outpatient Treatment (AOT) for State psychiatric center discharges (\$17.02 million);
- Funding for the Essential Community Provider Network and Vital Access Providers (\$26.0 million);
- Reforming the Indigent Care Pool to comply with Federal Disproportionate Share Hospital (DSH) requirements (\$12.5 million);
- Funding for tobacco cessation counseling (\$1.5 million); and
- All Other Investments (\$35.85 million).

These investments would be offset by a variety of reductions that include:

- the elimination of “prescriber prevails” provision from the Medicaid program (\$10.44 million);
  - the elimination of spousal refusal from Medicaid long term care eligibility determinations (\$34.3 million);
  - reducing the fee for service pharmacy reimbursement rate to Average Wholesale Price (AWP) minus 17 percent to AWP minus 17.6 percent, which reflects the rate achieved by State managed care plans (\$1.8 million); and
  - All Other Reductions (\$62.97 million).
- **Local Medicaid Takeover Expenditure Growth:** The Executive proposal reflects the first year of a three year phase-out of growth in local Medicaid expenditures that was enacted in SFY 2012-13. The State will assume these costs that are currently the responsibility of counties. The annual growth rate in the local share of Medicaid will be two percent in SFY 2013-14, one percent in SFY 2014-15, and would be eliminated in SFY 2015-16. When combined with existing benefit of the three percent local cap and the State’s assumptions of the local share of Family Health Plus, counties will see a total savings of \$1.69 billion in SFY 2013-14.

Table 8

Components of Local Savings – Medicaid Takeover Actions (\$ in Millions)				
	SFY 2012-13	SFY 2013-14	SFY 2014-15	SFY 2015-16
Medicaid 3% Cap	\$1,136	\$1,101	\$1,259	\$1,430
Local Growth Takeover	\$0	\$61	\$187	\$370
Family Health Plus	\$477	\$528	\$219	\$0
<b>Total</b>	<b>\$1,613</b>	<b>\$1,690</b>	<b>\$1,665</b>	<b>\$1,800</b>

- **Extend the Two Percent Across-the-Board Reductions and Permanently Eliminate Medicaid Trend Factor:** The Executive proposes to extend, for two years, the two percent across the board reductions in Medicaid provider reimbursement that was first enacted as part of the SFY 2011-12 budget. In addition, the Executive would permanently eliminate trend factor adjustments for Medicaid providers. In total, these actions result in \$345 million in State savings in SFY 2013-14.
- **New York Health Benefit Exchange:** The Executive proposes legislation to implement the various requirements of the federal Patient Protection and Affordable Care Act (ACA), including statutory changes to conform eligibility and benefits of the State's existing public health insurance programs, including Medicaid, Child Health Plus (CHP), Family Health Plus (FHP), and Healthy New York. These proposed changes would allow the State's public health insurance programs to better integrate with the New York Health Benefit Exchange which was established by Executive Order in April 2012.
- **Elimination of Family Health Plus (FHP) Program:** The Executive proposes to eliminate the existing FHP program, effective January 1, 2015, and transfer FHP enrollees with incomes up to 138 percent of the federal poverty level (FPL) to the existing Medicaid program. All FHP enrollees with incomes between 139 percent and 150 percent of FPL would become eligible to purchase federally subsidized insurance through the New York Health Benefit Exchange. This proposal would have no impact on the SFY 2013-14 financial plan but it would result in \$76.63 million in additional State costs in SFY 2014-15 resulting from changes in the enrollee benefit package.
- **Modify the Early Intervention (EI) Program:** The Executive proposes to require commercial health insurance carriers to include EI service providers in their networks, and to require consumers to use providers in their insurance networks. In addition, the Executive proposes to streamline eligibility determinations to achieve program efficiencies. This proposal would increase State costs by \$790,000 in SFY 2013-14 but would provide more than \$60 million in savings to the counties over the next five years.
- **Modify the General Public Health Work Program (GPHW):** The Executive proposes a variety of changes to the GPHW program which provides State aid reimbursement to Local Health Departments for a core set of public health services. Specifically, the Executive proposes to encourage the use of private health insurance coverage; to increase the base grant funding to counties; and to invest a new \$1 million in pay-for-performance contracts. This proposal would

have no impact on the SFY 2013-14 financial plan but it would result in \$3.5 million in State savings in SFY 2014-15 and would provide \$16 million in county savings over the next five years.

- **Restructure Health Care Program Funding:** The Executive proposes to consolidate 89 separate health awareness and prevention programs into six competitive pools totaling \$355.2 million, and to reduce total funding for these programs by \$40 million. These consolidated pools would include:
  - Chronic Disease program (\$63 million);
  - Environmental Health and Infectious Disease program (\$19.8 million);
  - Maternal, Child Health and Nutrition program (\$114.8 million);
  - HIV and AIDS program (\$90.7 million);
  - Health Quality/Outcomes/Advocacy program (\$30.7 million); and
  - Workforce Training program (\$36.2 million).
- **Excess Medical Malpractice Pool:** The Executive proposes to modify the existing Excess Medical Malpractice Pool program to prioritize support for doctors in the highest risk specialties that practice at community hospitals in highest risk areas. This proposal would reduce funding for this program to \$114.7 million, which represent a \$12.7 million, or 10 percent, reduction from SFY 2012-13 levels.
- **Transfer Child Health Plus (CHP) Rate Setting to DOH:** The Executive proposes to transfer CHP rate setting functions from the Department of Financial Services (DFS) to DOH, which would align rate setting with DOH's current oversight of the program and which would be consistent with Medicaid Managed Care and FHP. This proposal would generate \$16.2 million in State savings in SFY 2013-14.
- **Coordinate Health Insurance Purchasing:** The Executive proposes that DOH and the Department of Civil Service, who both negotiate and purchase health insurance, adopt common approaches to take advantage of efficiencies resulting from best practices, including the alignment of hospital reimbursement policies, the expansion of patient centered medical home models, and the promotion of evidence based strategies to enhance wellness and reduce health care costs.



# HIGHER EDUCATION

The Executive provides \$3.21 billion in General Fund support for Higher Education, a reduction of \$10 million from Academic Year 2012-13. The changes are as follows:

Table 9

Proposed Initiatives: Higher Education	
(\$ in Millions)	
	SFY 2013-14 Actions
Reduce SUNY Hospital Subsidy	(30)
Tuition Assistance Program (TAP) Increases	17
Community College Net Change	1
<b>TOTAL</b>	<b>(12)</b>

- **Support for SUNY/CUNY Operations:** The Executive recommends State operating support of \$969.1 million for State-operated campuses of the State University of New York (SUNY) and \$524.5 million for the Senior Colleges of the City University of New York (CUNY) in the 2013-14 Academic Year. These are the same levels of support these institutions received in the 2012-13 Academic Year.
- **Tuition Revenue:** The Executive budget provides tuition revenue appropriations of \$1.57 billion at SUNY and \$964.79 million at CUNY. This is an increase of \$106 million for SUNY and \$61 million at CUNY from the previous year. In-state undergraduate tuition at SUNY will be \$5,870 and \$5,730 at CUNY for Academic Year (AY) 2013-14. Tuition for both institutions will be \$300 higher than in AY 2012-13 in accordance with Chapter 260 of the Laws of 2011.
- **Maintaining State Support for SUNY and CUNY Community Colleges:** The Executive recommends maintaining base aid for SUNY and CUNY Community Colleges at \$2,272 per full-time equivalent (FTE) student. As a result, the Executive proposal for State support for SUNY Community Colleges in the 2013-14 Academic Year is \$431.1 million, which is a decrease of \$8.1 million from Academic Year 2012-13. The Executive provides \$191.3 million in State support at CUNY Community Colleges, which is an increase of \$10.2 million over Academic Year 2012-13.
- **Linking Base Aid to Workforce Measures:** The Executive proposal would require community college programs to prepare students for certain occupations that meet current or emerging workforce needs or vocations that are offered in partnership with employers in order to receive



base aid. In addition, the Executive also proposes to create a new \$5 million performance based funding program to reward community colleges that enable students to find jobs in their chosen occupation, provide training for careers, and help students graduate.

- **Opportunity Programs:** The Executive budget maintains funding for each of the following opportunity programs at 2012-13 enacted funding level:
  - Higher Education Opportunity Program (HEOP): \$24.3 million;
  - Science and Technology Entry Program (STEP): \$10.8 million;
  - Collegiate Science and Technology Entry Program (CSTEP): \$8.2 million;
  - Liberty Partnerships Program: \$12.5 million;
  - Educational Opportunity Program (EOP): \$21.1 million;
  - Search for Education, Elevation, and Knowledge (SEEK): \$18.4 million; and
  - College Discovery: \$883,390.
  
- **NYSUNY 2020:** The Executive proposal includes a \$55 million appropriation for a third round of NYSUNY 2020 Challenge Grants. The Executive also includes appropriations to continue projects from the initial round of SUNY 2020 including:
  - an \$88 million appropriation for the University at Albany for the design and construction of an emerging technology and entrepreneurial complex. The debt service for this project will be paid for by private sources;
  - a \$30 million capital appropriation for campus wide projects at Stony Brook; and
  - a \$25 million appropriation to allow Binghamton University to receive funding from external sources for their Smart Energy Research and Development Facility.

The Executive also proposes reappropriation changes to allow the University at Albany to access funds from a prior capital appropriation to be used for NYSUNY 2020 purposes.

- **NYCUNY 2020:** The Executive proposes a new NYCUNY 2020 grant program for CUNY schools and provides \$55 million for this purpose.
  
- **New Higher Education Capital:** In addition to the NYSUNY and NYCUNY 2020 funds the Executive proposal includes \$38.5 million for projects at SUNY Community Colleges and \$8.1 million for CUNY Community Colleges. SUNY's Residence Hall Rehabilitation Fund is appropriated at \$50 million and CUNY is appropriated \$21 million for payment to the Dormitory Authority for the state share of CUNY capital projects. This brings total Higher Education capital funding to \$411 million for SFY 2013-14. The Executive also proposes to extend the New York Higher Education Capital Matching Grant Program (HeCap) to March 31, 2014.

Table 10

Higher Education Capital	
(\$ in Millions)	
	SFY 2013-14 Actions
NYSUNY and NYCUNY 2020 Challenge Grant Program (as appropriated in UDC)	110
University at Albany Emerging Technology and Entrepreneurial Complex	88
SUNY Residence Halls	50
SUNY and CUNY Community Colleges	46
SUNY and CUNY Construction Funds	41
University at Stony Brook Critical Maintenance	30
Reimbursement to DASNY for CUNY Capital Projects	21
NYSUNY 2020 Projects at Binghamton University	25
<b>TOTAL</b>	<b>411</b>

- **General Fund Subsidy for SUNY Health Science Centers:** The Executive Budget provides \$60 million to the three SUNY Health Science Centers representing a \$29.8 million decrease from SFY 2012-13 funding levels.
- **Tuition Assistance Program:** The Executive budget recommends \$950.4 million for the Tuition Assistance Program (TAP) for the 2013-14 Academic Year. This represents a \$17 million increase to the program, reflecting the scheduled tuition increases at SUNY state-operated campuses and CUNY senior colleges. The Executive proposes no programmatic changes to TAP.



# HOUSING

In SFY 2013-14, the Executive proposal provides \$154 million in investments in housing programs, an 11.9 percent increase over SFY 2012-13.

**Table 11**

<b>Proposed Initiatives: Housing</b>	
<b>(\$ in Millions)</b>	
	<b>SFY 2013-14 Actions</b>
Community Preservation Program	12
Rural Rental Assistance Program	20
Transfer Mitchell-Lama to Homes and Community Renewal (House NY)	18
Various Housing Capital Programs (House NY)	74
HHAP Transfer to Homes and Community Renewal	30
<b>TOTAL</b>	<b>154</b>

- **Utilize the Mortgage Insurance Fund to fund Community Preservation Program and Rural Rental Assistance Program:** The Governor consolidates funding for the Neighborhood and Rural Preservation Program into a new “Community Preservation Program” at \$12 million, a decrease of \$2.2 million from the combined SFY 2012-13 level. The Executive proposes \$20.4 million for the Rural Rental Assistance Program, an increase of \$800,000 over the SFY 2012-13 level. The Executive proposes funding the Community Preservation Program and Rural Rental Assistance Program by utilizing the resources of the Mortgage Insurance Fund (MIF) in SFY 2013-14.
- **Expand Affordable Housing Opportunities:** The Executive Budget proposes a new “House NY” program that would invest \$1 billion over five years to preserve and create 14,300 affordable housing units statewide. Of the House NY investments, \$92.2 million is proposed for SFY 2013-14, including:
  - *Mitchell-Lama Affordable Housing Program Transfer:* The Mitchell-Lama affordable housing asset portfolio would be transferred from the Empire State Development Corporation to Homes and Community Renewal (HCR) to preserve over 8,600 units of affordable rental housing throughout the State at a total investment of \$706 million over five years. The Executive proposes funding \$18 million to acquire and revitalize Mitchell-Lama projects in SFY 2013-14.
  - *Funding for Existing Capital Programs:* The Executive includes an investment of \$231 million in continued assistance for various existing housing and community development programs

over five years. In SFY 2013-14, the Executive provides \$74.2 million, which maintains the SFY 2012-13 funding level, as follows:

- Affordable Housing Corporation: \$25 million;
  - Low Income Housing Trust Fund: \$32.2 million;
  - Housing Opportunities for the Elderly: \$400,000;
  - Public Housing Modernization: \$6.4 million;
  - Homes for Working Families: \$7 million;
  - Access to Home: \$1 million; and
  - Main Street Program: \$2.2 million.
- **Transfer and Streamline Administration of the Homeless Housing Development Program:** The Executive proposes a transfer of the \$30 million Office of Temporary and Disability Assistance administered Homeless Housing Assistance Program (HHAP) to Homes and Community Renewal (HCR).



# HUMAN SERVICES

In SFY 2013-14, the Executive provides \$11 million in net reductions related to human services, and proposes several programmatic initiatives that do not directly impact the financial plan, such as raising the minimum wage, and reforming the Unemployment Insurance and Workers' Compensation systems.

Table 12

Proposed Initiatives: Human Services	
(\$ in Millions)	
	SFY 2013-14 Actions
<b>Juvenile Justice Reform</b>	
Expand Close to Home Initiative	3
Close/Downsize OCFS Facilities	(1)
<b>Human Services</b>	
Defer 2013-14 Cost of Living Adjustment (COLA) and Trends	(13)
<b>TOTAL</b>	<b>(11)</b>

## Juvenile Justice

- **Expansion of the “Close to Home” Initiative:** The Close to Home initiative was enacted in SFY 2012-13 to place New York City youth in juvenile justice facilities closer to their home community. The Executive proposes to further reform juvenile justice services to include youth from counties outside New York City who would otherwise be placed in non-secure facilities administered by the Office of Children and Family Services (OCFS) in relocation efforts. The Executive Budget includes \$3 million in net investments to support this proposal.
- **Close/Downsize OCFS Facilities:** The Executive proposal includes a savings of \$1 million in SFY 2013-14 from downsizing juvenile justice facility capacity, by reducing facility capacity by 88 beds and 15 after care slots to reflect the impact of the expansion of the Close to Home initiative.
- **Deferral of Human Services COLA:** The Executive proposes to defer the SFY 2013-2014 COLA, which was previously planned at a rate of 1.4 percent for OCFS programs. This proposal would also defer payment of inflationary costs for various programs including foster care, resulting in a \$13 million reduction.



- **Pay for Success Program:** The Executive proposes \$100 million over the next five years for “Pay for Success” Program contracts to assist in creating outcome-based programs focusing on the areas of health, education, juvenile justice, and public safety. Such initiatives will require service providers to meet performance measures and to satisfy fiscal savings requirements in order to secure funding from the State. Results will be monitored by independent parties to ensure the accuracy of providers’ reports and outcomes and no State funds will be released until positive outcomes are achieved. Payments to service providers are not anticipated to begin until SFY 2015-16.
- **Minimum wage:** The Executive proposes to raise the minimum hourly wage from \$7.25 to \$8.75, effective July 1, 2013 with no indexing to inflation. Similarly, the Executive would raise the minimum hourly wage for food service workers from \$5.00 to \$6.03.
- **Unemployment Insurance Benefit System:** The Executive proposal would change New York’s Unemployment Insurance (UI) system by:
  - increasing the maximum weekly benefit to workers from \$405 currently to \$420 in 2014, with annual increases according to a schedule through 2026, and annually adjusted to 50 percent of the average weekly wage thereafter;
  - increase the minimum weekly benefit from \$65 to \$100;
  - modifying the wage base, from \$8,500 to \$10,300 in 2014 with incremental increases thereafter;
  - amending the schedule for determining employer liability; and
  - permanently extending the authority of the Department of Labor to assess a surcharge on employers for payment of interest due on UI benefit loans.
- **Workers’ Compensation:** The Executive Budget would reform the Workers’ Compensation Board’s assessment process and adjust benefits for injured workers by:
  - amending the assessment process so that employers would pay assessments directly to the Board through their carrier;
  - establishing a bonding program to address insolvent group self-insured trusts;
  - eliminating mandatory deposits into the Aggregate Trust Fund and close the Reopened Case Fund;
  - amending the assessment reserves required to be held by the State Insurance Fund;
  - authorizing the Board to release up to \$250 million for the debt reduction fund and up to \$500 million for capital as well; and
  - increasing the minimum workers’ compensation benefit amount from \$100 per week to \$150 per week.

- **Temporary Assistance for Needy Families (TANF):** The Executive would provide \$1.26 billion in funding for TANF benefits and \$1.39 billion in other TANF funding commitments. All funding for TANF initiatives is eliminated in the Executive Budget except for the following:
- Flexible Fund for Family Services: \$964 million, the same level as provided in SFY 2012-13;
  - Child Care Subsidies: \$395 million, an increase of \$70.4 million over SFY 2012-13. The Executive provides a decrease from the General Fund of the same amount. Overall, child care subsidies would be funded at \$842.83 million, a decrease of \$5.33 million from SFY 2012-13;
  - Summer Youth Employment Program: \$25 million, the same level provided in SFY 2012-13; and
  - Food Banks: a new \$2 million is provided under TANF. These funds will complement resources available under Department of Health, and will be awarded to regional food banks on a competitive basis.



# MENTAL HYGIENE

In SFY 2013-14, the Governor recommends All Funds appropriations of \$8.3 billion for the various mental hygiene agencies, an increase of \$25 million or 1.7 percent from SFY 2012-13.

Table 13

Summary of Mental Hygiene All Funds Spending (\$ in Millions)				
Agency	SFY 2012-13	SFY 2013-14	Year-to-Year Change	Percent Change
OPWDD	4,357	4,286	(71.2)	(1.6)
OMH	3,259	3,318	59.1	1.8
OASAS	609	616	7.4	1.2
CQCAPD	17	9	(7)	(44.7)
Justice Center	-	37	37.3	-
DDPC	4	4	-	0.0
<b>Total</b>	<b>8,245</b>	<b>8,270</b>	<b>25.0</b>	<b>0.3</b>

- **Justice Center for the Protection of People with Special Needs:** The Executive proposes \$37.3 million in All Funds support for the newly-created Justice Center, which would become operational on June 30, 2013. The proposed budget would support 280 new positions at the Justice Center, the creation of a 24 hour hotline for investigations, the development of a registry of workers found guilty of abuse and/or neglect and the consolidation of background check functions of various State agencies.
- **Office of Mental Health (OMH) Facility Reorganization:** The Executive proposes to extend the authorization granted in last year’s budget to allow OMH to reduce bed capacity with 45 days prior notice and to close facilities with 75 days prior notice. The Executive proposal would extend this authority to reorganize the State operated hospital system into regional centers of excellence for the diagnosis and treatment of complex behavioral health illnesses. The Executive intends to reinvest \$5 million of the \$25 million in savings from this reorganization into a comparable level of community-based services.
- **“Kendra’s Law” Assisted Outpatient Treatment (AOT):** The Executive proposes to support the implementation of recent changes in Kendra’s Law by providing a \$10 million increase under Medicaid to provide integrated health home services to individuals receiving court-ordered outpatient psychiatric services and those who are being discharged from State psychiatric hospitals. In addition to this new support, the State would continue its base appropriation of \$22.6 million for AOT treatment in the OMH budget.

- **OMH Supportive Housing:** The Executive proposes a multi-year plan to develop 8,400 new supportive housing units for individuals with a serious mental health illness. Specifically, the Executive proposes the development of 1,000 supported housing units for individuals currently residing in nursing homes, 4,000 supported housing units for individuals currently residing in adult homes, and 3,400 beds for the homeless housing program in New York City. These bed expansions would be supported by an additional \$46.09 million in SFY 2013-14 and would supplement the approximately 36,000 existing beds that are operated and licensed by OMH.
- **Office for People with Developmental Disabilities (OPWDD) Facility Closures and Reorganization:** The Executive Budget continues to support OPWDD's ongoing plans to downsize institutional programs and to transition institutionalized individuals to more integrated and appropriate community-based services. The Budget implements the previously-announced closures of the Finger Lakes and Taconic Campuses and continues to support the development of community based services provided by nonprofit providers. The Executive estimates \$26.93 million in savings from these deinstitutionalization efforts.
- **Defer Scheduled Cost of Living Adjustments (COLA) and Rate Increases:** The Executive proposes to delay, for one year, the scheduled 1.4 percent annual human services COLA and maintain existing rates for programs operating under OMH and OPWDD. The Executive proposes \$53.4 million in savings across mental hygiene agencies from this action.
- **Licensure Exemptions:** The Executive proposes language that would make permanent the current temporary licensure exemption for social workers and mental health professionals providing services in certain settings.
- **Mental Hygiene Agency Administrative and Local Efficiencies (\$70.7 million in savings):** The Executive proposal reflects the continued activities by the various mental hygiene agencies to achieve savings from administrative and local efficiencies, including consolidation of offices, re-estimates in growth rates, and annualization of prior year cost containment initiatives.
- **OPWDD Federal Rate Reductions:** On January 11, 2013, based on a request from the federal government, the State submitted an amendment to the State Plan for OPWDD to lower Medicaid rates for services provided by State-operated providers. The State is in ongoing discussions with the federal government concerning alternate funding approaches to potentially mitigate up to \$1.1 billion in potential reductions in SFY 2013-14.



# PUBLIC PROTECTION

In State Fiscal Year (SFY) 2013-14, the Executive recommends All Funds expenditures of \$9.6 billion, a net increase of \$2.99 billion, across the various Public Protection Agencies. This substantial increase results primarily from appropriations made for disaster relief related to Superstorm Sandy.

**Table 14**

<b>Public Protection: Summary of All Funds Expenditures</b>				
<b>(\$ in Millions)</b>				
<b>Agency</b>	<b>SFY 2012-13</b>	<b>SFY 2013-14</b>	<b>Year to Year Change</b>	<b>Percent Change</b>
Department of Corrections and Community Supervision	3,035	2,864	(171)	-5.6%
Division of Criminal Justice Services	283	249	(34)	-12.0%
Division of Homeland Security and Emergency Services	370	416	46	12.4%
Miscellaneous Disaster Assistance Funding	1,983	5,132	3,149	158.8%
Division of State Police	703	701	(2)	-0.3%
Office of Indigent Legal Services	62	63	1	1.6%
Other Public Protection Agencies	205	201	(4)	-2.0%
<b>Grand Total - Public Protection Agencies</b>	<b>6,641</b>	<b>9,626</b>	<b>2,985</b>	<b>44.9%</b>

- **Recovery from Superstorm Sandy:** The Executive estimates that the multi-year response and recovery costs related to Superstorm Sandy will total approximately \$32 billion. The proposed SFY 2013-14 budget includes \$5 billion in State and Federal funds to support the first year of these costs, with additional commitments in subsequent years to support the continued recovery. The Executive’s financial plan assumes that all State costs related to Superstorm Sandy will be offset by federal funds.
- **NY Secure Ammunition and Firearms Enforcement (SAFE) Act:** The Executive proposal includes \$35.9 million to support the implementation of the NY Safe Act. Specifically, \$32.7 million in capital is provided to support the creation of an electronic gun license database within the Division of State Police; and \$3.2 million in General Fund support to provide additional staff to oversee the five-year recertification of all pistol licenses, engage in new enforcement activities, and support school safety improvement teams.



- **Prison Closures:** The Executive proposes the closure of two women’s prisons: Bayview Correctional Facility in Manhattan and Beacon Correctional Facility in Dutchess County. The Executive would eliminate the one-year notification requirement for these prison closures, and would instead provide the Legislature with 60 days’ notice. The proposed closures would eliminate approximately 430 beds, and would save \$18.7 million in 2013-14 and \$62.1 million in SFY 2014-15.

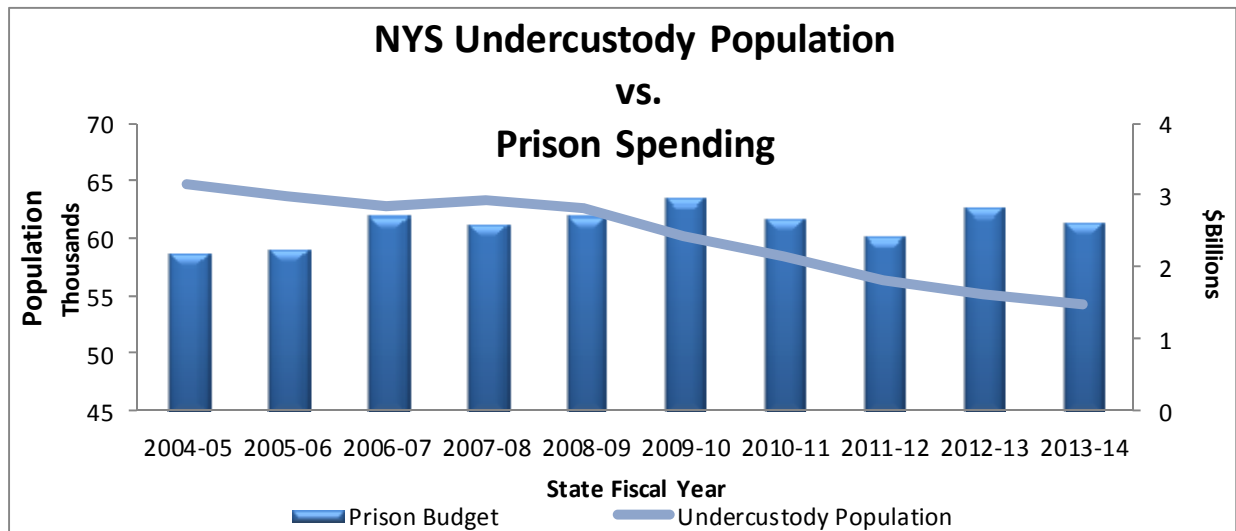


Figure 1

- **Statewide Interoperable Communication Grants:** The Executive Budget proposes to accelerate \$66 million in grants to counties to support development of improved public safety communications networks that were originally planned for the next fiscal year. This acceleration, in addition to \$36 million in grants previously scheduled to be disbursed would bring the total awards for this purpose to \$102 million in SFY 2013-14.
- **Enhance Local Disaster Response Capabilities:** The Executive proposal would require the Division of Homeland Security and Emergency Services (DHSES) to collaborate with SUNY to develop training programs for local emergency management officials, which would focus on incident command, response, recovery, and State emergency protocols. The Executive also proposes to include schools in the Inter-municipal Aid Program (IMAP) for disaster response which establishes financial and workforce rules that all participating municipalities must follow when they assist one another in disaster response activities.
- **Restructuring Alternatives to Incarceration (ATI) Programs:** The Executive proposes to consolidate \$11.4 million in existing ATI program funding and to target these funds to programs serving high risk offenders. To maintain current funding levels, the Executive proposes to include \$7 million in General Fund support to replace prior-year Federal Byrne/JAG funding formerly provided through the American Recovery and Reinvestment Act of 2009.

- **Modify the Traffic Adjudication Process:** The Executive proposes to restrict plea bargaining in cases involving serious traffic infractions and to make prior plea information more easily available on the motorists' abstract, so that it may be evaluated by prosecutors and judges when considering whether to offer or accept a plea bargain. The Executive also proposes a new \$80 surcharge for those violations to which speeding tickets are most commonly pled. These additional surcharges are estimated to generate \$16 million in SFY 2013-14 and \$25 million in SFY 2014-15.



# TRANSPORTATION

In State Fiscal Year (SFY) 2013-14, the Governor recommends \$300 million in new capital funding for projects undertaken by the Department of Transportation and \$85 million in support for Thruway Authority operations. The Executive provides \$9.186 billion in All Funds support for the Department of Transportation in SFY 2013-14, which is a \$431 million decrease compared to SFY 2012-13.

Table 15

Proposed New State Financial Assistance for the Thruway Authority	
(\$ in Millions)	
State takeover of personnel costs for State Police Thruway Patrols	55.2
State appropriation for operating expenses of the Thruway Authority	24.0
Exemption from an annual assessment due from the Authority to the State	<u>5.2</u>
<b>TOTAL</b>	<b>84.4</b>

- **New State Financial Assistance for the Thruway Authority:** The Executive recommends approximately \$85 million in new funding for the Thruway Authority, including the State takeover of personnel costs of the Division of State Police for Thruway patrols (\$55 million); an exemption from an annual assessment due from the Authority to the State (\$5.2 million); and a Thruway Authority appropriation for operating expenses (\$24 million). This support would eliminate the need for a previously-proposed commercial toll increase.
- **Continued Transportation Capital Spending:** The Executive Budget proposes capital expenditures of \$4.6 billion in SFY 2013-14, representing a year to year decrease of \$38 million, or less than one percent. Capital expenditures for SFY 2013-14 would include:
  - \$4.2 billion for the Department of Transportation (DOT) to support road and bridge capital programs;
  - \$201 million for the Department of Motor Vehicles (DMV) to fund agency operations;
  - \$184 million for the Metropolitan Transportation Authority (MTA) to support the authority's 2010-14 capital program; and
  - \$1.8 million for the Thruway Authority (TA) to support the Canal Development Program.

➤ **State Road and Bridge Capital Plan:** The Executive proposes Road and Bridge Capital Plan obligations of \$3.68 billion in SFY 2013-14, a decrease of \$854 million. This net year-to-year decrease primarily reflects the non-recurrence of 2012-13 New York Works infrastructure funding (\$1.16 billion). The year-to-year reduction is mitigated by \$300 million in new State bonding authority through the Capital Projects Fund, including:

- \$200 million under the New York Works program; and
- \$100 million in new commitments to be awarded competitively through the Regional Economic Development Councils.

Major components of the \$3.68 billion Capital Plan include a letting level of \$1.95 billion, \$402 million for CHIPS and Marchiselli, \$398 million for State Forces Engineering, and \$320 million in preventative maintenance. The plan continues to spend New York Works infrastructure funding from SFY 2012-13 and reflects an additional \$100 million of core program spending agreed to last year.

➤ **State Funding for the MTA:** The Executive proposal continues to support the final three years of the MTA 2010-2014 capital program accordingly:

- \$150 million will be disbursed from a \$770 million appropriation that was enacted in SFY 2012-13; and
- \$570 million will be provided from the continued spend-down of the MTA's 2005-09 capital program which is supported by proceeds of the Rebuild and Renew New York Bond Act of 2005.
- The proposal also supports MTA's operating budget with a \$307 million transfer from the General Fund to fully offset MTA Mobility Tax revenue reductions resulting from actions taken during the December 2011 Special Legislative Session.
- In December, 2012, the MTA sought an amendment to increase the 2010-2014 MTA Capital Plan by \$4.76 billion in order to pay for the repair and restoration of MTA assets damaged as a result of Superstorm Sandy. This amendment increased the total 2010-2014 Capital Plan from \$24.274 billion to \$29.029 billion.

➤ **Rail Program:** The Executive proposes a \$10 million capital appropriation for rail projects and \$44.3 million for Amtrak service subsidies, an increase of \$28 million.

➤ **Transit Operating Assistance:** The Executive proposes \$4.75 billion in support for transit systems, including almost \$4.3 billion directed to the MTA, an increase of \$295 million from SFY 2012-13. Non-MTA downstate transit systems would receive \$285 million, an increase of \$23.5 million from SFY 2012-13, and upstate transit systems would receive level funding of \$175.5 million. These funds provide for ongoing operational support for mass transit systems throughout the State.

- **Continued Local Capital Construction Programs Funding:** The Executive proposal would continue authorization levels of \$363.1 million for the Consolidated Highway Improvement Program (CHIPS) and \$39.7 million for the Marchiselli program.
- **DMV Customer Service:** The Executive Budget includes \$4.5 million to support a new DMV customer service initiative. This would include mobile device apps and a website redesign, self-service kiosks, technological improvements for the call center and the offering of Saturday hours in certain offices.
- **Rockaway Bridge:** The Executive proposal includes \$2.5 million to reimburse the MTA for lost toll revenue on the Rockaway bridges during November 2012. The tolls were suspended on the Marine Parkway and Cross Bay Bridges to assist the storm recovery efforts.
- **Savings Actions:** The Executive proposal recommends \$34.8 million in reductions to be achieved through operational and administrative efficiencies at DOT (\$32.2 million) and the DMV (\$2.6 million). These actions include: attrition which would reduce the DOT workforce by 22 full-time equivalent (FTE) positions and the DMV workforce by four FTE positions; restacking and shared services initiatives including the transfer of 133 FTEs from the DOT to the Office of Information Technology Services; reductions in maintenance non-personal services, and re-estimates of Amtrak corridor subsidies.





# STATE OPERATIONS AND WORKFORCE

In State Fiscal Year (SFY) 2013-14, the Executive proposes \$434 million in State Operations and Workforce reductions across all State agencies, an action that closes 32 percent of the current year budget gap.

Table 16

State Agency Operations and Workforce	
(\$ in Millions)	
	SFY 2013-14 Reductions
Executive Agencies	(214)
Independent Officials/University System	(51)
Health Insurance Rate Renewal	(89)
Fringe Benefits/Fixed Costs	(80)
<b>TOTAL</b>	<b>(434)</b>

- **Executive Agencies:** The Governor proposes \$214 million in savings, or 2.1 percent of State Operations spending, from to Executive agencies State Operations resulting from continued workforce management, recent closures of facilities, and the elimination of excess capacity, all of which are expected to result in lower personal service and fringe benefits costs. Additional savings are expected through operational efficiencies as agencies continue to redesign operations to improve service delivery, reduce costs, and the elimination of duplicative functions, consistent with a zero-growth directive from the Division of the Budget.
- **Independent Officials/University Systems:** The Executive proposes \$51 million in savings, or 2.1 percent of State Operations spending from the Legislature, Judiciary, State Comptroller, and the Department of Law, whose budgets do not propose spending increases for SFY 2013-14.
- **Health Insurance Rate Renewal:** The Executive proposes health insurance spending for state employees of \$3.04 billion. The Executive proposes \$89 million in savings, or 2.9 percent of total health insurance spending, related to health insurance rate renewals due to a lower than anticipated health insurance rate increase for the Empire Plan during 2013.
- **Fringe Benefits/ Fixed Costs:** The Executive proposes to save \$80 million in fringe benefit costs through the elimination of Federal Medicare Part B reimbursements for single retirees with an income of over \$85,000 and married retirees with incomes above \$170,000, and interest savings derived by making monthly payments to the State's pension system.

- **State Operations Interchange:** The Executive budget would reauthorize language included in the State Operations appropriations bill that would allow for the interchange of funds among certain agencies to support the consolidation of common administrative and information technology functions. Interchange language to allow mental hygiene and human service agencies to coordinate services for vulnerable persons would be continued as well. New authorization is sought to allow for the interchange of appropriations among certain agencies to consolidate laboratory services.
- **Workforce Summary:** The Executive proposes a State workforce of 180,438 for SFY 2013-14. This represents a net decrease of 127 full time equivalents (FTEs) below SFY 2012-13, with facility closures at the Office of Children and Family Services (OCFS), the Office of Mental Health (OMH) and the Department of Corrections and Community Supervision (DOCCS).
- **Proposals to Merge or Consolidate State Agencies, and to Eliminate Certain Boards and Commissions:** Following the enactment of the SFY 2012-13 budget, the Executive implemented a consolidation of certain functions common to all state agencies as follows:
  - Over 3,300 Information Technology professionals were transferred to the Office of Information Technology Services, pursuant to actions taken in SFY 2012-13; and
  - By the end of 2013-14, the finance and/or human resources activities of over 50 agencies will have been consolidated into the Business Services Center within the Office of General Services.

The Executive proposes to merge and consolidate additional state agency functions in SFY 2013-14 as follows:

- Merge 29 agency print shops into four agencies;
- State Medicaid Administration activities would be streamlined under the Department of Health;
- The operations of the Commission on Quality of Care and Advocacy for Persons with Disabilities would be shifted to the recently created Justice Center for the Protection of People with Special Needs;
- Merge the Office of the Welfare Inspector General with the Office of the Inspector General;
- Transfer the Homeless Housing Assistance program from the Office of Temporary Disability Assistance to the Division of Homes and Community Renewal;
- Merge the Governor's Office of Employee Relations (GOER) with the Department of Civil Service to create a single state Employee Workforce Development Center;

- Coordinate and consolidate statewide lab functions;
  - Coordinate health insurance purchasing between the Department of Health and the Department of Civil Service; and
  - Consolidate State warehouse functions beginning with new policies to ensure a sound and reliable inventory system.
- **Pension Contribution Stabilization Option:** The Executive proposal would offer local governments and school districts a plan which offers a stable pension contribution option. Under this proposal, local governments and school districts would be given the option to “lock in” long-term, stable rate pension contributions for a period to be determined by the Comptroller and the Teachers’ Retirement System. The initial rates would be as follows:
- 12 percent for the New York State and Local Employees’ Retirement System (NYSLERS);
  - 12.5 percent for the New York State Teachers’ Retirement System (NYSTRS); and
  - 18.5 percent for the New York State and Local Police and Fire Retirement System (NYSLPFRS).

By comparison, the stable rates would be less than the scheduled contribution rates of 20.9 percent for the NYSLERS, 16.5 percent for NYSTRS and 28.9 percent for the NYSLPFRS.

After five years, the Comptroller and the Teachers’ Retirement system could elect to increase the rate by up to two percentage points. After ten years, the rates could again be increased or decreased by up to two percentage points.

**Table 17**  
**Workforce Impact Summary**  
**All Funds**  
**FY 2012 Through FY 2014**

	<b>FY 2012 Actuals (02/29/12)</b>	<b>Starting Estimate (03/31/13)</b>	<b>Other Placements</b>	<b>Attritions</b>	<b>New Fills</b>	<b>Fund Shifts</b>	<b>Mergers</b>	<b>Net Change</b>	<b>Ending Estimate (03/31/14)</b>
<b>Major Agencies</b>									
Children and Family Services, Office of	3,093	3,263	(224)	(226)	75	0	(200)	(575)	2,688
Corrections and Community Supervision, Department of	29,387	29,337	0	(2,072)	2,206	0	0	134	29,471
Education Department, State	2,590	2,664	0	(208)	309	0	0	101	2,765
Environmental Conservation, Department of	2,981	2,916	0	(52)	52	0	0	0	2,916
Financial Services, Department of	1,337	1,243	0	(78)	172	0	0	94	1,337
General Services, Office of	1,298	1,352	0	(15)	94	0	8	87	1,439
Health, Department of	4,761	4,635	0	(1,097)	1,486	0	(4)	385	5,020
Information Technology Services, Office of	537	3,835	0	0	55	0	0	55	3,890
Labor, Department of	3,717	3,621	0	(308)	299	0	0	(9)	3,612
Mental Health, Office of	14,822	14,453	(384)	(1,087)	1,598	0	0	127	14,580
Motor Vehicles, Department of	2,378	2,219	0	(73)	69	0	0	(4)	2,215
Parks, Recreation and Historic Preservation, Office of	1,735	1,719	0	(52)	52	0	0	0	1,719
People with Developmental Disabilities, Office for	20,299	19,834	0	(1,832)	586	0	(3)	(1,249)	18,585
State Police, Division of	5,187	5,232	0	(273)	449	0	0	176	5,408
Taxation and Finance, Department of	4,910	4,175	0	(86)	287	0	3	204	4,379
Temporary and Disability Assistance, Office of	2,039	1,860	0	(180)	221	0	(11)	30	1,890
Transportation, Department of	8,974	8,359	0	(293)	271	0	0	(22)	8,337
Workers' Compensation Board	1,306	1,195	0	(15)	41	0	(1)	25	1,220
<b>Subtotal - Major Agencies</b>	<b>111,351</b>	<b>111,912</b>	<b>(608)</b>	<b>(7,947)</b>	<b>8,322</b>	<b>0</b>	<b>(208)</b>	<b>(441)</b>	<b>111,471</b>
<b>Minor Agencies</b>									
<b>Subtotal - Subject to Direct Executive Control</b>	<b>8,228</b>	<b>7,816</b>	<b>0</b>	<b>(309)</b>	<b>415</b>	<b>0</b>	<b>208</b>	<b>314</b>	<b>8,130</b>
<b>University Systems</b>									
City University of New York	12,961	13,024	0	0	0	0	0	0	13,024
State University Construction Fund	151	152	0	0	0	0	0	0	152
State University of New York	42,800	43,249	0	0	0	0	0	0	43,249
<b>Subtotal - University Systems</b>	<b>55,912</b>	<b>56,425</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>56,425</b>
<b>Independently Elected Agencies</b>									
Audit and Control, Department of	2,410	2,614	0	0	0	0	0	0	2,614
Law, Department of	1,697	1,798	0	0	0	0	0	0	1,798
<b>Subtotal - Independently Elected Agencies</b>	<b>4,107</b>	<b>4,412</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,412</b>
<b>Grand Total</b>	<b>179,598</b>	<b>180,565</b>	<b>(608)</b>	<b>(8,256)</b>	<b>8,737</b>	<b>0</b>	<b>0</b>	<b>(127)</b>	<b>180,438</b>

## Workforce Impact Summary (continued)

### All Funds

FY 2012 Through FY 2014

	FY 2012 Actuals	Starting Estimate	Other Placements	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate
<b>Minor Agencies</b>									
Adirondack Park Agency	55	54	0	0	0	0	0	0	54
Aging, Office for the	105	100	0	(11)	11	0	0	0	100
Agriculture and Markets, Department of	482	471	0	(20)	20	0	0	0	471
Alcoholic Beverage Control, Division of	116	127	0	0	0	0	0	0	127
Alcoholism and Substance Abuse Services, Office of	816	764	0	(66)	66	0	0	0	764
Arts, Council on the	27	28	0	(4)	4	0	0	0	28
Budget, Division of the	300	290	0	(17)	17	0	0	0	290
Civil Service, Department of	386	324	0	0	26	0	0	26	350
Correction, Commission of	28	29	0	0	0	0	0	0	29
Criminal Justice Services, Division of	583	423	0	0	20	0	0	20	443
Deferred Compensation Board	4	4	0	0	0	0	0	0	4
Economic Development, Department of	140	152	0	(1)	0	0	0	(1)	151
Elections, State Board of	56	58	0	0	0	0	0	0	58
Employee Relations, Office of	39	50	0	0	0	0	0	0	50
Environmental Facilities Corporation	78	0	0	0	0	0	0	0	0
Executive Chamber	127	136	0	(24)	24	0	0	0	136
Financial Control Board, New York State	14	14	0	0	0	0	0	0	14
Gaming Commission, New York State	0	434	0	0	0	0	0	0	434
Higher Education Services Corporation, New York State	483	460	0	(13)	0	0	0	(13)	447
Homeland Security and Emergency Services, Division of	409	388	0	(23)	23	0	(1)	(1)	387
Housing and Community Renewal, Division of	723	688	0	(45)	40	0	9	4	692
Hudson River Valley Greenway Communities Council	1	1	0	0	0	0	0	0	1
Human Rights, Division of	187	168	0	(10)	6	0	0	(4)	164
Indigent Legal Services, Office of	4	10	0	0	0	0	0	0	10
Inspector General, Office of the	60	68	0	0	0	0	4	4	72
Interest on Lawyer Account	8	8	0	0	0	0	0	0	8
Judicial Commissions	48	0	0	0	0	0	0	0	0
Judicial Conduct, Commission on	0	49	0	0	1	0	0	1	50
Justice Center for the Protection of People with Special Needs	0	0	0	0	0	0	280	280	280
Labor Management Committees	75	77	0	0	0	0	0	0	77
Lieutenant Governor, Office of the	5	7	0	(1)	1	0	0	0	7
Lottery, Division of the	318	0	0	0	0	0	0	0	0
Medicaid Inspector General, Office of the	562	476	0	(30)	40	0	0	10	486
Military and Naval Affairs, Division of	397	426	0	0	0	0	0	0	426
Prevention of Domestic Violence, Office for	23	27	0	(1)	1	0	0	0	27
Public Employment Relations Board	32	33	0	0	0	0	0	0	33
Public Ethics, Joint Commission on	33	45	0	0	8	0	0	8	53
Public Service Department	461	496	0	(24)	24	0	0	0	496
Quality of Care and Advocacy for Persons With Disabilities, Commission on	80	80	0	0	0	0	(80)	(80)	0
Racing and Wagering Board, State	102	0	0	0	0	0	0	0	0
State, Department of	568	537	0	(19)	49	0	0	30	567
Statewide Financial System	109	115	0	0	30	0	0	30	145
Tax Appeals, Division of	25	27	0	0	0	0	0	0	27
Veterans' Affairs, Division of	88	98	0	0	0	0	0	0	98
Victim Services, Office of	67	70	0	0	4	0	0	4	74
Welfare Inspector General, Office of	4	4	0	0	0	0	(4)	(4)	0
<b>Subtotal - Minor Agencies</b>	<b>8,228</b>	<b>7,816</b>	<b>0</b>	<b>(309)</b>	<b>415</b>	<b>0</b>	<b>208</b>	<b>314</b>	<b>8,130</b>





# ENVIRONMENT, AGRICULTURE AND ENERGY

In State Fiscal Year (SFY) 2013-14, the Executive provides \$90 million in New York Works capital funding for environment, parks and agriculture, which is \$106 million below appropriations for these purposes made in SFY 2013-14.

Table 18

New York Works Infrastructure Investment	
(\$ in Millions)	
Office of Parks, Recreation and Historic Preservation	45.0
Department of Environmental Conservation	40.0
Department of Agriculture and Markets	2.5
Olympic Regional Development Authority	<u>2.5</u>
<b>TOTAL</b>	<b>\$90.0</b>

- **New York Works Program:** The Executive Budget proposal provides \$90 million in new capital appropriations, including:
- \$45 million for the Office of Parks, Recreation and Historic Preservation (OPRHP) to support health and safety projects and critical infrastructure rehabilitation, which is \$44.27 million below SFY 2012-13 funding levels,
  - \$40 million for the Department of Environmental Conservation to address capital needs including projects at its recreational facilities, funding for the Environmental Restoration Program (Municipal Brownfields), e-business initiatives, capping high-risk abandoned oil and gas wells, and capital grants for clean water infrastructure projects. This is \$61.74 million below SFY 2012-13 funding levels,
  - \$2.5 million for the Olympic Regional Development Authority for infrastructure projects, which is \$2.5 million below SFY 2012 funding levels, and
  - a new \$2.5 million to the Department of Agriculture and Markets for State Fairground rehabilitation.

- **Environmental Protection Fund (EPF):** The Executive Budget includes \$153 million for the programs supported by the EPF, an increase of \$19 million from SFY 2012-13. Of the increase, \$15 million is supported by the transfer of unclaimed bottle bill deposit receipts and \$4 million is funded by increased enforcement of the unclaimed deposit program.

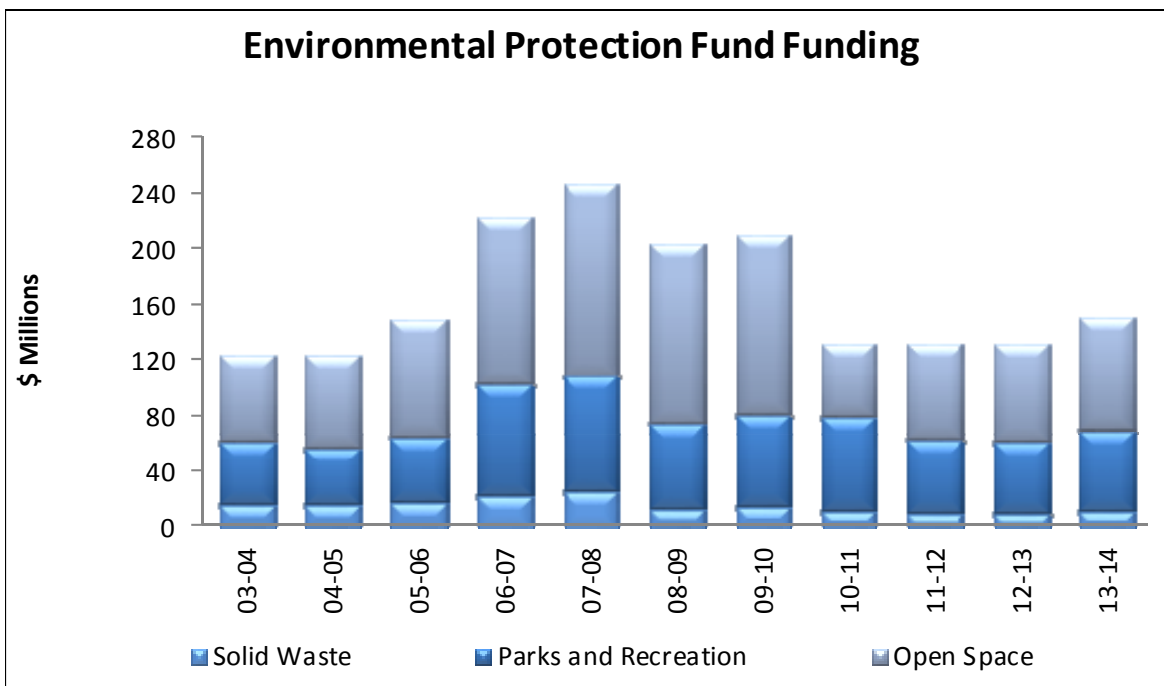


Figure 2

- **Cleaner, Greener Communities Program:** The Executive proposes to transfer \$15 million from the Regional Greenhouse Gas Initiative (RGGI) into the General Fund, which would in turn be replaced by \$25 million in bonded capital. The \$10 million net increase would be used for grants to private, not-for-profit and municipal entities to fund energy efficiency and renewable energy projects.
- **Energy Highway:** The Executive Budget proposes an appropriation of \$3.25 million in intervenor funds to support additional line-siting projects as part of the Energy Highway Initiative.
- **Utility Enforcement:** The Executive Budget would initiate the Moreland Commission recommendations to strengthen the Public Service Commission’s oversight and enforcement mechanisms to ensure that public utility companies are held accountable and responsive to regulators and customers.
- **New York Grown Agricultural Products:** The Executive Budget includes \$40,000 for a new program to evaluate and test hop varieties.
- **18(a) Utility Assessment:** The Executive Budget would continue the current 18(a) utility assessment through March 31, 2019. The current assessment expires on March 31, 2014 and generates \$510 million annually.

- **Agricultural Programs:** The Executive eliminates a variety of agricultural support programs totaling \$4.93 million including: Long Island Rabies (\$100,000), Northern New York Agricultural Development (\$500,000), Equine Encephalitis (\$150,000), the Tractor Rollover Program (\$100,000), and the Maple Producers Program (\$100,000).



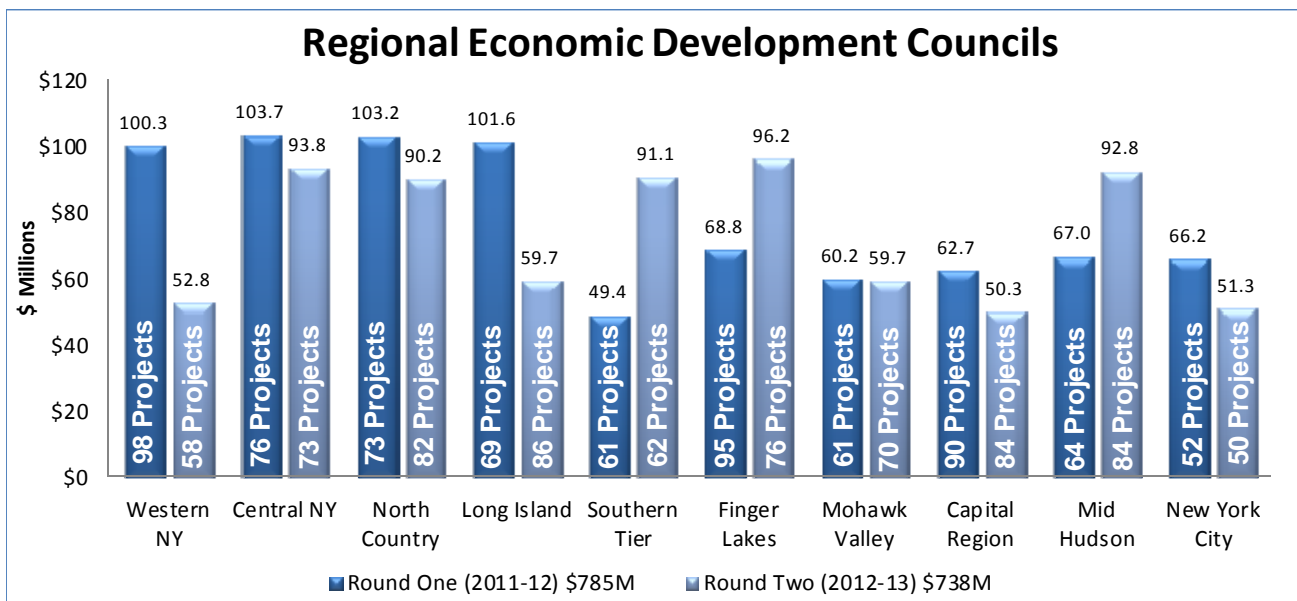
# ECONOMIC DEVELOPMENT

The Executive provides \$508.3 million in new appropriations for various economic development initiatives within the Department of Economic Development (DED) and the Empire State Development Corporation (ESDC), a 22.02 percent overall decrease from SFY 2012-13 spending levels. In addition, a \$720 million capital appropriation is proposed for the Transformative Projects Program which brings the total of proposed initiatives in Economic Development to \$1.23 billion.

**Table 19**

<b>Proposed Initiatives: Economic Development</b>	
<b>(\$ in Millions)</b>	
Transformative Projects Program	720.0
New York Works Economic Development Fund Program	165.0
Regional Economic Development Councils	150.0
NY-SUNY and NY-CUNY 2020 Challenge Grant Programs	110.0
Buffalo Regional Innovation Cluster	75.0
Western New York Football Retention Efforts	60.0
NY Innovation Venture Capital Fund	50.0
Market New York Program	5.0
Taste-NY Program	2.0
Innovation Hot Spots Program	1.3
<b>TOTAL</b>	<b>1,228.3</b>

- **Transformative Projects Program:** The Executive Budget includes a \$720 million appropriation to promote transformative economic development and infrastructure initiatives, and may support projects that adapt infrastructure to extreme weather events and climate change. A minimum of \$360 million of the appropriation would be made available for competitive allocation by the Regional Economic Development Councils.
- **New York Works Economic Development Fund:** The Executive proposes \$165 million in new capital funding to support job creation and retention efforts and capital investments that facilitate business expansion and the attraction of new businesses.
- **Regional Economic Development Councils:** The Executive recommends a continued capital appropriation of \$150 million to support a third round of competitive Regional Council awards. In addition, \$70 million in Excelsior tax credits would also be made available for allocation through a competitive process.



**Figure 3**

- **NY-SUNY and NY-CUNY 2020 Challenge Grant Programs:** The Executive proposal includes a \$55 million appropriation for a third round of NY-SUNY 2020 Challenge Grants. The Executive also proposes a new NY-CUNY 2020 grant program for CUNY schools and provides \$55 million for this purpose.
- **Buffalo Regional Innovation Cluster:** The Executive provides \$75 million in capital and \$25 million in Excelsior tax credits as a second installment toward a multi-year benefit package for the City of Buffalo and the Western New York Region. The Western New York Regional Council is responsible for developing a plan to leverage these funds through public-private partnerships.
- **Western New York Football:** The Executive proposes appropriations totaling \$60.5 million to support the retention of football in Western New York, which includes: \$53.9 million for renovation of the Ralph Wilson Stadium; as well as \$4.4 million in local assistance and \$2.2 million in working capital.
- **NYS Innovation Venture Capital Fund:** The Executive proposes \$50 million in support for a new NYS Innovation Venture Capital Fund which would provide funding for new business creation and growth as well as funds to spur the introduction of goods and services to market. This Fund would be supported by a \$40 million transfer from the New York Power Authority, an \$8 million suballocation from the State Small Business Credit Initiative, and a \$2 million allotment from the Small Business Technology Investment Fund.
- **New York Open for Business:** With New York Power Authority resources totaling \$50 million, the New York Open for Business initiative will receive continued support to provide marketing efforts to promote the benefits of investing and doing business in New York State.
- **Market New York:** The Executive provides \$5 million in new competitive funding to support tourism marketing plans that promote regional attractions through regional collaborations.



- **Taste-NY:** The Executive provides a \$2 million appropriation for a new “Taste-NY” program to promote locally grown or produced food products, beer, wine and/or spirits through a strategy that combines the development of retail venues with marketing and branding.
- **Innovation Hot Spots Program:** Under this proposal, \$1.25 million will be awarded for the operating costs of high tech incubators in five “Innovation Hot Spots,” as designated by the Regional Economic Development Councils. Designated Hot Spots would become tax free zones to promote an entrepreneurial environment.
- **Continuing Support for Existing Programs:** The Executive maintains funding for various economic development programs at prior year’s levels totaling \$42.4 million. This includes support for Centers for Advanced Technology (\$13.8 million), Manufacturing Extension Partnership Program (\$6 million), Centers of Excellence (\$5.2 million), as well as other economic development programs and services.



# LOCAL GOVERNMENTS

**Table 20**

Impact of 2013-14 Executive Budget Recommendations on Local Governments						
Local Fiscal Years Ending 2014						
(\$ in Millions)						
	Total	NYC	School Districts	Counties	Other Cities	Towns & Villages
School Aid	561.0	224.0	337.0	0.0	0.0	0.0
- Allocated School Aid	561.0	224.0	337.0	0.0	0.0	0.0
Revenue Actions	27.4	21.6	0.1	4.8	0.5	0.4
- Suspended Delinquent Taxpayers' Drivers Licenses	11.0	8.3	0.1	2.0	0.3	0.3
- Extend Charitable Deduction Limit	7.5	7.5	0.0	0.0	0.0	0.0
- Extend Tax Modernization Provisions	3.8	1.5	0.0	2.0	0.2	0.1
- Allow for Warrantless Wage Garnishment	2.0	2.0	0.0	0.0	0.0	0.0
- Close Royalty Income Loophole	1.3	1.3	0.0	0.0	0.0	0.0
- Expand Sales Tax Registration Clearance	0.9	0.5	0.0	0.4	0.0	0.0
- Expand Tobacco Retailer Registration Clearance	0.9	0.5	0.0	0.4	0.0	0.0
Human Services	0.3	0.0	0.0	0.3	0.0	0.0
- Expand Juvenile Justice Close To Home Initiative	0.3	0.0	0.0	0.3	0.0	0.0
Health/ Medicaid	5.9	2.5	0.0	3.4	0.0	0.0
- Reform Early Intervention	4.3	2.3	0.0	2.0	0.0	0.0
- Increase GPHW Base Grant	1.3	0.1	0.0	1.2	0.0	0.0
- Provide GPHW Incentive Payments	0.3	0.1	0.0	0.2	0.0	0.0
Transportation	21.1	9.4	0.0	11.7	0.0	0.0
- Increase Transit Assistance (NYC, Suffolk, Nassau, Rockland, Westchester)	21.1	9.4	0.0	11.7	0.0	0.0
<b>Subtotal</b>	<b>615.7</b>	<b>257.5</b>	<b>337.1</b>	<b>20.2</b>	<b>0.5</b>	<b>0.4</b>
- School Aid - Fiscal Stabilization Fund	203.0	TBD	TBD	0.0	0.0	0.0
- School Aid - State of the State Initiatives	75.0	TBD	TBD	0.0	0.0	0.0
- School Aid - Performance Grants	50.0	TBD	TBD	0.0	0.0	0.0
<b>Total 2013-14 Executive Budget Actions</b>	<b>943.7</b>	<b>257.5</b>	<b>337.1</b>	<b>20.2</b>	<b>0.5</b>	<b>0.4</b>

For local government fiscal years ending in 2014, the Executive Budget would increase overall Local Aid by \$943.7 million. The largest component of the impact on local governments is the proposed increase of \$561 million in School Aid. The Executive Budget further proposes an additional \$203 million in Fiscal Stabilization Funds, \$75 million for new school aid initiatives noted in the State of the State, and \$50 million for Performance Grants.

Some significant actions of the Executive Budget that would affect local governments are:

- **Stable Pension Contribution:** The Executive proposes a Stable Rate Pension Contribution Option for municipalities. This new option would allow local governments and school districts to “lock in” a lower stable pension contribution rate for a period of time approved by the Comptroller and Teachers’ Retirement System. The Executive Stable Rate Pension contribution options are in the table below:

Table 21

Pension Contribution Rates		
	Current	Proposed
Employees' Retirement System (ERS)	20.9%	12%
Teachers' Retirement System (TRS)	16.5%	12.5%
Police & Fire Retirement System (PFRS)	28.9%	18.5%

- **Early Intervention and General Public Health Work Program:** The Executive Budget proposes a series of program modifications to expand insurance coverage and streamline eligibility determinations to Early Intervention recipients. The Executive proposes various fiscal incentives and relief to counties that administer the General Public Health Work Program.
- **Reporting Requirements:** The Executive proposes to eliminate all reporting requirements on local governments and schools districts as of April 1, 2014. The Executive proposes the Mandate Relief Council be responsible for approving the continuation of such reports.
- **Preschool Special Education Reform:** The Executive proposes to increase recoveries from fraudulent and inappropriate spending by providers, in counties and New York City from 40.5 to 75 percent of all recoveries from local audits. In addition, New York City would be given the authority to competitively negotiate rates with Preschool Special Education providers.
- **Local Sales Tax Rate Renewals:** The Executive proposes to allow counties to renew the current (biennial) sales tax authority without further State legislation, by a majority vote of the county legislative body.
- **Binding Arbitration Reform for Fiscally Distressed Municipalities:** The Executive proposes to reform the arbitration panel determinations for local governments deemed fiscally distressed and limit future arbitration awards from increasing the cost of the employees' collectively bargained compensation package by more than two percent per year.

### Municipal Aid

- **Aid & Incentives for Municipalities (AIM) – Local Aid:** The Executive Budget for State Fiscal Year (SFY) 2013-14 would provide \$714.7 million in AIM for cities, towns and villages, maintaining the same level of funding from the prior fiscal year.
- **Aid & Incentives for Municipalities (AIM) – Local Government Efficiency Grants:** The Executive proposes to provide \$4 million 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. The Executive proposes to increase the local match for Local Government Efficiency Grants from 10 percent to 50 percent. The maximum state award would be reduced from \$25,000 to \$12,500 per municipality, and from \$200,000 to \$100,000 per grant.

- **Local Government Performance and Efficiency Program:** The Executive Budget proposal maintains \$40 million for competitive one-time awards of up to \$25 per capita, not to exceed \$5 million, for local governments that have achieved efficiencies and performance improvements.
- **Citizens Reorganization Empowerment Grants:** The Executive Budget would maintain funding for grants of up to \$100,000 for local governments to cover costs associated with studies, plans and implementation efforts related to local government reorganization activities. The Executive proposes the local match for planning or study grants to increase from 10 percent to 50 percent. Upon approval, the 40 percentage increase in local match would be refunded. The 10 percent local match for planning or study grants for citizen petition or for implementation grants remains unchanged. These grants would share a \$35 million appropriation with the Citizen Empowerment Tax Credits.
- **Other Local Government Programs:** The Executive proposes to decreased Miscellaneous Financial Assistance for Madison and Oneida counties by \$40,000 to \$1.98 million. The Executive would maintains all other programs at the existing levels, including Video Lottery Terminal (VLT) Impact Aid, Small Government Assistance Grants for Essex, Franklin and Hamilton counties, and Efficiency Incentive Grants for Erie County and the City of Buffalo.

Table 22

## 2013-14 Executive Budget---Aid and Incentives for Municipalities Proposal

Municipality	2012-13	Proposed YTY Dollar Change from	2013-14 Proposed
	AIM Enacted Budget	2012-13	AIM Funding
BUFFALO	161,285,233	0	161,285,233
YONKERS	108,215,479	0	108,215,479
ROCHESTER	88,234,464	0	88,234,464
SYRACUSE	71,758,584	0	71,758,584
NIAGARA FALLS	17,794,424	0	17,794,424
UTICA	16,110,473	0	16,110,473
ALBANY	12,607,823	0	12,607,823
TROY	12,279,463	0	12,279,463
SCHENECTADY	11,205,994	0	11,205,994
BINGHAMTON	9,249,457	0	9,249,457
ROME	9,083,340	0	9,083,340
MOUNT VERNON	7,155,691	0	7,155,691
NEW ROCHELLE	6,162,927	0	6,162,927
LACKAWANNA	6,309,821	0	6,309,821
WHITE PLAINS	5,463,256	0	5,463,256
AUBURN	4,982,093	0	4,982,093
WATERTOWN	4,703,208	0	4,703,208
JAMESTOWN	4,572,280	0	4,572,280
NEWBURGH	4,464,656	0	4,464,656
ELMIRA	4,578,801	0	4,578,801
POUGHKEEPSIE	4,248,021	0	4,248,021
NORTH TONAWANDA	4,335,111	0	4,335,111
LONG BEACH	3,152,704	0	3,152,704
KINGSTON	3,069,151	0	3,069,151
GLEN COVE	2,837,667	0	2,837,667
AMSTERDAM	2,866,670	0	2,866,670
MIDDLETOWN	2,705,826	0	2,705,826
COHOES	2,742,886	0	2,742,886
LOCKPORT	2,650,525	0	2,650,525
PLATTSBURGH	2,648,880	0	2,648,880
ITHACA	2,610,398	0	2,610,398
TONAWANDA	2,602,104	0	2,602,104
OSWEGO	2,451,698	0	2,451,698
GLOVERSVILLE	2,302,592	0	2,302,592
PEEKSKILL	2,219,384	0	2,219,384
OLEAN	2,239,826	0	2,239,826
ONEONTA	2,231,857	0	2,231,857
CORTLAND	2,018,330	0	2,018,330
GENEVA	1,942,613	0	1,942,613
BATAVIA	1,750,975	0	1,750,975
OGDENSBURG	1,708,659	0	1,708,659
SARATOGA SPRINGS	1,649,701	0	1,649,701
ONEIDA	1,700,877	0	1,700,877
FULTON	1,626,822	0	1,626,822
GLENS FALLS	1,607,009	0	1,607,009
DUNKIRK	1,575,527	0	1,575,527
BEACON	1,537,478	0	1,537,478
CORNING	1,499,556	0	1,499,556
HORNELL	1,497,788	0	1,497,788
HUDSON	1,456,991	0	1,456,991
PORT JERVIS	1,406,263	0	1,406,263
JOHNSTOWN	1,388,910	0	1,388,910
WATERVLIET	1,210,193	0	1,210,193
RYE	1,208,024	0	1,208,024
RENSSELAER	1,137,317	0	1,137,317
CANANDAIGUA	1,119,304	0	1,119,304
NORWICH	1,089,279	0	1,089,279
SALAMANCA	928,131	0	928,131
LITTLE FALLS	866,034	0	866,034
MECHANICVILLE	662,392	0	662,392
SHERRILL	372,689	0	372,689
<b>Cities Total</b>	<b>647,093,629</b>	<b>0</b>	<b>647,093,629</b>
TOWNS	47,783,780	6,652	47,790,432
VILLAGES	19,854,292	(6,652)	19,847,640
<b>Total</b>	<b>714,731,701</b>	<b>0</b>	<b>714,731,701</b>





# SUPERSTORM SANDY

Superstorm Sandy made landfall in the State of New York in October 2012, resulting in an unprecedented level of damage to communities in the City of New York, Long Island and the lower Hudson Valley. Since that time, the President has called upon Congress to pass a \$60 billion aid package to support recovery, response and mitigation efforts. Of this amount, and assuming Congressional enactment, the Executive projects that the State of New York, its municipalities, homeowners, businesses, public authorities and service providers may be able to access up to \$30 billion.

**State Appropriations:** Since not every federal assistance program requires a State pass-through, the Executive Budget proposes appropriations of \$20.6 billion for a range of disaster response, recovery and hazard mitigation efforts, many of which were recommended by a series of commissions formed in the wake of Superstorm Sandy (see discussion below). These appropriations are intended to authorize spending over several state fiscal years, including \$1.5 billion for costs incurred in the current fiscal year and \$5.1 billion in State Fiscal Year 2013-14.

**Table 23**

<b>Federal Appropriations - Disaster Relief</b> (\$ in Millions)		
<b>Bill</b>	<b>Purpose</b>	<b>Amount</b>
State Operations (Misc. appropriation)	Superstorm Sandy Recovery relief, and to mitigate the impact of future natural or man-made disasters.	8,000
Aid to Localities (DHSES appropriations)	Federal share/participation in disaster relief.	12,650
<b>TOTAL</b>		<b>20,650</b>

**Capital Assistance:** The Executive proposal includes a \$450 million capital appropriation to repair and restore State properties impacted by Superstorm Sandy. The proposed Capital Plan estimates capital outlays for such costs of \$416 million over the next five state fiscal years.

**Table 24**

<b>Superstorm Sandy Capital Appropriations - State</b> (\$ in Millions)		
<b>Bill</b>	<b>Purpose</b>	<b>Amount</b>
Capital (Misc. appropriation)	Advance payments for restoration of State properties - Transformative Capital Fund	450

The Executive assumes that Federal aid will cover about \$393 million in capital recovery costs to repair state assets, leaving the State share of capital costs at \$23 million.

Table 25

Superstorm Sandy Capital Obligations (\$ in Millions)					
New Obligations 2014	Capital Spend Out				
	SFY 2014	SFY 2015	SFY 2016	SFY 2017	SFY 2018
450	166	72	55	81	41

- **Disaster Relief Commissions:** Following Superstorm Sandy, Governor Cuomo convened four commissions that were charged to study the State’s collective response to Sandy as well as other recent natural disasters. The NYS Ready, NYS Respond, NYS 2100, and Moreland Act Commissions presented their findings in January 2013, and made a series of recommendations to improve the State’s readiness for future natural or man-made disasters, which include:
- *Community Reconstruction and Mitigation Plans:* These plans will be created by each Community Reconstruction Zone, and Community Development Block Grant (CDBG) program criteria and target numbers will be used to govern the program.
  - *Recreate NY Smart Home and Recreate NY Home Buy-Out Programs:* These programs will ensure that New York rebuilds to modern building standards and, in locations where rebuilding is impractical, provide a voluntary home buyout alternative.
  - *Rebuilding and Hardening of Critical Infrastructure:* Investments will be made in the areas of transportation, fuel supply, water supply, wastewater treatment systems, and electric distribution and flood protection systems.
  - *Repair and Build Natural Infrastructure to Protect Coastal Communities:* Restore damaged beaches, dunes and berms, and build new natural infrastructure to reduce the impact of wave action, storm surges, and rising sea levels.
  - *Repair and Rebuilding Health Care Systems:* Improvements will be made at hospitals, nursing homes and clinics to ensure these facilities are more resilient to future storms.
  - *Financial Assistance:* Resources will be made available for businesses, local governments and others affected by the storm.
  - *Universal Protocols for Emergency Response:* Improves coordination among State and local emergency response professionals and would develop a training program which covers incident command, response, recovery, and State emergency protocols.
  - *Specialized Training for National Guard Members:* Training will be provided in key emergency response categories.

- *Design/Build Projects*: would be authorized to allow for a more expeditious disaster recovery effort.
- *Strengthen the oversight and enforcement mechanisms of the Public Service Commission*: measures are advanced to ensure public utility companies are held accountable and responsive to regulators and customers.

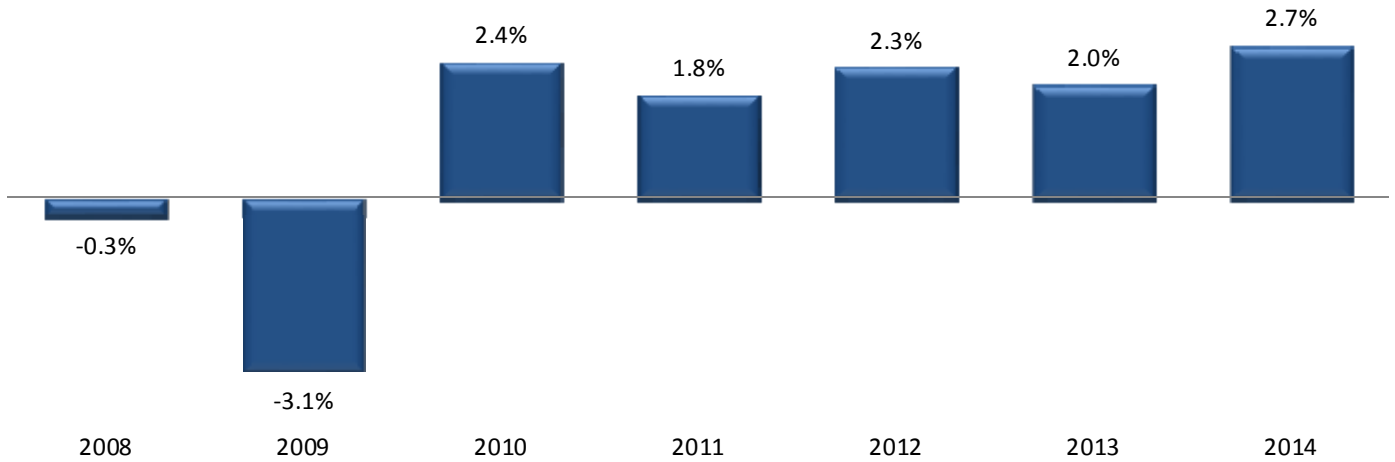




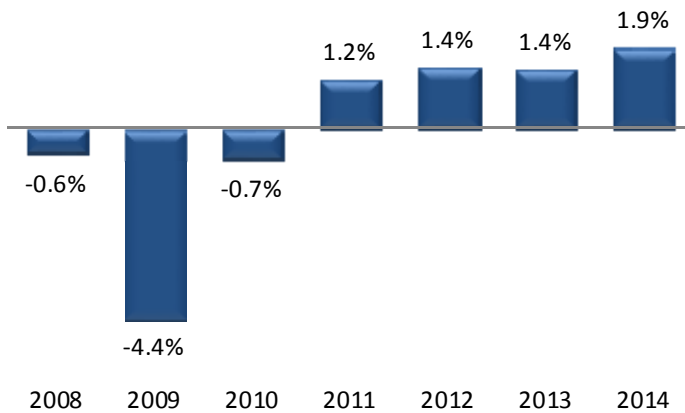
# Economy

# Economic Snapshot

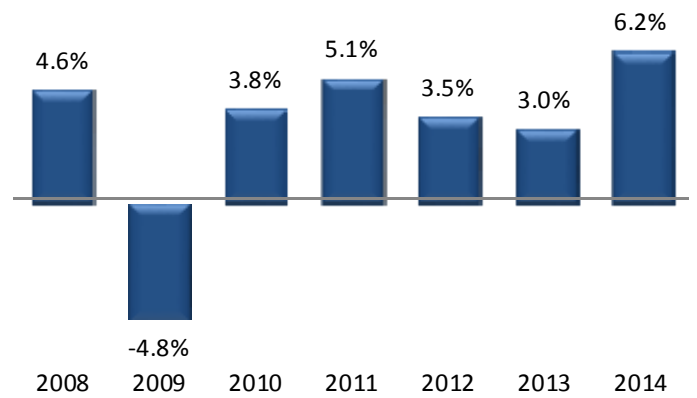
## U.S. GDP Growth



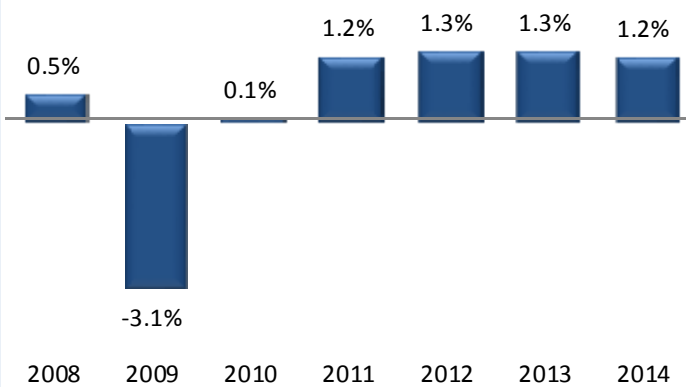
## U.S. Employment Growth



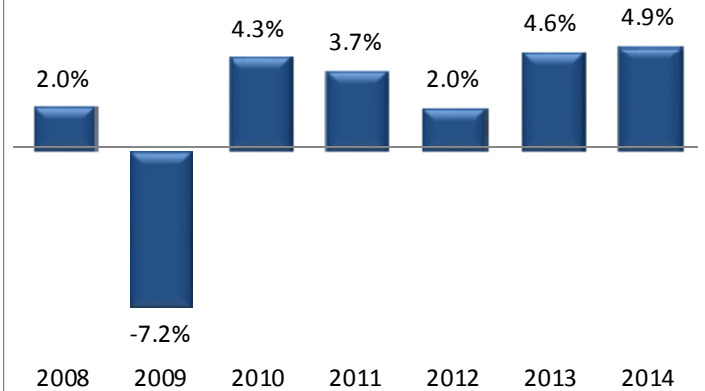
## U.S. Personal Income Growth



## NYS Employment Growth



## NYS Wage Growth



Note: Forecast values are as reported in the Executive Budget.

Sources: NYS Division of the Budget, 2013-14 NYS Executive Budget; U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics.





# ECONOMY

## ECONOMIC FORECAST SUMMARY

**The National Economy:** The U.S. economy continued to struggle to gain momentum in 2012. The Executive estimates that the economy, as measured by Gross Domestic Product (GDP) grew 2.3 percent in 2012. The Executive forecasts GDP for 2013 to slow to 2.0 percent as the economy is affected by the fiscal drag from the American Taxpayer Relief Act of 2012. However, a solid housing recovery, strong auto demand, the unwinding of the effects from the drought and hurricane, and the ongoing expansion of energy production will contribute to growth.

Table 26

### U.S. Economic Forecast Comparison

	2012	2013	2014
<b>Real Gross Domestic Product (GDP)</b> (2005 chained percent change)			
Division of the Budget	2.3	2.0	2.7
Blue Chip Consensus	2.2	2.0	2.6
Moody's Economy.com	2.3	2.1	NA
Global Insight	2.2	1.9	2.7
Macroeconomic Advisers	2.3	2.3	2.9
<b>Consumer Price Index (CPI)</b> (percent change)			
Division of the Budget	2.1	2.1	2.2
Blue Chip Consensus	2.1	1.9	2.1
Moody's Economy.com	2.1	2.1	NA
Global Insight	2.1	1.4	1.8
Macroeconomic Advisers	2.1	1.5	1.8
<b>Unemployment Rate</b> (percent)			
Division of the Budget	8.1	7.6	7.1
Blue Chip Consensus	8.1	7.7	7.3
Moody's Economy.com	8.1	7.7	NA
Global Insight	8.1	7.7	7.4
Macroeconomic Advisers	8.1	7.7	7.4

Note: Numbers are as reported in the Executive Budget 2013-14 released on January 22, 2013.  
Source: New York State Division of the Budget.

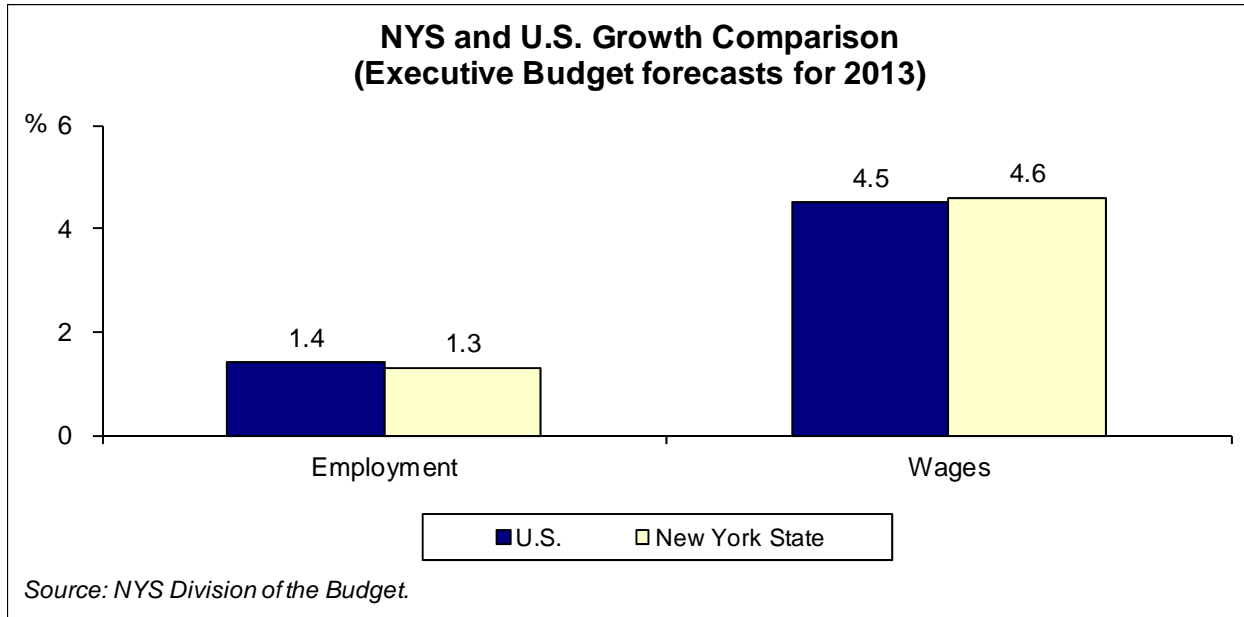
- **Consumption:** Despite an improvement in household balance sheets, the Executive posits continued slow consumer spending as contractionary fiscal policy depresses disposable income.

Real consumption spending is projected by the Executive to grow 1.9 percent in 2013, following growth of 1.9 percent in 2012.

- **Investment:** The Executive estimates that nonresidential fixed investment spending grew by 7.5 percent in 2012. Nonresidential investment spending is forecast to slow to 4.6 percent in 2013. The slowdown in 2013 is driven by smaller gains in equipment and software spending, and nonresidential structure spending. The Executive forecasts residential fixed investment spending to have double-digit growth rates through the beginning of 2015 as the housing market continues on an expansionary path.
- **Government Spending:** The Executive forecasts that overall government spending will fall by 0.9 percent in 2013, following a decline of 1.2 percent in 2012. In addition, the Executive projects that state and local government spending, adjusted for inflation, will decline another 1.0 percent in 2013 after falling 1.4 percent in 2012. According to the Executive, the smaller decline in state and local government spending in 2013 can be attributed to many states' revenues returning to, or projected to return to, peak collection by the close of their current fiscal years.
- **Employment:** Employment is expected to grow by 1.4 percent in 2013, the same as in 2012. The Executive anticipates that the unemployment rate will fall to 7.6 percent in 2013 from 8.1 percent in 2012 implying a continued high degree of slack in the labor market.
- **Inflation:** The Executive forecasts inflation, as measured by the Consumer Price Index (CPI), to grow 2.1 percent in 2013, following the same growth rate of 2012. The Executive suggests that inflation remains anchored as domestic demand continues to be weak and that has limited producers' ability to pass price increases through to consumers.
- **Corporate Profits:** The Executive projects corporate profits will grow by 4.7 percent in 2013, following growth of 6.3 percent in 2012. The Division of Budget reasons that fiscal austerity is expected to put downward pressure on domestic nonfinancial profits, while changes in government regulations and falling interest rate margins will restrain domestic financial profits, and profits at international companies will only gradually improve.
- **Stock Market:** The Executive suggests recent movements in stock prices are more a reflection of the fear surrounding the European sovereign debt crisis and domestic political strife than a reflection of corporate earnings. However, in the long run, equity market price growth is expected to be consistent with growth in corporate earnings. With corporate earnings expected to be weak and risk premiums expected to decline, the Executive projects equity market growth in 2013 of 7.8 percent, following growth of 8.8 percent in 2012.

**The New York State Economy:** The forecast contained in the Executive Budget indicates that for the State the recession ended in December 2009. The Executive forecasts payroll employment and wages in the State to improve in 2013.

- **Employment:** According to the Executive, the State labor market enjoyed strong broad-based private sector employment growth in 2012 until the occurrence of Superstorm Sandy. Total State nonfarm employment grew an estimated 1.3 percent in 2012, 0.1 percentage point below than the nation’s 1.4 percent growth. The Executive forecasts that New York State employment will grow 1.3 percent in 2013, slower than the nation’s employment growth of 1.4 percent (see Figure 4).

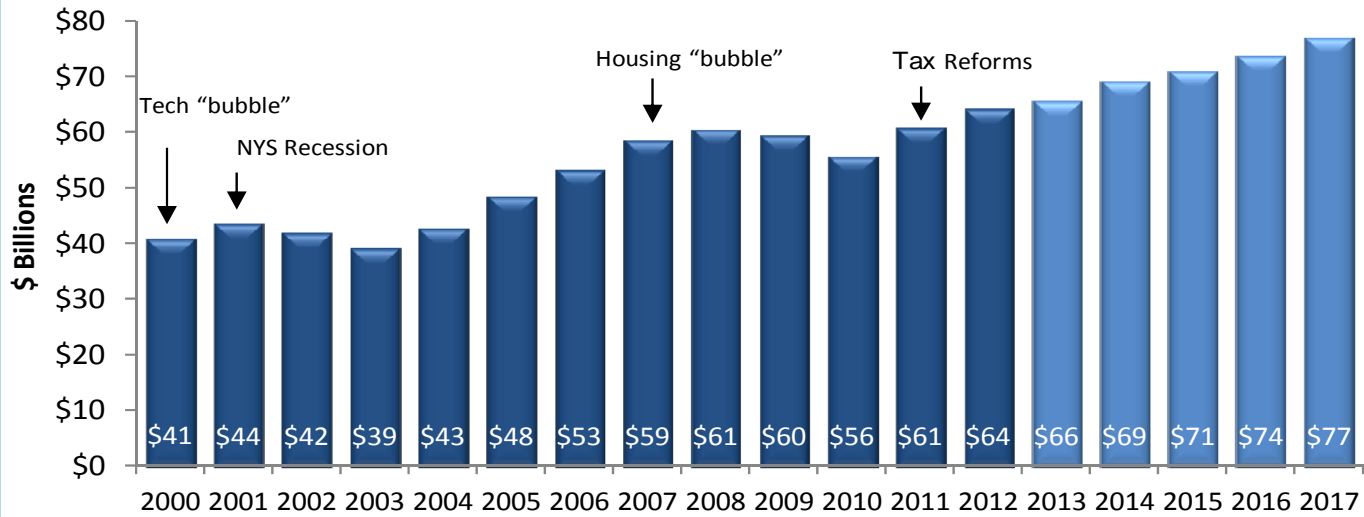


**Figure 4**

- **Wages:** The Executive estimates that New York State wages grew 2.0 percent in 2012, while national wages grew 3.2 percent. The Executive forecasts that State wage growth will improve to 4.6 percent in 2013 as a result of moderate recovery in finance and insurance bonuses, improving global growth, and improved prospects for public sector wages.
- **Risks:** The Executive acknowledges several risks to the economic forecast presented in the budget. The Executive states that the forecast is based on the assumption that the debt ceiling will be resolved without a major disruption to either the financial markets or the real economy. Uncertainty surrounding the current environment, particularly the foreclosure backlog, global growth, and energy prices present particular risk for the nation as well as the New York State outlook.

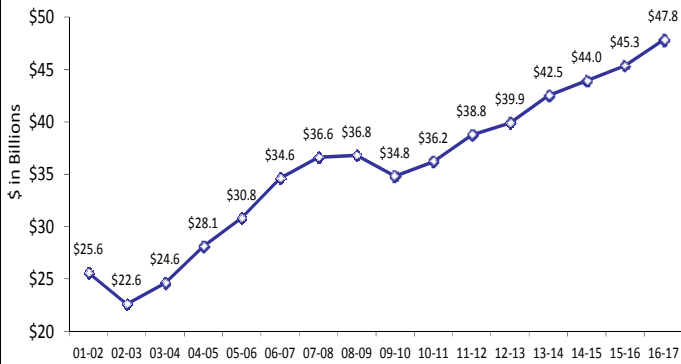
# Revenue Snapshot

## NYS Total Tax Receipts (SFYs 2000 to 2017)

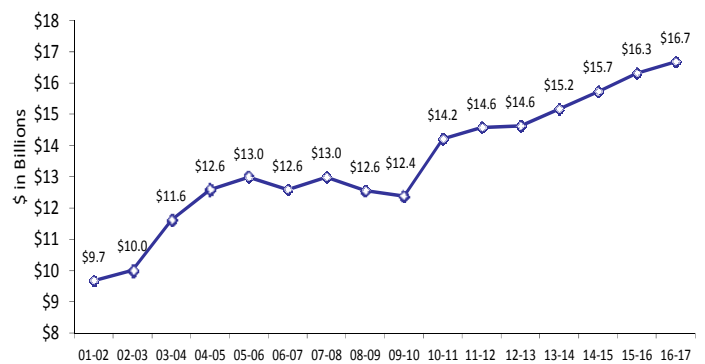


Note: Numbers for 2013 through 2017 are forecasts.

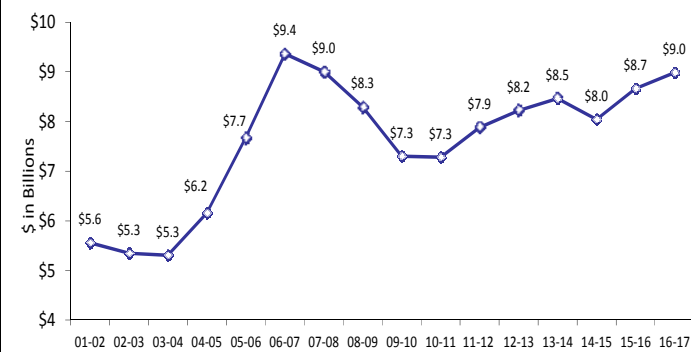
### Personal Income Tax Receipts, FY 2002 to 2017



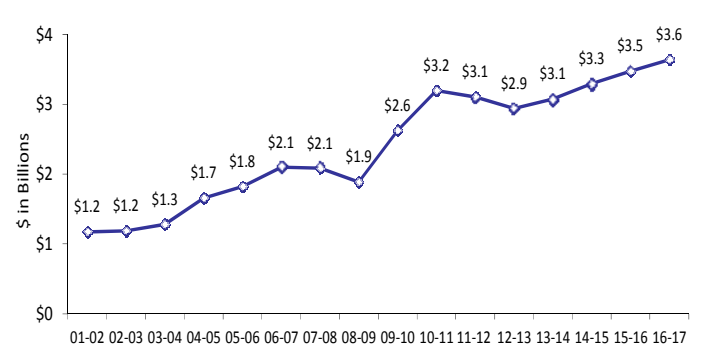
### User Tax Receipts, FY 2002 to 2017



### Business Tax Receipts, FY 2002 to 2017



### Other Tax Receipts, FY 2002 to 2017



Note: Forecast values are as reported in the Executive Budget.

Source: NYS Division of the Budget, 2013-14 NYS Executive Budget.



# REVENUE

Table 27

Revenue Forecast Summary (\$ in Millions)					
	2011-12	2012-13	2012-13	Change from	Percent
	Actual	Mid-Year Executive	Executive	2011-12	Growth
Personal Income Tax	38,767	40,161	39,900	1,133	2.9%
User Taxes	14,571	14,784	14,630	59	0.4%
Business Taxes	7,877	8,210	8,226	349	4.4%
Other	3,082	2,986	2,939	(143)	-4.6%
<b>Total Taxes</b>	<b>64,297</b>	<b>66,141</b>	<b>65,695</b>	<b>1,398</b>	<b>2.2%</b>
Miscellaneous Receipts	23,837	24,708	25,000	1,163	4.9%
Federal Funds	44,611	42,503	44,131	(480)	-1.1%
<b>Total</b>	<b>132,745</b>	<b>133,352</b>	<b>134,826</b>	<b>2,081</b>	<b>1.6%</b>

## SFY 2012-13 Estimate

- **The Executive estimates SFY 2012-13 All Funds receipts will total \$134.8 billion, or 1.6 percent over the SFY 2011-12 level, an additional \$2.081 billion in receipts.** The majority of the additional revenue, compared to SFY 2011-12, is due to Personal Income Tax receipts growth of 2.9 percent, or \$1.133 billion.
- **The Executive’s current receipts estimate is \$1.47 billion higher than its Mid-Year Financial Plan Update.** This increase is primarily attributed to a \$1.63 billion increase in Federal Funds.
- **The Executive’s current tax receipts estimate is \$445 million lower than its Mid-Year Financial Plan Update.** This decline is primarily attributed to a \$261 million decline in Personal Income Tax receipts estimates and a \$154 million decline in the estimate for User taxes.

Table 28

Revenue Forecast Summary (\$ in Millions)					
	2013-14 Mid-Year Executive	2013-14 Executive	Difference from Executive Mid-Year	Change From 2012-13	Percent Growth
Personal Income Tax	43,172	42,520	(652)	2,620	6.6%
User Taxes	15,304	15,167	(137)	537	3.7%
Business Taxes	8,440	8,460	20	234	2.8%
Other	3,096	3,078	(18)	139	4.7%
<b>Total Taxes</b>	<b>70,012</b>	<b>69,225</b>	<b>(787)</b>	<b>3,530</b>	<b>5.4%</b>
Miscellaneous Receipts	24,036	23,880	(156)	(1,120)	-4.5%
Federal Funds	44,267	49,358	5,091	5,227	11.8%
<b>TOTAL</b>	<b>138,315</b>	<b>142,463</b>	<b>4,148</b>	<b>7,637</b>	<b>5.7%</b>

#### SFY 2013-14 Forecast

- **The All Funds receipts forecast for SFY 2013-14 is \$142.5 billion or \$7.64 billion over the prior year, or 5.7 percent.** This increase is largely attributed to a \$5.23 billion increase in Federal Funds to cover costs from Superstorm Sandy and the Affordable Care Act.
- **The All Funds tax receipts forecast for SFY 2013-14 is \$69.225 billion or \$3.53 billion over the prior year, or 5.4 percent.** This increase is largely attributed to a \$2.62 billion increase in Personal Income Tax collections over the prior year. This tax revenue forecast is \$787 million below the Mid-Year Financial Plan Update primarily attributable to downward revisions in the Personal Income Tax and User taxes.



Table 29

Executive Revenue Actions				
(\$ in Millions)				
	2013-14	2014-15	2015-16	2016-17
Personal Income Tax	\$100	\$167	\$167	\$97
User Taxes and Fees	31	39	39	39
Business Taxes	0	28	28	28
Other Actions	11	26	26	26
Tax Reductions	0	(1)	(1)	(196)
<b>Total</b>	<b>\$142</b>	<b>\$259</b>	<b>\$259</b>	<b>(\$6)</b>

### Tax and Assessment Actions

The Executive proposes the following revenue actions:

- **Charitable Contributions:** Extends for three years, beginning tax year 2013, the current limitation on charitable contribution deductions for New York State and New York City taxpayers with adjusted gross income over \$10 million (\$70 million in SFY 2013-14, \$140 million in SFY 2014-15 and 2015-16, \$70 million in SFY 2016-17);
- **Make Tax Modernization Provisions Permanent:** The tax modernization provisions, including mandatory e-filing and e-payment for preparers and taxpayers, sales tax payment requirements, and segregated accounts for non-complying vendors, would become permanent. Under current law these provisions are due to expire December 31, 2013 (\$4 million in SFY 2013-14 and \$16 million thereafter in personal income tax; \$2 million SFY 2013-2014 and \$6 million thereafter in user and sales tax);
- **Allow Warrantless Wage Garnishment:** Allow Department of Taxation and Finance (DTF) to garnish wages of delinquent taxpayers without filing a warrant with the Department of State or County Clerks. Wages would only be garnished if a taxpayer rejects DTF's efforts to negotiate a repayment agreement (\$10 million in SFY 2013-14 and thereafter);
- **Establish a Statewide STAR Anti-fraud Protection Program:** Establish an anti-fraud protection program to combat STAR fraud and waste by empowering DTF to confirm eligibility via the tax return. Currently, there is no existing statewide mechanism for assessors to determine whether a homeowner is illegally receiving a STAR exemption on two homes, or on a home that is not the homeowner's primary residence, both of which are prohibited. To maximize the effectiveness of the agency's fraud detection efforts, DTF would simplify and redesign the STAR application form and request basic beneficiaries to re-register for the program (\$1 million in SFY 2013-14 and 2014-15);
- **Suspend Delinquent Taxpayers' Driver's Licenses:** The Executive proposes to suspend, with certain exceptions, the New York State driver's licenses of taxpayers who owe taxes in excess of \$10,000. A "past-due tax liability" refers to any tax liability that has become fixed and final

such that the taxpayer no longer has any right to administrative or judicial review (\$15 million SFY 2013-14 personal income tax, \$11 million SFY 2013-14, \$6 million thereafter);

- **Reform the IDA State Sales Tax Exemption:** Currently, Industrial Development Authorities (IDAs) are allowed to use State resources for economic development purposes without consulting with the state. The Executive Budget limits the industries to which IDAs can offer State sales and other use benefits to those key sectors (scientific research and development, software development, agriculture, back office operations, distribution centers, financial services data centers, and manufacturing) that are eligible to receive New York's Excelsior tax credits. Additionally, IDA projects involving State sales tax exemptions would require the approval of the Regional Economic Development Council and in cases where an IDA recaptures State sales tax from under-performing projects, IDAs would be required to return the proceeds to the State (\$7 million in SFY 2013-14 and \$13 million thereafter);
- **Increase civil penalties for the possession of unstamped cigarettes** (\$9 million SFY 2013-14, \$12 million SFY 2014-15);
- **Update Criteria for Refusal and Revocation of a Sales Tax Certificate of Authority:** Expand criteria to refuse to issue sales tax Certificates of Authority (CoA) to include all delinquent taxes, and increase penalties for operating without a CoA (\$1 million in SFY 2013-14 and thereafter);
- **Cigarette and tobacco retail registration compliance:** Authorize the DTF to deny a certificate of registration for the sale of cigarettes and other tobacco products to retailers that are tax delinquent (\$1 million in SFY 2013-14 and thereafter);
- **Local Sales Tax Autonomy:** Authorize counties to impose their current additional sales and compensating use taxes for two-year periods with a majority vote of the local legislative body (no fiscal impact);
- **Royalty Loophole:** The Executive Budget proposes to close a loophole that currently allows New York companies that earn royalty income to avoid paying taxes on that income. The proposal would require New York taxpayers to show on their tax return that the taxpayer's non-New York parent company included the royalty income in its tax liability. The demonstration would absolve taxpayers of the obligation to pay taxes on their royalty income (no fiscal in SFY 2013-14, \$28 million in SFY 2014-15); and,
- **MTA surcharge:** Extend the MTA business tax surcharge for an additional five years through tax year 2018.

## Other Actions

The Executive also proposes the following:

- **Modify Quick Draw Eligibility:** Allow businesses of less than 2,500 square feet without a license for on-premise alcohol consumption that sell lottery tickets to offer Quick-Draw (\$12 million SFY 2013-14, \$24 million thereafter);

- **Racing Industry Safety Reform:** Fund enhanced oversight of racing industry with funding generated by Video Lottery Terminals activity by shifting one percent of the purse money to the oversight fund for horse safety efforts (\$2 million annually);
- **Monticello Video Lottery Shares:** Extend by one-year the current distribution percentages for net machine income earned at the Monticello Video Lottery Terminal (VLT) facility (SFY 2013-14 revenue reduction of \$3 million); and,
- **Pari-Mutuel account shares:** Make permanent various provisions of the Racing, Pari-Mutuel Wagering and Breeding Law which have been extended for one-year periods in numerous years (no fiscal impact).

## Tax Reductions

The Executive proposes the following tax reductions:

- **“Innovation Hot Spots”** tax free zones would be created for inventors and entrepreneurs that are affiliated with higher education incubators or non-profit incubators associated with universities or colleges; qualified inventors and entrepreneurs would be free of sales and business taxes for the first five years of existence (no fiscal impact);
- **Taste-NY facilities:** In high traffic rest areas, train stations and airports across New York, the State will establish “Taste-NY”-branded retail stores, carts, and next-generation luxury vending machines to sell predominantly New York State products free of all sales tax to the consumer;
- **Electric Vehicle Recharging Equipment credit:** Create a tax credit for Plug-in Electric Vehicles (PEV) charging stations. The tax credit would be 50 percent of the taxpayer cost up to \$5,000 per charging station (no fiscal impact in SFY 2013-14, revenue reduction of \$1 million SFY 2014-15 and 2015-16, and \$3 million revenue reduction in SFY 2016-17);
- **New York State Film Production credit:** Extends the Empire State film production tax credit for an additional five years, beginning in calendar year 2015. Restrictions on claiming the post-production portion of the credit would be reduced and additional reporting would be required to document the effectiveness of the credit in creating jobs (\$173 million in SFY 2016-17); and,
- **Historical Commercial Properties Rehabilitation credit:** Extend the existing \$5 million per project tax credit for five years (2015-2019) and makes the credit refundable beginning in tax year 2015 (a \$20 million revenue reduction in SFY 2016-17).

## Casino Gambling

- The Executive Budget proposes that 90 percent of any additional state revenue from state approved casino gambling go toward elementary-secondary education and would be outside of the income growth cap. The remaining ten percent would be available to local government tax relief.

**Table 30**  
**REVENUE ACTIONS, TAX REFORM AND STAR**  
(\$ in Millions)

	General Fund		All Funds	
	<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>
<b>Tax and Assessment Actions</b>				
Total Tax and Assessment Action	0	0	0	0
<b>Expanded Tax Credits and Exemptions</b>				
Establish the New York Innovation Hot Spots program	0	0	0	0
Establish tax-free sales at Taste-NY facilities	0	0	0	0
Establish the Charge NY electric vehicle recharging equipment credit	0	(1)	0	(1)
Extend, enhance and improve transparency for the New York Film Production tax credit	0	0	0	0
Extend and enhance the Historic Commercial Properties Rehabilitation credit	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>(1)</b>
<b>Revenue Extenders</b>				
Extend the high income charitable contribution deduction limitation for three years	70	140	70	140
Extend utility assessment	236	472	236	472
Extend Monticello VLT Rates	0	0	(3)	0
Make certain tax rates and authorizations for account wagering permanent	0	0	0	0
Extend the MTA business tax surcharge for five years	0	0	0	0
Make Waste Tire fee permanent	0	0	9	24
<b>TOTAL</b>	<b>306</b>	<b>612</b>	<b>312</b>	<b>636</b>
<b>Loophole Closing Actions</b>				
Close royalty income loophole	0	25	0	28
Reform the IDA state sales tax exemption	7	13	7	13
<b>TOTAL</b>	<b>7</b>	<b>38</b>	<b>7</b>	<b>41</b>
<b>Tax Enforcement Actions</b>				
Expand the cigarette and tobacco retailer registration clearance process	1	1	1	1
Increase the civil penalty for possessing unstamped cigarettes	2	3	9	12
Update criteria for refusal and revocation of a sales tax Certificate of Authority	1	1	1	1
Suspend delinquent taxpayers' driver's licenses	25	5	26	6
Allow warrantless wage garnishment	10	10	10	10
<b>TOTAL</b>	<b>39</b>	<b>20</b>	<b>47</b>	<b>30</b>
<b>Other Revenue Actions</b>				
Make tax modernization provisions permanent	6	22	6	22
Eliminate remaining square footage Quick-Draw restriction	0	0	12	24
Require the racing industry to pay for safety reforms	0	0	2	2
Recover State revenue lost through vehicle and traffic ticket plea bargaining	16	25	16	25
Establish a statewide STAR anti-fraud protection program	0	0	1	1
<b>TOTAL</b>	<b>22</b>	<b>47</b>	<b>37</b>	<b>74</b>
<b>Technical Corrections</b>				
Make technical amendments to the tax classification of uncompressed natural gas	0	0	0	0
<b>TOTAL REVENUE ACTIONS</b>	<b>374</b>	<b>716</b>	<b>403</b>	<b>780</b>

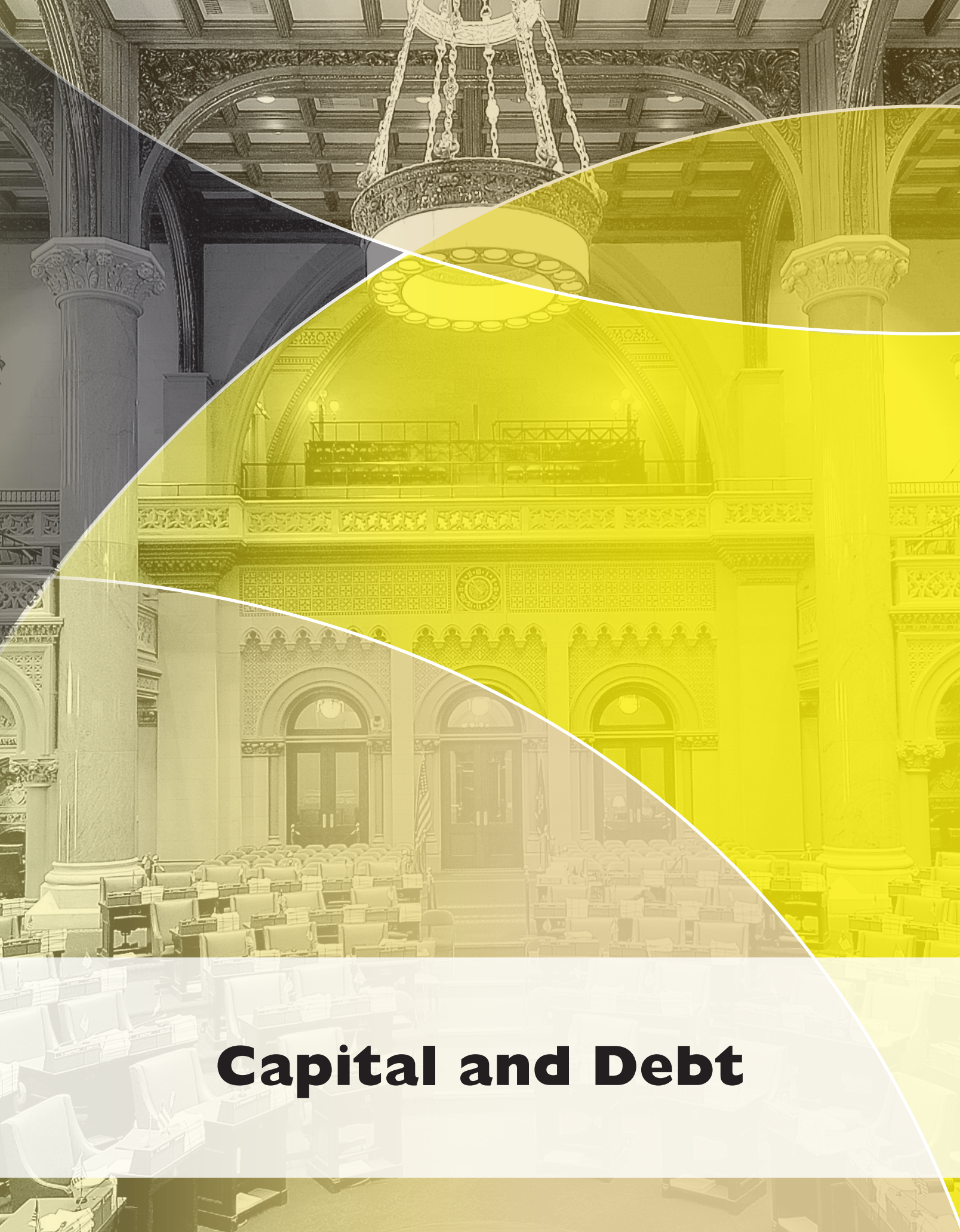
Table 31

<b>All Funds Receipts SFY 2012-13</b>				
<b>(\$ in Millions)</b>				
	<b>2011-12</b>	<b>2012-13</b>		<b>Percent</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Change</b>	<b>Growth</b>
<b>Personal Income Tax</b>	<b>\$38,769</b>	<b>\$39,900</b>	<b>\$1,131</b>	<b>2.9%</b>
<b>Gross Receipts</b>	<b>46,030</b>	<b>47,117</b>	<b>1,087</b>	<b>2.4%</b>
Withholding	31,199	31,928	729	2.3%
Estimated Payments	11,628	11,862	234	2.0%
Vouchers	8,097	8,669	572	7.1%
IT 370s	3,532	3,193	(339)	-9.6%
Final Payments	2,117	2,153	36	1.7%
Delinquencies	1,086	1,174	88	8.1%
<b>Total Refunds</b>	<b>7,261</b>	<b>7,091</b>	<b>(170)</b>	<b>-2.3%</b>
Prior Year Refunds	4,693	4,600	(93)	-2.0%
Current Refunds	1,750	1,750	0	0.0%
Previous Refunds	454	597	143	31.5%
State/City Offsets	366	268	(98)	-26.8%
<b>Collections</b>	<b>38,769</b>	<b>39,900</b>	<b>1,131</b>	<b>2.9%</b>
<b>User Taxes and Fees</b>	<b>14,570</b>	<b>14,630</b>	<b>60</b>	<b>0.4%</b>
Sales and Use Tax	11,875	11,994	119	1.0%
Motor Fuel Tax	501	490	(11)	-2.2%
Cigarette Tax	1,633	1,561	(72)	-4.4%
Highway Use	132	141	9	6.8%
Alcoholic Beverage Tax	238	249	11	4.6%
Auto Rental Tax	104	109	5	4.8%
Taxi Surcharge	87	86	(1)	-1.1%
<b>Business Taxes</b>	<b>7,877</b>	<b>8,226</b>	<b>349</b>	<b>4.4%</b>
Corporate Franchise	3,176	2,991	(185)	-5.8%
Utility Tax	797	839	42	5.3%
Insurance Tax	1,413	1,448	35	2.5%
Bank Tax	1,392	1,823	431	31.0%
Petroleum Business Tax	1,100	1,125	25	2.3%
<b>Other</b>	<b>3,082</b>	<b>2,939</b>	<b>(143)</b>	<b>-4.6%</b>
Real Property Gains	0	0	0	0.0%
Estate and Gift	1,078	1,075	(3)	-0.4%
Real Estate Transfer	610	685	75	-0.3%
Pari Mutuel	17	18	1	5.9%
Other	0	0	0	0.0%
Payroll Tax	1,376	1,160	(216)	-15.7%
<b>Total Taxes</b>	<b>\$64,297</b>	<b>\$65,695</b>	<b>\$1,398</b>	<b>2.2%</b>
All Funds Misc Receipts	23,837	25,000	1,163	4.9%
Federal Grants	44,611	44,131	-480	-1.1%
<b>Total All Funds Receipts</b>	<b>\$132,746</b>	<b>\$134,825</b>	<b>\$2,079</b>	<b>1.6%</b>

Table 32

<b>Total Collections SFY 2013-14</b>				
<b>(\$ in Millions)</b>				
	<b>2012-13</b>	<b>2013-14</b>		<b>Percent</b>
	<b>Estimate</b>	<b>Forecast</b>	<b>Change</b>	<b>Growth</b>
<b>Personal Income Tax</b>	<b>39,900</b>	<b>42,520</b>	<b>2,620</b>	<b>6.6%</b>
<b>Gross Receipts</b>	<b>47,117</b>	<b>49,848</b>	<b>2,731</b>	<b>5.8%</b>
Withholding	31,928	33,666	1,738	5.4%
Estimated Payments	11,862	12,708	846	7.1%
Vouchers	8,669	9,168	499	5.8%
IT 370s	3,193	3,541	348	10.9%
Final Payments	2,153	2,266	113	5.2%
Delinquencies	1,174	1,208	34	2.9%
<b>Total Refunds</b>	<b>7,217</b>	<b>7,328</b>	<b>111</b>	<b>1.5%</b>
Prior Year Refunds	4,600	4,879	279	6.1%
Current Refunds	1,751	1,750	(1)	-0.1%
Previous Refunds	597	476	(121)	-20.3%
State/City Offset	268	223	(45)	-16.8%
<b>Collections</b>	<b>39,900</b>	<b>42,520</b>	<b>2,620</b>	<b>6.6%</b>
<b>User Taxes and Fees</b>	<b>14,630</b>	<b>15,167</b>	<b>537</b>	<b>3.7%</b>
Sales and Use Tax	11,994	12,533	539	4.5%
Motor Fuel Tax	490	500	10	2.0%
Cigarette Tax	1,561	1,535	(26)	-1.7%
Highway Use	141	140	(1)	-0.7%
Alcoholic Beverage Tax	249	249	0	0.0%
Auto Rental Tax	109	114	5	4.6%
Taxi Surcharge	86	96	10	11.6%
<b>Business Taxes</b>	<b>8,226</b>	<b>8,460</b>	<b>234</b>	<b>2.8%</b>
Corporate Franchise	2,991	3,310	319	10.7%
Utility Tax	839	811	(28)	-3.3%
Insurance Tax	1,448	1,531	83	5.7%
Bank Tax	1,823	1,618	(205)	-11.2%
Petroleum Business Tax	1,125	1,190	65	5.8%
<b>Other</b>	<b>2,938</b>	<b>3,078</b>	<b>140</b>	<b>4.7%</b>
Estate and Gift	1,075	1,135	60	5.6%
Real Estate Transfer	685	705	20	2.9%
Pari Mutuel	18	18	0	0.0%
Payroll Tax	1,160	1,219	59	5.1%
<b>Total Taxes</b>	<b>\$65,695</b>	<b>\$69,225</b>	<b>\$3,530</b>	<b>5.4%</b>
All Funds Misc Receipts	25,000	23,880	-1,120	-4.5%
Federal Grants	44,131	49,358	5,227	11.8%
<b>Total All Funds Receipts</b>	<b>\$134,826</b>	<b>\$142,463</b>	<b>\$7,637</b>	<b>5.7%</b>

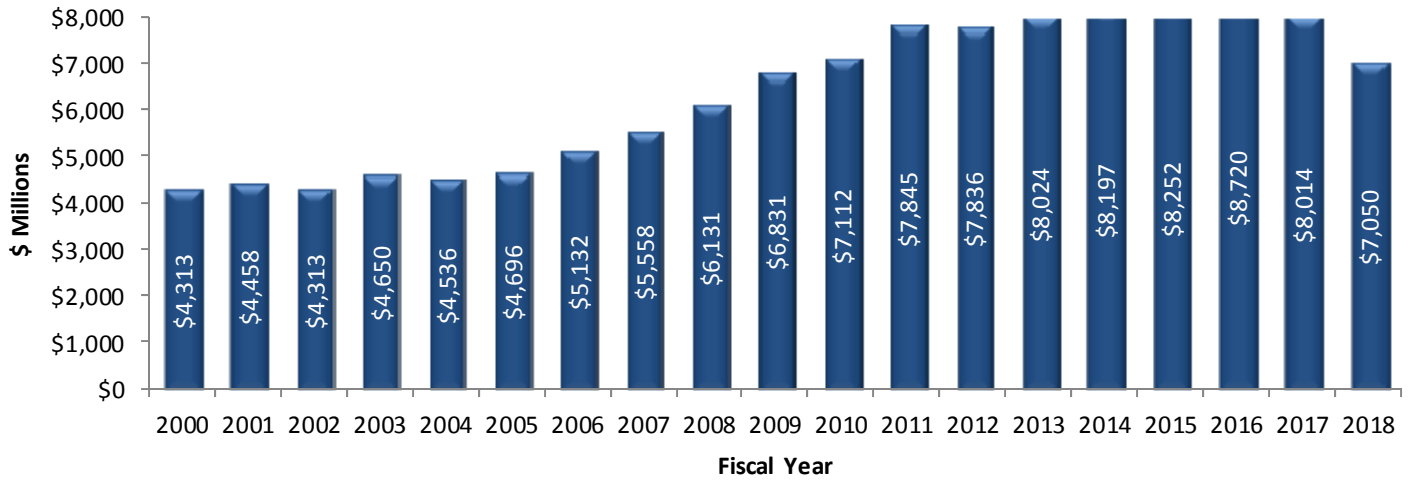




# Capital and Debt

# Debt/Capital Snapshot

## Capital Project Spending

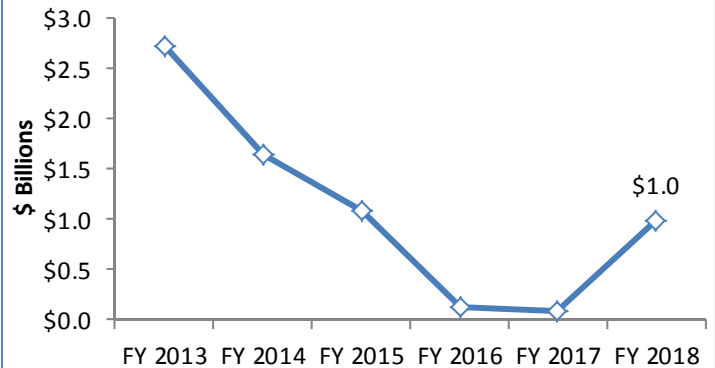


## Projected State-Supported Debt Outstanding

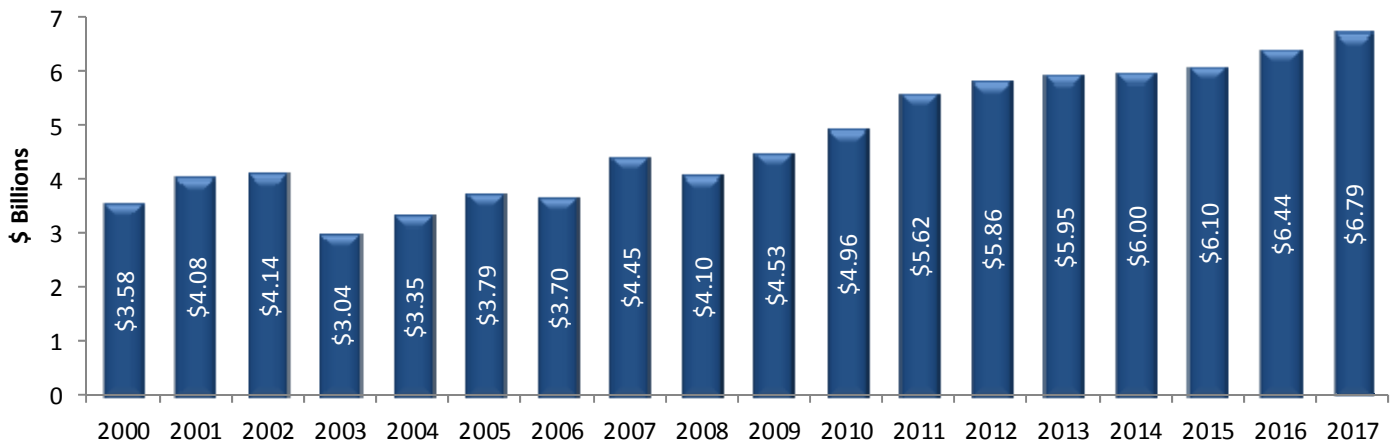
(\$ in Thousands)

	SFY 2012-13	Projected SFY 2013-14
General Obligation	\$3,584,854	\$3,628,805
LGAC	2,835,683	2,592,380
PA Debt-Other Lease-Purchase & Contractual Obligation (Revenue Bonds)	<u>\$47,013,285</u>	<u>\$48,609,106</u>
<b>Total State-Supported Debt</b>	<b>\$53,433,822</b>	<b>\$54,830,291</b>

## Debt Outstanding Remaining Capacity



## Debt Service



Note: Forecast values are as reported in the Executive Budget.

Source: NYS Division of the Budget, 2013-14 NYS Executive Budget.





# CAPITAL PROGRAM AND FINANCING PLAN

**Table 33**

Capital Spending by Function and Financing Source						
Capital Program and Financing Plan						
SFY 2013-14 through 2017-18						
(\$ in Millions)						
Spending	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Transportation	\$4,655	\$4,617	\$4,479	\$4,344	\$4,325	\$4,144
Parks and Environment	\$726	\$672	\$643	\$634	\$602	\$546
Economic Development & Gov't Oversight	\$568	\$736	\$875	\$962	\$643	\$638
Health and Social Welfare	\$618	\$546	\$220	\$235	\$235	\$250
Education - EXCEL	\$100	\$100	\$92	\$0	\$0	\$0
Education - All Other Programs	\$2,002	\$1,895	\$1,911	\$1,855	\$1,705	\$1,336
Public Protection	\$307	\$371	\$347	\$334	\$322	\$303
Mental Hygiene	\$552	\$519	\$639	\$622	\$589	\$615
General Government	\$67	\$97	\$110	\$72	\$80	\$70
Other	<u>\$88</u>	<u>\$208</u>	<u>\$438</u>	<u>\$1,030</u>	<u>\$847</u>	<u>\$540</u>
<b>Total</b>	<u><b>\$9,682</b></u>	<u><b>\$9,761</b></u>	<u><b>\$9,754</b></u>	<u><b>\$10,087</b></u>	<u><b>\$9,347</b></u>	<u><b>\$8,441</b></u>
Off-Budget Spending	(1,658)	(1,564)	(1,503)	(1,367)	(1,334)	(1,391)
<b>Net Cash Spending</b>	<u><b>\$8,024</b></u>	<u><b>\$8,197</b></u>	<u><b>\$8,252</b></u>	<u><b>\$8,720</b></u>	<u><b>\$8,014</b></u>	<u><b>\$7,050</b></u>

## The Five-Year Capital Plan

- **The Executive is proposing a \$47.4 billion Five-Year Capital Plan:** The new capital plan is \$3.4 billion or 7.7 percent over the Enacted Capital Plan of SFY 2012-13. This new Five-Year Capital Plan reprioritizes and accelerates existing projects and implements a portion of the New York Works program.
  - The Executive's proposal of \$9.8 billion Capital Plan spending for SFY 2013-14 reflects an increase of 1 percent, or \$78.2 million, from SFY 2012-13.
  - Increases in Capital projects spending for SFY 2013-14 include an increase in Economic Development and Government Oversight by 30 percent or \$167.9 million, Public Protection programs by 21 percent or \$64.3 million, General Government programs by 45 percent or \$30.2 million and Other by 137 percent or \$120.3 million.

- Decreases in proposed Capital projects spending in SFY 2013-14 include a decrease of \$37.8 million or one percent in Transportation, \$54.1 million or seven percent in Parks and Environment, \$72 million or 12 percent in Health and Social Welfare, \$107.4 million or five percent in Education programs, and \$33.1 million or six percent in Mental Hygiene.

**Table 34**

<b>Capital Program and Financial Plan</b>				
<b>Financing Source</b>				
<b>SFY 2013-14</b>				
<b>(\$ in Thousands)</b>				
<b>Financing Source</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>Annual \$ Change</b>	<b>Annual % Change</b>
Authority Bonds	\$5,078	\$5,117	\$39	1%
Federal Pay-As-You-Go	\$1,854	\$1,840	(\$15)	-1%
State Pay-As-You-Go	\$2,350	\$2,466	\$116	5%
General Obligation Bonds	\$400	\$338	(\$62)	-16%
<b>Total</b>	<b>\$9,682</b>	<b>\$9,761</b>	<b>\$78</b>	<b>1%</b>

#### **Financing the Capital Plan for 2013-14**

- **The Executive proposes to finance the Five-Year Capital program with a combination of pay as you go (PAYGO) funding and bonded resources:** The Capital Program for SFY 2013-14 of \$9.8 billion is proposed to be financed as follows:
  - \$2.5 billion or 25.3 percent in State PAYGO;
  - \$1.8 billion or 18.9 percent in Federal PAYGO;
  - \$0.38 billion or 3.5 percent in General Obligation; and
  - \$5.1 billion or 52.4 percent in Public Authority bonding.

Table 35

**New Capital Obligations**  
**SFY 2013-14 Executive Budget**  
(\$ in Millions)

	SFY 2014		Capital Spend Out			
	<u>New</u>					
	<u>Obligations</u>	<u>SFY 2014</u>	<u>SFY 2015</u>	<u>SFY 2016</u>	<u>SFY 2017</u>	<u>SFY 2018</u>
<b>Superstorm Sandy and Transformative Initiatives</b>	<b><u>\$1,170</u></b>	<b>\$266</b>	<b>\$287</b>	<b>\$302</b>	<b>\$173</b>	<b>\$108</b>
Superstorm Sandy	\$450	\$166	\$72	\$55	\$81	\$41
Transformative Projects	\$720	\$99	\$216	\$246	\$92	\$67
<b>Transportation</b>	<b><u>\$300</u></b>	<b>\$71</b>	<b>\$81</b>	<b>\$81</b>	<b>\$41</b>	<b>\$27</b>
Core Investments	\$200	\$47	\$54	\$54	\$27	\$18
Competitive Grants Via Regional Economic Councils	\$100	\$24	\$27	\$27	\$14	\$9
<b>Economic Development</b>	<b><u>\$471</u></b>	<b>\$119</b>	<b>\$115</b>	<b>\$138</b>	<b>\$30</b>	<b>\$30</b>
Buffalo Bills Stadium Improvements	\$54	\$54	\$0	\$0	\$0	\$0
Buffalo Bills Operating Support	\$2	\$2	\$0	\$0	\$0	\$0
Buffalo Regional Innovation Cluster	\$75	\$0	\$25	\$25	\$25	\$0
Economic Development Fund	\$165	\$55	\$55	\$55	\$0	\$0
Regional Councils Initiative	\$150	\$8	\$23	\$45	\$5	\$30
Climate Change Programs	\$25	\$0	\$13	\$13	\$0	\$0
<b>Higher Education</b>	<b><u>\$278</u></b>	<b>\$48</b>	<b>\$58</b>	<b>\$48</b>	<b>\$69</b>	<b>\$44</b>
CUNY 2020	\$55	\$13	\$15	\$15	\$7	\$5
SUNY 2020	\$55	\$13	\$15	\$15	\$7	\$5
CUNY & SUNY Maintenance	\$50	\$12	\$14	\$14	\$7	\$5
SUNY 2020 Project at UAlbany	\$88	\$0	\$0	\$0	\$47	\$29
SUNY Stony Brook	\$30	\$10	\$15	\$5	\$0	\$0
<b>Parks and the Environment</b>	<b><u>\$90</u></b>	<b>\$21</b>	<b>\$24</b>	<b>\$24</b>	<b>\$12</b>	<b>\$8</b>
Parks, ORDA and Agriculture & Markets	\$50	\$12	\$14	\$14	\$7	\$5
Department of Environmental Conservation	\$40	\$9	\$11	\$11	\$5	\$4
<b>Public Protection</b>	<b><u>\$45</u></b>	<b>\$25</b>	<b>\$14</b>	<b>\$5</b>	<b>\$1</b>	<b>\$0</b>
Pistol Permit Database Project	\$33	\$12	\$14	\$5	\$1	\$0
Aviation Plan	\$13	\$13	\$0	\$0	\$0	\$0
<b>General Government</b>	<b><u>\$75</u></b>	<b>\$38</b>	<b>\$38</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Office of General Services	\$15	\$8	\$8	\$0	\$0	\$0
IT Initiative Capital Funding	\$60	\$30	\$30	\$0	\$0	\$0
<b>Total</b>	<b><u>\$2,429</u></b>					

## New Capital Initiatives

### ➤ The Executive proposes \$2.4 billion in new capital investment:

- The Executive proposal includes the creation of a new fund, the New York State Transformative Capital Fund, with two sub-accounts, the Storm Recovery Account and Transformative Capital Account.
  - **Superstorm Sandy (\$450 million)** – The Executive estimates spending \$416 million over the next five years to repair and restore State properties damaged as a result of Superstorm Sandy.
  - **Transformative Initiatives (\$720 million)** – The Executive Budget includes a \$720 million appropriation to promote transformative economic development and infrastructure initiatives. A minimum of \$360 million of the appropriation would be made available for transformative economic development projects that would be selected through a competitive process administered by the Regional Economic Development Councils.

### Transportation- \$300 million

- The Executive proposes \$300 million of incremental DOT commitments as part of New York Works Plan for highway and bridge infrastructure. This \$300 million includes \$100 million to be allocated to Regional Economic Development Councils.

### Economic Development- \$471 million

- The Executive proposes to allocate \$56 million to upgrade Ralph Wilson Stadium; \$75 million for the Buffalo Regional Innovation Cluster; \$165 million in new commitments for the New York Works Economic Development Fund; \$150 million for the Regional Economic Development Councils initiatives; \$25 million for NYSERDA for the Cleaner Greener Communities Program.

### Higher Education- \$278 million

- The Executive proposes \$110 million for NYSUNY 2020 grants and a new NYCUNY 2020 program; \$50 million to fund critical maintenance for the SUNY and CUNY Community Colleges; and \$118 million to support the SUNY Albany 2020 initiative and \$30 million for strategic investments at Stony Brook.

### Other Programs - \$210 million

The Executive proposes the following:

- \$90 million of new capital funding in Parks and Environment;
- \$45.2 million of new commitments to State Police in Public Protection; and
- \$75 million for capital renovation projects.



## New Debt Initiatives

### *Sales Tax Revenue Bond Program*

- The Executive Budget proposes to create a new Sales Tax Revenue Bond Program. This would mirror financing structures for Personal Income Tax (PIT) and Local Government Assistance Corporation (LGAC) revenue bonds, providing the State with increased efficiencies and a lower cost of borrowing. The Executive expects to transition all state financing into three bond programs: Voter-Approved General Obligation Bonds, PIT Revenue Bonds, and new Sales Tax Revenue Bonds.

The Sales Tax Revenue Bond account would be created within the Debt Service Fund providing payment of Debt Service bonds. The new sales tax revenue bonds would be secured by the pledge of payments from this fund, which would receive one percent of the State's four percent sales and use tax receipts. The Sales Tax Revenue Bond fund will have the same provisions as PIT and LGAC bonds and features a "locked box" for transfers back to the General Fund of any amount not needed for costs related to debt service.

The sales tax revenue bonds would be used interchangeably with PIT bonds to finance State capital needs, and provide a vehicle to end the use of older, higher cost debt structures. Based on current projections and anticipated coverage requirements, the State expects to issue about \$1 billion of sales tax revenue bonds annually.

### *SUNY Dormitory Facilities Bonding Program*

- The Executive proposes to create a new self-supporting program to finance SUNY Dormitory Facilities, and eliminates any State support. The new bonding program would be supported solely by third party revenues generated by student rents. The revenues would flow directly to DASNY for the payment of debt service without an appropriation. Unlike the existing program, the new program would not benefit from the SUNY general obligation pledge, effectively eliminating any State support, direct or indirect, for the new bonds. New SUNY Dormitory Facilities capital needs would be funded through the new credit. The existing SUNY Dormitory Facilities bonds would continue to be counted as State-supported debt until such bonds are refunded into the new program or defeased.

### *Competitive Bond Sales*

- Issuing bonds on a competitive basis is an effective way to (i) lower borrowing costs, (ii) provide an essential benchmark for bonds sold on a negotiated basis, and (iii) increase transparency related to the bond sale process. For SFY 2012-13, the State set a goal of issuing 50 percent of its bond sales on a competitive basis. To date, 25 percent or \$1.2 billion of all issuances have been sold competitively. These sales provided consistently low interest costs compared to market indices and provided lower issuance costs. Market conditions permitting, the State intends to maintain the goal of selling at least 50 percent of bonds on a competitive basis in SFY 2013-14, while continuing to maintain a significant presence of roughly \$2.5 billion in the negotiated market.

Table 36

Projected State Related Debt Outstanding (\$ in Millions)		
	Estimated SFY 2012-13	Projected SFY 2013-14
General Obligation	3,585	3,629
LGAC	2,836	2,592
PA Debt -Other Lease-Purchase & Contractual Obligation (Revenue Bonds)	47,013	48,609
<b>State-supported Debt</b>	<b>53,434</b>	<b>54,830</b>
Other State Obligations:		
Tobacco	2,411	2,080
All Other	776	699
<b>State-related Debt</b>	<b>56,621</b>	<b>57,609</b>

State-supported debt includes debt paid by state resources and has a budgetary impact on the state financial plan.

**State Supported Debt**

- **State-supported debt outstanding will total \$54.8 billion, an increase of \$1.4 billion over SFY 2012-13:** The amount of debt outstanding by function are as follows:
  - Economic Development and Housing programs totaling \$5.5 billion, a decrease of \$311 thousand or 0.06 percent;
  - Environment totaling \$2.6 billion, an increase of \$140.3 million or 5.7 percent;
  - Health and Mental Hygiene totaling \$5 billion, an increase of \$324 million or 6.9 percent;
  - Transportation totaling \$16.1 billion, an increase of \$330 million or 2 percent;
  - State Facilities and Equipment totaling \$5.9 billion, a decrease of \$48 million or 0.8 percent;
  - Education totaling \$17.1 billion, an increase of \$894 million or 5.5 percent; and
  - LGAC with a total of \$2.6 billion, a decrease of \$243 million or 8.6 percent.

Table 37

New York State-Supported Debt Outstanding by Function SFY 2013-14 (\$ in Millions)		
Economic Development & Housing	5,548	10.12%
Environment	2,566	4.68%
Health & Mental Hygiene	4,997	9.11%
Transportation	16,141	29.44%
State Facilities & Equipment	5,887	10.74%
Education	17,099	31.19%
LGAC	2,592	4.73%
<b>Total State-Supported Debt</b>	<b>54,830</b>	

- **Transportation and Education, which make up 29 percent and 31 percent of debt outstanding, are the largest components of the State’s obligations:** The remaining obligations by function of debt outstanding are: 11 percent in State Facilities and Equipment; 5.1 percent in LGAC; 9.1 percent in Health and Mental Hygiene; 5 percent in Environment; and 10 percent in Economic Development and Housing.

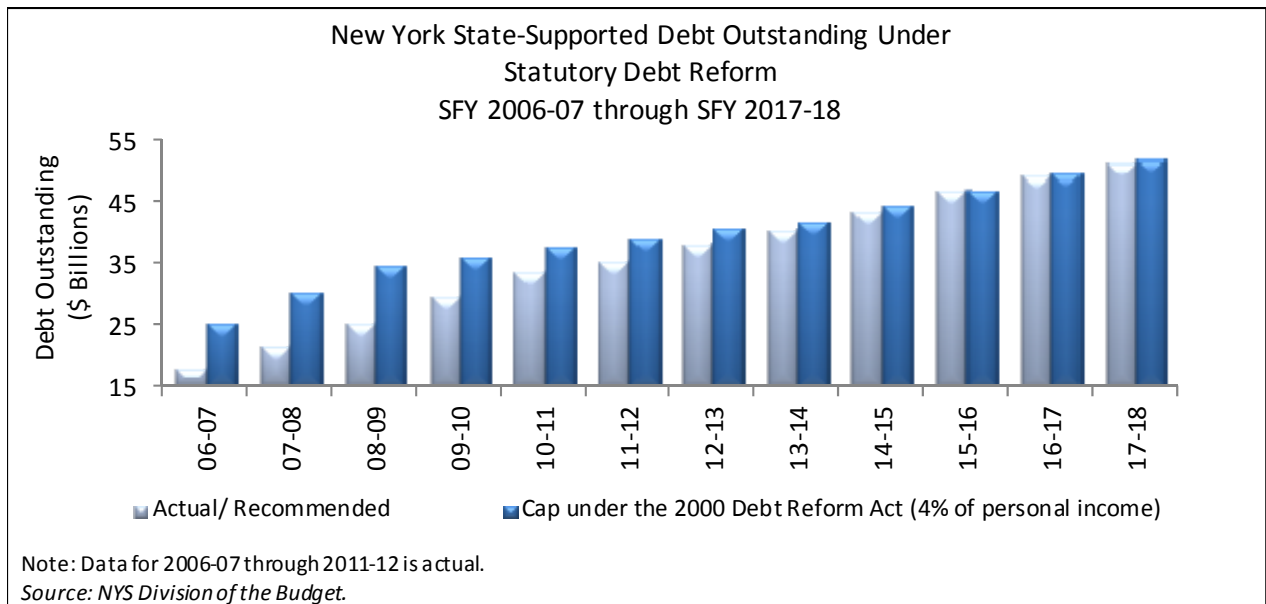


Figure 5

- **The State cap on the amount of debt outstanding is limited to four percent of Personal Income:** The amount of debt outstanding projected under the statutory cap for SFY 2013-14 is \$1.6 billion below the statutory cap.
- **The Executive estimates \$2.7 billion of available room under the debt outstanding cap for SFY 2012-13 reducing to \$82 million in SFY 2016-17:** The Executive Budget proposes to increase its bonded capital spending commitments making it crucial to manage in its capital

spending priorities and debt financing practices to adjust to available debt capacity and remain within the statutory limits.

## State-Related Debt

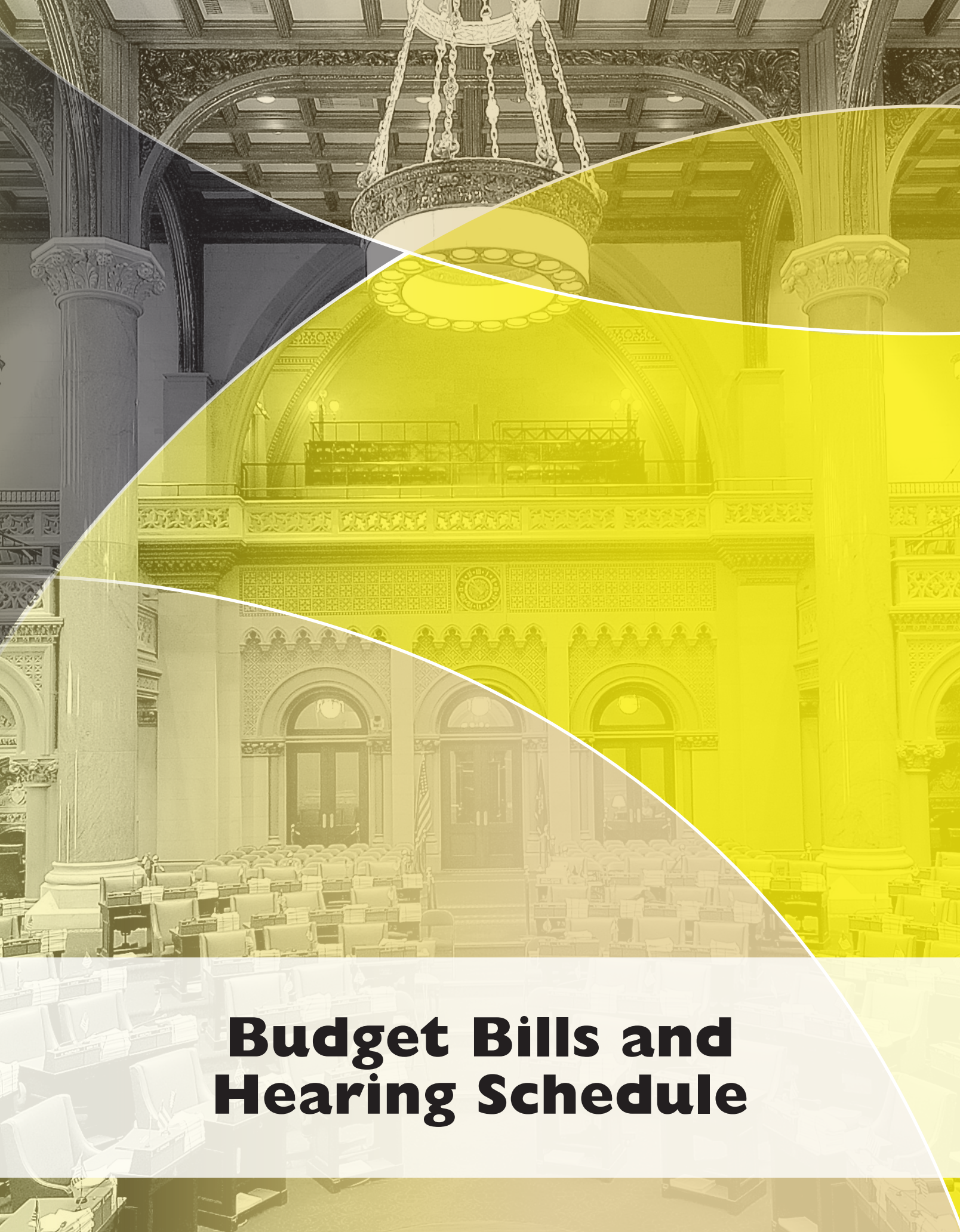
Table 38

State-related Debt Outstanding (Other State Debt Obligations in Addition to State-supported) (\$ in Millions)		
	Estimated SFY 2012-13	Estimated SFY 2013-14
<b>Contingent Contractual</b>		
DASNY/MCFFA Secured Hospitals Program	451	395
Tobacco Settlement Financing Corporation	2,411	2,080
<b>Moral Obligation</b>		
HFA Moral Obligation Bonds	14	9
MCFFA Nursing Homes & Hospitals	2	1
<b>State Guaranteed</b>		
Job Development Authority (JDA)	15	12
<b>State Funded</b>		
MBBA Prior Year School Aid Claims	294	281
<b>Total</b>	<b>3,188</b>	<b>2,779</b>

- **The Executive defines State-related debt to include the following debt obligations in addition to State-supported debt:** Contingent Contractual Obligation (Tobacco Settlement Financing Corporation, DASNY/MCFFA Secured Hospital Program), Moral Obligation (Housing Finance Agency Moral Obligation Bonds, MCFFA Nursing Homes and Hospitals), State Guaranteed Debt (Job Development Authority) and State Funded Debt (MBAA Prior Year School Aid Claims).
  - Other state debt obligation in all areas are estimated to total \$2.78 billion, a decrease of \$408.9 million or 13 percent from SFY 2012-2013.
  - 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 a revenue-producing project. The debt is secured by project revenues with statutory provisions morally committing the state.
  - State Guaranteed debt is public authority debt that finances or guarantees loans which encourages economic development throughout the State and is limited to only \$3 million outstanding. Currently, State Guaranteed debt outstanding is \$12.3 million.

- State Funded debt was created to enable the State to purchase delinquent tax liens from NYS Municipalities through the Municipal Bond Bank Agency (MBBA). Currently, State Funded debt outstanding is \$281.3 million.





# **Budget Bills and Hearing Schedule**



## **APPROPRIATION BUDGET BILLS**

A. 3000 / S.2600	State Operations Budget Appropriation Bill
A. 3001 / S. 2601	Legislature and Judiciary Budget Appropriation Bill
A. 3002 / S. 2602	Debt Service Budget Appropriation Bill
A. 3003 / S. 2603	Aid to Localities Budget Appropriation Bill
A. 3004 / S. 2604	Capital Projects Budget Appropriation Bill
A. 3005 / S. 2605	Public Protection and General Government Article VII Bill
A. 3006 / S. 2606	Health and Mental Hygiene Article VII Bill
A. 3007 / S. 2607	Education, Labor and Family Assistance Article VII Bill
A. 3008 / S. 2608	Transportation, Economic Development and Environmental Conservation Article VII Bill
A. 3009 / S. 2609	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**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Closure of Beacon and Bayview Correctional Facilities	This part would authorize the closure of Bayview Correctional Facility in Manhattan and Beacon Correctional Facility in Dutchess County in SFY 2013-2014, provided that the Governor provides the legislature with at least 60 days notice.
B	Transfer the former Fulton Correctional Facility to the Thomas Mott Osborne Memorial Fund	This part would convey the land and buildings of the former Fulton Correctional Facility located in the Bronx to the Thomas Mott Osborne Memorial Fund for use in providing opportunities for individuals in conflict with the law through reform and rehabilitation programs, alternative to incarceration programs and reentry services, and for providing services to persons affected by crime and incarceration.
C	Limit plea bargaining of traffic tickets, extend State surcharges to new offenses, and establish minimum fines for traffic violations involving texting and cell phone use	This part would reform the adjudication of traffic violations in three ways. It would limit plea bargaining in cases where a speeding violation has been charged and the violation is based on exceeding the speed limit by more than 20 mph. It would also establish a minimum fine of \$50 for a first offense of operating a vehicle while using a cell phone and texting, and impose an enhanced fine structure for subsequent offenses. Finally, this part would impose the crime victim assistance fee and a mandatory surcharge (total of \$80.00) on convictions for certain parking violations.
D	Ratify the National Crime Prevention and Privacy Compact to allow the state to participate in the National Fingerprint File program	This part would ratify the National Crime Prevention and Privacy Compact Act thereby permitting New York to participate in the National Fingerprint File program. The compact that allows for the sharing of criminal history records for civil purposes directly with the federal government and 29 other states that have ratified the compact.
E	Extend various criminal justice and public safety programs	This part would extend various criminal justice programs set to expire in 2013.

F	Continue provisions relating to the disposition of certain monies recovered by county district attorneys	This part would extend for one year the authority of district attorney in New York City to retain a portion of monies recovered before the filing of an accusatory instrument.
G	Tier VI Refinancing Plan	This part would provide the New York State Comptroller and the New York State Teachers' Retirement System Board statutory authority to make a long-term stable pension contribution option available to local governments and school districts that are participants of state retirement systems.
H	Cease Income Related Medicare Adjustment Amounts (IRMAA) Reimbursements	This part would cease reimbursement of additional IRMAA premiums paid by higher-income retirees retroactive to January 1, 2013.
I	Create the New York State Gaming Commission account	This part would create the New York State Gaming Commission Account to finance the administrative expenses of the New York State Gaming Commission.
J	Require the racing industry to fund safety reforms	This part would redirect one percent of purse enhancements from the Video Lottery Terminal (VLT) program to fund costs associated with recommendations from the Taskforce on Racehorse Health and Safety.
K	Local Government Efficiency Grant Program and the Citizens Re-Organization Empowerment Grant Program	This part would make changes to the Local Government Efficiency Grant Program and the Citizens Re-Organization Empowerment Grant Program related to local matching funds and the maximum amount of certain awards.
L	Reporting requirements for school districts and local governments	This part would eliminate all reporting requirements that school districts and local governments are currently required to submit to state agencies and authorities, unless the Mandate Relief Council votes to continue specific reporting requirements.
M	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 fiscal year 2013-14 Executive Budget, and propose certain modifications to improve the State's General Fund position in the upcoming fiscal year. Specifically, it would: (1) authorize temporary loans and the deposits of certain revenues to specific funds and accounts, (2) authorize the transfers and deposits of funds to and across various accounts, (3) extend various provisions of laws in relation to capital projects and certain certifications, (4) authorize modifications to various debt provisions, and (5) modify various bond authorizations necessary to implement the budget.

N	Continue Consolidation of IT Functions and Services	This part would permit the reclassification of staff transferred to the Office of Information Technology Services (OITS) in November 2012, eliminate the Office of Cybersecurity. Presently located in the Department of Homeland Security and Emergency Services and transfer its duties to OITS.
O	Workers' Compensation Reform	This part would modify various provision of the Worker's Compensation Law as it relates to: assessments levied against employers; the Reopened Case Fund, the Aggregate Trust Fund and the State Insurance Fund; increasing the minimum weekly benefit for injured workers; and, the transfer of liability for current and future claims against certain policyholders.
P	Increase agencies' discretionary authority to purchase food grown, harvested, produced, or processed in New York State	This part would allow state agencies to purchase food grown, harvested, produced, manufactured, or processed in New York State in an amount not exceeding \$200,000 without a formal competitive process.
Q	Intrastate Mutual Aid Program	This part would authorize school districts and Boards of Cooperative Educational Services to participate in the Intrastate Mutual Aid Program.
R	Employee Exemption from Public Officer's Ban	This part would allow public employees, who are direct care, clinical care, case management, and service coordination workers, to leave state service and provide the same services to the individuals they cared for while in state service.
S	Authorize State agencies and authorities to use design-build contracts and design-build-finance contracts for their capital projects	This part would permit State agencies and authorities to use design-build contracts and design-build-finance contracts as alternative project delivery methods.

**A. 3006 - HEALTH AND MENTAL HYGIENE**

PART	DESCRIPTION	SUMMARY
A	Modifications to the Medicaid Program and Medicaid Redesign Team (MRT) Initiatives	This part would modify provisions related to the Medicaid program, including: extending the Medicaid global cap and spending cap; eliminating the physician prevails provision for specific drugs and modifying other prior authorization requirements; providing investments in primary care; modifying certain hospital and nursing home reimbursement rates and making changes to several Medicaid Managed Care and Managed Long Term Care provisions.
B	Prior Year Cost Containment/Expiring Laws	This part would extend several expiring laws and continue cost containment actions.
C	Hospital Indigent Care Pool Reform	This part would reform the methodology for Indigent Care Pool distributions, including Federal Disproportionate Share Hospital payments.
D	Amend state law to conform to the requirements of the federal Affordable Care Act (ACA)	This part would amend statutory provisions to conform to ACA requirements, including: making certain changes to eligibility and enrollment in Medicaid, FHP and CHP; requiring health insurers and HMOs to offer policies that meet the requirements of the ACA; eliminating Healthy NY coverage for certain enrollees; and increasing the size of small groups.
E	Modify provisions related to Early Intervention (EI) , Public Health Programs, Certificate of Need, EMS, Primary Care, Health Care Financing, and the Excess Medical Malpractice Pool	This part would: make certain changes to EI regarding program eligibility and expansion of insurance coverage; modify the General Public Health Work program; consolidate public health programs; make changes to the Certificate of Need process; allow the establishment of temporary operators; modify the Emergency Medical Services planning process; make changes to scope of practice provisions in regard to primary care providers; create a pilot to allow capital investment in health care facilities; and repeal the Hospital Excess Liability Pool and replace it with the Excess Medical Malpractice Liability Coverage Pool.
F	Methadone Central Registry Data Collection	This part would require that the Methadone Central Registry collect and maintain data to ensure accurate dosage delivery and to facilitate disaster management in Methadone treatment programs.
G	Funding Office of Alcoholism and Substance Abuse Services (OASAS) Programs	This part would allow OASAS to continue to fund provider programs via direct contracts or through the State Aid Funding Authorization process.

H	Authorize the closures and consolidations of the Office of Mental Health (OMH) state-operated facilities and extend the Community Mental Health and Workforce Reinvestment Program	This part would notwithstanding the 12 -month notification requirement for OMH state-operated facility closures and authorize facility closures upon a 75-day notice and ward closures or conversions upon a 45-day notice. This part would also extend the Community Mental Health and Workforce Reinvestment Program for an additional year to March 31, 2014.
I	Authorize the recovery of Medicaid exempt income of certain providers	This part would permanently authorize OMH to recover Medicaid exempt income from licensed providers of community residences.
J	Expand the appointing authority of the Commissioner of OMH	This part would eliminate the authority of OMH facility directors to appoint and remove employees and would instead grant this authority and responsibility to the Commissioner of OMH.
K	Clarify the date when annual examinations and notice of rights are provided to sex offenders confined in a secure treatment facility	This part would require that the annual examination of a civilly confined sex offender to be conducted “no later than” one year after the date of the last court order for retention or continued retention. This part would also require that a notice of rights be given “no later than” eleven months after the last order for confinement or continued confinement, rather than annually.
L	Establish mental health incident review panels	This part would establish mental health incident review panels that would review circumstances and events related to a serious incident involving a person with serious mental illness.
M	Repeal certain reporting requirements for OMH and the Office for People With Developmental Disabilities (OPWDD)	This part would repeal certain reporting requirements that OMH and OPWDD must comply with by submitting information to the Commission on Quality Care and Advocacy for Persons with Disabilities (CQC-APD).
N	Establish a one-year deferral of the Human Services Cost of Living Adjustment (COLA).	This part would authorize the elimination of the Human Service COLA for SFY 2013-14, and extend the COLA for an additional year to March 31, 2017.



**A. 3007 - EDUCATION, LABOR AND FAMILY ASSISTANCE**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Amends school aid	This part would: require school districts to continue full implementation of Annual Professional Performance Review standards and procedures in order to be eligible to receive increases in state school aid for the 2013-14 school year and thereafter; continue the Contract for Excellence program for the 2013-14 school year; exempt certain school districts from the internal audit function; continue the charter school tuition freeze; limit school district ability to apply for aid for conversion to full day kindergarten multiple times; provide changes to the high tax aid formula; provide for an additional restoration of the gap elimination; freeze school aid formulas at the lesser of the Executive run or revised data; establish a limit to state aid adjustments; provide community school grants; provides extended learning grants; alter the payment schedule for summer school for the blind and deaf; provide school districts, private schools and boards of cooperative educational services with an optional waiver for certain special education requirements; provide the New York City school district with the ability to establish tuition rates for preschool special education providers and select approved preschool special education providers; provide that counties would receive 75 percent of audit recoveries of preschool special education overpayments; maintain funding for Aid to Public Libraries; and extend various other provisions of Education Law.
B	Establish a new financing structure for the State University of New York (SUNY) Residency Hall Program	This part would authorize SUNY to assign or transfer any or all of its rights, title and interest in dormitory facility revenues to the Dormitory Authority and create a new fund held by the Commissioner of the Department of Taxation and Finance, which would allow for the satisfaction of debt service associated with the Residency Hall Program without appropriation, in order to create a new financing structure.
C	Extend the Higher Education Capital Matching Grant Program	This part would extend the Higher Education Capital Matching Grant Program until March 31, 2014 and allow for independent colleges to apply for any unused funds on a competitive basis.

D	Create the Next Generation College Linkage Program	This part would change the current enrollment-based system of funding for community college workforce programs; and would create a performance funding grant program based upon certain measures of student success.
E	Federal Supplemental Security Income (SSI) Cost of Living Adjustment (COLA)	This part would authorize the 2014 Federal SSI COLA which provides for an increase of \$2 to \$18 depending on a recipient's living arrangement.
F	Transfer the administration of the Homeless Housing and Assistance Program to the Division of Housing and Community Renewal (DHCR)	This part would transfer the administration of the Homeless Housing and Assistance Program from the Office of Temporary and Disability Assistance (OTDA) to DHCR.
G	Consolidation of Youth Delinquency Prevention Programs	This part would consolidate the Youth Delinquency and Development Program (YDDP) and the Special Delinquency and Development Program (SDDP) into a single Youth Development Program.
H	Close to Home Expansion	This part would expand the non-secure phase of the Close to Home initiative to the rest of the state. It would also notwithstanding the 12-month notification requirement and authorize OCFS to close facilities and make significant staff or service reductions upon 60 days notification to the Legislature.
I	Merge the Office of the Welfare Inspector General (OWIG) into the Office of the Inspector General	This part would repeal the statutory authority for the Office of the Welfare Inspector General ("OWIG") and merge the functions of the OWIG into the Office of the State Inspector General. It would also expand the authority of the Office of the State Inspector General to allow it to investigate certain activities of local social services districts, including recipients and "contractees." Finally, this part would provide that no person may prevent, seek to prevent, interfere with, obstruct or otherwise hinder any investigation of the Office of the State Inspector General; any such action "shall constitute cause for suspension or removal from office or employment."
J	Modifies STAR registration procedures and STAR revocation penalties and procedures	This part would require the Commissioner of the Department of Taxation and Finance to establish guidelines for determining what constitutes a primary residence for STAR qualification purposes, and re-register all basic STAR beneficiaries. This part would also make changes to STAR revocation penalties and procedures.
K	Merge the Neighborhood and Rural Preservation Programs into a new program	This part would eliminate the Neighborhood and Rural Preservation Programs and create the Community Preservation Program, which would fill the role of both programs.

L	Expand the investment powers of the State of New York Mortgage Agency and the Housing Finance Agency	This part would expand the type and nature of investments that can be made by the State of New York Mortgage Agency and the Housing Finance Agency.
M	Authorize the transfer of various sums from the Mortgage Insurance Fund	This part would authorize the board of directors of the State of New York Mortgage Agency to transfer up to \$100 million to the general fund. It would also authorize them to reimburse the Housing Trust Fund Corporation for \$12.018 million for the cost of the Community Preservation Program, \$20.4 million for the Rural Rental Assistance Program, and \$17.852 million for rehabilitation of Mitchell-Lama Housing.
N	State Data Center Transfer	This part would authorize the transfer of the State Data Center from the Department of Economic Development to the Department of Labor.
O	Unemployment Insurance Reform	This part would modify the unemployment insurance program as it relates to: the minimum and maximum weekly benefit for claimants; increasing the taxable wage base for employers; and amending various provisions of law to improve the solvency of the Unemployment Insurance Trust Fund.
P	Minimum Wage Increase	This part would raise the statutory minimum wage to \$8.75 per hour beginning July 1, 2013.
Q	Reform & Extend Interest Arbitration	This part would extend interest arbitration until July 1, 2017 and establish a criterion by which a local government or school district could be deemed fiscally distressed and thereby limit future arbitration awards.
R	Effectuate phase one of casino development	This part would implement phase one of casino development including a study and request for information to be conducted by the New York State Gaming Commission.

**A. 3008 - TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Consolidated Highway Improvement Program (CHIPs) and Marchiselli Program authorizations	This part would authorize \$363.1 million in capital for CHIPs and \$39.7 million for the Marchiselli Program for State Fiscal Year 2013-14.
B	Continuation of transmission tax distribution	This part would continue the current distribution of the Statewide transmission tax on utility transportation and transmission services between Downstate and Upstate transit accounts.
C	Use of Mobile Telephones and Personal Electronic Devices (PEDs) While Driving	This part would modify laws restricting the use of mobile telephones and PEDs while driving, including provisions applicable to commercial vehicles.
D	Department of Motor Vehicles (DMV) Offices	This part would authorize DMV to designate certain branch offices to be open to the public and transact business on Saturdays.
E	Thruway Costs, Including State Police Services	This part would modify the law relating to State Police services on the Thruway, provide for State responsibility for additional Thruway goods and services, and exempt the Thruway Authority from annual cost recovery charges.
F	Modify provisions related to the Bottle Bill Law	This part would modify certain enforcement and penalty provisions related to the Bottle Bill Law and provide additional revenue to the Environmental Protection Fund.
G	Waste Tire Management and Recycling Fee	This part would remove the December 31, 2013 sunset of the Waste Tire Management and Recycling Fee.
H	General loan powers of the New York State Urban Development Corporation	This part would make permanent the general loan powers of the Urban Development Corporation, which otherwise would expire on July 1, 2013.
I	Dormitory Authority of the State of New York (DASNY) authorization to design and manage	This part would extend for two years the authorization for DASNY to enter into design and construction management agreements with the Department of Environmental Conservation (DEC) and the Office of Parks, Recreation and Historic Preservation (OPRHP).
J	Provide general grant making power to New York State Urban Development Corporation	This part would provide general grant making powers to the Urban Development Corporation. Pursuant to its new authority, the Urban Development Corporation would be authorized to provide grants consistent with any established agency guidelines.

K	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.
L	Authorize the New York State Energy Research and Development Authority (NYSERDA) to receive revenue from the Department of Public Service	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 2011. 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.
M	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.
N	Extend "State Energy and Utility Conservation Assessment" on public utility companies	This part would extend the State Energy and Utility Conservation Assessment on public utility companies, currently set to expire March 31, 2014, for an additional five years.
O	Increase Public Service Commission oversight of gas and electric corporations.	This part would increase regulatory oversight of PSC over utilities by authorizing PSC to levy civil penalties for violations of safety, reliability and adequacy of service; to prohibit utilities from recovering costs incurred from civil penalties; to initiate an investigation of a utility's performance in restoring power, review annually utility capital expenditures and order improvements; to require utilities to submit enhanced storm and emergency response plans; to revoke a utility's operating certificate. Additionally, this part would add gas production and gathering lines to the classification of "underground facilities" regulated by the PSC. It also would increase penalties for failure to comply with provisions relating to protection of underground facilities.
P	Extend the authority of the Secretary of State to charge increased fees for expedited handling of documents	This part would extend for one year the Secretary of State's authority to charge increased fees for the expedited handling of documents issued by or requested from the Department's Division of Corporations.
Q	Facilitate an online corporate filing system	This part would eliminate categories of corporation types. It would remove various filing requirements of businesses and not-for-profit corporations. It also would direct the Department of State to develop an online corporate filing system.

**A. 3009 - REVENUE**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	MTA business tax extender	This part would extend the MTA business tax surcharge for five years, until December 31, 2018.
B	New York Film Production tax credit extender and enhancer	This part would extend the New York Film Production tax credit for five years, through 2019; in addition, the proposal would extend the credit to certain visual effects and animation projects while requiring additional reporting requirements by the Governor's Office of Motion Picture and Television Development.
C	New York Innovation Hot Spot Program	This part would create the New York Innovation Hot Spots Program; the program would authorize tax benefits for businesses in the formative stage of development with ties to private or public universities and colleges and non-profit organizations associated with universities.
D	High Income Charitable Contribution extender	This part would extend the high income (over \$10 million) charitable contribution deduction limitation of 25 percent for three years through 2015.
E	Royalty Income	This part would eliminate the income exclusion provisions for royalty income, thereby closing a loophole that allowed taxpayers to avoid significant tax add-back while qualifying for substantial income exclusions.
F	Historic Commercial Properties extender and enhancer	This part would extend the current tax credit for rehabilitation of historic properties through 2019; beginning in 2015 the credit would refundable.
G	NY Electric Vehicle Recharging Equipment credit	This bill would provide an electric vehicle recharging equipment tax credit equal to the lesser of \$5000 or 50 percent of related costs; the credit would sunset on December 31, 2017.
H	Tax Modernization Provisions	This part would make permanent the tax modernization provisions that were initially enacted in 2011 and subsequently amended in 2012, inclusive of sales tax compliance provisions.
I	Taste-NY Facilities	This part would exempt from sales and use taxes, food and drink (to include alcoholic beverages) and tangible property (up to \$200) that are made in New York for on or off-premises consumption and other types of prepared food that would otherwise be subject to sales tax.
J	IDA Reform	This bill amend certain provisions related to the eligibility of State sales tax exemption benefits authorized through the Industrial Development Agencies (IDAs)



<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
K	Uncompressed Natural Gas Exemption	This part would exempt from sales tax purchases of uncompressed natural gas intended for conversion into compressed natural gas for private use or sale for use in motor vehicles engines.
L	Emergency Vehicle Motor Diesel Fuel Exemption	This part would authorize the reimbursement of the Article 13-A (petroleum business tax) related to motor fuel and diesel fuel used in volunteer emergency vehicles.
M	Sales Tax Certificate of Authority	This part closes a loop hole that allows businesses to maintain a Certificate of Authority (COA) when they have fixed and final tax obligations by making grounds for revocation consistent with grounds of denying an application for COA.
N	Cigarette and Tobacco Certificate of Registration	This part authorizes the Department of Taxation and Finance to refuse to issue a Certificate of Registration to retail dealers of cigarettes and tobacco products if they have fixed and final tax obligation or have been convicted of a tax crime.
O	Unstamped Cigarettes	This part would increase the penalty for possessing or controlling unstamped or unlawfully stamped cigarettes from a maximum of \$150 to \$600.
P	Driver's License Suspension	This part would authorize the Department of Taxation and Finance, acting with the assistance of the Department of Motor Vehicles, to suspend a New York State driver's licenses of taxpayers who owe certain past-due tax liabilities.
Q	Wage Garnishment	This part would authorize the Department of Taxation and Finance to garnish wages of certain delinquent taxpayers without filing a warrant with the County Clerk or the State.
R	Local Sales Tax	This part would make permanent municipalities' authority to extend local sales tax currently in effect without legislative approval.
S	Quick Draw	This part removes restrictions related to the operation of Quick Draw.
T	Monticello Casino and Raceway	This part extends Monticello Casino and Raceway video lottery terminal venue distribution rates an additional year, until April 1, 2014.
U	Pari-Mutuel Permanency	This part would make certain tax rates and authorization for account wagering permanent.

**JOINT FISCAL COMMITTEE HEARINGS ON THE EXECUTIVE BUDGET  
STATE FISCAL YEAR 2013-14**

<b>DATE</b>	<b>TIME</b>	<b>TOPIC</b>
January 28	9:30 AM	Local Government Officials and General Government
January 29	10:00 AM	Elementary & Secondary Education
January 30	10:00 AM	Health / Medicaid
January 31	10:00 AM	Transportation
February 4	9:30 AM	Environmental Conservation
February 5	9:30 AM	Housing
February 5	1:00 PM	Human Services
February 6	10:00 AM	Public Protection
February 11	9:30 AM	Higher Education
February 12	9:30 AM	Taxes
February 12	1:00 PM	Economic Development
February 27	9:30 AM	Mental Hygiene
February 27	1:00 PM	Workforce Development

**FORECAST OF RECEIPTS**

On or before February 28

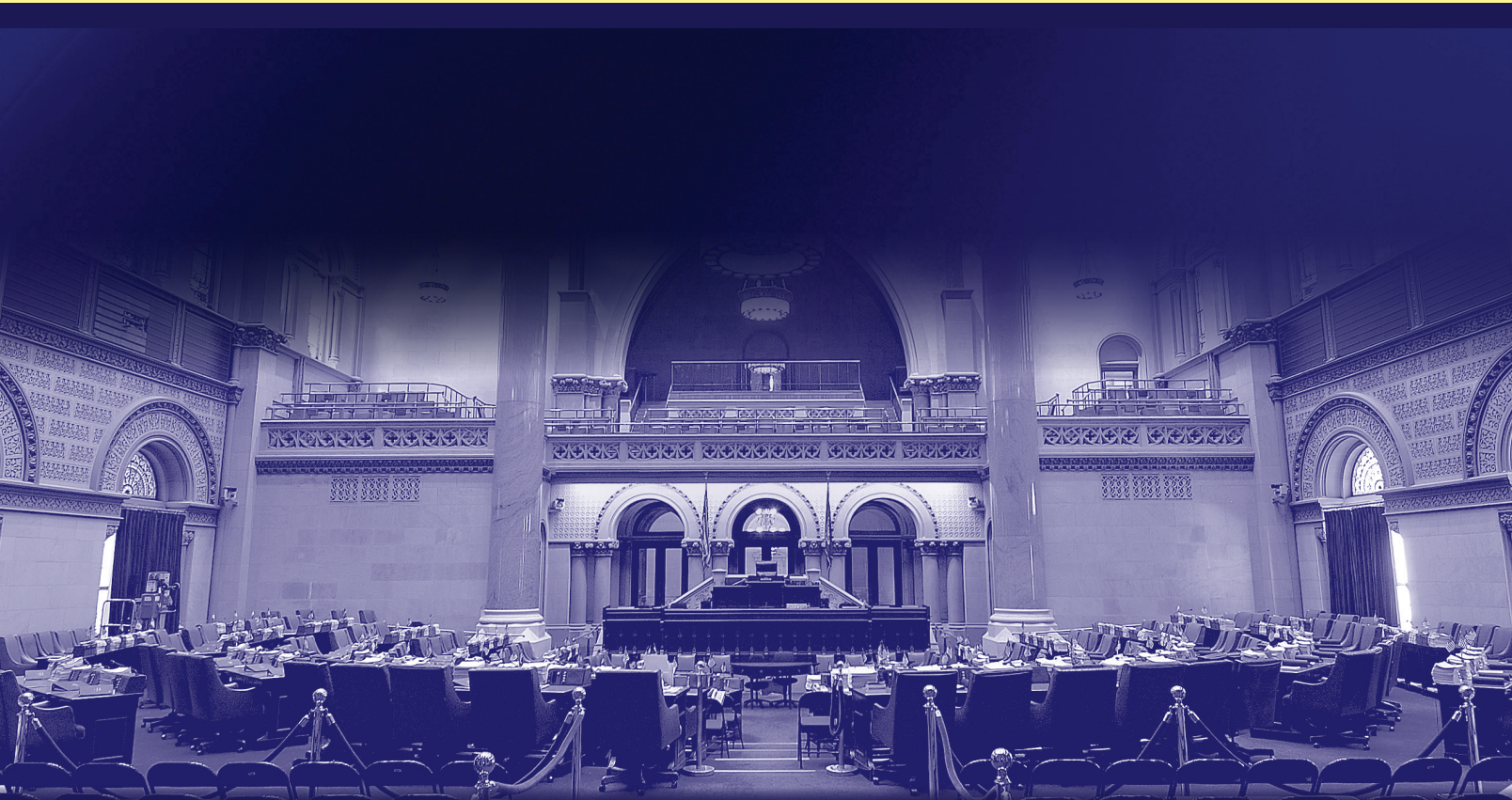
Release of revenue receipts by the Fiscal Committees of the Legislature

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



# **SECTION II**

## **Summary of Recommended Appropriations by Agency**



**SECTION TWO**

**Summary of Recommended Appropriations By Agency  
State Fiscal Year 2013-14**

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# **PUBLIC PROTECTION & GENERAL GOVERNMENT**

**Summary of Recommended Appropriations  
By Agency**

## DIVISION OF ALCOHOLIC BEVERAGE CONTROL

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	17,001,000	18,893,000	1,892,000	11.1%
<b>Total for AGENCY SUMMARY:</b>	<b>17,001,000</b>	<b>18,893,000</b>	<b>1,892,000</b>	<b>11.1%</b>

### Agency Mission

The Division of Alcoholic Beverage Control (Division) regulates and controls the manufacture, sale and distribution of alcoholic beverages within the state. The Division also issues and renews licenses and permits to manufacturers, distributors, wholesalers and retailers and works with local law enforcement agencies to ensure compliance with the Alcohol Beverage Control law.

### Budget Summary

The Executive Budget recommends an All Funds appropriation of \$18.9 million for the Division, which reflects an increase of \$1.9 million or 11 percent over the State Fiscal Year (SFY) 2012-13 funding level. The increase provides for growth in costs related to the implementation and development of the statewide e-Licensing Project, which will streamline and improve the processing of license applications.

The Executive Budget recommends funding for a workforce of 127 full-time equivalent positions, which reflects no change from the SFY 2012-13 staffing level.

### State Operations Appropriations

(A. 3000)

The Executive Budget recommends \$18.9 million in State Operations appropriations, an increase of \$1.9 million over the current funding level. The increased amount provides for the following recommendations:

- \$1 million for e-licensing;
- \$236,000 reflect additional NPS for e-licensing and the call center;
- \$219,000 for mandated collective bargaining increases; and
- \$218,000 to cover the cost of fringe benefit and indirect cost rate adjustments.

In addition, under the Executive proposal New York City and the ABC would partner to administer a program designed to prevent underage drinking; an appropriation of \$200,000 is provided in anticipation of a federal grant.

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**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
All Other Funds:	127	127	0
<b>TOTAL:</b>	<b>127</b>	<b>127</b>	<b>0</b>

## DEPARTMENT OF AUDIT AND CONTROL

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	272,259,000	273,089,000	830,000	0.3%
AID TO LOCALITIES	32,025,000	32,025,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>304,284,000</b>	<b>305,114,000</b>	<b>830,000</b>	<b>0.3%</b>

### Agency Mission

The Department of Audit and Control (Department) is responsible for paying the state's bills and payrolls, verifying all financial transactions of the state, reviewing the financial and management practices of state agencies, supervising the fiscal affairs of local governments, investing state funds, issuing bonds and notes, and administering the retirement program for the state and most local government employees. The Department has its main office in Albany and regional offices in New York City, Buffalo, Rochester, Syracuse, Binghamton, Glens Falls, Newburgh, and Hauppauge.

### Budget Summary

The Executive recommends \$305.1 million in All Funds appropriations for the Department of Audit and Control reflecting a slight increase of 0.3 percent or \$830,000.

The Executive recommends a workforce of 2,614 full-time equivalent (FTE) positions reflecting no change from the current State Fiscal Year (SFY) 2012-13 staffing level.

### State Operations Appropriations

(A. 3000)

The Executive recommends an All Funds State Operations appropriation of \$273.1 million which represents a slight net increase of \$830,000 and reflects the following:

- \$38.3 million is recommended for the Chief Information Office Program, reflecting a \$1.8 million increase over the current year, which reflects a change in internal accounting of IT contracts;



- \$44.9 million is recommended to fund the State and Local Accountability Program reflecting a net increase of \$129,000 over current year funding level; and
- \$44.9 million is recommended to support the State Operations Program, a net decrease of \$1.1 million over current year funding level of \$46 million.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

---

Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	1,384	1,384	0
All Other Funds:	1,230	1,230	0
<b>TOTAL:</b>	<b>2,614</b>	<b>2,614</b>	<b>0</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive recommends \$32.02 million in General Fund support for state reimbursements to cities, towns, or villages for special accidental benefits and for reimbursement to New York City for payments of special accidental death benefits arising from the World Trade Center attack.

**Article VII Proposals**

The Executive recommends Article VII legislation that would:

- provide local governments and school districts with a plan which offers a long-term pension contribution option.
  - Under this proposal, local governments and school districts would be given the option to “lock in” pension contributions for a period to be determined by the Comptroller and the Teachers’ Retirement System. The initial rates would be as follows:
    - 12 percent for the New York State and Local Employees’ Retirement System (NYSLERS);
    - 12.5 percent for the New York State Teachers’ Retirement System (NYSTRS); and
    - 18.5 percent for the New York State and Local Police and Fire Retirement System (NYSLPFRS).

- By comparison, the long term rates would be less than the scheduled contribution rates of 20.9 percent for the NYSLERS, 16.5 percent for NYSTRS and 28.9 percent for the NYSLPFRS.
- After five years, the Comptroller and the Teachers' Retirement system could elect to increase the rate by up to two percentage points. After ten years, the rates could again be increased or decreased by up to two percentage points.

## DIVISION OF THE BUDGET

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	51,857,000	53,878,000	2,021,000	3.9%
<b>Total for AGENCY SUMMARY:</b>	<b>51,857,000</b>	<b>53,878,000</b>	<b>2,021,000</b>	<b>3.9%</b>

### Agency Mission

The Division of the Budget (DOB) prepares the Governor's proposed budget and executes the budget as enacted by the Legislature. DOB also serves as the Governor's primary advisor on such fiscal matters as local government and public authority finances.

### Budget Summary

The Executive recommends All Funds appropriations of \$53.9 million, an increase of \$2.02 million over State Fiscal Year (SFY) 2012-13.

The Executive recommends funding 290 full-time equivalent positions in SFY 2013-14, representing no change from the SFY 2012-13 staffing level.

### State Operations Appropriations

(A. 3000)

The Executive recommends \$53.9 million in State Operations appropriations, reflecting a net increase of \$2.02 million in funding from SFY 2012-13 funding level. This increase in appropriations represents the following actions:

- a \$2.5 million increase is recommended to fund a new Financial Restructuring Assistance Program, which is led by a joint task force comprised of the Office of the State Comptroller, the Office of the Attorney General, DOB, and private-sector restructuring consultants. This program will offer advice to counties, cities, towns and villages that are in need of assistance in restructuring their finances; and

- a \$479,000 decrease is requested, reflecting the elimination of membership dues for the Council of State Governments (\$469,000) and the National Conference of Insurance Legislators (\$10,000).

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	266	266	0
All Other Funds:	24	24	0
<b>TOTAL:</b>	<b>290</b>	<b>290</b>	<b>0</b>

## DEPARTMENT OF CIVIL SERVICE

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	55,446,000	56,549,000	1,103,000	2.0%
<b>Total for AGENCY SUMMARY:</b>	<b>55,446,000</b>	<b>56,549,000</b>	<b>1,103,000</b>	<b>2.0%</b>

### Agency Mission

The Department of Civil Service is charged with providing human resource management services to state and local governments.

### State Operations Appropriations

(A. 3000)

The Executive recommends an All Funds appropriation of \$56.55 million, an increase of \$1.1 million or 2 percent over the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 350 full-time equivalent (FTE) positions, an increase of 26 from SFY 2012-13 levels.

### **Agency Operations**

The Executive Budget proposes a net \$1.1 million increase to the SFY 2012-13 appropriation to reflect an increase in fringe benefits and an adjustment to align actual spending with appropriations. These increases are offset by commensurate reductions in non-personal service spending.

### **Mergers**

The Executive Budget would merge the Governor's Office of Employee Relations (GOER) with the Department of Civil Service to manage the State government workforce. GOER would be merged into the Department of Civil Service administratively; the Executive does not propose Article VII language to effectuate the merger and no appropriations are combined.

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**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	324	350	26
<b>TOTAL:</b>	<b>324</b>	<b>350</b>	<b>26</b>



## DEPARTMENT OF CORRECTIONS AND COMMUNITY SUPERVISION

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	2,998,025,000	2,791,779,000	(206,246,000)	-6.9%
AID TO LOCALITIES	31,171,000	31,171,000	0	0.0%
CAPITAL PROJECTS	320,000,000	310,000,000	(10,000,000)	-3.1%
<b>Total for AGENCY SUMMARY:</b>	<b>3,349,196,000</b>	<b>3,132,950,000</b>	<b>(216,246,000)</b>	<b>-6.5%</b>

### Agency Mission

The Department of Corrections and Community Supervision (Department) is responsible for providing services that felony offenders need in safe and secure facilities, preparing offenders for release, and ensuring they receive appropriate monitoring and support while under community supervision. The goal of the Department is to enhance public safety by ensuring the successful completion of an offender's sentence in order to lower the risk of recidivism.

### Budget Summary

The Executive proposes All Funds appropriations of \$3.13 billion, a decrease of \$216.25 million or 6.5 percent, from the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 29,471 full-time equivalent positions, an increase of 134 positions.

### State Operations Appropriations

(A. 3000)

The Executive proposes All Funds State Operations appropriations of \$2.79 billion, a decrease of \$206.25 million or 6.9 percent from the SFY 2012-13 level. This significant year to year decrease is attributable to the elimination of non-recurring, retroactive contract settlements with employee compensation.

### **Prison Closures**

The Executive proposes an appropriation decrease of \$18.69 million in SFY 2013-14 funding related to the closure of two women's correctional facilities including the Bayview Correctional Facility

(a \$12.08 million reduction) and Beacon Correctional Facility (a \$6.12 million reduction). In addition to the reduction in operating costs, the Executive assumes to decrease appropriations by \$3.99 million related to a continued decline in undercustody population. These reductions would be offset by \$3.5 million in targeted reinvestments to assist employees impacted by the closures.

**Prison Workforce**

The Executive proposes an additional \$33.41 million to support projected increases in personal services costs for SFY 2013-14 and \$22.87 million to support prior year personal service obligations. In addition, the Executive recommends an increase of \$3.5 million to hire new employees to fill crucial positions in health and safety. These increases would be offset by a decrease of \$16.04 million due to a reduction in employee overtime.

<b>ALL FUNDS PERSONNEL BUDGETED FILL LEVELS</b>			
Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	28,362	28,496	134
All Other Funds:	975	975	0
<b>TOTAL:</b>	<b>29,337</b>	<b>29,471</b>	<b>134</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes an All Funds Aid to Localities appropriation of \$31.17 million, unchanged from the SFY 2012-13 level.

**Capital Projects Appropriations**  
(A.3004)

The Executive proposes an All Funds capital projects appropriation of \$310 million, a decrease of \$10 million or 3.1 percent from the SFY 2012-13 level.

The Executive proposes a decrease of \$26 million in appropriations for health and safety programs; preservation maintenance of assets programs; and program improvements. The Executive proposes an increase of \$4 million to support necessary upgrades to various water systems, wastewater systems, petroleum bulk storage projects and the decommissioning of a dam. An increase of \$12 million is provided for various electrical, heating, window and roof repair and replacement projects.

## **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- allow the closure of Bayview Women's Correctional Facility in Manhattan and Beacon Women's Correctional Facility in Dutchess County in SFY 2013-2014, provided that the Governor provides the legislature with at least 60 days notice;
- convey the land and buildings of the former Fulton Correctional Facility located in the Bronx to the Thomas Mott Osborne Memorial Fund for use in providing reform and rehabilitation programs, alternatives to incarceration programs and reentry services; and
- extend various criminal justice programs set to expire in 2013.

## COMMISSION OF CORRECTION

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	2,915,000	2,915,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>2,915,000</b>	<b>2,915,000</b>	<b>0</b>	<b>0.0%</b>

### Agency Mission

The Commission of Correction works to provide for a safe, stable and humane correctional system statewide by: monitoring, adjusting, and enhancing prison and jail population capacity; overseeing new jail facility development; assisting jails in the implementation of new correctional technologies; investigating prisoner mortality; providing advice on staffing, health and mental health services, and advising the Governor on correctional policy.

### Budget Summary

The Executive proposes an All Funds appropriation of \$2.9 million which is unchanged from the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 29 full-time equivalent positions, which is unchanged from the SFY 2012-13 level.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$2.9 million; unchanged from the SFY 2012-13 level.

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**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	29	29	0
<b>TOTAL:</b>	<b>29</b>	<b>29</b>	<b>0</b>

## DIVISION OF CRIMINAL JUSTICE SERVICES

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	85,193,000	88,428,000	3,235,000	3.8%
AID TO LOCALITIES	176,442,997	177,265,000	822,003	0.5%
<b>Total for AGENCY SUMMARY:</b>	<b>261,635,997</b>	<b>265,693,000</b>	<b>4,057,003</b>	<b>1.6%</b>

### Agency Mission

The Division of Criminal Justice Services (DCJS) is the agency administering both state and federal funds that support programs designed to combat crime, drug abuse, and violence. DCJS maintains criminal history and statistical data for federal, state and local law enforcement agencies, identifies criminals through fingerprints, maintains the sex offender registry and provides training and management services to local law enforcement agencies.

### Budget Summary

The Executive proposes an All Funds appropriation of \$265.73 million, an increase of \$4.06 million or 1.6 percent, from the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 443 full-time equivalent positions, an increase of 20 positions.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$88.43 million, an increase of \$3.24 million or 3.8 percent, from the SFY 2012-13 level.

### **DNA Databank Expansion**

The Executive proposes an increase of \$135,000 to support the expansion of the DNA Databank.



## Other Proposals

The Executive proposes an increase of \$910,000 related to the transfer of federally funded positions to the General Fund and an increase of \$640,000 to support past obligations to state workers. These increases would be offset by a \$1.45 million decrease in General Fund appropriations due to savings realized by DCJS due to its relocation to the Alfred E. Smith Building.

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### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	384	404	20
All Other Funds:	39	39	0
<b>TOTAL:</b>	<b>423</b>	<b>443</b>	<b>20</b>

### Aid to Localities Appropriations (A. 3003)

The Executive proposes an All Funds Aid to Localities appropriation of \$177.26 million, an increase of \$4.06 million, from the SFY 2012-13 level.

### **Alternatives to Incarceration (ATI)**

The Executive proposes a consolidation of \$5.16 million in existing funding for the Classification Alternatives (CLASS) program (\$3.25 million) and the Drug Alcohol program (\$1.91 million).

The Executive Budget also proposes a consolidation of \$11.44 million in funding to support Community Corrections programs that would target the highest risk offenders. This consolidation includes \$3.97 million from existing ATI demonstration programs and \$469,000 from existing supervision and treatment programs. These amounts would be supplemented with \$7 million in new General Fund support to replace prior-year Federal Byrne/JAG funding formerly provided through the American Recovery and Reinvestment Act of 2009.

The Executive also proposes the elimination of \$1.2 million in support for certain ATI programs.

### **District Attorney Salary Reimbursement**

The Executive proposes a total of \$3.9 million, an increase of \$1.05 million from SFY 2012-13 levels, to support the full cost of local district attorney salary increases that are tied to scheduled increases in judicial compensation.

### **General Fund Program Eliminations**

The Executive proposes the elimination of \$4.3 million in General Fund support for various programs, as noted below:

<b>Program</b>	<b>SFY 2012-13</b>	<b>SFY 2013-14</b>
New York State Defenders Association	\$1,000,000	-
Family Court Domestic Violence Services	\$600,000	-
Prisoners' Legal Services	\$500,000	-
DV Training for Local Law Enforcement and Judges	\$500,000	-
Law Enforcement, Anti-Violence, Anti-Drug, Crime Control Prevention	\$450,000	-
Immigration Legal Services	\$450,000	-
Stab Resistant Gloves for New York City Correction Officers	\$250,000	-
Common Justice at the Vera Institute	\$200,000	-
Greenpoint Outreach Domestic and Family Intervention Program	\$150,000	-
John Jay College Prison to College Pipeline	\$100,000	-
Consortium of the Niagara Frontier	\$100,000	-
<b>Grand Total</b>	<b>\$4,300,000</b>	-

### **Federal Edward Byrne Memorial/Justice Assistance Grant (JAG) Support**

The Executive proposes a \$1.60 million increase to Byrne/JAG appropriations to match projected levels of federal support.

### **Legal Services Assistance Fund Allocations**

The Executive proposes the elimination of \$2.65 million in civil legal services grants, \$650,000 in support for the Indigent Parolee Program and \$650,000 in domestic violence legal services.

Instead, the Executive proposes a new \$3.7 million appropriation for a new combined legal services funding source that will offer grants for civil/criminal legal services and domestic violence related legal services, awarded on a competitive basis.

### **Criminal Justice Improvement Account Allocations**

The Executive proposal would eliminate \$1.22 million in funding for various civil and criminal domestic violence legal services providers.

## Article VII Proposals

The Executive recommends Article VII legislation that would:

- transfer the former Fulton Correctional Facility to the Thomas Mott Osborne Memorial Fund for the purpose of reform and rehabilitation of individuals in conflict with the law, alternatives to incarceration, re-entry services, victim services, and related community activities;
- extend for one year the effective date of the provision of law that allows a district attorney in New York City to retain a portion of monies recovered before the filing of an accusatory instrument; and
- ratify the National Crime Prevention and Privacy Compact Act to permit New York State to participate in the National Fingerprint File program, which allows for the sharing of criminal history records for civil purposes directly with the federal government and 29 other states that have ratified the compact; and
- extend various criminal justice programs set to expire in 2013.

# STATE BOARD OF ELECTIONS

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	5,305,000	5,200,000	(105,000)	-2.0%
AID TO LOCALITIES	1,000,000	0	(1,000,000)	-100.0%
<b>Total for AGENCY SUMMARY:</b>	<b>6,305,000</b>	<b>5,200,000</b>	<b>(1,105,000)</b>	<b>-17.5%</b>

### Agency Mission

The State Board of Elections (SBOE) executes and enforces the Election Law and oversees the disclosure of campaign financing practices. The Board reviews the practices of all 58 local boards of elections; regulates access to the ballot for State offices; approves voting systems for use within the State; maintains the statewide voter registration database. The Board is also responsible for the disclosure and enforcement of campaign financing and practices; and implementing various Federal voting programs (i.e. Help America Vote Act, National Voter Registration Act, Military and Overseas Voter Empowerment Act).

### Budget Summary

The Executive recommends an All Funds appropriation of \$5.2 million for the State Board of Elections (SBOE) reflecting a decrease of \$1.11 million in funding from the SFY 2012-13 funding level.

The Executive recommends funding 58 full-time equivalent (FTE) positions in State Fiscal Year (SFY) 2013-14, reflecting no change from the SFY 2012-13 staffing level.

### State Operations Appropriations

(A. 3000)

The Executive recommends \$5.2 million in General Fund support for SBOE, providing for a net decrease of \$105,000 reflecting in part SBOE's relocation into state-owned office space.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	58	58	0
<b>TOTAL:</b>	<b>58</b>	<b>58</b>	<b>0</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes a decrease of \$1 million federal appropriations, representing the elimination of federal grants for the alteration of poll sites to promote handicap accessibility.

## OFFICE OF EMPLOYEE RELATIONS

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	7,707,000	12,992,000	5,285,000	68.6%
<b>Total for AGENCY SUMMARY:</b>	<b>7,707,000</b>	<b>12,992,000</b>	<b>5,285,000</b>	<b>68.6%</b>

### Agency Mission

In accordance with the Public Employees' Fair Employment Act (the Taylor Law), the Office of Employee Relations represents the Governor in collective bargaining with public employee unions and directs the state's employee relations policies so that agencies and employees provide high quality, uninterrupted state government services.

### Budget Summary

(A. 3000)

The Executive recommends All Funds appropriations of \$12.99 million, an increase of \$5.29 million or 68.6 percent over the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 50 full-time equivalent positions, reflecting no change from SFY 2012-13 levels.

### State Operations Appropriations

The Executive recommends All Funds appropriations of \$12.99 million, an increase of \$5.29 million or 68.6 percent over the SFY 2012-13 level.

### **Job Training**

The Executive proposes a \$5 million appropriation for a pilot program to provide job placement training. The pilot training program is for employees that would be impacted by facility closures or restructurings, including employees at the Office of People with Developmental Disabilities, the Office of Children and Family Services, the Office of Mental Health, and the Division of Corrections and Community Supervision, who are not offered a State employment opportunity within 100 miles of their current work location. The purpose of this training is to assist these employees in securing an alternative employment opportunity in state service.

## Agency Operations

The Executive provides increases of \$406,000 related to personal service, fringe, and indirect costs, which are offset by the elimination of \$121,000 in appropriation authority from underutilized accounts.

## Merger

The Executive Budget would merge the Governor's Office of Employee Relations (GOER) with the Department of Civil Service to jointly manage the state government workforce. This agency would be merged administratively; the Executive does not propose Article VII language to effectuate the merger.

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### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	50	50	0
<b>TOTAL:</b>	<b>50</b>	<b>50</b>	<b>0</b>



## EXECUTIVE CHAMBER

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	18,484,000	18,484,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>18,484,000</b>	<b>18,484,000</b>	<b>0</b>	<b>0.0%</b>

### Agency Mission

The Executive Chamber is the Office of the Governor and includes the immediate staff that assists the Governor. The Office of the Governor is located in the State Capitol in Albany and also has offices in New York City and Washington, DC.

The Office of the Lieutenant Governor, in addition to other projects, is responsible for assisting the Governor in leading the Regional Economic Development Councils that will coordinate and integrate State agency responses with local government and business activities to create jobs.

Appropriations for the Executive Chamber and the Office of the Lieutenant Governor are included in State Operations appropriations bill.

### Budget Summary

The Executive recommends an All Funds appropriation of \$18.5 million to support the activities of the Executive Chamber (\$17.9 million) and the Office of the Lieutenant Governor (\$630,000), reflecting no change from the State Fiscal Year (SFY) 2012-13 level.

The Executive budget recommends funding for 136 full-time equivalent (FTE) positions for the Office of the Governor and seven FTE positions for the Office of the Lieutenant Governor, which also reflects no change from the SFY 2012-13 staffing level.

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**ALL FUNDS PERSONNEL**  
**BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	143	143	0
<b>TOTAL:</b>	<b>143</b>	<b>143</b>	<b>0</b>

## DEPARTMENT OF FINANCIAL SERVICES

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	326,630,823	326,630,823	0	0.0%
AID TO LOCALITIES	225,566,000	225,566,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>552,196,823</b>	<b>552,196,823</b>	<b>0</b>	<b>0.0%</b>

### Agency Mission

The Department of Financial Services (DFS) supports the regulatory and oversight functions of the Banking and Insurance Departments to make the state's oversight of financial services responsive to the current needs of the industry and its customers. DFS was consolidated as part of the State Fiscal Year (SFY) 2011-12 Budget and began its joint operations on October 3, 2011. The consolidation enabled the state to unify oversight functions of financial services and to more rapidly respond to changing market practices.

### Budget Summary

The Executive proposes All Fund appropriations of \$552.2 million, reflecting no change from the SFY 2012-13 levels. The Executive proposes funding support for 1,337 full-time equivalent positions, an increase of 94 from SFY 2012-13 revised levels.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$326.6 million, reflecting no change from SFY 2012-13.

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**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
All Other Funds:	1,243	1,337	94
<b>TOTAL:</b>	<b>1,243</b>	<b>1,337</b>	<b>94</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes an All Funds Aid to Localities appropriation of \$225.6 million, reflecting no change from the SFY 2012-13.

**Article VII Proposals**  
(A. 3006)

The Executive recommends Article VII language that would make several changes to Insurance Law provisions to conform with Affordable Care Act (ACA), which include requirements:

- exempting navigators from being required to have a broker license;
- converting the autism mandate from dollars to an equivalent number of hours;
- establishing a new category of student health insurance;
- requiring HMO's to offer coverage that meets the requirements of the ACA;
- bringing conversion health insurance policies into compliance with the ACA;
- requiring policies issued to small groups to provide coverage for essential health benefits;
- eliminating Healthy NY coverage and program funding on December 31, 2013;
- making August 31 the reporting date for Medical Loss Ratio rebates;
- implementing a risk-adjustment system on all the non-grandfathered individual and small group markets;
- establishing an alternate process by which insurers may cease to offer a particular class of group or blanket policy of hospital, surgical or medical expense insurance; and
- establishing group definitions to conform with ACA and regulations.

The Executive further recommends Article VII language that would:

- limit the number of excess medical malpractice policies purchased for physicians using State funds to the number of policies that can be supported by the amount appropriated. Priority would be granted to the highest risk specialties; and
- modify several insurance related provisions including rate setting and adequate network coverage to require health insurer coverage of EI services and prohibit HMOs from discriminating against insured individuals receiving EI services.

## OFFICE OF GENERAL SERVICES

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	982,315,000	1,026,425,000	44,110,000	4.5%
CAPITAL PROJECTS	82,065,000	97,000,000	14,935,000	18.2%
<b>Total for AGENCY SUMMARY:</b>	<b>1,064,380,000</b>	<b>1,123,425,000</b>	<b>59,045,000</b>	<b>5.5%</b>

### Agency Mission

The Office of General Services (OGS) supports the operation of state agencies by providing space planning and leasing; real property management and maintenance; centralized contracting for commodities, printing and equipment maintenance services; employee and visitor parking management; and interagency mail and courier assistance. OGS also provides a number of smaller agencies with various centralized administrative and information processing services.

### Budget Summary

The Executive proposes All Funds appropriations of \$1.12 billion, an increase of \$59.05 million or 5.5 percent over the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 1,439 full-time equivalent (FTE) positions, an increase of 87 FTEs.

### State Operations Appropriations

(A. 3000)

The Executive proposes All Funds State Operations appropriations of \$1.03 billion, an increase of \$44.11 million or 4.5 percent over the SFY 2012-13 level.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	1,352	1,439	87
<b>TOTAL:</b>	<b>1,352</b>	<b>1,439</b>	<b>87</b>

### **Business Services Center**

The Executive proposes the transfer of the human resources and finance staff and funding resources from over 50 agencies into the new OGS Business Services Center (BSC). This consolidation will be completed by the end of SFY 2013-14. The Executive also proposes an increase of \$9.1 million for consultant services related to the BSC transformation.

The Executive also proposes to continue the Strategic Sourcing initiative in order to consolidate the procurement of various resources for all agencies, including automobiles, computers, health services, and many other categories. This will result in a savings of \$622,000 in SFY 2013-14.

### **Real Estate**

The state has continued their “restacking initiative” by consolidating various agencies into state-owned buildings, resulting in a savings on real estate. The Albany and New York City phases of restacking are being finalized and the current focus has shifted to the rest of the state where there are fewer state-owned buildings. As a result, the Executive proposes reductions of \$4.02 million in SFY 2013-14. The Executive proposes an increase of \$30,000 for the development of a Real Estate Asset System. In addition, the Executive proposes \$2.89 million for staff to perform maintenance and updates on state properties.

There were a number of large properties sold in SFY 2012-13, and the Executive proposal includes funding of \$6 million to pay for brokerage fees and other associated costs for future sales of large buildings.

### **Agriculture and Markets Food Laboratory**

The Executive proposes a transfer of \$2.4 million in funding to allow OGS to provide operational management and maintenance services to a new food laboratory operated by the Department of Agriculture and Markets.



## **NYS Media Center**

The Executive proposes that \$2.7 million and 35 FTEs associated with the New York State Media Center, which is used as a satellite network by the SUNY system and the New York State Lottery, be transferred into OGS.

## **Print Shop Consolidation**

The Executive proposes the consolidation of the print shops of the Department of Homeland Security and Emergency Services, the Office for People with Developmental Disabilities, and the Department of Health within OGS and includes an additional 8 FTEs and funding of \$1.5 million for this purpose.

## **Capital Projects Appropriations**

(A. 3004)

The Executive proposes All Funds Capital Projects appropriations of \$97 million, an increase of \$14.94 million or 18.2 percent over the SFY 2012-13 level. This increase will primarily support the rehabilitation and improvement of the State Capitol and Empire State Plaza.

## **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- allow state agencies to purchase food grown, harvested, produced, manufactured, or processed in New York State, in an amount not exceeding \$200,000, without a competitive bid process; and
- permit state agencies and authorities to use design-build contracts and design-build-finance contracts as alternative project delivery methods.

## DIVISION OF HOMELAND SECURITY AND EMERGENCY SERVICES

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	63,456,000	65,622,000	2,166,000	3.4%
AID TO LOCALITIES	1,463,051,000	13,703,751,000	12,240,700,000	836.7%
<b>Total for AGENCY SUMMARY:</b>	<b>1,526,507,000</b>	<b>13,769,373,000</b>	<b>12,242,866,000</b>	<b>802.0%</b>

### Agency Mission

The Division of Homeland Security and Emergency Services (DHSES) was established in July 2010 through the merger of several existing state entities. Today, the Division is comprised of: the Office of Counter-Terrorism, the Office of Emergency Management, the Office of Fire Prevention and Control, the Office of Cyber Security, and the Office of Interoperable and Emergency Communications. Legislation accompanying the Executive Budget would transfer the Office of Cyber Security to the Office of Information Technology Services, which would assume responsibility for monitoring the state's electronic networks.

DHSES is responsible for the protection of the state's citizens, communities, resources, economy, and infrastructure from acts of terrorism, natural disasters, and other emergencies.

### Budget Summary

The Executive proposes All Funds appropriations of \$13.77 billion, an increase of \$12.24 billion or 802 percent from the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 388 full-time equivalent positions, a decrease of one position.

The Executive proposes a new \$8 billion Public Security and Emergency Response appropriation which may be used to implement Superstorm Sandy recovery or disaster mitigation and preparedness programs authorized by state and federal government, including making payments to local governments, public authorities, not-for-profit corporations, businesses and individuals.

**State Operations Appropriations**

(A. 3000)

The Executive proposes All Funds State Operations appropriations of \$65.62 million, an increase of \$2.17 million or 3.4 percent from the SFY 2012-13 level.

The Executive proposes an increase of \$1.37 million in appropriations to provide for prior year personal service obligations and an increase of \$807,000 to cover the state share for disaster assistance.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	89	88	(1)
All Other Funds:	299	299	0
<b>TOTAL:</b>	<b>388</b>	<b>387</b>	<b>(1)</b>

**Aid to Localities Appropriations**

(A. 3003)

The Executive proposes All Funds Aid to Localities appropriations of \$13.7 billion, an increase of \$12.24 billion or 836.7 percent from the SFY 2012-13 level.

**Superstorm Sandy Recovery**

The Executive proposes an increase of \$200 million in General Fund disaster relief appropriations under DHSES. While the Executive projects that all damage related to Superstorm Sandy would be reimbursed by the federal government, this appropriation would provide a contingency in the event of future disasters or other unforeseen events.

The Executive also proposes an increase of \$12.65 billion in federal appropriations to the disaster assistance program to facilitate the payment of the federal government's share of Public Assistance and hazard mitigation costs resulting from natural or man-made disasters, including those costs associated with Superstorm Sandy.

## **Interoperability Grants**

The Executive proposes a decrease of \$9.3 million in appropriations resulting from the elimination of funding for local wireless public safety answering points.

The Executive proposes to accelerate the next phase of statewide interoperable communications grants to counties by combining two award cycles into one thereby increasing the current year grant awards to \$102 million from \$66 million.

## **Article VII Proposals**

The Executive recommends Article VII legislation that would include schools in the Intermutual Aid Program (IMAP) for disaster response which establishes financial and workforce rules that all participating municipalities must follow when they assist one another in disaster response activities.

## OFFICE OF INDIGENT LEGAL SERVICES

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	1,500,000	1,500,000	0	0.0%
AID TO LOCALITIES	81,000,000	77,000,000	(4,000,000)	-4.9%
<b>Total for AGENCY SUMMARY:</b>	<b>82,500,000</b>	<b>78,500,000</b>	<b>(4,000,000)</b>	<b>-4.8%</b>

### Agency Mission

The Office of Indigent Legal Services (Office) and its associated Indigent Legal Services Board, is responsible for the study, oversight, and improvement of the public criminal defense system in New York State. The Indigent Legal Services Board is responsible for the approval or modification of grant distribution proposals, advising the Office with regard to legal defense programs, and for reporting to the Governor, the Legislature and the Judiciary on an annual basis.

### Budget Summary

The Executive proposes All Funds appropriations of \$78.5 million, a decrease of \$4 million or 4.8 percent, from the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 10 full-time equivalent positions, which is unchanged from the SFY 2012-13 level.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$1.5 million unchanged from the SFY 2012-13 level.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
All Other Funds:	10	10	0
<b>TOTAL:</b>	<b>10</b>	<b>10</b>	<b>0</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes All Funds Aid to Localities appropriations of \$78.50 million, a decrease of \$4 million or 4.9 percent from the SFY 2012-13 level, reflecting a reduction in support for county indigent defense services.

## OFFICE OF THE INSPECTOR GENERAL

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	8,276,000	8,056,000	(220,000)	-2.7%
<b>Total for AGENCY SUMMARY:</b>	<b>8,276,000</b>	<b>8,056,000</b>	<b>(220,000)</b>	<b>-2.7%</b>

### Agency Mission

The Office of the Inspector General is responsible for investigating instances of fraud, abuse, criminal activity, and corruption in state agencies. Its mission is designed to ensure that state government maintains the highest standards of integrity and accountability.

The Office's jurisdiction includes more than 150 Executive Branch agencies, departments, divisions, offices, boards, commissions, public authorities and public benefit corporations and any entity of State government headed by an appointee of the Governor, that does not have its own statutory Inspector General.

### Budget Summary

The Executive recommends an All Funds appropriation of \$8.1 million for the Office of the Inspector General (OIG). The Executive proposes to merge the Office of Welfare Inspector General (OWIG) into OIG in order to jointly combat welfare fraud and help ensure the most efficient use of resources.

The Executive recommends a workforce of 72 full-time equivalent (FTE) positions in State Fiscal Year (SFY) 2013-14 for OIG, reflecting an increase of four FTEs over the SFY 2012-13 funding level.

### State Operations Appropriations

(A. 3000)

The Executive recommends \$8.1 million in General Fund State Operations support, which reflects a decrease of \$220,000 due to non-recurring savings associated with personnel transfers from OWIG.



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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	68	72	4
<b>TOTAL:</b>	<b>68</b>	<b>72</b>	<b>4</b>

**Article VII Proposals**

The Executive recommends Article VII legislation that would merge the Office of Welfare Inspector General (OWIG) into Office of the Inspector General (OIG).

## NEW YORK INTEREST ON LAWYERS ACCOUNT

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	1,841,000	1,841,000	0	0.0%
AID TO LOCALITIES	45,000,000	45,000,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>46,841,000</b>	<b>46,841,000</b>	<b>0</b>	<b>0.0%</b>

### Agency Mission

The Interest on Lawyer Account (IOLA) Fund was established in 1983 to finance civil legal services for the indigent. Revenues are derived from the interest earned on small trust accounts in which attorneys hold certain funds for their clients. Banks transfer the interest earned on these escrow accounts to the IOLA Fund to finance grants to not-for-profit, tax-exempt entities providing civil legal services to the indigent, elderly, disabled and others.

### Budget Summary

The Executive proposes an All Funds appropriation of \$46.84 million, which is unchanged from the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of eight full-time equivalent positions, which is unchanged from the SFY 2012-13 level.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$1.84 million, which is unchanged from the SFY 2012-13 level.

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**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
All Other Funds:	8	8	0
<b>TOTAL:</b>	<b>8</b>	<b>8</b>	<b>0</b>

**Aid to Localities Appropriations**

(A. 3003)

The Executive proposes an All Funds Aid to Localities appropriation of \$45 million, which is unchanged from the SFY 2012-13 level.

## JUDICIAL COMMISSIONS

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	5,452,000	5,452,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>5,452,000</b>	<b>5,452,000</b>	<b>0</b>	<b>0.0%</b>

### Agency Mission

New York State's three judicial commissions serve to maintain the integrity of the court system. The Commission on Judicial Nomination and the Judicial Screening Committees examine potential nominees for high-level judicial appointments by the Governor. The Commission on Judicial Conduct investigates and acts upon allegations of judicial misconduct.

### Budget Summary

The Executive proposes an All Funds appropriation of \$5.45 million which is unchanged from the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 50 full-time equivalent (FTE) positions, an increase of one position.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$5.45 million which is unchanged from the SFY 2012-13 level. Administrative actions and lower staff salaries at the Commission on Judicial Conduct would allow the Commission to add one new FTE with no additional cost.

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**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	49	50	1
<b>TOTAL:</b>	<b>49</b>	<b>50</b>	<b>1</b>

## DEPARTMENT OF LAW

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	215,278,000	220,641,000	5,363,000	2.5%
<b>Total for AGENCY SUMMARY:</b>	<b>215,278,000</b>	<b>220,641,000</b>	<b>5,363,000</b>	<b>2.5%</b>

### Agency Mission

The Department of Law (Department) provides legal counsel to the state and represents the state in court proceedings. The Department protects state agencies and citizens through the investigation of organized and white-collar crime as well as Medicaid fraud. It also protects consumers from fraudulent business practices and brings civil and/or criminal actions against violators of anti-trust laws. The Department defends the public interest through protecting charitable donors and beneficiaries, enforcing laws that prohibit discrimination, and pursuing actions against violators of environmental law.

### Budget Summary

The Executive proposes All Funds appropriations of \$220.64 million, an increase of \$5.36 million or 2.5 percent, from the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 1,798 full-time equivalent positions, which is unchanged from the SFY 2012-13 level.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriations of \$220.64 million, an increase of \$5.36 million or 2.5 percent, from the SFY 2012-13 level.

The Executive proposes a General Fund increase of \$600,000 which would support the relocation of the White Plains regional office and vehicle replacements, and an increase of \$552,000 to provide the state match for increased federal funding. The Executive also provides an increase of \$4 million to support additional personal service cots, including fringe benefit increases.

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**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	1,066	1,066	0
All Other Funds:	732	732	0
<b>TOTAL:</b>	<b>1,798</b>	<b>1,798</b>	<b>0</b>



## DIVISION OF MILITARY AND NAVAL AFFAIRS

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	75,739,000	75,752,000	13,000	0.02%
AID TO LOCALITIES	900,000	900,000	0	0.0%
CAPITAL PROJECTS	102,400,000	39,200,000	(63,200,000)	-61.7%
<b>Total for AGENCY SUMMARY:</b>	<b>179,039,000</b>	<b>115,852,000</b>	<b>(63,187,000)</b>	<b>-35.3%</b>

### Agency Mission

The Division of Military and Naval Affairs (DMNA) maintains a well-trained military force ready to respond to civil emergencies, natural disasters, and threats to national security.

### Budget Summary

The Executive proposes All Funds appropriations of \$115.85 million, a decrease of \$63.18 million or 35.3 percent, from the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 426 full-time equivalent positions, unchanged from the SFY 2012-13 level.

### State Operations Appropriations

(A. 3000)

The Executive proposes All Funds State Operations appropriations of \$75.75 million, an increase of \$13,000 from the SFY 2012-13 level.

The Executive proposes an increase of \$145,000 increase for various personal service costs and an increase of \$67,000 to address lease escalations and utility costs.

The Executive proposal includes a \$21,000 decrease related to savings realized by DMNA after the Hoosick Falls, Riverhead, Schenectady, Poughkeepsie and Whitehall armories were transferred to localities and a decrease of \$178,000 related to efficiencies achieved by the Joint Task Force Empire Shield.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	162	162	0
All Other Funds:	264	264	0
<b>TOTAL:</b>	<b>426</b>	<b>426</b>	<b>0</b>

**Aid to Localities Appropriations**

(A. 3003)

The Executive proposes All Funds Aid to Localities appropriations of \$900,000, unchanged from the SFY 2012-13 level.

**Capital Projects Appropriations**

(A. 3004)

The Executive proposes All Funds Capital Projects appropriations of \$39.2 million, a decrease of \$63.19 million or 61.7 percent from the SFY 2012-13 level.

**Comprehensive Construction Program**

The Executive proposes a \$63.2 million decrease in Maintenance and Improvement appropriations, reflecting the elimination of one-time support for a maintenance shop in Stormville, New York and improvements to the 269<sup>th</sup> Regimental Armory in Harlem.

## OFFICE FOR THE PREVENTION OF DOMESTIC VIOLENCE

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	3,556,000	3,776,000	220,000	6.2%
AID TO LOCALITIES	1,185,000	1,185,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>4,741,000</b>	<b>4,961,000</b>	<b>220,000</b>	<b>4.6%</b>

### Agency Mission

The Office for the Prevention of Domestic Violence (OPDV) develops statewide policies to protect victims of domestic violence and provides domestic violence training and information to judges, attorneys, law enforcement officers, and social services and health care providers.

### Budget Summary

The Executive proposes an All Funds Appropriation of \$4.96 million, an increase of \$220,000, or 4.64 percent over State Fiscal Year (SFY) 2012-13 levels.

### State Operations Appropriations

(A. 3000)

The Executive proposes a State Operations appropriation of \$3.78 million, a 220,000 or 6.19 percent increase over SFY 2012-13 levels.

### **Statewide Fatality Review Team**

The Executive Budget proposes an increase of \$220,000 to fund the creation of a new Statewide Fatality Review Team. Such teams were created by 2012 domestic violence prevention legislation and will analyze trends and patterns of domestic violence fatalities; educate the public, service providers and policymakers about such fatalities while seeking strategies for prevention and intervention; and to recommend policies, practices, procedures and services to reduce and prevent these fatalities.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	17	17	0
All Other Funds:	10	10	0
<b>TOTAL:</b>	<b>27</b>	<b>27</b>	<b>0</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes an Aid to Localities appropriation of \$1.20 million, which represents no change from SFY 2012-13 funding levels.

## PUBLIC EMPLOYMENT RELATIONS BOARD

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	3,984,000	3,984,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>3,984,000</b>	<b>3,984,000</b>	<b>0</b>	<b>0.0%</b>

### Agency Mission

The Public Employment Relations Board (PERB) resolves major labor disputes between public employers and employees. PERB provides mediation, fact finding, and arbitration in contract disputes for approximately 4,760 negotiating units in New York State. In addition, PERB settles questions of union representation, conducts hearings on charges of improper practices, designates Management/Confidential positions, and acts as a clearinghouse for information on wages, benefits, and employment practices. PERB is also responsible for administering the State Employment Relations Act, and PERB's labor management oversight activities include private sector employers that are not provided services by the National Labor Relations Board, the Federal Mediation and Conciliation Service, or the National Mediation Board.

### State Operations Appropriations

(A. 3000)

The Executive recommends an All Funds appropriation of \$3.98 million, which represents no change from the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 33 full-time equivalent positions, reflecting no change from SFY 2012-13 levels.

### **Agency Operations**

The Executive proposes no change in total funding for PERB but would shift \$191,000 in funding to support arbitration services to the General Fund from a Special Revenue Fund with a depleted balance.

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**ALL FUNDS PERSONNEL**  
**BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	33	33	0
<b>TOTAL:</b>	<b>33</b>	<b>33</b>	<b>0</b>

## JOINT COMMISSION ON PUBLIC ETHICS

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	4,100,000	4,931,000	831,000	20.3%
<b>Total for AGENCY SUMMARY:</b>	<b>4,100,000</b>	<b>4,931,000</b>	<b>831,000</b>	<b>20.3%</b>

### Agency Mission

The Joint Commission on Public Ethics (JCOPE) was established in 2011 by the Public Integrity Reform Act. JCOPE succeeds the Commission on Public Integrity and assumes responsibility for administering and enforcing the state's ethics and lobbying statutes. JCOPE's mission is to foster public trust and confidence in state government by ensuring compliance with financial disclosure and ethical standards.

JCOPE is comprised of 14 appointed members and has jurisdiction over 190,000 statewide officials, state officers and employees, and candidates for statewide elected office and political party chairs. The responsibility of this new agency is broadened to include not only executive branch employees and elected officials, but also some jurisdiction in relation to legislative employees.

### Budget Summary

The Executive recommends an All Funds budget of \$4.9 million for JCOPE, which reflects an increase of \$831,000 or 20.3 percent over the State Fiscal Year (SFY) 2012-13 funding level.

The Executive recommends funding for 53 full time equivalent (FTE) positions, which reflects an increase of eight FTEs over the SFY 2012-13 level. The eight additional FTEs consist of six auditors, one associate counsel and one confidential secretary.



**State Operations Appropriations**

(A. 3000)

The Executive recommends \$4.9 million in Fund appropriations representing an increase of \$831,000 over the 2012-13 SFY funding level. The increase represents a net adjustment of \$141,000 to reflect the cost of continuing existing programs and other fixed cost increases; and a personal service increase of \$690,000 to support the additional personnel needed to meet the Commission's broader responsibilities.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	45	53	8
<b>TOTAL:</b>	<b>45</b>	<b>53</b>	<b>8</b>

## DIVISION OF STATE POLICE

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	683,099,400	674,304,000	(8,795,400)	-1.3%
CAPITAL PROJECTS	6,000,000	57,740,000	51,740,000	862.3%
<b>Total for AGENCY SUMMARY:</b>	<b>689,099,400</b>	<b>732,044,000</b>	<b>42,944,600</b>	<b>6.2%</b>

### Agency Mission

The primary mission of the Division of State Police is to promote highway safety and protect the citizens of New York State. The Division's responsibilities include patrolling roads and highways outside major urban areas, providing specialty and investigative police services, conducting investigations of criminal activities like drug trafficking and child endangerment, and working with various levels of law enforcement throughout the state.

### Budget Summary

The Executive proposes All Funds appropriations of \$732.04 million, an increase of \$42.94 million or 6.2 percent over the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 5,408 full-time equivalent positions, an increase of 176 positions.

### State Operations Appropriations

(A. 3000)

The Executive proposes All Funds State Operations appropriations of \$674.3 million, a decrease of \$8.79 million or 1.3 percent from the SFY 2012-13 level.

## **New York State Thruway Authority**

The Executive proposes a General Fund increase of \$55.22 million to provide state support for highway patrols. This commitment of the state funds is provided to deny the Thruway Authority's proposal to increase tolls on commercial vehicles.

## **New York Secure Ammunition and Firearms Enforcement (NY SAFE) Act**

The Executive proposes \$3.2 million to support the costs of the implementing provisions of the NY SAFE Act, including new enforcement activities, the development of school safety improvement teams, and costs associated with the recertification of pistol licenses every five years.

## **DNA Database**

The Executive proposes an increase of \$190,000 to support the expansion of the DNA Databank enacted in 2012.

## **State Police Academy Classes**

The Executive proposes \$3.4 million of new support to hold two State Police Academy classes which would bring in 330 new recruits. These classes would result in a total member strength of 4,657.

## **Vehicle Purchases**

The Executive proposes a \$2.28 million increase to purchase patrol vehicles and pay for lease escalations

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### **ALL FUNDS PERSONNEL BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	4,866	5,319	453
All Other Funds:	366	89	(277)
<b>TOTAL:</b>	<b>5,232</b>	<b>5,408</b>	<b>176</b>

## **Capital Projects Appropriations**

(A. 3004)

The Executive proposes an All Funds Capital Projects appropriations of \$57.74 million, an increase of \$51.74 million or 863 percent, from the SFY 2012-13 level.

### **NY Safe Act**

The Executive Budget proposal includes \$32.74 million to provide for the costs of developing an electronic database of all current gun licenses issued in the State of New York.

### **Troop L Facility**

The Executive Budget proposes \$7 million in new appropriation authority related to the development of a new facility for Troop L on Long Island.

### **Aviation**

The Executive proposal includes \$12.5 million for the purchase and outfitting of a replacement helicopter.

## **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- limit plea bargaining of traffic tickets, extend state surcharges to new offenses, and establish minimum fines for traffic violations involving texting and cell phone use;
- ratify the National Crime Prevention and Privacy Compact to allow the state to participate in the National Fingerprint File program; and
- extend various criminal justice programs set to expire in 2013.

## STATEWIDE FINANCIAL SYSTEM

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	55,000,000	55,000,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>55,000,000</b>	<b>55,000,000</b>	<b>0</b>	<b>0.0%</b>

### Agency Mission

The Statewide Financial System Project is responsible for developing and maintaining a single statewide financial system for use by all agencies. The first operational phase of the new system was launched in April 2012 with more than 50 agencies utilizing the system.

### Budget Summary

The Executive proposes an All Funds appropriation of \$55 million to supports the ongoing maintenance and operating costs for the activities of the Statewide Financial System (SFS) representing no change from the from the State Fiscal Year (SFY) 2012-13 funding level.

The Executive recommends funding for 145 full-time equivalent (FTE) positions for SFS, which reflects an increase of 30 FTEs over the SFY 2012-13 staffing level.

### State Operations Appropriations

(A. 3000)

The Executive budget recommends \$55 million to provide for ongoing maintenance and operating costs of the SFS operating system.

The SFS system became fully operational for general use in April 2012 and the development of additional functionality is ongoing.

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**ALL FUNDS PERSONNEL**  
**BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	115	145	30
<b>TOTAL:</b>	<b>115</b>	<b>145</b>	<b>30</b>

## OFFICE OF INFORMATION TECHNOLOGY SERVICES

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	556,228,000	563,005,000	6,777,000	1.2%
CAPITAL PROJECTS	0	60,000,000	60,000,000	--
<b>Total for AGENCY SUMMARY:</b>	<b>556,228,000</b>	<b>623,005,000</b>	<b>66,777,000</b>	<b>12.0%</b>

### Agency Mission

The Office of Information Technology Services (ITS), formerly the Office for Technology, is responsible for developing the state's technology resources and policies. The mission of ITS is to provide centralized technology services, develop technology policy and coordinate statewide technology initiatives to improve the efficiency of New York State government.

### Budget Summary

The Executive proposes an All Funds appropriation of \$623.01 million, an increase of \$66.78 or 12 percent over the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 3,890 full-time equivalent (FTE) positions, an increase of 55 positions.

### State Operations Appropriations

(A. 3000)

The Executive proposes All Funds State Operations Appropriations of \$563.01 million, an increase of \$6.78 million, or 1.2 percent over the SFY 2012-13 level.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	1,821	1,860	39
All Other Funds:	2,014	2,030	16
<b>TOTAL:</b>	<b>3,835</b>	<b>3,890</b>	<b>55</b>

### **ITS Transfer**

During SFY 2012-13, 3,342 full-time equivalent (FTE) positions with substantial information technology responsibilities were transferred from their respective agencies to ITS. Personal service funding in the amount of \$36.77 million in SFY 2012-13 was transferred in conjunction with this action. The Executive Budget continues the transfer of IT funds and FTEs from their respective agencies during SFY 2013-14 and accordingly transfers \$123.23 million in appropriations to ITS.

### **Capital Projects Appropriations** (A. 3004)

The Executive proposes a new Capital Projects appropriation of \$60 million, an increase of \$60 million over the SFY 2012-13 level.

### **Continue Enterprise Initiatives**

The Executive Budget proposes a \$60 million appropriation to support several Enterprise Projects, including Data Center Consolidation, Email Consolidation, Voice Over Internet Protocol Implementation, and Enterprise Identity Access Management.

### **Article VII Proposals**

The Executive recommends Article VII legislation that would eliminate the Office of Cybersecurity, located in the Department of Homeland Security and Emergency Services, and transfer its duties to ITS.



## DIVISION OF VETERANS' AFFAIRS

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	7,772,000	8,372,000	600,000	7.7%
AID TO LOCALITIES	9,076,000	9,106,000	30,000	0.3%
<b>Total for AGENCY SUMMARY:</b>	<b>16,848,000</b>	<b>17,478,000</b>	<b>630,000</b>	<b>3.7%</b>

### Agency Mission

The Division of Veterans' Affairs (DVA) assists, counsels, and advocates for veterans, military personnel and their families. The DVA coordinates with state agencies and the federal government on programs affecting veterans. The DVA serves more than 1,100,000 New Yorkers who are veterans, including their dependents and those on active duty. The DVA's central office is located in Albany and it has regional offices in New York City and Buffalo.

### Budget Summary

The Executive recommends All Funds appropriations of \$17.5 million to support the activities of DVA, reflecting a net increase of \$630,000 over State Fiscal Year (SFY) 2012-13.

The Executive recommends a workforce of 98 full-time equivalent positions for the DVA, reflecting no change in staffing levels from SFY 2012-13.

### State Operations Appropriations

(A. 3000)

The Executive proposes General Fund State Operations appropriations of \$8.4 million which represents a net increase of \$600,000 over the SFY 2012-13 funding level which reflects adjustments to personal service spending levels.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	90	90	0
All Other Funds:	8	8	0
<b>TOTAL:</b>	<b>98</b>	<b>98</b>	<b>0</b>

**Aid to Localities Appropriations**  
(A. 3003)

**Veteran Services**

The Executive preserves local funding for Veteran services and provides General Fund Aid to Localities appropriations of \$9.1 million; a net increase of \$30,000 over SFY 2012-13. Funding is maintained for the following programs at SFY 2012 13 funding levels:

- Gold Star Annuity Benefits (\$599,000);
- Supplemental Burial Benefits (\$200,000)
- Veteran’s counseling and outreach (\$500,000);
- Aid to County and City Veterans’ service agencies (\$1.2 million); and
- Services and expenses of the Monroe County Veteran Outreach Center (\$250,000).

The Executive proposes \$6.380 million to support the Blind Veteran Annuity Program representing a \$180,000 net increase over the present funding level to support a cost of living adjustment.

Local assistance appropriations are reduced by \$150,000, reflecting the elimination of local assistance grants.

## OFFICE OF VICTIM SERVICES

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	10,283,000	10,283,000	0	0.0%
AID TO LOCALITIES	66,120,000	66,120,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>76,403,000</b>	<b>76,403,000</b>	<b>0</b>	<b>0.0%</b>

### Agency Mission

The Office of Victim Services provides compensation to innocent victims of crime; funds direct services to crime victims via a network of community-based programs; and advocates for the rights and benefits of all innocent victims of crime.

### Budget Summary

The Executive proposes an All Funds appropriation of \$76.40 million which is unchanged from the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 74 full-time equivalent (FTE) positions, an increase of four positions. The four additional FTEs would refill positions related to the timely processing of victims claims.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$10.28 million which is unchanged from the SFY 2012-13 level.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
All Other Funds:	70	74	4
<b>TOTAL:</b>	<b>70</b>	<b>74</b>	<b>4</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes an All Funds Aid to Localities appropriation of \$66.12 million which is unchanged from the SFY 2012-13 level.

## WORKERS' COMPENSATION BOARD

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	196,801,000	203,227,000	6,426,000	3.3%
<b>Total for AGENCY SUMMARY:</b>	<b>196,801,000</b>	<b>203,227,000</b>	<b>6,426,000</b>	<b>3.3%</b>

### Agency Mission

The Workers' Compensation Board (Board) is responsible for safeguarding the well-being of New York's labor force. The Board reviews claims for workers' compensation benefits, reports of injuries filed and medical reports from physicians and other health care providers. The Board also investigates fraudulent claims and assists in resolving disputed claims.

### Budget Summary

The Executive recommends All Funds appropriations of \$203.23 million, an increase of \$6.43 million or 3.3 percent over the State Fiscal Year (SFY) 2012-13 level.

### State Operations Appropriations

(A. 3000)

The Executive recommends All Funds appropriations of \$203.23 million, an increase of \$6.43 million or 3.3 percent from the SFY 2012-13 level. The Executive recommends funding support for 1,220 full-time equivalent positions, an increase of 25 FTEs.

### **Agency Operations**

The Executive proposes a net increase of \$6.43 million related to increases in collective bargaining costs, higher fringe and indirect rates, and non-personal service increases. These increases are offset by a \$200,000 decrease of non-recurring moving costs due to the relocation of the office from Albany to Schenectady.

## Consolidation of Service Centers

The Executive budget proposes a reduction of \$500,000 related to the consolidation of 11 service centers into regional service centers to address a decrease in the number of people utilizing the centers in person.

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<b>ALL FUNDS PERSONNEL</b>			
<b>BUDGETED FILL LEVELS</b>			
Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	1,195	1,220	25
<b>TOTAL:</b>	<b>1,195</b>	<b>1,220</b>	<b>25</b>

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## Article VII Proposals

The Executive proposes Article VII legislation that would modify various provisions of the Workers' Compensation Law to:

- increase the minimum weekly benefit from \$100 per week to \$150 per week;
- establish a single pass-through assessment to be levied by carriers against employers;
- close the reopened case fund to future claims;
- eliminate certain statutorily mandate deposits to the Aggregate Trust Fund;
- eliminate assessments reserves currently required to be held by the State Insurance Fund (SIF) and transfer \$2 billion in SIF reserves to the Board;
- modify the investment authority of the State Insurance Fund;
- remove the statutory requirement that the Workers' Compensation Board's principal office be located in the City of Albany; and
- establish a new program for the reassignment of liability for current and future claims against defaulted group self-insured trusts.

## GENERAL STATE CHARGES

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	2,756,534,000	3,018,117,000	261,583,000	9.5%
<b>Total for AGENCY SUMMARY:</b>	<b>2,756,534,000</b>	<b>3,018,117,000</b>	<b>261,583,000</b>	<b>9.5%</b>

### Agency Mission

General State Charges are primarily the costs of providing fringe benefits to state employees. These benefits are authorized in collective bargaining agreements and various statutes. The General State Charges budget also includes miscellaneous fixed costs, such as litigation settlements and taxes on state-owned lands.

### Budget Summary

The Executive recommends All Funds appropriations of \$3.02 billion, an increase of \$261.58 million or 9.5 percent over the State Fiscal Year (SFY) 2012-13 level.

### State Operations Appropriation

(A. 3000)

The Executive recommends All Funds appropriations of \$3.02 billion, an increase of \$261.58 million or 9.5 percent over the SFY 2012-13 level.

### **Pensions**

The Executive proposes a net increase of \$242.5 million in pension funding due to the rising pension costs associated with an increase in the employer contribution rate. This amount will be offset by interest savings made from monthly payments rather than one yearly payment.

### **Health Insurance Contributions**

The Executive proposes a \$56.08 million increase in health insurance contributions for state employees. The increase reflects a 4.4 percent increase in premium rates for health insurance plan year 2013.

### **Workers' Compensation Benefits**

The Executive proposes an increase of \$73.55 million for Workers' Compensation benefits for injured state employees, which is largely attributable to scheduled increases in benefits to injured workers.

### **Other Fringe Benefits**

The Executive proposes a net increase of \$24.38 million for other fringe benefits, which is attributable to an increase in Social Security payments due to a higher wage base and is offset by savings in dental, vision, and other benefits due to a smaller state workforce.

### **Taxes on State Owned Land**

The Executive proposes an increase of \$19.99 million for payment of taxes on state-owned lands due to the tax reassessment of the Aqueduct Racetrack.

### **Litigation Spending**

The Executive proposes a \$51 million increase in appropriation authority for litigation purposes, based on higher than normal litigation spending in SFY 2012-13.

### **Payment in Lieu of Taxes (PILOT) for the City of Albany**

The Executive proposes a \$7.85 million decrease in appropriations related to the elimination of a PILOT remitted to the City of Albany for the Empire State Plaza.

## **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- provide local governments and school districts with a plan which offers a long-term pension contribution option.
  - Under this proposal, local governments and school districts would be given the option to “lock in” pension contributions for a period to be determined by the Comptroller and the Teachers' Retirement System. The initial rates would be as follows:
    - 12 percent for the New York State and Local Employees' Retirement System (NYSLERS);
    - 12.5 percent for the New York State Teachers' Retirement System (NYSTRS); and
    - 18.5 percent for the New York State and Local Police and Fire Retirement System (NYSLPFRS).



- By comparison, the long term rates would be less than the scheduled contribution rates of 20.9 percent for the NYSLERS, 16.5 percent for NYSTRS and 28.9 percent for the NYSLPFRS.
- After five years, the Comptroller and the Teachers' Retirement system could elect to increase the rate by up to two percentage points. After ten years, the rates could again be increased or decreased by up to two percentage points.
- amend the Civil Service Law to cease reimbursement of additional Income Related Medicare Adjustment Amount premiums paid by higher-income retirees retroactive to January 1, 2013.

## MISCELLANEOUS: PUBLIC PROTECTION & GENERAL GOVERNMENT

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	6,720,360,000	14,969,012,000	8,248,652,000	122.7%
AID TO LOCALITIES	1,022,084,300	1,025,044,300	2,960,000	0.3%
<b>Total for AGENCY SUMMARY:</b>	<b>7,742,444,300</b>	<b>15,994,056,300</b>	<b>8,251,612,000</b>	<b>106.6%</b>

### State Operations Appropriations

(A. 3000)

#### **Superstorm Sandy Recovery**

The Executive proposes an appropriation of \$8 billion to cover to the expenses of recovery from Superstorm Sandy and to mitigate the impact of future natural or man-made disasters.

### Aid to Localities Appropriations

(A. 3003)

#### **Counsel at Arraignment**

The Executive proposes an appropriation of \$3 million to provide grants to counties for a pilot program to improve legal services to individuals accused of crimes who are presumed indigent and unrepresented at the time of arraignment in court.

### Article VII Proposals

The Executive recommends Article VII legislation that would:

- reform the Local Government Efficiency Grant Program and the Citizens Re-Organization Empowerment Grant Program to provide incentives for planning and implementation;
- eliminate all local government and school district reporting requirements as of April 1, 2014 unless the Mandate Relief Council approves continuation of the reporting requirements;

- extend the Tribal State Compact Revenue account until December 2016 and amend laws regarding the availability of funds within that account; and
- reform the arbitration panel determinations for local governments deemed fiscally distressed and limit future arbitration awards from increasing the cost of the employees' collectively bargained compensation package by more than two percent per year.

# **EDUCATION, LABOR & FAMILY ASSISTANCE**

**Summary of Recommended Appropriations  
By Agency**

## COUNCIL ON THE ARTS

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	4,219,000	4,719,000	500,000	11.9%
AID TO LOCALITIES	37,464,000	37,964,000	500,000	1.3%
<b>Total for AGENCY SUMMARY:</b>	<b>41,683,000</b>	<b>42,683,000</b>	<b>1,000,000</b>	<b>2.4%</b>

### Agency Mission

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 non-for-profit arts organizations.

### Budget Summary

The Executive proposes an All Funds appropriation of \$42.68 million, an increase of \$1 million or 2.4 percent over the State Fiscal Year (SFY) 2012-13 level. The Executive maintains funding in support of 28 full-time equivalent positions.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$4.72 million, an increase of \$500,000 or 11.9 percent over the SFY 2012-13 level. This increase is comprised of a new \$500,000 appropriation to solicit arts grants or donations.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	28	28	0
<b>TOTAL:</b>	<b>28</b>	<b>28</b>	<b>0</b>

**Aid to Localities Appropriations**

(A. 3003)

The Executive proposes an All Funds Aid to Localities appropriation of \$37.96 million, an increase of \$500,000 or 1.3 percent over the SFY 2012-13 level. This increase is also comprised of a new \$500,000 appropriation to solicit arts grants or donations.

The Executive proposal would sub-allocate \$100,000 in appropriations to support the Nelson A. Rockefeller Empire State Plaza Performing Arts Center.

## CITY UNIVERSITY OF NEW YORK

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	2,231,909,900	2,327,486,900	95,577,000	4.3%
AID TO LOCALITIES	1,306,383,490	1,357,154,990	50,771,500	3.9%
CAPITAL PROJECTS	347,909,000	45,083,000	(302,826,000)	-87.0%
<b>Total for AGENCY SUMMARY:</b>	<b>3,886,202,390</b>	<b>3,729,724,890</b>	<b>(156,477,500)</b>	<b>-4.0%</b>

### Agency Mission

The City University of New York (CUNY) is the third largest public university system in the nation, comprised of 19 campuses, seven community colleges, one technical college, a graduate school and an affiliated medical school. CUNY's mission is to provide affordable higher education with a focus on the urban community of New York City.

### Budget Summary

The Executive proposes an All Funds appropriations of \$3.73 billion which is a decrease of \$156.48 million or 4 percent from the State Fiscal Year (SFY) 2012-13 level.

### State Operations Appropriations

(A. 3000)

The Executive proposes State Operations appropriations of \$2.33 billion, an increase of \$95.58 million or 4.3 percent from the SFY 2012-13 level.

### **CUNY Senior Colleges**

The Executive proposes \$524.54 million in funding for CUNY Senior Colleges, maintaining General Fund support levels of SFY 2012-13. The Executive proposes \$964.79 million in tuition funding, an increase of \$60 million from SFY 2012-13, reflecting a scheduled \$300 increase in tuition for Academic Year (AY) 2013-14. The Executive proposes \$18.38 million for the Search for Education, Evaluation, and Knowledge (SEEK) Program and \$1 million for CUNY LEADS, reflecting no change from SFY 2012-13.

## **Aid to Localities Appropriations**

(A. 3003)

The Executive proposes an Aid to Localities appropriation of \$1.36 billion, an increase of \$50.77 million or 3.9 percent from the SFY 2012-13 level.

### **Community College Base Aid**

The Executive proposes to maintain Community College Base Aid at the SFY 2012-13 level of \$2,272 per full-time equivalent student. The Executive recommendation would provide \$191.28 million for base aid, which includes a \$2 million increase to support a new performance-based funding grant program.

### **Next Generation College Linkage Program**

The Executive proposal would link base aid funding with the new requirements for community college workforce and vocational programs, which would provide competitive grants to community colleges based on graduation and workforce outcomes.

### **Other Community College Programs**

The Executive Budget proposal reduces funding for CUNY Child Care by \$544,000, to provide \$813,100 in SFY 2013-14. The Executive would increase funding for Rental Aid by \$701,000 to provide \$8.95 million in SFY 2013-14. Funding for College Discovery would be maintained at SFY 2012-13 levels of \$883,390 and Workforce Development would be maintained at \$1.88 million.

## **Capital Projects Appropriations**

(A. 3004)

The Executive proposes a Capital Projects appropriation of \$45.08 million, a decrease of \$302.83 million or 87 percent from the 2012-13 level, marking the end of the previous 5-year capital plan.

### **Capital Projects**

The Executive proposes funding of \$21 million to reimburse the Dormitory Authority's administrative cost of managing projects at CUNY, \$15.98 million to allow hard dollar capital financing to reimburse the City University of New York Construction Fund, and \$8.10 million to provide for the state's 50 percent share of projects at CUNY Community Colleges. An additional \$55 million is proposed under appropriations made for the Empire State Development Corporation (ESDC) for a NYCUNY 2020 Challenge Grant Program.



## **Five Year Capital Plan**

The Executive's financial plan includes a five year capital plan for CUNY of \$687.7 million, which includes the following:

- \$275 million for the NYCUNY 2020 Challenge Grant Program;
- \$223.1 million for Community College Critical Maintenance Projects; and
- \$189.6 million for CUNY Construction Fund and Dormitory Authority reimbursements.

## **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- create the Next Generation New York Job Linkage Program. Community College programs would be required to partner with employers or prove a regional workforce need in order to remain eligible for state base aid funding; and
- require certain community college programs to partner with employers or prove a regional workforce need in order to remain eligible for state funding.

## EDUCATION DEPARTMENT

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	583,012,000	582,018,000	(994,000)	-0.2%
AID TO LOCALITIES	50,341,613,000	51,030,223,000	688,610,000	1.4%
CAPITAL PROJECTS	17,400,000	17,400,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>50,942,025,000</b>	<b>51,629,641,000</b>	<b>687,616,000</b>	<b>1.3%</b>

### Agency Mission

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

### Budget Summary

The Executive proposes an All Funds appropriation of \$51.63 billion, a net increase of \$687.62 million or 1.3 percent, over the State Fiscal Year (SFY) 2012-13 level. The Executive recommends support for 2,765 full-time equivalent (FTE) positions, a recommended increase in the staffing level by 101 FTE positions over the SFY 2012-13.

The Executive proposes a year-to-year increase in overall education funding of \$889 million or 4.4 percent, increasing aid from \$20.2 billion to \$21.1 billion for School Year (SY) 2013-14. Included in this amount is a year-to-year increase in General Support for Public Schools (GSPS) of \$611 million or 3 percent, providing \$20.8 billion in SY 2013-14.

## **State Operations Appropriations**

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$582 million, a decrease of \$994,000 or 0.17 percent, from the SFY 2012-13 level.

The Executive Budget would provide support for 2,765 FTEs, an increase of 101 FTEs. This staffing increase relates primarily to additional direct care positions for vocational rehabilitation services staff and for employees overseeing the licensing of professions that are regulated by SED.

### **Program and Fiscal Audits**

The Executive Budget provides up to \$2 million in federal funds to support program and fiscal audits of preschool special education providers to be conducted by an external audit firm selected through an RFP. The Executive Budget also provides \$2 million for development of data collection and analysis to improve oversight.

### **School Performance Management System**

The Executive Budget requires SED to develop a School Performance Management system that will streamline school district reporting and increase fiscal and program transparency and accountability.

### **Teaching Certificate Requirements**

The Executive Budget allocates up to \$13.9 million in federal funds to SED to implement a plan which requires longer, more intensive and high quality student teaching experiences. In addition, it would provide for the creation of standards for a teacher and principal “bar exam” certification program.

### **Other Actions**

The Executive Budget provides an additional \$1.5 million for the administration of the January Regents exams, and continues \$3.66 million in funding for the administration of High School Equivalency Exams.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	279	279	0
All Other Funds:	2,385	2,486	101
<b>TOTAL:</b>	<b>2,664</b>	<b>2,765</b>	<b>101</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes an All Funds Aid to Localities appropriation of \$51 billion, a net increase of \$688.61 million or 1.37 percent, over the SFY 2012-13 level. This two-year appropriation includes funds for SFY 2014-15, which contains a 3.3 percent increase in School Aid based on projected growth in New York State personal income.

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

Under the Executive proposal, School Aid will be increased by \$611 million, reflecting a three percent growth in New York State personal income. This increase would be allocated to the Gap Elimination Adjustment (GEA) restoration of \$272 million, expense-based aids of \$289 million, and a new round of Performance Improvement and Management Efficiency Grants of \$50 million. Formula based aids will generate an additional \$550 million in SY 2013-14.

Eligibility to receive increases in School Aid for the 2013-14 School Year would again be linked to district compliance with Annual Professional Performance Review (APPR) plans, which must be approved by September 1, 2013.

Six school districts, including the New York City School District, were unable to reach agreement and finalize an approved APPR plan for the SY 2012-13. As a result, these school districts are ineligible to receive State Aid increases for SY 2012-13, and remaining payments for SY 2012-13 will be adjusted accordingly. As a result of noncompliance with the APPR requirements, New York City schools are slated to lose \$242 million as a mid-year reduction.

Funding levels for formula based aids are provided in the chart below:

AID CATEGORY	2012-13	2013-14	Change	
	<u>School Year</u>	<u>School Year</u>	<u>Amount</u>	<u>Percent</u>
<b>Formula-Based Aids:</b>	(\$ in millions)	(\$ in millions)	(\$ in millions)	
Foundation Aid	15,005.36	15,005.36	0.00	0.00%
Excess Cost - High Cost	452.25	532.04	79.79	17.64%
Excess Cost - Private	320.09	358.98	38.89	12.15%
Reorganization Operating Aid	2.86	2.57	(0.29)	(10.14)%
Textbooks	179.05	181.34	2.29	1.28%
Computer Hardware	38.02	38.86	0.84	2.21%
Computer Software	45.73	46.69	0.96	2.10%
Library Materials	19.01	19.48	0.47	2.47%
BOCES	704.13	724.86	20.73	2.94%
Special Services	205.47	204.19	(1.28)	(0.62)%
Transportation	1,661.62	1,722.49	60.87	3.66%
High Tax	204.77	154.74	(50.03)	(24.43)%
Universal Prekindergarten	384.15	385.03	0.88	0.23%
Academic Achievement Grant	1.20	1.20	0.00	0.00%
Supplemental Educational Improvement Grant	17.50	17.50	0.00	0.00%
Charter School Transitional Aid	34.61	33.47	(1.14)	(3.29)%
Full-Day Kindergarten	7.27	13.83	6.56	90.23%
Academic Enhancement Aid	8.32	8.32	0.00	0.00%
Supplemental Public Excess Cost	4.31	4.31	0.00	0.00%
Gap Elimination Adjustment	(2,156.28)	(1,834.73)	321.55	N/A
Building Aid/Reorganization Building	2,714.11	2,783.33	69.22	2.55%
<b>Total Formula-Based Aids</b>	<b>19,853.55</b>	<b>20,403.86</b>	<b>550.31</b>	<b>2.77%</b>

### Other Education Funding

In addition to a \$611 million increase in GSPS, the Executive proposal provides new support for Fiscal Stabilization Funding (\$203 million) and New NY Education Reform Commission Grants (\$75 million).

### Fiscal Stabilization Funding

Fiscal Stabilization Funding is a one-time financial relief to school districts for SY 2013-14, in recognition of extraordinary increases in fixed costs. This new \$203 million will be allocated pursuant to enactment of a chapter of law, and eligibility is subject to compliance with the APPR provisions.

## **Support for Education Reform Commission Recommendations**

The Executive Budget would also provide \$75 million in grants for SY 2013-14, based on the recommendations of the Governor's *New NY Education Reform Commission*, for the following initiatives: Full-Day Prekindergarten (\$25 million), Extended Learning Time (\$20 million), Community Schools (\$15 million), Rewards for High Performing Teachers (\$11 million), and Early College High School Programs (\$4 million). In order to be eligible to receive these funds, school districts must comply with the APPR provisions.

The \$25 million for Full-Day Prekindergarten is intended to expand existing, or establish new, programs specifically targeting high need students in lower wealth districts. To be eligible for Extended Learning Time funds, school districts must increase learning time by at least 25 percent through extended hours, more school days, or a combination of the two. Such districts will receive \$1,500 per pupil or 10 percent of their average per pupil costs, whichever is greater.

School districts seeking to create Community Schools would be eligible for grants up to \$500,000. This \$15 million grant will help schools combine education and after-school programming with social, health, and other services. The Reward High Performing Teachers grant program of \$11 million provides \$15,000 stipends for teachers for four years. Beginning with math and science teachers, these "master teachers" will develop and train other teachers. In addition, the budget would provide \$4 million to fund investments in Early College High School Programs.

## **GSPS: Grant Programs and Additional Aid Categories**

The Executive would increase funding for the following programs accordingly:

- Assistance for Homeless Pupils is provided at \$21.23 million, an increase of \$3 million over SY 2012-13;
- Incarcerated Youth Education support is provided at \$21 million, an increase of \$500,000 over SY 2012-13;
- Native American Education is increased to \$45.3 million, or \$7.69 million over SY 2012-13; and
- support for the cost of chargebacks is provided at \$41 million, \$1.2 million more than SY 2012-13.

The Executive Budget maintains funding for the following programs for the 2013-14 School Year:

- Teachers of Tomorrow: \$25 million;
- Teacher-Mentor Intern Program: \$2 million;
- School Health Services: \$13.84 million;

- Special Academic Improvement Grant for the Roosevelt School District: \$12 million;
- Urban-Suburban Transfer Program: \$2.73 million;
- Employment Preparation Education Aid: \$96 million;
- Bilingual Education: \$12.5 million;
- Special Act School Districts: \$2.7 million;
- BOCES Aid for Special Act Districts: \$700,000;
- Learning Technology Grants: \$3.29 million;
- Native American Building Aid: \$5 million;
- Bus Driver Safety: \$400,000; and
- Education of OMH/OPWDD pupils: \$80 million.

### **Other Elementary and Secondary Education Programs**

The Executive proposal would:

- increase Nonpublic School Aid by \$4.95 million to a total of \$128.57 million;
- eliminate funding of \$10.2 million for Teacher Resource and Computer Training Centers;
- increase funding for Lunch/Breakfast Programs to \$34.4 million, which is an increase of \$700,000 over SFY 2012-13;
- decrease funding for the Consortium for Worker Education setaside to \$11.5 million, which is a decrease of \$1.5 million from the SY 2012-13 funding level;
- eliminate funding for Section 3627 Afterschool Transportation, which totaled \$3 million in SY 2012-13;
- decrease Prior Year Claims/Fiscal Stabilization Grants to \$32.79 from \$45.07 million, reflecting a \$12.28 million reduction in debt service;

The Executive proposal maintains funding for the following programs for the 2013-14 School Year:

- Extended School Day/School Violence Prevention funding: \$24.34 million;
- Adult Literacy Education: \$5.29 million;
- Charter School Start Up Grants: \$4.84 million;
- Summer Food Program: \$3.05 million;
- Small Government Assistance to School Districts funding: \$1.87 million;
- Adult Basic Education: \$1.84 million;
- Math and Science High Schools: \$1.38 million;
- Targeted Prekindergarten funding: \$1.3 million;
- County Vocational Education and Extension Boards: \$932,000;
- Academic Intervention Services for Nonpublic Schools: \$922,000;

- Primary Mental Health Project: \$894,000;
- Center for Autism and Related Disabilities at the University at Albany: \$740,000, with an additional \$500,000 in federal funding provided to support this program;
- Health Education Program: \$691,000;
- Postsecondary Aid to Native Americans: \$598,000;
- Student Mentoring and Tutoring Program funding: \$490,000;
- New York State Center for School Safety: \$466,000;
- Say Yes to Education Program funding: \$350,000;
- Just Kids program at the University at Albany: \$235,000; and
- Children of Migrant Workers: \$89,000.

### **Other School Programs**

The Executive proposal includes:

- funding for Preschool Special Education (4410) programs at \$983.5 million, which is an increase of \$46.8 million over SFY 2012-13. Additionally, the Executive Budget provides \$1 million in targeted grants to counties to develop and enhance their oversight of these programs; and
- a decrease in funding for Private Schools for the Blind and Deaf to \$97.1 million, which is a decrease of \$2.2 million from the SFY 2012-13 level.

### **Higher Education and the Professions**

The Executive maintains SFY 2012-13 funding levels for the following opportunity programs administered by SED in SFY 2013-14:

- \$24.27 million for the Higher Education Opportunity Program (HEOP);
- \$12.54 million for Liberty Partnerships;
- \$10.80 million for the Science and Technology Program (STEP); and
- \$8.18 million for the Collegiate Science and Technology Program (CSTEP).

The Executive maintains SFY 2012-13 funding levels for other programs in SFY 2013-14:

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



## **Adult Career and Continuing Education Services Program**

The Executive proposal would maintain funding for Case Services (\$54 million), Independent Living Centers (\$12.36 million), College Readers Aid (\$294,000) and Supported Employment (\$15.16 million) at SFY 2012-13 funding levels.

## **Cultural Education Program**

The Executive proposes the continuation of funding for Aid for Public Libraries (\$81.63 million), reimbursement to public libraries of costs associated with the MTA Mobility tax (\$1.3 million) and funding for Educational Television and Radio (\$14 million) at SFY 2012-13 funding levels.

### **Capital Projects Appropriations**

(A. 3004)

The Executive proposes an All Funds Capital Projects appropriation of \$17.4 million, which is the same as the SFY 2012-13 level. This appropriation would continue funding of \$14 million for Public Library Capital projects throughout the state and maintain funding for various minor rehabilitation projects to keep State Education Department facilities in safe operating condition at \$3.4 million.

### **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- require school districts to continue full implementation of the Annual Professional Performance Review standards and procedures for teachers and building principals in order to be eligible to receive increases in school aid for the 2013-14 school year and thereafter. Such plans must be approved by the Commissioner by September first;
- continue the Contract for Excellence program by requiring all school districts that submitted a contract for the 2012-13 school year to submit a contract for the 2013-14 school year unless all schools within the district are reported as being in “good standing” academically;
- establish a time limit for adjustments to aid payable for instructional materials;
- exempt school districts with fewer than 1,000 students from the internal audit function, in addition to school districts already exempted in current law;
- maintain the tuition freeze for charter schools at the 2010-11 charter school tuition rate;
- maintain Supplemental Public Excess Cost aid at its current level through the 2014-15 school year;

- limit school districts from receiving Full Day Kindergarten incentive aid more than once;
- maintain Academic Enhancement aid at its current level through the 2014-15 school year;
- alter the calculation of High Tax Aid;
- continue and provide for the calculation of the Gap Elimination Adjustment restoration;
- freeze certain school aid formulas for expense based aids for both 2012-13 and 2013-14 school years to the lesser of the Executive run or revised data;
- maintain existing provisions for the Teachers of Tomorrow program in the NYC school district for the 2013-14 school year;
- provide for Community School competitive grants, which would be awarded by the Council on Children and Families to eligible school districts for the delivery of academic, health, nutrition, counseling, legal and other services in a manner that will lead to improved educational and other outcomes;
- provide for Extended Learning competitive grants to school districts that add at least 25 percent more time to the academic calendar by extending the school day, the school year or a combination thereof;
- alter the current payment schedule for summer programs for children attending schools for the blind and deaf to align with the payment method for their school year programs;
- maintain special education class size waivers for school districts;
- authorize a school district, private school or Board of Cooperative Educational Services (BOCES) to apply to SED for a waiver from certain special education requirements provided that federal compliance is maintained and the waiver will enhance student achievement and opportunities through an innovative program. Under this initiative, notice of the proposed waiver must be provided to all parents of students that would be impacted by the waiver and the parents must be provided an opportunity to submit written comments;
- authorize the City of New York to establish local tuition rates for preschool special education programs and services, provided that such rates do not exceed the rates set by the Commissioner. This provision further authorizes the City to select approved preschool special education and related services providers for the delivery of services or programs through a competitive request for proposal process;

- authorize counties to retain 75 percent, instead of 40.5 percent, of any disallowances or overpayments found upon an audit of preschool special education programs as approved by the Commissioner;
- continue school district authorization to lease school buses until September 1, 2015;
- provide for the continuation of the Consortium for Worker Education (CWE) setaside within the Employee Preparation Education (EPE) program at the reduced level of \$11.5 million;
- continue miscellaneous extenders for one year;
- continue the current provisions relating to the conditional appointment of school employees in School districts, BOCES and charter schools through the SY 2013-14;
- maintain the provisions of State law that conform to the federal No Child Left Behind requirements;
- continue provisions for the school bus driver training grant program;
- continues existing provisions for the support of public libraries;
- continues existing provisions for the Chapter 1 Advance;
- continue existing provisions for a lottery accrual due to a change made by the Government Accounting Standards Board regarding the Teacher Retirement System pension contribution;
- continue the authorization for the Rochester City School District to purchase health services from BOCES;
- continue existing setaside provisions for Magnet Schools, Attendance Improvement and Dropout Prevention, and Teacher Support Aid within Foundation Aid;
- establish a STAR Anti-fraud Protection Plan to eliminate fraud and waste in the real property School Tax Relief program. The proposal would authorize the Division of Taxation and Finance to verify eligibility of all STAR recipients; and
- provide that 90 percent of additional state approved casino revenues will go toward elementary-secondary education and will be outside of the income growth cap.

## OFFICE OF CHILDREN AND FAMILY SERVICES

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	519,856,200	540,353,200	20,497,000	3.9%
AID TO LOCALITIES	3,249,823,250	3,196,785,050	(53,038,200)	-1.6%
CAPITAL PROJECTS	37,675,000	37,675,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>3,807,354,450</b>	<b>3,774,813,250</b>	<b>(32,541,200)</b>	<b>-0.9%</b>

### Agency Mission

The Office of Children and Family Services (OCFS) is responsible for coordinating a system of support to help families achieve and maintain self-sufficiency and to provide for the well-being of their children. OCFS administers a broad range of child welfare, child care, adult protective and delinquency programs, as well as residential and community-based services for New York State's juvenile justice system. OCFS also supervises services to the blind and visually handicapped.

### Budget Summary

The Executive proposes All Funds appropriations of \$3.77 billion for OCFS, a reduction of \$32.54 million or 0.9 percent from State Fiscal Year (SFY) 2012-13 levels. The Executive recommends funding support of 2,688 full-time equivalent (FTE) positions, a decrease of 575 positions.

### State Operations Appropriations

(A. 3000)

The Executive proposes State Operations appropriations of \$540.35 million, a net increase of \$20.50 million or 3.9 percent from the SFY 2012-13 level.

### **Juvenile Justice**

The Executive proposes to continue and expand the Close to Home initiative, enacted in SFY 2012-13 to bring New York City youth in certain juvenile justice facilities closer to their home community. The second phase of the Close to Home initiative is to move NYC youth in limited secure facilities closer to the City. The Executive Budget proposes a decrease of \$8.41 million for the closure of certain

limited-secure facilities. The closures would result in the elimination of 282 FTE positions through attrition.

The Executive also proposes to expand the Close to Home initiative to youth from areas outside of NYC who reside in non-secure OCFS facilities, and additional facility closures would result. The Executive Budget would reduce appropriations by \$2.82 million related to the expansion of the Close to Home initiatives to youth residing in non-secure facilities in the rest of the state, which will result in the attrition of 168 FTE positions.

The Executive Budget also proposes an additional \$2 million for the planning of the Close to Home initiative for youths residing outside of NYC.

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

The Executive Budget transfers \$15 million from OCFS to the Justice Center for the Protection of People with Special Needs, which supports funding for 200 FTE positions.

### **Statewide Central Register**

The Executive Budget proposes an appropriation of \$16.5 million for a Statewide Central Register to support 25 FTE positions to monitor and process clearance for OCFS staff that interacts with youth, a \$1.5 million increase from SFY 2012-13.

### **Human Services Contact Center**

The Executive Budget proposes a \$43.83 million appropriation for the consolidation of human services call centers for the following agencies: 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. Funding would be transferred from these agencies to OCFS to support call center operations.

### **Youth Facility Improvements**

The Executive Budget recommends an additional 50 FTE positions related to the improvement of youth facilities. This recommendation requires no new funding because the hiring was anticipated during SFY 2012-13.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
All Other Funds:	3,263	2,688	(575)
<b>TOTAL:</b>	<b>3,263</b>	<b>2,688</b>	<b>(575)</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes an Aid to Localities appropriation of \$3.2 billion, a net decrease of \$53.04 million or 2 percent from the SFY 2012-13 level.

**Continuation of the Close to Home Initiative**

The Executive Budget provides \$27.65 million to expand the Close to Home initiative for youths residing in limited-secure facilities in the New York City area. This appropriation facilitates the second phase of this initiative, which directs that youths originating from New York City and residing in limited secure facilities outside of New York City, be transferred to such facilities closer to their home. A plan for this transfer phase will be submitted after April 1, 2013, and youth are expected to transfer during SFY 2013-14.

**Child Care Subsidies**

The Executive Budget decreases General Fund appropriation for child care subsidies by \$70.69 million, but provides an increase from Temporary Assistance for Needy Families of the same amount. Overall, child care subsidies would be funded at \$842.83 million, a decrease of \$5.33 million from SFY 2012-13. Additionally, the Child Care Unionization initiative, which was first appropriated at \$3.74 million in SFY 2012-13 would be eliminated, consistent with negotiated agreements.

**Youth Programs**

The Executive proposes to combine the Youth Development Delinquency Program and the Special Delinquency Prevention Program (YDDP/SDPP) into the Youth Development Program. The Youth Development Program would be funded at \$14.12 million, a decrease of \$1.29 million compared to the combined funding for YDDP/SDPP in SFY 2012-13. The funding would be allocated to counties based on specific risk factors and youth population.

## **Community-Based Initiatives**

The Executive Budget eliminates \$5.41 million for various community-based initiatives including: Community Reinvestment (\$1.75 million); Safe harbor (\$1.5 million); Caseload Reduction (\$760,000); Settlement Houses (\$450,000); Boys and Girls Clubs (\$750,000); and CASES (\$200,000). Additionally, the Executive provides \$2.36 million for the Runaway and Homeless Youth program, a reduction of \$210,000.

## **Foster Care Block Grant Increase**

The Executive increases appropriations by \$1.04 million for the Foster Care Block Grant in order to adequately fund the Close to Home initiative for youth residing in juvenile justice facilities throughout the state.

## **Capital Projects Appropriations**

(A. 3004)

The Executive Budget proposes a Capital Projects appropriation of \$37.68 million, which maintains the SFY 2012-13 funding level.

## **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- consolidate the Youth Delinquency and Development Program (YDDP) and the Special Delinquency and Development Program (SDDP) into a single Youth Development Program; and
- expand the non-secure phase of the Close to Home initiative to the rest of the state. It would also notwithstanding the 12-month notification requirement and authorizes OCFS to close facilities and make significant staff or service reductions upon 60-day notification to the Legislature.

## OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	452,193,000	448,634,000	(3,559,000)	-0.8%
AID TO LOCALITIES	5,280,012,000	5,281,014,000	1,002,000	0.02%
<b>Total for AGENCY SUMMARY:</b>	<b>5,732,205,000</b>	<b>5,729,648,000</b>	<b>(2,557,000)</b>	<b>-0.04%</b>

### Agency Mission

The Office of Temporary and Disability Assistance (OTDA), working with the Office of Children and Family Services and other agencies, helps needy children and families to achieve economic self-sufficiency. OTDA administers public assistance programs, including Family Assistance, Safety Net Assistance, Supplemental Security Income, the Federal Food Stamp Program, the Home Energy Assistance Program, child support enforcement and services, refugee assistance programs, and homeless shelter and service programs. OTDA also serves as the host agency for the administration of the federal Temporary Assistance to Needy Families (TANF) block grant, which provides funding for public assistance benefits, as well as for programs and services designed to assist needy children and families as they transition to self-support.

### Budget Summary

The Executive proposes All Funds appropriations of \$5.73 billion, a net decrease of \$2.56 million from the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 1,890 full-time equivalent (FTE) positions, an increase of 30 positions from the SFY 2012-13 level.

### State Operations Appropriations

(A. 3000)

The Executive proposes a State Operation appropriation of \$448.63 million, a decrease of \$3.56 million or 1 percent from the SFY 2012-13 level.



## Agency Operations

The Executive eliminates \$1 million for the Quick Copy Center account, which funds printing operations within OTDA. The funding, along with two FTE positions that served those operations, would be consolidated within the Department of Taxation and Finance. The Executive also proposes a reduction of \$2.6 million related to excess federal appropriations for the Food Stamp Employment and Training Program.

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### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	337	323	(14)
All Other Funds:	1,523	1,567	44
<b>TOTAL:</b>	<b>1,860</b>	<b>1,890</b>	<b>30</b>

### Aid to Localities Appropriations (A. 3003)

The Executive proposes Aid to Localities appropriations of \$5.28 billion, a net increase of \$1 million over the SFY 2012-13 level.

## Public Assistance Benefits

The Executive Budget estimates a public assistance caseload of 554,011 recipients for SFY 2013-14, a decrease of 2,177 recipients from SFY 2012-13. General Fund support of the public assistance grant is requested in the amount of \$520 million, a decrease of \$49 million from the SFY 2012-13 level. The Executive estimates federal TANF support in the amount of \$1.26 billion, a decrease of \$32.88 million from the SFY 2012-13 level.

## TANF Initiatives

The Executive proposes an appropriation of \$1.36 billion for TANF initiatives, an increase of \$79.66 million over SFY 2012-13. The increase in funding available for TANF initiatives is attributable to a reduction in the amount of the federal TANF block grant being used for benefits, which is due to the estimated decrease in public assistance caseload. The Executive eliminates \$18.03 million in TANF initiatives that were enacted in SFY 2012-13.

<b>TANF Initiatives</b>			
(\$ in thousands)			
CATEGORY/ITEM	SFY 2012-13 Enacted	SFY 2013-14 Executive	Change
<b>FLEXIBLE FUND FOR FAMILY SERVICES</b>	964,000	964,000	-
<b>CHILD CARE SUBSIDIES</b>	324,276	394,967	70,691
<b>TANF INITIATIVES:</b>			
ACCESS - WELFARE TO CAREERS	800	-	(800)
ADVANTAGE SCHOOLS	500	-	(500)
ATTAIN	3,000	-	(3,000)
BRIDGE	102	-	(102)
CAREER PATHWAYS	750	-	(750)
CARETAKER RELATIVE/KINSHIP	51	-	(51)
CENTRO OF ONEIDA	25	-	(25)
COMM. SOLUTIONS TRANSPORTATION	112	-	(112)
DISABILITY ADVOCACY PROGRAM (DAP)	250	-	(250)
DISPLACED HOMEMAKERS	546	-	(546)
EDUCATIONAL RESOURCES	250	-	(250)
EMERGENCY HOMELESS NEEDS	500	-	(500)
FACILITATED ENROLLMENT	1,265	-	(1,265)
FATHERHOOD INITIATIVE	200	-	(200)
FOOD BANKS (NYS)	-	2,000	2,000
FOOD PANTRY INITIATIVE	250	-	(250)
HOMELESS INTERVENTION (SHIP)	1,500	-	(1,500)
NON-RESIDENTIAL DV	1,210	-	(1,210)
NURSE-FAMILY PARTNERSHIP	2,000	-	(2,000)
PREVENTIVE SERVICES INITIATIVE	610	-	(610)
REFUGEE RESETTLEMENT PROGRAM	102	-	(102)
ROCHESTER-GENNESSEE REGIONAL TA	82	-	(82)
SETTLEMENT HOUSES	1,000	-	(1,000)
SUMMER YOUTH EMPLOYMENT	-	25,000	25,000
SUNY/CUNY CHILD CARE	334	-	(334)
SUPPORTIVE HOUSING FOR FAMILIES (SHFYA)	1,500	-	(1,500)
WAGE SUBSIDY PROGRAM	950	-	(950)
WHEELS FOR WORK	144	-	(144)
<b>SUBTOTAL OF TANF INITIATIVES</b>	<b>18,033</b>	<b>27,000</b>	<b>8,967</b>
<b>TANF FUNDING TOTAL</b>	<b>1,306,309</b>	<b>1,385,967</b>	<b>79,658</b>

### **Supplemental Nutrition Assistance Program (SNAP) Increase**

The Executive Budget proposes appropriations of \$400 million for statewide SNAP funds, an increase of \$25 million from the SFY 2012-13 level. This increase reflects an increase in federal funding linked to a projected increase in caseload.

### **Social Security Income (SSI)**

The Executive Budget proposes an appropriation of \$784.49 million, or an increase of \$11.59 million over the SFY 2012-13 level, due to an estimated increase in SSI recipients and higher administrative fees that are charged by the federal government for its administration of the program.

### **Refugee and Homeless Housing Programs Increase**

The Executive Budget proposes \$26 million for the Refugee Resettlement Program, an increase of \$1 million over the 2012-13 level. The Homeless Housing Program is appropriated at \$9.5 million, an increase of \$2 million over the SFY 2012-13 level. These additional appropriations will fund emergency shelter grants.

### **Homelessness and Housing Programs**

The Executive Budget proposes an appropriation of \$28.68 million, a decrease of \$1.6 million from the SFY 2012-13 level, for the Solutions to End Homelessness Program, New York State Supportive Housing Program, and Operational Support for AIDS Housing initiatives.

### **Human Services Initiatives**

The Executive Budget proposes the elimination of appropriations for the Educational Resources program, which was appropriated \$250,000 in SFY 2012-13. An appropriation of \$2.38 million is provided for the Disability Advocacy Program, a \$250,000 decrease from the SFY 2012-13 level.

### **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- authorize the 2014 Federal Cost of Living Adjustment increase for individuals receiving SSI, who reside in various living arrangements, in varied increments of \$2 to \$18; and
- transfer the administration of Homeless Housing and Assistance Program from the Office of Temporary and Disability Assistance to the Division of Housing and Community Renewal.

# NEW YORK STATE HIGHER EDUCATION SERVICES CORPORATION

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	91,751,000	87,804,000	(3,947,000)	-4.3%
AID TO LOCALITIES	1,025,757,000	1,046,018,000	20,261,000	2.0%
<b>Total for AGENCY SUMMARY:</b>	<b>1,117,508,000</b>	<b>1,133,822,000</b>	<b>16,314,000</b>	<b>1.5%</b>

### Agency Mission

The Higher Education Services Corporation (HESC) was established in 1974 and administers the state's Tuition Assistance Program (TAP), the federal Family Education Loan Program, and other state and federal aid programs.

### Budget Summary

The Executive proposes an All Funds appropriation of \$1.13 billion which is an increase of \$16.31 million or 1.5 percent, over the SFY 2012-13 level. The Executive recommends funding support of 447 full-time equivalent (FTE) positions, a decrease of 13 positions.

### State Operations Appropriations

(A. 3000)

The Executive proposes a State Operations appropriation of \$87.80 million, a decrease of \$3.95 million or 4.3 percent from the SFY 2012-13 level. This decrease reflects a \$3.77 million reduction in administrative costs and a reduction of \$181,000 in federal funding for the College Access Challenge Grant Program.

### Aid to Localities Appropriations

(A. 3003)

The Executive proposes an Aid to Localities appropriation of \$1.04 billion, an increase of \$20.26 million or 2 percent from the SFY 2012-13 level.

### **Tuition Assistance Program**

The Executive Budget appropriates the Tuition Assistance Program (TAP) at \$950.42 million, an increase of \$17.19 million from State Fiscal Year (SFY) 2012-13 caused by increased payments due to tuition increases at State University of New York and City University of New York.

### **Other Scholarships and Awards**

The Executive Budget maintains SFY 2012-13 funding levels for the Aid to Part-Time Study Program at \$14.35 million; the Patricia K. McGee Nursing Faculty Scholarship and Nursing Faculty Loan Forgiveness programs at \$3.93 million; and the Licensed Social Worker Loan Forgiveness Program at \$978,000. The Executive Budget reduces funding for scholarships administered by HESC by \$1.54 million from \$43.88 million in SFY 2012-13 to \$42.34 million in SFY 2013-14.

## DIVISION OF HOUSING AND COMMUNITY RENEWAL

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	87,963,000	93,748,000	5,785,000	6.6%
AID TO LOCALITIES	145,845,000	89,427,000	(56,418,000)	-38.7%
CAPITAL PROJECTS	104,200,000	104,200,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>338,008,000</b>	<b>287,375,000</b>	<b>(50,633,000)</b>	<b>-15.0%</b>

### Agency Mission

The Division of Housing and Community Renewal (DHCR) supports community efforts to preserve and expand affordable housing, home ownership and economic opportunities. In addition, DHCR provides construction and rehabilitation loans and grants; administers rent control, rent stabilization and rent subsidy programs; and supervises the management of state-assisted housing stock.

### Budget Summary

The Executive proposes an All Funds appropriation of \$287.38 million, a decrease of \$50.63 million or 15 percent from the SFY 2012-13 funding level. The Executive recommends funding support for 692 full-time equivalent (FTE) positions, which is an increase of four FTEs from the SFY 2012-13 level.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$93.75 million, an increase of \$5.79 million or 6.6 percent over the SFY 2012-13 level.

### **Tenant Protection Unit**

The Executive continues funding for the Tenant Protection Unit at \$5.79 million. This unit was last funded through agency reappropriations.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	688	692	4
<b>TOTAL:</b>	<b>688</b>	<b>692</b>	<b>4</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes an All Funds Aid to Localities appropriation of \$89.43 million, a decrease of \$52.42 million or 38.7 percent, below the SFY 2012-13 level.

**Community Preservation Program**

In SFY 2012-13, Neighborhood Preservation Programs (NPP) and Rural Preservation Programs (RPP) received a combined \$14.27 million, which is eliminated from the DHCR budget in SFY 2013-14 budget request. Instead, the Executive proposes the consolidation of NPP and RPP into a single Community Preservation Program (CPP). The CPP would be funded with \$12.02 million from the reserves held in the Mortgage Insurance Fund (MIF), instead of General Fund resources.

**Rural Rental Assistance Program**

In SFY 2012-13, the Rural Rental Assistance Program (RRAP) received \$19.6 million, which is eliminated from the DHCR budget in SFY 2013-14. Instead, the Executive proposes to fund RRAP with MIF reserves at \$20.4 million, an increase of \$800,000.

**Program Eliminations**

The Executive proposes the elimination of the Main Street Program (\$3 million), Urban Initiatives (\$4 million), Rural Area Revitalization (\$4 million), and the NYCHA Tenant Patrol Program (\$740,000) in SFY 2013-14.

**Low Income Weatherization Program**

The Executive proposes funding for the Low Income Weatherization Program of \$32.50 million, a decrease of \$10 million from the SFY 2012-13 level to align state appropriations with federal authority.

## **Capital Projects Appropriations**

(A. 3004)

The Executive proposes an All Funds Capital Projects appropriation of \$104.2 million, the same funding level as adjusted appropriations for SFY 2012-13.

### **Homeless Housing Development Program**

The Executive proposes to transfer the Homeless Housing Assistance Program (HHAP) from the Office of Temporary and Disability Assistance (OTDA) to DHCR. The Executive provides \$30 million for HHAP in SFY 2013-14, representing no change from the SFY 2012-13 level.

## **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- Eliminate the Neighborhood and Rural Preservation Programs and create the Community Preservation Program, which would fill the role of both programs;
- Expand the type of and nature of investments that can be made by the State of New York Mortgage Agency and the Housing Finance Agency;
- Transfer the administration of the Homeless Housing and Assistance Program from the Office of Temporary and Disability Assistance to the Division of Housing and Community Renewal;
- Authorize the board of directors of the State of New York Mortgage Agency (SONYMA) to transfer up to \$100 million to the General Fund; and
- Authorize the board of directors of SONYMA to reimburse the Housing Trust Fund Corporation for \$12.02 million for the cost of the Community Preservation Program, \$20.4 million for the Rural Rental Assistance Program, and \$17.85 million for rehabilitation of Mitchell-Lama Housing.



## DIVISION OF HUMAN RIGHTS

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	18,010,000	18,010,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>18,010,000</b>	<b>18,010,000</b>	<b>0</b>	<b>0.0%</b>

### Agency Mission

The primary mission of the Division of Human Rights (Division) is to enforce the New York State Human Rights Law and to protect the civil rights of New Yorkers. The Division prosecutes unlawful discriminatory practices; investigates and resolves individual complaints of illegal discrimination; advances policies and legislation to expand and to protect civil rights; and promotes education and outreach to raise human rights awareness. The Division operates from its main office in New York City, as well as nine regional offices and two satellite offices across the state.

### Budget Summary

The Executive proposes an All Funds Appropriation of \$18.01 million, which maintains funding levels from State Fiscal Year (SFY) 2012-13. The Executive recommends the funding support of 164 full-time equivalent (FTE) positions, a decrease of four positions.

### State Operations Appropriations

(A. 3000)

The Executive proposes a State Operations appropriation of \$18.01 million, which maintains funding levels from SFY 2012-13.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	128	124	(4)
All Other Funds:	40	40	0
<b>TOTAL:</b>	<b>168</b>	<b>164</b>	<b>(4)</b>

## DEPARTMENT OF LABOR

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	751,425,000	741,881,000	(9,544,000)	-1.3%
AID TO LOCALITIES	6,729,076,000	5,613,278,000	(1,115,798,000)	-16.6%
<b>Total for AGENCY SUMMARY:</b>	<b>7,480,501,000</b>	<b>6,355,159,000</b>	<b>(1,125,342,000)</b>	<b>-15.0%</b>

### Agency Mission

The Department of Labor (DOL) administers New York's Unemployment Insurance system, labor exchange system and state worker protection programs, including enforcement of safety and health regulations in the public sector; state labor laws and federal statutes.

DOL is a primary advocate for job creation and economic growth through workforce development and is the state's principal source of labor market information, offering a variety of services designed to help businesses to find workers and people to find jobs.

### Budget Summary

(A. 3000)

The Executive recommends All Funds appropriations of \$6.36 billion, a decrease of \$1.13 billion or 15 percent below the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 3,612 full-time equivalent (FTE) positions, a decrease of 9 FTEs from SFY 2012-13 levels.

### State Operations Appropriations

The Executive recommends All Funds appropriations of \$741.88 million, a decrease of \$9.54 million or 1.3 percent from the SFY 2012-13 level.

### State Contact Center

The Executive proposes a new appropriation of \$9.36 million to host a single contact center for the Division of Veterans' Affairs, Workers Compensation Board, State Insurance Fund, and Empire State Development.

### NY State Data Center

The Executive proposal includes a new appropriation of \$285,000 to support the transfer of the State Data Center from the Department of Economic Development to DOL. The State Data Center is the state's primary source for economic and demographic data and is used to track trends in the state.

### Unemployment Insurance Administration

The Executive budget proposes \$471.94 million for Unemployment Insurance administration, a net increase of \$25.73 million due to increases in federal funding.

### Workforce Investment Act Administration

The Executive Budget recommends \$58.98 million for the state to administer the provisions of Workforce Investment Act, a net increase of \$13.93 million resulting from increased federal funding.

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#### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	3,621	3,612	(9)
<b>TOTAL:</b>	<b>3,621</b>	<b>3,612</b>	<b>(9)</b>

### Aid to Localities Appropriations

(A. 3003)

The Executive recommends All Funds appropriations of \$5.61 billion, a decrease of \$1.12 billion or 16.6 percent over the SFY 2012-13 level.

## **Unemployment Insurance**

The Executive Budget proposes \$5.4 billion for Unemployment Insurance benefits, a \$1.1 billion decrease due to an anticipated decline in regular and extended unemployment benefits. Available appropriations of \$1.65 billion would support extended benefits recently authorized by Congress that will be available through December 2013.

## **Training and Employment:**

The Executive decreases appropriations by \$4.5 million, reflecting the elimination of various labor programs funded in SFY 2012-13, including support for the New York Committee on Occupational Safety and Health.

## **Workforce Investment Act**

The Executive Budget recommends \$171.36 million in Workforce Investment Act funding, an \$11.35 million decrease due to a reduction in federal funding.

## **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- implement Unemployment Insurance Reform. Specifically, the Executive would modify the unemployment insurance program as it relates to: minimum and maximum weekly benefit for claimants; increasing the taxable wage base for employers; and amending various provisions of law to improve the solvency of the Unemployment Trust Fund;
- raise the statutory minimum wage to \$8.75 per hour effective on July 1, 2013; and
- authorize the transfer of the State Data Center from the Department of Economic Development to the Department of Labor.

## STATE OF NEW YORK MORTGAGE AGENCY

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	76,800,000	76,800,000	0	0.0%
AID TO LOCALITIES	91,665,000	97,050,000	5,385,000	5.9%
<b>Total for AGENCY SUMMARY:</b>	<b>168,465,000</b>	<b>173,850,000</b>	<b>5,385,000</b>	<b>3.2%</b>

### Agency Mission

The State of New York Mortgage Agency is a public benefit corporation created to increase the affordability of home ownership for low to moderate income residents of New York State. This is accomplished by the SONYMA's issuance of taxable and tax exempt bonds and the use of proceeds to purchase low-interest rate mortgage loans. SONYMA receives no direct operating support from the state.

### Budget Summary

The Executive proposes All Funds appropriations of \$173.85 million, an increase of \$5.38 million or 3.2 percent over the State Fiscal Year (SFY) 2012-13 level. 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.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$76.8 million, the same funding level as SFY 2012-13.

**Aid to Localities Appropriations**

(A. 3003)

The Executive proposes All Funds Aid to Localities appropriations of \$97.05 million, an increase of \$5.39 million or 5.9 percent over the SFY 2012-13 level to accommodate statutorily required guarantee payments.

# STATE UNIVERSITY OF NEW YORK

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	8,683,589,400	8,844,731,200	161,141,800	1.9%
AID TO LOCALITIES	461,218,900	452,115,400	(9,103,500)	-2.0%
CAPITAL PROJECTS	1,106,067,000	256,597,000	(849,470,000)	-76.8%
<b>Total for AGENCY SUMMARY:</b>	<b>10,250,875,300</b>	<b>9,553,443,600</b>	<b>(697,431,700)</b>	<b>-6.8%</b>

## Agency Mission

The State University of New York (SUNY) is the largest public university system in the nation. It consists of 64 campuses including four university centers, 13 university colleges, two independent health centers, four specialized colleges of technology, five statutory colleges, six colleges of technology and 30 community colleges.

## Budget Summary

The Executive proposes All Funds appropriations of \$9.55 billion which is a decrease of \$697.43 million or 6.8 percent from State Fiscal Year (SFY) 2012-13 levels.

### State Operations Appropriations

(A. 3000)

The Executive proposes a State Operations appropriation of \$8.84 billion, an increase of \$161.14 million or 1.9 percent over the State Fiscal Year (SFY) 2012-13 level.

### **SUNY State Operated Colleges**

The Executive provides \$969.05 million in funding for SUNY State Operated Colleges, a maintenance of General Fund support from SFY 2012-13. The Executive provides \$1.57 billion in tuition funding, an increase of \$106 million from SFY 2012-13, reflecting a scheduled increase in tuition. The Executive provides \$21.08 million for the Educational Opportunity Program, the same as SFY 2012-13. The Executive also provides \$51.04 million for Educational Opportunity Centers (EOC), an increase of



\$56,300 from SFY 2012-13. The EOC appropriation includes a \$2 million allocation for ATTAIN labs. Funding for the New York Network was transferred to the Office of General Services.

### **SUNY Hospitals**

The Executive proposal includes \$60 million for SUNY Health Science Centers, a reduction of \$27.8 million from SFY 2012-13. In addition, the Executive eliminates \$2 million for SUNY hospitals that was appropriated in the Department of Health in SFY 2012-13.

### **Aid to Localities Appropriations**

(A. 3003)

The Executive proposes Aid to Localities appropriations of \$452.12 million, a decrease of \$9.1 million or 2.0 percent below the 2012-13 level.

### **Community College Base Aid**

The Executive proposal would maintain Community College Base Aid at \$2,272 per full-time equivalent (FTE) student, maintaining the SFY 2012-13 levels of support. The Executive Budget includes \$431.1 million to support base aid, which includes a new \$3 million for performance-based funding grant program.

### **Next Generation College Linkage Program**

The Executive proposal would link base aid funding to new requirements for community college workforce and vocational programs. Community College programs would be required to partner with employers or prove a regional workforce need in order to remain eligible for state base aid funding.

### **Other Community College Programs**

The Executive reduces funding for SUNY Child Care by \$653,000, to provide \$1 million in SFY 2013-14. Funding for Rental Aid (\$11.58 million) and for Workforce Development (\$1.88 million) is maintained at SFY 2012-13 levels. Funding for High Needs Nursing (\$1.69 million) and for Colleges of Low Enrollment (\$940,000) are also maintained at SFY 2012-13 levels.

## **Capital Projects Appropriations**

(A. 3004)

The Executive proposes a Capital Projects appropriation of \$256.6 million, a decrease of \$849.47 million or 76.8 percent from the SFY 2012-13 level, marking the end of the previous 5-year capital plan, as well as the inclusion of certain one-time projects in the Enacted 2012-13 budget. The Executive proposes the following:

- an \$88 million appropriation for the University of Albany to construct an Emerging Technology and Entrepreneurial Complex in accordance with NYSUNY 2020. The debt service for this project will be paid for by private sources;
- an appropriation for SUNY's Residence Hall Rehabilitation Fund of \$50 million;
- \$38.5 million to provide for the state's 50 percent share of projects at SUNY Community Colleges;
- a \$30.0 million appropriation for critical maintenance at Stony Brook in conjunction with NYSUNY 2020;
- capital funding for the SUNY Construction Fund of \$25.1 million; and
- a \$25 million appropriation to allow Binghamton University to receive funding from external sources;

An additional \$55 million is provided under appropriations made for the Empire State Development Corporation for a NYSUNY 2020 Challenge Grant Program.

### **Five Year Capital Plan**

The Executive's financial plan includes a five year capital plan for SUNY of \$1.3 billion, which would support the following:

- \$413 million for State Operated College Projects;
- \$275 million for the NYSUNY 2020 Challenge Grant Program;
- \$250 million for the Residence Hall Rehabilitation Fund;
- \$198.5 million for Community College Critical Maintenance Projects;
- \$134.8 million for the SUNY Construction Fund; and
- \$25 million for NYSUNY 2020 from External Sources.

## **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- create the Next Generation New York Job Linkage Program, which would provide competitive grants to community colleges based on graduation and workforce outcomes;
- require certain community college programs to partner with employers or prove a regional workforce need in order to receive state funding; and
- establish a new financing structure for SUNY Residence Halls.

## OFFICE OF THE WELFARE INSPECTOR GENERAL

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	1,516,000	0	(1,516,000)	-100.0%
<b>Total for AGENCY SUMMARY:</b>	<b>1,516,000</b>	<b>0</b>	<b>(1,516,000)</b>	<b>-100.0%</b>

### Agency Mission

The Office of the Welfare Inspector General (OWIG) is responsible for preventing, investigating and prosecuting public assistance fraud and abuse and illegal acts involving social services programs at both the state and local levels. The Office responds to allegations that welfare recipients are receiving benefits for which they are not eligible and, where appropriate, prosecutes such behavior.

### Budget Summary

The Executive recommendation proposes to merge OWIG into the Office of the State Inspector General (OIG). The Executive Budget would transfer \$1.52 million in appropriation authority from OWIG to OIG. To complete the merger, three full-time equivalent (FTE) positions will transfer to OIG from OWIG, and an additional four FTE positions will be added to OIG for the performance of services associated with the prior responsibilities of OWIG.

### State Operations Appropriations

(A. 3000)

The Executive Budget proposes to eliminate State Operations appropriations within OWIG, a decrease of \$1.52 million from the State Fiscal Year 2012-13 level, which reflects the merger of OWIG into OIG.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	3	0	(3)
All Other Funds:	1	0	(1)
<b>TOTAL:</b>	<b>4</b>	<b>0</b>	<b>(4)</b>

**Article VII Proposals**

The Executive recommends Article VII legislation that would merge the Office of the Welfare Inspector General (OWIG) into the Office of the State Inspector (OIG). This part would also repeal the statutory authority for the OWIG and merge the functions of the OWIG into the OIG. It would expand the authority of the OIG to allow it to investigate certain activities of local social services districts, including recipients and “contractees.” It also would provide that no person may prevent, seek to prevent, interfere with, obstruct or otherwise hinder any investigation of the OIG.

## MISCELLANEOUS: EDUCATION, LABOR & FAMILY ASSISTANCE

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	31,633,500	31,633,500	0	0.0%
AID TO LOCALITIES	350,000	100,350,000	100,000,000	28571.4%
<b>Total for AGENCY SUMMARY:</b>	<b>31,983,500</b>	<b>131,983,500</b>	<b>100,000,000</b>	<b>312.7%</b>

### State Operations Appropriations

### Aid to Localities Appropriations

(A. 3003)

#### **Pay for Success**

The Executive proposes \$100 million over the next five years for Pay for Success contracts to assist in creating outcome-based programs for human services initiatives focusing on the areas of health, education, juvenile justice, and public safety. Such initiatives would require service providers to meet performance measures and to satisfy savings requirements in order to secure funding from the state for their services. Results would be monitored by independent parties to ensure the accuracy of providers' reports and outcomes and no state funds will be released until positive outcomes, as agreed upon by contracts, are ensured.

# **HEALTH & MENTAL HYGIENE**

**Summary of Recommended Appropriations  
By Agency**

## OFFICE FOR THE AGING

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	14,059,600	12,945,000	(1,114,600)	-7.9%
AID TO LOCALITIES	229,869,500	228,734,500	(1,135,000)	-0.5%
<b>Total for AGENCY SUMMARY:</b>	<b>243,929,100</b>	<b>241,679,500</b>	<b>(2,249,600)</b>	<b>-0.9%</b>

### Agency Mission

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

### Budget Summary

The Executive proposes an All Funds appropriation of \$241.7 million, a net decrease of \$2.2 million or less than one percent from the State Fiscal Year (SFY) 2012-13 level. The Executive proposes funding support of 100 full-time equivalent positions, reflecting no change from the previous year.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$12.95 million, a net decrease of \$1.11 million, or 7.9 percent from the SFY 2012-13 level.



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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	19	19	0
All Other Funds:	81	81	0
<b>TOTAL:</b>	<b>100</b>	<b>100</b>	<b>0</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes an All Funds Aid to Localities appropriation of \$228.7 million, a net decrease of \$1.14 million, or 0.5 percent from the SFY 2012-13 levels.

**Programmatic Changes**

The Executive proposes to rename the Supplemental Nutrition Assistance Program (SNAP) the “Wellness in Nutrition” program. In addition, the Executive proposes to rename the Community Empowerment Initiative the “Livable New York” initiative which could assist municipalities in better planning for the needs of older adults.

Executive proposes to redirect \$122,500 in existing funding previously available to Enriched Social Adult Day Services to the NY Social Adult Day Services Association to conduct training for social adult day services providers.

**Human Services Cost of Living Adjustment (COLA)**

The Executive proposes to delay, for one year, the scheduled 1.4 percent annual human services COLA. This action would reduce SOFA program funding by \$2.61 million in SFY 2012-13.

**Article VII Proposals**

The Executive recommends Article VII legislation that would continue an existing exemption from certain social work and mental health professional licensure requirements for individuals employed across multiple state agencies, including programs or services operated, regulated, funded or approved by SOFA.

## DEVELOPMENTAL DISABILITIES PLANNING COUNCIL

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	4,760,000	4,760,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>4,760,000</b>	<b>4,760,000</b>	<b>0</b>	<b>0.0%</b>

### Agency Mission

The New York State Developmental Disabilities Planning Council (DDPC) is fully funded under the Federal Developmental Disabilities Assistance and Bill of Rights Act. The Act, originally signed into law in 1975, authorizes the DDPC to prepare, implement, and monitor a plan for improving the quality of life for people with developmental disabilities. The DDPC monitors contracts with not-for-profit service providers that work with consumers, helping them achieve community integration.

### Budget Summary

The Executive proposes an All Funds appropriation of \$4.76 million which is unchanged from the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support for 18 full-time equivalent positions, which is also unchanged from SFY 2012-13.

### State Operations Appropriations

(A.3000)

The Executive proposes an All Funds State Operations appropriation of \$4.76 million which is unchanged from the SFY 2012-13 level.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	18	18	0
<b>TOTAL:</b>	<b>18</b>	<b>18</b>	<b>0</b>

## DEPARTMENT OF HEALTH

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	2,224,008,100	3,067,697,400	843,689,300	37.9%
AID TO LOCALITIES	106,713,759,715	115,832,145,500	9,118,385,785	8.5%
CAPITAL PROJECTS	39,746,000	85,600,000	45,854,000	115.4%
<b>Total for AGENCY SUMMARY:</b>	<b>108,977,513,815</b>	<b>118,985,442,900</b>	<b>10,007,929,085</b>	<b>9.2%</b>

### Agency Mission

The Department of Health (DOH) is the designated state agency responsible for promoting and supervising public health activities, ensuring sound and cost-effective medical care, reducing infectious diseases, and directing a variety of emergency preparedness initiatives. DOH has worked towards its goal of ensuring the highest quality, most appropriate, cost-effective health care for all New Yorkers. DOH serves as the principal state agency responsible for coordinating with federal and local governments, health care providers and program participants on behalf of the Medicaid program in the State of New York.

### Budget Summary

The Executive proposes All Funds appropriations of \$119 billion, a net increase of \$10 billion or 9.2 percent from SFY 2012-13 appropriation levels. The Executive proposes funding to support 5,020 full-time equivalent positions, an increase of 385 positions. The increase in staffing is intended to support the second year of phased takeover of local government administration of the Medicaid program and the implementation of Federal Health Care Reform.

### State Operations Appropriations

(A. 3000)

The Executive proposes All Funds State Operations appropriations of \$3.07 billion, a net increase of \$843.7 million or 37.9 percent from SFY 2012-13.

## Office of Health Insurance Programs (OHIP)

The Executive proposes to shift OHIP State Operations costs under the State Global Medicaid Cap. As a result, the Executive proposes to adjust the State Medicaid Cap upward by \$91 million to account for the portion of administrative spending previously funded under DOH's State Operations budget. In addition, the Executive proposes to consolidate OHIP's administrative expenses with existing State Operations contracts, which are already counted in the State Medicaid Cap.

## Labs Consolidation

Appropriation language in the State Operations bill would authorize the interchange of funds made available for lab services across multiple state agencies, including DOH. During SFY 2013-14, the Executive proposes to consolidate or co-locate certain DOH and Department of Environmental Conservation lab functions. This proposal would have no effect on the financial plan in SFY 2013-14.

## Other Actions

The Executive proposes \$19.98 million in other State Operations reductions, including: \$2.9 million by eliminating funded staff vacancies; \$2.67 million related to enterprise service savings; \$2.56 million in reductions to various Health Care Reform Act programs; \$960,000 in temporary services reductions; \$800,000 related to hourly-based information technology services; and a \$10.09 million sweep from the Quality of Care Account to the General Fund.

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### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	1,607	1,740	133
All Other Funds:	3,028	3,280	252
<b>TOTAL:</b>	<b>4,635</b>	<b>5,020</b>	<b>385</b>

### Aid to Localities Appropriations

(A. 3003)

The Executive proposes All Funds Aid to Localities appropriations of \$115.8 billion, a net increase of \$9.1 billion or 8.5 percent from SFY 2012-13 levels.

## **Medical Assistance (Medicaid) Program and Health Care Reform Act (HCRA)**

The Executive budget includes total Medicaid spending of \$57.63 billion, an increase of \$3.63 billion or 6.7 percent from SFY 2012-13, which is primarily attributable to an expected increase in federal funds. The State share of DOH Medicaid expenditures are projected to comprise \$16.42 billion of overall Medicaid spending, an increase of \$509.67 million or 3.2 percent from SFY 2012-13. To support projected expenditures in SFY 2013-14 and SFY 2014-15, the Executive proposes a two-year Medicaid appropriation totaling \$109.41 billion.

HCRA was last extended through March 31, 2014 and the final is projected to remain balanced through SFY 2016-17. In SFY 2013-14, HCRA receipts are projected to total \$5.64 billion, a decrease of \$206 million from SFY 2012-13. HCRA disbursements are also projected to total \$5.64 billion, a decrease of \$203 million from SFY 2012-13.

### **Medicaid Global Cap**

The Executive proposes the continuation of the Medicaid Global Cap which limits growth in the DOH State Funds Medicaid spending to the 10 year rolling average of the Medicaid Consumer Price Index, currently estimated at 3.9 percent. DOH Medicaid expenditures are currently capped at \$15.91 billion in SFY 2012-13 and \$16.42 billion in SFY 2013-14. The Executive proposes to extend the Global Cap for one additional year and would limit SFY 2014-15 DOH Medicaid expenditures to \$17.10 billion. The Executive also proposes reauthorization for DOH to reduce payment rates and benefits in the event that Medicaid expenditures exceed the Global Cap.

### **State Assumption of Local Medicaid Expenditure Growth**

On January 1, 2006, the state implemented a cap on the local share of Medicaid expenditures, and assumed the full local share of Family Health Plus (FHP) expenditures. In calendar year 2006, local Medicaid contributions were capped at 3.5 percent growth over 2005 expenditures. The growth rate dropped to 3.25 percent in 2007 and to 3.0 percent for 2008 and each year thereafter.

As part of the SFY 2012-13 budget, the state began a phased takeover of the local share of Medicaid growth beginning on April 1, 2013. The state is scheduled to assume, at a rate of one percent per year, the growth in the local share of Medicaid over a three-year period with the annual growth rate in the Medicaid local share being eliminated by SFY 2015-16. In total, these local takeover actions will save localities \$1.69 billion in SFY 2013-14.

### **Medicaid Redesign Team (MRT) – Phase III Recommendations**

The Executive Budget proposal continues the savings actions enacted as part of the SFY 2011-12 and SFY 2012-13 budgets, including: the 78 discrete cost containment initiatives recommended by the MRT; the additional recommendations developed through the MRT Workgroup process (MRT Phase II); the elimination of scheduled Medicaid inflationary rate increases; and the implementation of a two percent

across-the-board reduction in Medicaid rates. The Executive estimates that these actions will save the state approximately \$17.1 billion in over the next five years.

In addition to continuing the initiatives implemented over the prior two fiscal years, the Executive proposes a cost-neutral series of new MRT initiatives, including new investments in health care delivery balanced by savings resulting from improvements in benefits design, more appropriate treatment outcomes and other Medicaid program reductions. The Executive proposal includes:

- **Affordable Housing Proposals-** a \$12.5 million net State share increase, including additional support for supportive housing services (a \$12.5 million increase) and the allocation of \$3.85 million in savings from recent hospital and nursing home closures to provide additional supportive housing services.
- **Basic Benefit Review Proposals-** a \$770,000 net State share increase, including support for tobacco cessation counseling by dentists (a \$1.5 million increase) offset by eliminating coverage for Lumbar Discography (a \$30,000 reduction); limiting transcutaneous nerve stimulation (TENS) pain treatment (a \$630,000 reduction); and eliminating coverage for implantable infusion pumps for non-cancer pain (a \$70,000 reduction).
- **Managed Long Term Care (MLTC) Proposals-** including \$1.5 million in State share support related to the establishment of an ombudsman program to support MLTC enrollees.
- **Payment Reform and Quality Measurement Proposals-** a \$31 million State share increase, that include increasing the nursing home quality pool (a \$5 million increase); the development of a cost neutral pricing methodology for specialty nursing homes; expanding the Essential Community Provider Network and Vital Access Providers (VAP) Programs (a \$26 million increase); and to eliminate the \$30 million nursing home Financially Disadvantaged Program and to reallocate the funding to the VAP/Safety Net Program for Nursing Homes.
- **Pharmacy Actions-** a \$13.27 million State share reduction, including proposals to eliminate prescriber prevails provisions related to atypical antipsychotic drug classes provided by Medicaid Managed Care plans (a \$9.38 million reduction); eliminate prescriber prevails for all classes of drugs in Medicaid Fee-For-Service (a \$1.04 million reduction); eliminate prescriber prevails for opioids in excess of four prescriptions in a 30 day period (a \$20,000 reduction); reduce the Medicaid Fee-For-Service pharmacy reimbursement rate for brand name drugs from Average Wholesale Price (AWP) less 17 percent to AWP less 17.6 percent (a \$1.80 million reduction); establish minimum supplemental rebate rates (a \$450,000 reduction); eliminate the summary posting requirement for Pharmacy and Therapeutics Committee Meetings (a \$180,000 reduction); and tighten claims edits on early prescription refills (a \$400,000 reduction).
- **Indigent Care Pool Reform Proposals-** No financial plan impact in SFY 2013-14, including a proposal to modify the Hospital Indigent Care Reform Program to link pool distributions on Medicaid and insured loses (a \$12.50 million increase); and a proposal to redirect hospital

outpatient funding to support additional hospital indigent care payments (a \$12.50 million decrease).

- **Health Home Proposal-** a \$17.02 million State share increase, including new grants to support health homes infrastructure development and governance support (a \$15.00 million increase); and to support the design of Health Home Plus programs targeted at individuals receiving Assisted Outpatient Treatment or that are discharged from a State Psychiatric Center (a \$2.02 million increase).
- **Other Medicaid Reduction Proposals-** a \$36.16 million State share reduction, including the elimination of spousal refusal provisions (a \$34.3 million reduction); the management of incontinence supplies through a contractor (a \$1.25 million reduction); various Early Intervention (EI) proposals related to increasing third party insurance coverage and modifying the EI screening process (a \$480,000 reduction); and to increase electronic billing for hearing aids (a \$130,000 reduction).
- **Other Medicaid Additions-** a \$29.35 million State share increase, including support for programs to integrate physical and behavioral health (a \$7.5 million increase); an authorization for Certified Social Workers to bill Medicaid (a \$1.25 million increase); an increase MLTC rates to encourage the relocation of enrollees from adult homes to more independent living (a \$100,000 increase); an expansion of the existing Gold STAMP program which is designed to reduce pressure ulcers (a \$500,000 increase); a new MLTC quality incentive program (a \$10.00 million increase); and the implementation of a Balanced Incentive Program (a \$10.00 million increase). In addition, the Executive proposes to provide support for 4,350 in new transitional adult home slots and proposes to support a reinvestment of the savings related to the elimination of trend factor increases for foster care providers and pediatric nursing homes.

## **Federal Health Care Reform**

The Executive proposes legislation to implement the various requirements of the federal Patient Protection and Affordable Care Act (ACA). The legislation includes language to modify eligibility and benefits for the state's existing public health insurance programs to for better integration with the New York Health Benefit Exchange which was established by Executive Order in April 2012.

Under the ACA, the State will begin to receive enhanced matching rates for single childless adults beginning January 1, 2014. The Executive estimates a total State benefit of \$83 million in SFY 2013-14 from this enhanced matching rate, of which \$43 million will be used to support the implementation of Phase II MRT proposals with the remainder being used to offset other General Fund expenditures.

The Executive proposes to eliminate the existing FHP program over a two year period. On January 1, 2014 the State would close enrollment in the FHP program and all enrollees with incomes up to 138 percent of the federal poverty level (FPL) would transition to the existing Medicaid program. All FHP enrollees with incomes between 139 percent and 150 percent of FPL could remain in the program until January 1, 2015, at which point they would be required to buy federally subsidized insurance



through the Exchange. The Executive proposal would provide supplemental benefits to persons enrolled in FHP prior to January 1, 2014, and those who are required to purchase insurance through the Exchange. For these individuals, the state would cover premium and cost sharing requirements that are in excess of the existing FHP program.

### **Restructure Health Care Program Funding**

The Executive proposes to consolidate 89 separate health awareness and prevention programs into six competitive pools totaling \$355.2 million, and to reduce total funding for these programs by \$40 million. These consolidated pools would support the following:

- Chronic Disease Programs (\$63 million);
- Environmental Health and Infectious Disease Programs (\$19.8 million);
- Maternal, Child Health and Nutrition Programs(\$114.8 million);
- HIV and AIDS Programs (\$90.7 million);
- Health Quality/Outcomes/Advocacy Programs (\$30.7 million); and
- Workforce Training Programs (\$36.2 million).

### **General Public Health Work Program (GPHW)**

The Executive proposes a variety of changes to the GPHW program, which provides state aid reimbursement to Local Health Departments for a core set of public health services. Specifically, the Executive proposes to encourage the use of private health insurance coverage; to increase the base grant funding to counties; to invest \$1 million in new pay-for-performance payments to counties; and to provide administrative relief to counties by eliminating unnecessary local reporting and statutory program requirements. These proposals would generate \$3.45 million in State Share savings, which would be realized in SFY 2014-15

### **Early Intervention (EI) Program**

The Executive proposes to modify the EI program to require commercial health insurance to include EI service providers in their networks and to modify the screening and evaluation process for EI. These proposals would generate \$418,000 in savings to the non-Medicaid EI program and \$475,000 in savings to the Medicaid program.

These savings would be offset by \$1.21 million in additional costs related to requiring Child Health Plus (CHP) to provide coverage for EI services.

### **Excess Medical Malpractice Insurance Program**

The Executive proposes to modify the existing Excess Medical Malpractice Pool program to prioritize the support for doctors in the highest risk specialties that practice at community hospitals in highest risk areas. This proposal would result in \$12.7 million in savings to the program.

### **Defer the Human Services Cost of Living Adjustments (COLA)**

The Executive proposes to defer the 1.4 percent human services COLA payments for one year, which would result in a savings of \$2.16 million for DOH.

### **Capital Projects Appropriations**

(A. 3004)

The Executive proposes Capital appropriations of \$85.6 million, a net increase of \$45.9 million or 115.4 percent from SFY 2012-13 to reflect an increase in federal Safe Drinking Water program funds.

While there are no new appropriations for the Health Care Efficiency and Affordability Law of New York (HEAL NY) program in the Executive Budget, the Governor proposes to make \$25 million in prior-year HEAL NY funding available to the Roswell Park Center Cancer Institute

### **Article VII Proposals**

(A. 3006)

### **PART A – Medicaid Redesign Team Recommendations**

The Executive recommends Article VII legislation that would:

- extend the two percent across-the-board reduction of Medicaid payments for two years through March 31, 2015;
- allow for the inclusion of the operational costs of the Office of Health Insurance Programs under the Medicaid Global Cap. These costs would not be subject to annual consumer price index adjustments;
- extend the Medicaid Spending Cap for one additional year;
- permanently eliminate trend factor adjustments in Medicaid provider reimbursement rates;
- eliminate “prescriber prevails” provisions related to prior authorization requirements for certain prescription drugs;

- authorize DOH to require prior authorization for the refill of a prescription drug when the patient should still have more than a six-day supply of the previously dispensed amount remaining, based on normal use;
- allow DOH to deny prior authorization for opioid prescriptions in excess of four prescriptions in a 30-day period under certain circumstances;
- reduce the fee-for-service pharmacy brand reimbursement rate to the average wholesale price less 17.6 percent;
- merge the Pharmacy and Therapeutics Committee with the Drug Utilization Review Board (DUR);
- require prior authorization of drugs eligible for reimbursement by state public health plans unless the pharmaceutical manufacturers agree to provide minimum supplemental rebates;
- authorize Medicaid reimbursement of individual psychotherapy services provided by certified social workers for children and those requiring such services as a result of pregnancy or childbirth;
- authorize the Commissioner of Health (COH) to invest up to \$15 million in health home infrastructure development;
- provide additional funding to promote the delivery of integrated mental health, substance abuse, and physical health services in a single location;
- enact several reimbursement rate modifications, including: establishing regulation regarding children's specialty hospital outpatient rates and new inpatient psychiatric reform rates; authorizing the COH to issue regulations governing when the new inpatient psychiatric reform rate methodology will apply to Medicaid managed care default rates; updating the base year for inpatient services; and modifying capital reimbursement and adjustments;
- require managed care contracts with nursing homes to support standard rates of compensation which are sufficient to ensure the retention of a qualified workforce capable of providing high quality care;
- authorize a special needs managed care plan or comprehensive HIV special needs plan to provide for covered comprehensive health services on a full capitation basis contingent with federal financial participation;
- allow additional services to be provided by Medicaid managed care plans, and for additional populations to be required to enroll in Medicaid managed care;
- amend the list of persons or groups that are not required to enter into a managed long term care plan or other specialized care coordination model;

- require counties which implemented mandatory managed care to use the enrollment counseling and enrollment services for which DOH has contracted;
- allow DOH to set the cutoff date for monthly enrollment in a managed long term care plan;
- define “credentialed alcoholism and substance abuse counselor” (CASAC) as an individual credentialed by the Office of Alcoholism and Substance Abuse Services (OASAS); require managed care providers to allow enrollees to access appropriately certified chemical dependence treatment services; and authorize the transfer of funds by OASAS to DOH for purposes of increasing Medicaid payments to managed care organizations for chemical dependency services;
- require DOH to consult with the Office of Mental Health (OMH) and OASAS when necessary to appoint temporary management of a managed care provider;
- provide a sunset date of March 31, 2015 for previously enacted statutory provisions allowing the transfer of funds by OMH to DOH for purposes of increasing Medicaid payments to managed care organizations for outpatient mental health services provided by hospital-based and free-standing clinics;
- establish Developmental Disability Individual Support and Care Coordination Organizations and authorize managed care plans to provide services operated, certified, funded, authorized or approved through OPWDD, with certain protections in place to recognize the unique needs of individuals with developmental disabilities;
- clarify that Medicaid services shall not be authorized or provided prior to a determination of eligibility;
- authorize the COH to implement an incontinence supply management program;
- allow DOH to pay claims and issue payments for services on an emergency basis in the event that a fiscal intermediary or agent cannot issue payments;
- allow DOH to amend certain existing contracts that implement actions recommended by the Medicaid Redesign Team without competitive bid;
- provide for the transition of rate setting for the Child Health Plus program from the Department of Financial Services to DOH;
- sunset payments for financially disadvantaged nursing homes effective December 31, 2012;
- extend audit authority for calendar year 2002 cost reports filed by nursing homes through December 31, 2018;

- eliminate the requirement that certain rate adjustments for nursing homes be subject to reconciliation; establish capital reimbursement methodologies for nursing homes through regulation; and provide for additional flexibility in the calculation of upper payment limit distributions for public nursing homes;
- develop a pricing reimbursement methodology for specialty nursing home facilities;
- eliminate the attestation requirements for certain certified home health care providers receiving worker recruitment and retention payments, consistent with the transition to managed long-term care;
- eliminate the cap on the maximum number of managed long-term care plans that can be authorized;
- eliminate “spousal refusal” protections for community-based long-term care and managed long-term care enrollees;
- authorize capital debt reimbursement for certain adult homes which convert to assisted living programs;
- extend certain income disregards related to costs for eligible adult home residents who transition into managed long term care plans; and
- allow the OPWDD to perform a Fully Integrated Duals Advantage program in order to provide comprehensive health services to targeted populations of Medicare/Medicaid dually eligible persons. The program will be called Developmental Disability Individual Support and Care Coordination Organizations (DISCOs).

#### **PART B – Expiring Laws and Cost Containment Actions**

The Executive recommends Article VII legislation that would extend several provisions of the Public Health, Social Services and Mental Hygiene laws set to expire and continue cost containment actions.

#### **PART C – Hospital Indigent Care Pool (ICP) Reform**

The Executive recommends Article VII legislation that would:

- require DOH to promulgate regulations establishing a new ICP distribution methodology for periods on and after 1/1/2013 through 12/31/2015. For each of those years, the methodology would require distribution of \$139.4 million to major public general hospitals and \$994.9 million to private hospitals, allocated according to the uncompensated care need amount;

- establish a transition pool for the purpose of ensuring that no facility has reduced ICP payments that are greater than set percentages specified in regulations, as compared to the average distribution that each such facility received for the three prior calendar years.;
- provide that one percent of the funds available for distribution would be reserved and set aside in a “Financial Assistance Compliance Pool” and released to individual hospitals based on their substantial compliance with regulations implementing the State Financial Aid Law; and
- reduce Hospital Outpatient Ambulatory Patient Group payments by an aggregate of \$25 million annually to fund Indigent Care Transition Pool Payments

#### **PART D Statutory Changes to Conform with Federal Affordable Care Act (ACA)**

The Executive recommends Article VII legislation that would:

- identify the updated Medicaid eligibility categories that will exist as of January 1, 2014, when the Medicaid requirements of the ACA take effect; identify the categories of individuals who will have their financial eligibility determined based on their modified adjusted gross income (MAGI), and identify the categories of individuals whose financial eligibility will be determined under the current rules;
- specify which eligible individuals will receive the current Medicaid benefit package, and which will receive “benchmark coverage” under the new federal requirements;
- define the Medicaid benchmark benefit as the current Medicaid benefit package, with the exception of institutional long term care services, plus any additional federally required benefits;
- allow online and phone Medicaid applications; increase the extent to which Medicaid applications may be submitted to and processed by DOH or its agent;
- require DOH to recertify Medicaid eligibility based on reliable information possessed or available to DOH; eliminate documentation requirements that are inconsistent with federal ACA provisions requiring self-attestation of certain information used to determine Medicaid eligibility;
- restrict applications to enroll in the Family Health Plus (FHP) program to those received through 12/31/2013; provide that FHP coverage for individuals enrolled as of 1/1/14 will terminate once such individuals obtain coverage through the Exchange; and eliminate the FHP program and the FHP employer buy-in program, effective January 1, 2015 as coverage will now be provided through the Exchange;
- define household income for purposes of determining eligibility for Child Health Plus (CHP); require the Enrollment Center to review all information of CHP program applicants for the purpose of making eligibility determinations; eliminate temporary enrollment in CHP; modify CHP program

eligibility categories to conform to MAGI; remove the necessity of personal interviews for recertification of CHP eligibility; and

- make a series of changes to Insurance Law provisions to conform to ACA requirements.

## **PART E – Early Intervention, Public Health and Other Program Changes**

The Executive recommends Article VII legislation that would:

- require persons and initial service coordinators who refer children to the Early Intervention (EI) program to inform parents that of children with diagnosed physical or mental conditions with a high probability of resulting in a developmental delay, that eligibility for the EI program shall be established through a records review;
- modify EI screening and evaluation requirements to follow DOH approved standards and forms;
- provide that if a child who received an EI evaluation was found ineligible, and was referred again due to the same delay in a single developmental area more than three and less than six months later, the child would receive a partial evaluation to assess the same developmental delay in lieu of a second full evaluation of all the developmental areas;
- allow third party coverage representatives to attend Individualized Family Service Plan (IFSP) meetings; require timely implementation of the IFSP;
- modify several insurance related provisions (rate setting, adequate network) to require health insurer coverage of EI services and prohibit HMOs from discriminating against insured individuals receiving EI services;
- modify the process by which counties apply for General Public Health Works (GPHW) funding and update the core public health service requirements for which funding is available, including redefining core public health services by classifying chronic disease prevention as well as emergency preparedness and response independent core services, eliminating health education as a core service, and integrating health education into each of the core services;
- increase the state base grant amount, currently the greater of \$550,000 or 55 cents per capita, to the greater of \$650,000 or 65 cents per capita;
- establish a new statewide incentive performance program for GPHW activities and provide up to \$1 million in annual funding;
- update provisions regarding sexually transmitted diseases (STD) to conform to current clinical practice and to authorize counties to seek third party coverage or indemnification for STD diagnosis and treatment services rendered, where appropriate;

- create a new system of Outcome Based Health Planning by consolidating public health programs and establish outcome based contracting and planning;
- authorize the COH to make grants, awards and disbursements on a competitive basis, pursuant to RFP, for each of the following areas: chronic disease prevention and treatment, environmental health and infectious disease, maternal and child health outcomes, HIV, AIDS, Hepatitis C and STDs, health quality and outcomes and workforce development;
- streamline the Certificate of Need planning process and modify standards used by the Public Health and Health Planning Council (PHHPC) provisions in considering prospective facility operators;
- allow the COH to establish a temporary operator of an adult care facility, a general hospital, a diagnostic and treatment center, or a chemical dependence treatment program on a temporary basis, when a statement of deficiencies has been issued by DOH for that facility and upon a determination by the COH that significant management failures exist in the facility;
- reform the overall planning process for emergency medical services (EMS) by merging the State Emergency Medical Services Council, the State Emergency Medical Advisory Committee, the State Trauma Advisory Committee and the Emergency Medical Services for Children Council into the single State Emergency Medical Services Advisory Board;
- make several modifications to existing scope of practice provisions in Education and Public Health Law that would impact primary care and other service providers (home health aides, dental hygienists, nurse practitioners, physician assistants, radiologic technologists);
- make permanent the exemption from social work and mental health licensure for individuals working in programs that are regulated, operated, funded or approved by OMH, DOH, SOFA, OCFS, DOCCS, OASAS, and OPWDD, and/or local governmental units or social services districts;
- allow for the establishment of retail clinics;
- authorize the COH to establish a pilot program under which the PHHPC would approve one business corporation in Kings County and another elsewhere in the state allowing increased capital investment in health care facilities; and
- limit the number of excess medical malpractice policies purchased for physicians using state funds to the number of policies for which the payment of actuarially sound rates can be supported by the amount appropriated in the budget, granting priority to the highest risk specialties and reduce the overall appropriation.



## OFFICE OF THE MEDICAID INSPECTOR GENERAL

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	74,791,000	66,534,000	(8,257,000)	-11.0%
<b>Total for AGENCY SUMMARY:</b>	<b>74,791,000</b>	<b>66,534,000</b>	<b>(8,257,000)</b>	<b>-11.0%</b>

### Agency Mission

The Office of the Medicaid Inspector General (OMIG) was created as an independent entity within the Department of Health (DOH) by Chapter 442 of the Laws of 2006. OMIG is responsible for improving and preserving the integrity of the Medicaid program by conducting and coordinating fraud, abuse and waste control activities for all state agencies responsible for services funded by Medicaid. In carrying out its mission, OMIG conducts and supervises all prevention, detection, audit and investigation efforts and coordinates such activities with DOH, the Office for Mental Health, the Office for People with Developmental Disabilities and the Office of Alcoholism and Substance Abuse Services.

### Budget Summary

The Executive proposes an All Funds State Operations appropriation of \$66.5 million, a net decrease of \$8.3 million, or 11 percent, from State Fiscal Year (SFY) 2012-13 levels. The Executive provides funding support for 486 full-time equivalent (FTE) positions, and increase of 10 positions.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$66.5 million, a net decrease of \$8.3 million, or 11 percent, from SFY 2012-13 levels.

The Executive proposes \$1.44 million in savings related to reduced equipment and contractual services costs offset by an increase of \$540,000 related to the addition of ten FTEs. This additional staffing would assist in supporting the operations of the OMIG.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	238	243	5
All Other Funds:	238	243	5
<b>TOTAL:</b>	<b>476</b>	<b>486</b>	<b>10</b>

## DEPARTMENT OF MENTAL HYGIENE

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	600,000,000	600,000,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>600,000,000</b>	<b>600,000,000</b>	<b>0</b>	<b>0.0%</b>

### Agency Mission

The Department of Mental Hygiene (DMH) operates through three independent agencies: the Office of Mental Health, the Office for People With Developmental Disabilities, and the Office of Alcoholism and Substance Abuse Services. All three agencies, as direct providers of care, are funded in part by Medicaid, Medicare, third-party insurance, and private payments. Patient revenues in the Patient Income Account (PIA) are pledged first to the payment of debt service on outstanding Mental Hygiene bonds. Anticipated PIA revenue is appropriated within the budgets of the mental hygiene agencies. During the course of the fiscal year, however, additional unanticipated revenue may be received or bond refinancing might decrease debt service requirements. Unanticipated revenue is appropriated to the DMH and then allocated in proportion to the appropriate mental hygiene agency.

### State Operations Appropriations

(A. 3000)

The Executive proposes a Special Revenue Fund appropriation of \$600 million, reflecting no change from State Fiscal Year 2012-13.

## OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	116,951,000	117,866,000	915,000	0.8%
AID TO LOCALITIES	457,496,000	457,496,000	0	0.0%
CAPITAL PROJECTS	97,606,000	97,606,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>672,053,000</b>	<b>672,968,000</b>	<b>915,000</b>	<b>0.1%</b>

### Agency Mission

The Office of Alcoholism and Substance Abuse Services (OASAS) is responsible for the development and management of the state system of addiction services for prevention, treatment, and recovery. OASAS exercises these responsibilities directly as a provider of treatment services through a statewide system of Addiction Treatment Centers; through the regulation and oversight of over 1,550 chemical dependence and problem gambling prevention, treatment, and recovery service providers; and as a conduit for federal and state financial assistance.

### Budget Summary

The Executive proposes All Funds appropriations of \$672.97 million, a net increase of \$915,000, or 0.13 percent, from State Fiscal Year (SFY) 2012-13 levels. The Executive recommends funding support of 764 full-time equivalent positions representing no change from SFY 2012-13 levels.

### State Operations Appropriations

(A. 3000)

The Executive recommends All Funds State Operations appropriations of \$117.87 million, an increase of \$915,000, or 0.78 percent, from SFY 2012-13 levels.

The Executive proposes state share increases of \$4.5 million including \$1.9 million to support salary changes from collective bargaining agreements; \$1.3 million for fringe benefit and indirect cost rate adjustments; and \$1.3 million for inflationary adjustments. These increases would be offset by \$1.9 million in state share reductions related to various administrative efficiencies including system-wide administrative consolidation activities.

The Executive proposes a federal funds increase of \$2.5 million related to fringe benefit and indirect cost rate adjustments offset by a \$100,000 downward adjustments in federal grants.

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<b>ALL FUNDS PERSONNEL BUDGETED FILL LEVELS</b>			
Fund	Current 2012-13	Requested 2013-14	Change
All Other Funds:	764	764	0
<b>TOTAL:</b>	<b>764</b>	<b>764</b>	<b>0</b>

**Aid to Localities Appropriations**

(A. 3003)

The Executive proposes All Funds Aid to Localities appropriations of \$457.5 million, unchanged from SFY 2012-13 levels.

The Executive proposes an increase of \$5.3 million related to continuing community based chemical dependence and compulsive gambling services, which includes support for new permanent supportive housing units for homeless families and families at risk of becoming homeless.

The Executive proposes state share reductions of \$8.85 million, including a \$6.29 million reduction related to the proposal to defer the planned 1.4 percent Cost of Living Adjustment (COLA) for OASAS programs; and a \$2.60 million reduction related to the maximization of federal Substance Abuse Prevention and Treatment Block Grant support to offset state expenditures.

**Capital Projects Appropriations**

(A. 3004)

The Executive proposes capital appropriations of \$97.61 million, unchanged from the SFY 2012-13 budget.

## **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- would make permanent the current exemption from certain social work and mental health professional licensure requirements for individuals employed by multiple state agencies, and by programs or services operated, regulated, funded or approved by OASAS;
- require that the Methadone Registry collect and maintain data regarding dosage delivery for patients enrolled in opioid treatment programs;
- clarify that OASAS can continue its current method of funding provider programs by making technical changes to the Mental Hygiene Law and eliminating an article of Mental Hygiene Law; and
- defer the Human Services COLA for one year and extend its application to March 31, 2017.

## OFFICE OF MENTAL HEALTH

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	2,077,530,000	2,077,130,000	(400,000)	-0.02%
AID TO LOCALITIES	1,300,634,000	1,298,434,000	(2,200,000)	-0.2%
CAPITAL PROJECTS	189,665,000	196,955,000	7,290,000	3.8%
<b>Total for AGENCY SUMMARY:</b>	<b>3,567,829,000</b>	<b>3,572,519,000</b>	<b>4,690,000</b>	<b>0.1%</b>

### Agency Mission

The Office of Mental Health (OMH) works to promote the mental health of all New Yorkers, with a particular focus on providing treatment and recovery services for adults and children with serious mental illness or emotional disturbances. The agency oversees all mental health services in New York State by acting as a direct provider of medium and long-term care at state-run psychiatric centers for both adults and children, by providing diagnostic and treatment services to persons involved in the criminal justice system at state-run forensic psychiatric centers, and by providing funding, oversight, and certification to community programs operated by local governments, not-for-profit providers, and proprietary providers.

### Budget Summary

The Executive proposes an All Funds appropriation of \$3.57 billion, a net increase of \$4.69 million, or 0.13 percent, from the State Fiscal Year (SFY) 2012-13 levels. The Executive recommends funding support to 14,580 full-time equivalent (FTE) positions, representing an increase of 127 FTEs from SFY 2012-13. These additional FTEs are provided to support Sex Offender Management Treatment (SOMTA) Program.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$2.08 billion, a net decrease of \$400,000 million from SFY 2012-13 levels.

## OMH Regionalization and Restructuring

The Executive anticipates \$25 million in savings from the restructuring of State Operated Psychiatric Centers and the development of regional centers of excellence for the diagnosis and treatment of behavioral health issues.

To effectuate this action, the Executive would waive the existing one-year notice requirement and would permit OMH to close, consolidate, or make service reductions to State-run facilities with 45 days public notice of a ward closure or 75 days notice for a facility closure. The Executive includes specific criteria to be evaluated when OMH is determining its closure plan.

## Sex Offender Management Treatment Program (SOMTA)

The Executive proposes a net increase of \$11.6 million related to SOMTA program, including \$16.2 million to support program growth and annualization of prior year initiatives which is offset by \$4.6 million in program re-estimates and adjustments due to slower than expected growth of the SOMTA population.

## Other OMH State Operations Actions

The Executive proposes an increase of \$56.4 million for fringe and indirect rate adjustments and nonpersonal services spending and \$20.7 million to support underlying program growth re-estimates. These costs would be offset by \$12.9 million in reductions related to central office efficiencies, and \$4.6 million in reductions related to salary changes from collective bargaining agreements.

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### ALL FUNDS PERSONNEL BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
All Other Funds:	14,453	14,580	127
<b>TOTAL:</b>	<b>14,453</b>	<b>14,580</b>	<b>127</b>

## Aid to Localities Appropriations

(A. 3003)

The Executive proposes an All Fund Aid to Localities appropriation of \$1.3 billion, a net decrease of \$2.2 million, or 0.2 percent, from the SFY 2012-13 level.



## **Investments for Community Based Services**

The Executive proposes an increase of \$31 million for community based services to support the following actions:

- \$18 million is provided for additional beds for patients transitioning from nursing homes and adult homes to community based settings;
- \$8 million for bed development due to the end of the bed freeze and growth of NY/NY III; and
- \$5 million for community services supported by the saving achieved from the closures and restructuring of State-operated facilities.

## **Other OMH Actions**

The Executive proposes reduction of \$53.9 million, resulting from the following actions:

- \$27.2 million from enhanced federal funding related to Health Homes;
- \$16.37 million related to deferring of Cost of Living Adjustments (COLAs) and residential treatment facility trend factors for one year;
- \$10 million from the annualization of prior year savings actions; and
- \$332,000 related to the elimination of certain line items in the SFY 2012-13 budget.

## **Capital Projects Appropriations**

(A. 3004)

The Executive proposes a Capital projects appropriation of \$196.96 million representing an increase of \$7.3 million, or 3.84 percent from SFY 2012-13. This increase is related to an \$8 million investment for ongoing development of NY/NY III housing development and a \$28,000 investment for reconfiguration of a long-term inpatient building at Hutchings Psychiatric Center.

## **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- make permanent certain exemptions from social work and mental health licensure requirements for individuals working programs that are regulated, operated, funded or approved by OMH;

- permit OMH to close, consolidate, or make service reductions to state run facilities, after considering certain criteria, with 45 days public notice of a ward closure or 75 days notice for a facility closure;
- extend the Community Mental Health and Workforce Reinvestment Program for an additional year to March 31, 2014;
- extend permanently the authorization of OMH to recover exempt income for community residences;
- grant the Commissioner of OMH the authority to appoint and remove employees at OMH facilities and remove this authority from facility directors;
- clarify the date when annual review for sex offenders must be completed as one year from the date on which the court last ordered or confirmed the need for confinement;
- establish mental health incident review panels to improve State and local response to violent incidents involving persons with mental illness;
- eliminate certain reporting requirements for OMH related to the annual comprehensive psychiatric emergency (CPEP) program; and
- defer the Human Services COLA for one year and extend the COLA to March 31, 2017.

## OFFICE FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	2,144,907,000	2,083,756,000	(61,151,000)	-2.9%
AID TO LOCALITIES	2,479,141,000	2,480,091,000	950,000	0.04%
CAPITAL PROJECTS	163,540,000	168,950,000	5,410,000	3.3%
<b>Total for AGENCY SUMMARY:</b>	<b>4,787,588,000</b>	<b>4,732,797,000</b>	<b>(54,791,000)</b>	<b>-1.1%</b>

### Agency Mission

The Office for People with Developmental Disabilities (OPWDD) aims to help people with developmental disabilities live and fully participate in the communities of their choice. OPWDD currently operates through 13 district offices called Developmental Disabilities Services Offices (DDSOs), which are overseen through the central office. OPWDD also operates the Institute for Basic Research in Developmental Disabilities (IBR) on Staten Island. OPWDD serves approximately 37,000 individuals with developmental disabilities residing in community settings, 300 individuals living in developmental centers, and 1,000 individuals in special units.

### Budget Summary

The Executive proposes All Funds appropriations of \$4.73 billion, a net decrease of \$54.8 million or 0.5 percent from the State Fiscal Year (SFY) 2012-13 level. The Executive proposes funding support of 18,567 full-time equivalent (FTE) positions, a decrease of 1,249 FTEs from SFY 2012-13. This proposed reduction includes a 625 FTE reduction from the previously-noticed closure of Taconic and Finger Lakes DDSOs; 621 FTEs related to attrition; and the transfer of three FTEs to the Office of General Services (OGS) related to the statewide consolidation of print shop operations.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	19,816	18,567	(1,249)
<b>TOTAL:</b>	<b>19,816</b>	<b>18,567</b>	<b>(1,249)</b>

**State Operations Appropriations**  
(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$2.08 billion, a reduction of \$31.15 million or 1.5 percent from SFY 2012-13 levels.

**Facility Consolidation**

The Executive proposes \$26.93 million in savings related to OPWDD reforms, including deinstitutionalization efforts and the elimination of 163 beds due to the closure of Taconic and Finger Lakes DDSOs. The Executive provided notice to close these facilities in 2012.

**Other OPWDD Actions**

The Executive proposes \$75.68 million in increases to support fringe rates increases (\$48.74 million); collective bargaining agreements (\$23.4 million); increased direct costs (\$2.66 million); and \$876,000 related to increases in nonpersonal service costs.

These increases are offset by \$442,000 in savings for the transfer of three FTE positions to OGS.

## **Aid to Localities Appropriations**

(A. 3003)

The Executive proposes an All Funds Aid to Localities appropriation of \$2.48 billion, an increase of \$950,000 from SFY 2012-13 levels.

### **Community Residential and Non-Residential Service/De-Institutionalization**

The Executive proposes \$58 million in investments associated with ongoing deinstitutionalization efforts and re-estimates of base expenses offset by \$58.0 million of local efficiencies savings.

### **Other OPWDD Actions**

The Executive proposes to shift \$243.97 million in Special Revenue Fund support to the General Fund to make OPWDD program funding comparable with other State agencies receiving Medicaid reimbursement.

The Executive proposal achieves \$31.285 million in savings through deferring the 1.4 percent Cost of Living Adjustments (COLA) and Medicaid trend factor for OPWDD facilities.

## **Capital Projects Appropriations**

(A. 3004)

The Executive proposal includes an All Fund Capital appropriation of \$168.95 million, an increase of \$5.41 million, or 3.3 percent, from SFY 2012-13 levels.

The Executive proposes investments of \$5.41 million, including \$3.79 million to support an increase in fire safety projects and \$1.62 million to support minor maintenance projects at State-operated and voluntary-operated facilities.

## **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- make permanent the current exemption from certain social work and mental health professional licensure requirements for individuals employed across multiple State Agencies, including programs or services operated, regulated, funded or approved by OPWDD;
- eliminate certain reporting requirements for OPWDD related to annual reporting on activities at family care homes and other community residences;
- defer the Human Services COLA for one year and extend the COLA to March 31, 2017;

- allow public employees, who are direct care, clinical care, case management, and service coordination workers, to leave state service and provide the same services to the individuals they cared for in state service;
- allow OPWDD to establish a Fully Integrated Duals Advantage program in order to provide comprehensive health services to targeted populations of Medicare/Medicaid dually eligible persons; and
- allow OPWDD to establish Developmental Disabilities Individual Services and Supports Coordination Organizations (DISCOs) to transition care for developmentally disabled individuals from a fee-for-service model to a managed care environment.

## COMMISSION ON QUALITY OF CARE AND ADVOCACY FOR PERSONS WITH DISABILITIES

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	18,729,000	10,745,000	(7,984,000)	-42.6%
AID TO LOCALITIES	648,000	162,000	(486,000)	-75.0%
<b>Total for AGENCY SUMMARY:</b>	<b>19,377,000</b>	<b>10,907,000</b>	<b>(8,470,000)</b>	<b>-43.7%</b>

### Agency Mission

The Commission on Quality of Care and Advocacy for Persons with Disabilities (CQCAPD) provides support and advocacy for individuals with disabilities by working to protect their rights and by promoting the interests and agenda of New Yorkers with disabilities. The Commission provides community outreach, information, referral, and advocacy services, and administers the Surrogate Decision-Making Committee program, which acts on behalf of individuals in the mental hygiene system who are deemed unable to make medical care decisions independently. Additionally, CQCAPD is responsible for exercising independent oversight of the three mental hygiene agencies: the Office of Mental Health (OMH), the Office for People with Developmental Disabilities (OPWDD), and the Office for Alcoholism and Substance Abuse Services (OASAS). CQCAPD also conducts investigations of allegations of abuse or neglect and any reports of injuries or deaths of persons served within the mental hygiene system.

Effective June 30, 2013, the Commission will cease to exist and its functions, duties and responsibilities will transition to the Justice Center for the Protection of People with Special Needs pursuant to Chapter 501 of the Laws of 2012.

### Budget Summary

The Executive proposes an All Funds appropriation of \$10.91 million, a reduction of \$8.47 million, or 43.7 percent from State Fiscal Year (SFY) 2012-13 levels. The Executive recommends zero full-time equivalent (FTE) positions and proposes to transfer the entire workforce of 80 FTE positions currently at the CQCAPD to the Justice Center for the Protection of People with Special Needs.

The Executive Budget provides three months of funding for the Commission as its activities will be subsumed by the Justice Center when it is operational by June 30, 2013.

**State Operations Appropriations**

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$10.75 million, a net decrease of \$7.98 million, or 42.6 percent, from SFY 2012-13 levels.

**Transfers to the Justice Center**

The Executive proposes \$7.27 million in State Operations transfers to support the establishment of the Justice Center for the Protection of People with Special Needs, which is expected to be operational by June 30, 2013.

**Other Actions**

The Executive proposes investments of \$457,000 for personal and nonpersonal services increases, offset by \$500,000 in reductions related to diminished suballocations to the Department of Health and \$283,000 in reductions associated with managed attrition and administrative efficiencies.

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**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	80	0	(80)
<b>TOTAL:</b>	<b>80</b>	<b>0</b>	<b>(80)</b>

**Aid to Localities Appropriations**

(A. 3003)

The Executive proposes an All Funds Aid to Localities appropriation of \$162,000, a net decrease of \$486,000, or 75 percent, from SFY 2012-13 levels. This reduction reflects a proposed transfer of \$486,000 in transfers to the Justice Center for the Protection of People with Special Needs.



## JUSTICE CENTER FOR THE PROTECTION OF PEOPLE WITH SPECIAL NEEDS

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	0	44,526,000	44,526,000	--
AID TO LOCALITIES	0	487,000	487,000	--
<b>Total for AGENCY SUMMARY:</b>	<b>0</b>	<b>45,013,000</b>	<b>45,013,000</b>	<b>--</b>

### Agency Mission

The Justice Center for the Protection of People with Special Needs (Justice Center) was enacted by Chapter 501 of the Laws of 2012 and becomes effective June 30, 2013. The core mission of the Justice Center will be to protect the health and safety of vulnerable individuals in the State's care. The Justice Center will have primary responsibility for tracking, investigating and pursuing serious abuse and neglect complaints at State facilities and provider-operated facilities that are certified or licensed by the following six agencies: Office of Mental Health, Office for People with Developmental Disabilities, Office for Alcoholism and Substance Abuse Services, the Department of Health, the Office of Children and Family Services (OCFS), and the State Education Department (SED).

### Budget Summary

The Executive recommends All Funds appropriations of \$45.01 million as a result of a transfer of \$7.27 million in appropriations and functions from the Commission on the Quality of Care (CQC) and Advocacy for Person with Disabilities and a transfer of \$31.6 million from OCFS to support the operation and start-up of the Justice Center.

### State Operations Appropriations

(A. 3000)

The Executive recommends All Funds State Operations appropriations of \$44.53 million for this newly created agency, which includes \$31.6 million in transfers from OCFS and \$6.78 million in transfers from CQC which will be subsumed by the Justice Center on June 30, 2013.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	0	253	253
All Other Funds:	0	27	27
<b>TOTAL:</b>	<b>0</b>	<b>280</b>	<b>280</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive recommends an All Funds Aid to Localities appropriations of \$487,000 as a result of transfers from the CQC which will be subsumed by the Justice Center on June 30, 2013.

# **TRANSPORTATION, ECONOMIC DEVELOPMENT & ENVIRONMENTAL CONSERVATION**

**Summary of Recommended Appropriations  
By Agency**

## ADIRONDACK PARK AGENCY

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	5,086,000	5,085,400	(600)	-0.01%
CAPITAL PROJECTS	500,000	0	(500,000)	-100.0%
<b>Total for AGENCY SUMMARY:</b>	<b>5,586,000</b>	<b>5,085,400</b>	<b>(500,600)</b>	<b>-9.0%</b>

### Agency Mission

The Adirondack Park Agency (APA) is charged with ensuring the overall protection, development, and use of the unique scenic, aesthetic, wildlife, recreational, open space, ecological, and natural resources of the Adirondack Park. The APA is responsible for the administration of the Adirondack State Land Master Plan and the Adirondack Park Land Use and Development Plan. Within the Adirondack Park, the APA administers the State's Wild, Scenic and Recreational Rivers System and the New York State Freshwater Wetlands Act, operates two visitor interpretive centers, and helps local governments develop land use plans consistent with the State Land Master Plan.

### Budget Summary

The Executive proposes an All Funds appropriation of \$5.09 million, a decrease of \$500,600 or 9.0 percent, below the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 54 full-time equivalent positions, reflecting no change from the SFY 2012-13 staffing level.

### State Operations Appropriations

(A. 3000)

The Executive proposes a State Operations appropriation of \$5.09 million, a decrease of \$600 or 0.01 percent, below the SFY 2012-13 level.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	54	54	0
<b>TOTAL:</b>	<b>54</b>	<b>54</b>	<b>0</b>

**Capital Projects Appropriations**  
(A. 3004)

The Executive proposal eliminates a \$500,000 appropriation which provided for the preservation of facilities.

## DEPARTMENT OF AGRICULTURE AND MARKETS

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	118,561,000	119,704,000	1,143,000	1.0%
AID TO LOCALITIES	41,601,000	36,670,000	(4,931,000)	-11.9%
CAPITAL PROJECTS	3,000,000	3,000,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>163,162,000</b>	<b>159,374,000</b>	<b>(3,788,000)</b>	<b>-2.3%</b>

### Agency Mission

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

### Budget Summary

The Executive proposes All Funds appropriations of \$159.37 million, a decrease of \$3.79 million or 2.3 percent, below the SFY 2012-13 level. The Executive recommends funding support of 471 full-time equivalent positions, reflecting no change from SFY 2012-13 staffing level.

### State Operations Appropriations

(A. 3000)

The Executive proposes State Operations appropriations of \$119.70 million, an increase of \$1.14 million, or 1 percent, over the SFY 2012-13 level.

### **Laboratory Consolidation and Coordination**

The Executive Budget includes interchange language that would coordinate State environmental and public health lab activities among five agencies: the Department of Agriculture and Markets, the

Department of Environmental Conservation, the Department of Health, the Office of Mental Health, and the Office for People with Developmental Disabilities. This action would allow the agencies to coordinate and consolidate procurement of certain services and items.

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**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	345	345	0
All Other Funds:	126	126	0
<b>TOTAL:</b>	<b>471</b>	<b>471</b>	<b>0</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes Aid to Localities appropriations of \$36.67 million, a decrease of \$4.93 million, or 11.9 percent, below the SFY 2012-13 level.

The Executive Budget eliminates last year’s \$3 million appropriation for agricultural economic development. Additionally, it eliminates \$1.97 million in discrete appropriations for the following programs:

Program	2012-13 Appropriation
Farm Viability Institute	\$821,000*
Long Island Rabies	\$100,000
Farm Net (Farm Family Assistance)	\$100,000
Northern NY Agriculture Development	\$500,000
Equine Encephalitis	\$150,000
Tractor Rollover Program	\$100,000
Cornell Rabies	\$100,000
Maple Producers	\$100,000

\* \$400,000 remains in the Executive Budget for the Farm Viability Institute as a separate item.

The Executive Budget includes a new \$40,000 a new appropriation for a new hops evaluation and field testing program.

## **Capital Projects Appropriations**

(A. 3004)

The Executive proposes Capital Projects appropriation of \$3 million, reflecting no change from SFY 2012-13 levels.

### **State Fairgrounds Infrastructure Improvements**

In addition to the Department of Agriculture and Markets' Capital Projects appropriations, the Executive Budget includes \$2.5 million under the Office of Parks, Recreation and Historic Preservation to address critical capital needs at the New York State Fair, including roof and façade replacement and other infrastructure improvements.



## DEPARTMENT OF ECONOMIC DEVELOPMENT

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	26,985,000	30,703,000	3,718,000	13.8%
AID TO LOCALITIES	48,222,000	48,619,000	397,000	0.8%
<b>Total for AGENCY SUMMARY:</b>	<b>75,207,000</b>	<b>79,322,000</b>	<b>4,115,000</b>	<b>5.5%</b>

### Agency Mission

The mission of the Department of Economic Development is to provide a network of technical and financial assistance for businesses and to coordinate with other state agencies, authorities, organizations, and local governments to develop successful state economic strategies.

### Budget Summary

The Executive proposes an All Funds appropriation of \$79.32 million, an increase of \$4.12 million or 5.5 percent over the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 151 full-time equivalent (FTE) positions, a decrease of one position.

### State Operations Appropriations

(A. 3000)

The Executive proposes an All Funds State Operations appropriation of \$30.7 million, an increase of \$3.72 million or 13.8 percent over the SFY 2012-13 level.

### **Marketing Programs**

The Executive proposal includes \$2 million for a new "Taste-NY" program. This program is intended to promote tourism and help endorse locally grown and produced products throughout the state. The Executive proposes to decrease funding for the I Love NY Program by \$330,000, or 21.71 percent, providing \$1.19 million in SFY 2013-14.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	152	151	(1)
<b>TOTAL:</b>	<b>152</b>	<b>151</b>	<b>(1)</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes an All Funds Aid to Localities appropriation of \$48.62 million, an increase of \$397,000 over the SFY 2012-13 level.

**Education and Universities/High Technology Programs**

The Executive proposes to maintain \$32.16 million in appropriations consisting of the:

- Centers for Advanced Technology (\$13.8 million);
- Centers of Excellence (\$5.23 million);
- High Technology Matching Grants (\$4.61 million);
- Focus Center (\$3.01 million);
- Training and Business Assistance Program (\$1.47 million);
- Technology Development Organization Matching Grants (\$1.38 million);
- Industrial Technology Extension Services (\$921,000);
- RPI Smart Lighting Systems Engineering Research Center (\$500,000);
- Cornell University/NSF National Nanotechnology Infrastructure Network (\$490,000);
- Cornell University/NSF Materials Research Science and Engineering Center (\$392,000); and
- the Science and Technology Law Center (\$343,000).

In addition, the Executive proposes to eliminate \$2.68 million in appropriations consisting of:

- College of Nanoscale Science and Engineering Institute for Nanoelectronics Discovery and Exploration (\$775,000);
- College of Nanoscale Science and Engineering Center for Advanced Interconnect Systems Technologies (\$713,000);

- Stony Brook Center of Excellence in Advanced Energy Research (\$500,000);
- Rochester Center of Excellence in Sustainable Manufacturing (\$250,000);
- Columbia University/NSF Materials Research Science and Engineering Center (\$245,000); and
- University at Buffalo Center of Excellence in Materials Informatics (\$200,000).

### **Innovation Hot Spots**

The Executive proposes \$1.25 million for a new “Innovation Hot Spots” program that would create tax free zones to promote an entrepreneurial environment. The Regional Economic Development Councils would designate ten newly created incubators as Innovation Hot Spots over a two year period. Once this program is fully actualized, funding will be increased to \$5 million.

### **Local Tourism**

The Executive proposes \$5 million for a new Competitive Tourism Advertising Funds program for regions to collaborate and demonstrate tourism marketing plans that best promote regional attractions. The Executive also proposes the elimination of \$3 million for tourism marketing, and reduces support for the Local Tourism Matching Grants Program by \$170,000 to \$3.82 million. Last, the Executive Budget proposes to maintain \$392,000 for each of the Gateway Information Centers at Binghamton and Beekmantown.

### **Other Actions**

The Executive proposes to maintain SFY 2012-13 funding levels for the Manufacturing Extension Partnership Program (\$6 million) and for matching funds in support of the Federal Manufacturing Extension Partnership Program (\$1.47 million).

### **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- establish the New York Innovation Hot Spots Program; and
- establish tax-free sales of alcoholic beverages at Taste-NY Facilities.

# NYS ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	8,090,000	8,791,000	701,000	8.7%
AID TO LOCALITIES	8,140,000	7,439,000	(701,000)	-8.6%
CAPITAL PROJECTS	14,000,000	37,000,000	23,000,000	164.3%
<b>Total for AGENCY SUMMARY:</b>	<b>30,230,000</b>	<b>53,230,000</b>	<b>23,000,000</b>	<b>76.1%</b>

## Agency Mission

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. NYSEDA 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. In addition, NYSEDA administers the System Benefit Charge and manages the former nuclear fuel reprocessing plant at West Valley in Cattaraugus County and the Saratoga Technology and Energy Park in Saratoga County.

## Budget Summary

The Executive proposes an All Funds appropriation of \$53.23 million, an increase of \$23 million or 76.1 percent, over the State Fiscal Year (SFY) 2012-13 level.

## State Operations Appropriations

(A. 3000)

The Executive proposes a State Operations appropriation of \$8.79 million, an increase of \$701,000 or 8.7 percent, above the SFY 2012-13 level.

## **Research, Demonstration and Development**

The Executive budget shifts \$701,000 in appropriations from Aid to Localities to State Operations to maintain year-to-year support for the Authority's research, demonstration and development programs

(\$16.2 million). These programs fund energy analysis and planning activities and a competitive research and development grant program.

### **Aid to Localities Appropriations**

(A. 3003)

The Executive proposes an Aid to Localities appropriation of \$7.44 million, a decrease of \$701,000, or 8.6 percent, below the SFY 2012-13 level.

### **Capital Projects Appropriations**

(A. 3004)

The Executive proposes a Capital Projects appropriation of \$37 million, an increase of \$23 million, or 164.3 percent, above the SFY 2012-13 level.

### **Cleaner, Greener Communities**

The Executive Budget proposes a \$10 million net increase for the Cleaner, Greener Communities program. The Executive proposes to move \$15 million from the Regional Greenhouse Gas Initiative, where this program is funded, into the General Fund and would in turn provide \$25 million in bonding authority for the Cleaner, Greener Communities Program, which provides grants to fund new energy efficiency and renewable energy projects. This action would bring total proposed funding for the Cleaner, Greener Communities Program from \$100 million to \$110 million.

### **West Valley**

The Executive Budget decreases funding by \$2 million for ongoing cleanup at West Valley as a result of federal matching grant requirements.

### **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- authorize and direct the Comptroller to receive for deposit to the credit of the General Fund a payment of up to \$913,000 from NYSEDA to offset New York State's debt service requirements for West Valley;
- continue the authorization for NYSEDA to finance a portion of its research, development and other programs, and to finance the Department of Environmental Conservation's climate change program, from an assessment on gas and electric corporations; and
- continue to authorize the Department of Health to finance public service education activities with revenues generated from an assessment on cable companies.

## DEPARTMENT OF ENVIRONMENTAL CONSERVATION

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	473,507,000	451,805,000	(21,702,000)	-4.6%
AID TO LOCALITIES	2,576,000	1,676,000	(900,000)	-34.9%
CAPITAL PROJECTS	609,143,000	444,300,000	(164,843,000)	-27.1%
<b>Total for AGENCY SUMMARY:</b>	<b>1,085,226,000</b>	<b>897,781,000</b>	<b>(187,445,000)</b>	<b>-17.3%</b>

### Agency Mission

The mission of the Department of Environmental Conservation (DEC) 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.

### Budget Summary

The Executive proposes All Funds appropriations of \$897.78 million, a decrease of \$187.45 million or 17.3 percent below the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 2,916 full-time equivalent positions reflecting no change from SFY 2012-13 staffing levels.

### State Operations Appropriations

(A. 3000)

The Executive proposes State Operations appropriations of \$451.81 million, a decrease of \$21.70 million, or 4.6 percent, below the SFY 2012-13 level. This decrease would align appropriations to personal service spending. The Executive proposal includes a \$24.56 million decrease in various Personal Service appropriations below SFY 2012-13 levels. This reflects adjusting appropriations to actual spending levels due to collective bargaining agreements reached in 2012.

### **Laboratory Consolidation and Coordination**

The Executive Budget recommends interchange language to coordinate state environmental and public health lab activities among five agencies: the Department of Agriculture and Markets, the Department

of Environmental Conservation, the Department of Health, the Office of Mental Health, and the Office for People with Developmental Disabilities. This action is intended to allow for consolidation of certain purchasing functions.

**Waste Management**

The Executive Budget recommends to eliminate General Fund support for waste tire cleanup activities and to transfer these activities to the Waste Management and Cleanup Account appropriation which would in turn be increased by \$1.99 million. A proposal to permanently extend the current Waste Tire Fee would be used to support this appropriation.

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<b>ALL FUNDS PERSONNEL</b>			
BUDGETED FILL LEVELS			
Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	1,178	1,172	(6)
All Other Funds:	1,738	1,744	6
<b>TOTAL:</b>	<b>2,916</b>	<b>2,916</b>	<b>0</b>

**Aid to Localities Appropriations**

(A. 3003)

The Executive proposes Aid to Localities appropriations of \$1.68 million, a decrease of \$900,000 or 34.9 percent below the SFY 2012-13 level.

The Executive proposes to eliminate the Cornell Integrated Pest Management (\$400,000) and Invasive Species (\$500,000) appropriations that were included in the SFY 2012-13 Budget.

**Capital Projects Appropriations**

(A. 3004)

The Executive proposes Capital Projects appropriations of \$444.30 million, a decrease of \$164.84 million or 27.1 percent below the SFY 2012-13 level.

**Environmental Protection Fund and Bottle Deposit Receipts**

The Executive Budget proposes appropriations of \$153 million for programs financed under the Environmental Protection Fund (EPF), an increase of \$19 million above the SFY 2012-13 funding level.

The increase would be supported by the transfer of \$15 million in unclaimed bottle deposit receipts and \$4 million from new enforcement provisions of the unclaimed deposit program into the EPF. EPF appropriations include \$12.7 million for solid waste programs, \$58.3 million for parks and recreation and \$82 million for open space programs (see following table).

### **Superfund**

The Executive Budget would eliminate a \$120 million appropriation for the Hazardous Waste Remedial Fund (HWRF) and reduce the appropriation for oversight and assistance from \$10 million to \$6 million. The HWRF was originally funded at \$1.2 billion by the Environmental Quality Bond Act of 1996. As of SFY 2012-13 these funds have been fully appropriated.

### **New York Works**

The Executive Budget includes an appropriation of \$40 million in capital for the Department under the New York Works statewide capital infrastructure program. This represents a 60.7 percent decrease from SFY 2012-13's appropriation of \$101.74 million. Funds will be used for the Brownfields Environmental Restoration grant program, recreational facilities updates and health and safety repairs, wastewater treatment infrastructure, the plugging and remediation of abandoned oil and gas wells, and e-business initiatives to allow DEC customers to have updated online services.

### **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- permanently extend the current Waste Tire Fee of \$2.50 to expire in December 2013; and
- modify the enforcement and penalty provisions of the Bottle Bill law and would increase revenues deposited to the Environmental Protection Fund (EPF) by depositing \$15 million plus an additional portion of the unclaimed bottle deposit receipts to the EPF.



<b>2013-14 Environmental Protection Fund</b>				
<b>(\$ in thousands)</b>				
	<b>12-13</b>	<b>13-14</b>	<b>Change</b>	<b>Percent Change</b>
	<b>Enacted</b>	<b>Executive</b>	<b>12-13 vs Executive</b>	<b>12-13 vs Executive</b>
<b>SOLID WASTE</b>				
Landfill Closure/Gas Management	270	250	(20)	-7.4%
Municipal Recycling	6,435	7,000	565	8.8%
Pollution Prevention Institute	2,100	3,250	1,150	54.8%
Secondary Marketing	1,000	1,000	0	0.0%
Natural Resource Damages	175	155	(20)	-11.4%
Pesticide Database	960	1,000	40	4.2%
<b>Solid Waste</b>	<b>10,940</b>	<b>12,655</b>	<b>1,715</b>	<b>15.7%</b>
<b>PARKS &amp; REC</b>				
Waterfront Revitalization	11,500	12,500	1,000	8.7%
<i>Inner City/Underserved</i>	5,750	6,250	500	8.7%
<i>Jefferson and St. Lawrence</i>	60	0	(60)	-100.0%
<i>Niagara/Erie Waterfront Revitalization</i>	400	0	(400)	-100.0%
Municipal Parks	13,000	15,500	2,500	19.2%
<i>Inner-city/Underserved</i>	6,500	7,750	1,250	19.2%
<i>Buffalo-area Parks</i>	425	0	(425)	-100.0%
<i>Niagara/Erie Historic Preservation</i>	300	0	(300)	-100.0%
<i>Ulster County Rail Trail*</i>	0	2,000	2,000	--
Hudson River Park (HRP)	3,000	3,000	0	0.0%
Public Access Stewardship	16,000	18,000	2,000	12.5%
<i>OPRHP</i>	7,886	8,750	864	11.0%
<i>DEC</i>	7,614	8,750	1,136	14.9%
<i>ORDA (Belleayre)</i>	500	500	0	0.0%
ZBGA	9,000	9,250	250	2.8%
<b>Parks &amp; Rec</b>	<b>52,500</b>	<b>58,250</b>	<b>5,750</b>	<b>11.0%</b>
<b>OPEN SPACE</b>				
Land Acquisition	17,500	20,000	2,500	14.3%
<i>Land Trust Alliance</i>	1,575	1,575	0	0.0%
<i>Urban Forestry</i>	500	500	0	0.0%
Smart Growth	300	300	0	0.0%
Farmland Protection	12,000	13,000	1,000	8.3%
Agricultural Waste Management	700	1,000	300	42.9%
Biodiversity Stewardship	500	500	0	0.0%
Albany Pine Bush Commission	2,000	2,000	0	0.0%
Invasive Species	3,400	3,600	200	5.9%
<i>Lake George</i>	100	100	0	0.0%
LI Pine Barrens Commission	1,100	1,100	0	0.0%
Oceans Great Lakes Initiative	4,728	4,750	22	0.5%
Water Quality Improvement Program	2,932	7,945	5,013	171.0%
<i>Climate Change/Flood Resiliency*</i>	0	5,000	5,000	--
<i>Maximum Daily Load Study</i>	300	0	(300)	-100.0%
LI South Shore Estuary Reserve	900	900	0	0.0%
Non-Point Source Pollution Cont	17,000	18,700	1,700	10.0%
<i>Agricultural</i>	13,000	14,200	1,200	9.2%
<i>Non-Agricultural</i>	4,000	4,500	500	12.5%
Soil Water Conservation Districts	3,500	3,500	0	0.0%
Finger Lake-Lake Ontario Watershed	1,000	1,000	0	0.0%
Hudson River Estuary Plan	3,000	3,800	800	26.7%
<i>Mohawk River*</i>	0	800	800	--
<b>Open Space</b>	<b>70,560</b>	<b>82,095</b>	<b>11,535</b>	<b>16.35%</b>
<b>TOTAL EPF</b>	<b>134,000</b>	<b>153,000</b>	<b>19,000</b>	<b>14.18%</b>
* 2013-2014 New Categories				

## HUDSON RIVER PARK TRUST

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	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
Total for AGENCY SUMMARY:	0	0	0	0%

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### Agency Mission

The Hudson River Park Trust (Trust) is a public benefit corporation with a mission to encourage, promote and expand public access to the Hudson River, to promote water-based recreation, and enhance the natural, cultural, and historic aspects of the river from Battery Place to West 59th Street in New York City for residents and visitors to the area. The Trust has authority over the planning, construction, operation and maintenance of the 550-acre Hudson River Park (Park), running for five miles along Manhattan's West Side from Battery Park to 59<sup>th</sup> Street.

### Budget Summary

Historically, appropriations for the Trust represented advance payments for New York City's share of costs associated with the Park. The Executive does not include a New York City advance, as was the case in State Fiscal Year (SFY) SFY 2012-13. The Trust is, however, funded in the Environmental Protection Fund (EPF) at \$3 million, reflecting no change from the SFY 2012-13 funding level in EPF.

### Capital Projects Appropriations

(A. 3004)

The Executive Budget does not include appropriations for the Hudson River Park Trust, reflecting no change from SFY 2012-13.

## NEW YORK STATE GAMING COMMISSION

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	125,357,700	111,604,700	(13,753,000)	-11.0%
<b>Total for AGENCY SUMMARY:</b>	<b>125,357,700</b>	<b>111,604,700</b>	<b>(13,753,000)</b>	<b>-11.0%</b>

### Agency Mission

Effective February 1, 2013, Chapter 60 of the Laws of 2012 created the New York State Gaming Commission (Commission), which will merge the functions and responsibilities of the former Division of the Lottery and the former Racing and Wagering Board. The Commission supervises four divisions that were created to carry out responsibilities related to the regulation and enforcement of various gaming activities, including the Division of the Lottery, Charitable Gaming, Gaming (including Indian Gaming and Video Lottery Gaming), and Horse Racing and Pari-Mutuel Wagering.

### Budget Summary

The Executive recommends All Funds appropriations of \$111.6 million, a decrease of \$13.75 million or 11 percent over the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 434 full-time equivalent (FTE) positions, which reflects no change from SFY 2012-13 levels.

### State Operations Appropriations

(A. 3000)

#### **Gaming**

The Executive proposes a decrease of \$19.18 million due to the lapse of a one-time SFY 2012-13 appropriation to reimburse the Genting Group for environmental remediation costs at the Aqueduct Raceway (\$15.6 million) and a shift of appropriation authority from Indian Gaming to the Racing program (\$3.6 million).

#### **Horse Racing and Pari-Mutuel**

The Executive proposes an increase of \$5.44 million due to a shift of appropriation authority from Indian Gaming to the Racing Program (\$3.6 million) and costs associated with recommendations by the

Task Force on Racehorse Health and Safety report (\$1.85 million). Specifically, the Commission would implement the Task Force’s recommendations by hiring a medical director, and funding increased costs associated with laboratory testing inspectors and veterinarians.

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**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	434	434	0
<b>TOTAL:</b>	<b>434</b>	<b>434</b>	<b>0</b>

**Article VII Proposals**

The Executive recommends Article VII legislation that would:

- authorize the development of up to three casinos, but exclude development of casinos in downstate New York. The proposal would also establish an Office of Casino Gambling Regulation within the Gaming Commission and would provide for gambling regulation, selection of casino developers and local governmental and community support where a facility is to be located;
- eliminate the restrictions on the sale of Quick Draw tickets in order to increase revenue earned for aid to education in the state;
- extend for one year the current commission rate paid to the Monticello Video Lottery Terminal facility;
- make the current disbursement of simulcasting revenue permanent which would otherwise expire in SFY 2013 and result in a tax increase on winnings;
- redirect a portion of purse money to fund costs associated with recommendations of the Task Force on Racehorse Health and Safety; and
- create a new account to finance an administration program in the New York State Gaming Commission.

## DEPARTMENT OF MOTOR VEHICLES

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	119,514,000	123,586,000	4,072,000	3.4%
AID TO LOCALITIES	20,800,000	20,880,000	80,000	0.4%
CAPITAL PROJECTS	194,171,000	205,759,000	11,588,000	6.0%
<b>Total for AGENCY SUMMARY:</b>	<b>334,485,000</b>	<b>350,225,000</b>	<b>15,740,000</b>	<b>4.7%</b>

### Agency Mission

The Department of Motor Vehicles (DMV) is responsible for registering vehicles to identify and authorize use, providing vehicle titles to establish vehicle ownership, licensing and regulating the motor vehicle industry, and licensing drivers to protect consumers and promote traffic safety. The DMV Traffic Violations Bureau also helps to adjudicate traffic infractions. The DMV collects fees and generates non-tax revenues to support these objectives.

### Budget Summary

The Executive proposes All Funds appropriations of \$350.23 million, an increase of \$15.74 million or 4.49 percent over the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 2,215 full-time equivalent (FTE) positions, a decrease of four positions.

### State Operations Appropriations

(A. 3000)

The Executive proposes All Funds State Operations appropriations of \$123.59 million, an increase of \$4.07 million or 3.29 percent over the SFY 2012-13 level.

The Executive proposal includes \$4.5 million to fund a new DMV customer service initiative. This would include mobile device apps and a website redesign, self-service kiosks, technological improvements for the call center, the offering of appointments, and offering Saturday hours in certain offices.

**Special Revenue Funds**

The DMV funds most of its programs through the collection of fees. The following proposed appropriation increases reflect revenue increases anticipated by the Executive for SFY 2013-14:

Appropriation	SFY 2012-13	SFY 2013-14	Change	
	Enacted	Proposal	Amount	Percent
<b>Administrative Adjudication Program</b>	\$43,067,000	\$44,261,000	\$1,194,000	2.77%
<b>Clean Air Program</b>	23,308,000	24,642,000	1,334,000	5.72%
<b>Compulsory Insurance Program</b>	16,755,000	17,657,000	902,000	5.38%
<b>Governor's Traffic Safety Committee</b>				
Highway Safety Programs	12,887,000	13,426,000	539,000	4.18%
Highway Safety Research and Development	4,800,000	4,800,000	\$0	0.00%
<b>Transportation Safety Program</b>				
Motorcycle Safety Account	1,655,000	1,736,000	81,000	4.89%
Internet Point Insurance Reduction Program Account	642,000	664,000	<u>22,000</u>	3.43%
<b>TOTAL</b>			4,072,000	3.41%

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**ALL FUNDS PERSONNEL  
BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	731	711	(20)
All Other Funds:	1,488	1,504	16
<b>TOTAL:</b>	<b>2,219</b>	<b>2,215</b>	<b>(4)</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes All Funds Aid to Localities appropriations of \$20.88 million, an increase of \$80,000 over the SFY 2012-13 level.

## **Governor's Traffic Safety Committee**

The Executive proposes an increase of \$80,000 in federal appropriations for the Governor's Traffic Safety Committee (GTSC) to reflect a projected increase in Federal funding. The GTSC awards federal highway safety grant funds to local, state and not-for-profit agencies for projects to improve highway safety and reduce deaths and serious injuries due to traffic accidents.

### **Capital Projects Appropriations**

(A. 3004)

The Executive proposes All Funds Capital Projects appropriations of \$205.76 million from the Dedicated Highway and Bridge Trust Fund, representing an increase of \$11.59 million, or 6 percent, from the SFY 2012-13 level. These appropriations fund the DMV's operations.

### **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- modify the cell phone and texting while driving laws, and impose license sanctions for violations of these laws by commercial motor vehicle operators;
- allow the DMV to designate certain branch offices to be open on Saturdays;
- limit plea bargaining of traffic tickets, extend state surcharges to new offenses, and establish higher fines for violations of laws prohibiting texting and cell phone use while driving; and
- suspend the drivers' license of taxpayers with past-due tax liabilities of \$10,000 or more.

## OLYMPIC REGIONAL DEVELOPMENT AUTHORITY

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	4,733,000	5,417,000	684,000	14.5%
<b>Total for AGENCY SUMMARY:</b>	<b>4,733,000</b>	<b>5,417,000</b>	<b>684,000</b>	<b>14.5%</b>

### Agency Mission

The Olympic Regional Development Authority (ORDA) mission has been to maximize visitation to the Adirondack region by operating its venues (Olympic Center, Olympic Sports Complex, Olympic Jumping Complex, Whiteface Mountain, Gore Mountain) to promote environmental awareness and safe recreation. ORDA administers the post-Olympic program for the sports facilities used to host the 1980 Olympic Winter Games, and it manages Gore Mountain in Warren County, and, as of 2012, Bellayre Mountain in the Catskills.

### Budget Summary

The Executive proposes All Funds appropriations of \$5.42 million, an increase of \$684,000, or 14.5 percent, over the State Fiscal Year (SFY) 2012-13 level.

### State Operations Appropriations

(A. 3000)

The Executive proposes State Operations appropriations of \$5.42 million, an increase of \$684,000, or 14.5 percent, above the SFY 2012-13 level. The increase results from additional spending anticipated from the Winter Sports Education Trust Fund.

### **New York Works Program**

The Executive Budget proposal includes an appropriation to the Office of Parks, Recreation and Historic Preservation that provides \$2.5 million to the Olympic Regional Development Authority for infrastructure projects, including ski lift and building maintenance.



## OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	224,965,500	224,338,500	(627,000)	-0.3%
AID TO LOCALITIES	14,825,000	11,725,000	(3,100,000)	-20.9%
CAPITAL PROJECTS	156,071,000	106,200,000	(49,871,000)	-32.0%
<b>Total for AGENCY SUMMARY:</b>	<b>395,861,500</b>	<b>342,263,500</b>	<b>(53,598,000)</b>	<b>-13.5%</b>

### Agency Mission

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

### Budget Summary

The Executive proposes All Funds appropriations of \$342.26 million, a decrease of \$53.60 million or 13.5 percent below the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 1,719 full-time equivalent positions, reflecting no change from SFY 2012-13 staffing levels.

### State Operations Appropriations

(A. 3000)

The Executive proposes a State Operations appropriation of \$224.34 million, a decrease of \$627,000 from the SFY 2012-13 level. The savings reflected in the proposal is attributed to decreases in non-personal service and overtime resulting from the hiring of a new class of State Park Police in SFY 2012-13.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	1,419	1,419	0
All Other Funds:	300	300	0
<b>TOTAL:</b>	<b>1,719</b>	<b>1,719</b>	<b>0</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes an Aid to Localities appropriation of \$11.73 million, a decrease of \$3.1 million, or 20.9 percent, from the SFY 2012-13 level.

**Natural Heritage Trust Program**

The Executive recommends the elimination of an appropriation for the Natural Heritage Trust Program, which was funded at \$3.1 million in SFY 2012-13.

**Capital Projects Appropriations**  
(A. 3004)

The Executive proposes a Capital Projects appropriation of \$106.2 million, a decrease of \$49.87 million or 32 percent below the SFY 2012-13 level.

**New York Works Program**

The Executive Budget would allocate \$50 million of capital funding through New York Works, which is a \$44.27 million decrease from the SFY 2012-13 level. The current appropriation would provide:

- \$45 million for health and safety projects and critical infrastructure rehabilitation at OPRHP sites;
- \$2.5 million to the Olympic Regional Development Authority for infrastructure projects; and
- \$2.5 million to the Department of Agriculture and Markets for State Fairground rehabilitation.

## **State Park Infrastructure**

The Executive also proposes a \$52.2 million appropriation for maintenance and improvement of existing facilities. This proposal would decrease funding for alterations, improvements and rehabilitation projects at OPRHP-owned sites by \$5.62 million, while increasing funding for health and safety projects by \$17,000.

## DEPARTMENT OF PUBLIC SERVICE

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	78,892,000	79,892,000	1,000,000	1.3%
AID TO LOCALITIES	3,500,000	6,750,000	3,250,000	92.9%
<b>Total for AGENCY SUMMARY:</b>	<b>82,392,000</b>	<b>86,642,000</b>	<b>4,250,000</b>	<b>5.2%</b>

### Agency Mission

The Department of Public Service (Department) is the staff arm of the Public Service Commission (PSC), and has the mandate of ensuring New Yorkers access to reliable utility services at just and reasonable rates. The 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. The Department is also responsible for the oversight and regulation of the cable television and telecommunications industry.

### Budget Summary

The Executive proposes an All Funds appropriation of \$86.64 million, an increase of \$4.25 million or 5.2 percent from the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 496 full-time equivalent positions reflecting no change from SFY 2012-13 staffing level.

### State Operations Appropriations

(A. 3000)

The Executive proposes State Operations appropriations totaling of \$79.89 million, an increase of \$1 million, or 1.3 percent, above the SFY 2012-13 level.

### **Wholesale Consumer Advocacy Funding**

The Executive Budget proposes a new \$1 million appropriation reflecting a settlement between the Federal Energy Regulatory Commission and a private corporation. Funds would be used to provide advocacy on behalf of New York's electric consumers on utility rate issues. This amount would be the first of 10 annual \$1 million payments for this purpose.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
All Other Funds:	496	496	0
<b>TOTAL:</b>	<b>496</b>	<b>496</b>	<b>0</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes Aid to Localities appropriations totaling \$6.75 million, an increase of \$3.25 million or 92.9 percent from the SFY 2012-13 level.

**Energy Highway Initiative Intervener Funds**

The Executive Budget proposes a new appropriation of \$3.25 million in local assistance intervener funds in anticipation of transmission line-siting proposals to be submitted as part of the Energy Highway Initiative. This appropriation would be funded by the payments required of private entities submitting such proposals.

**Article VII Proposals**

The Executive recommends Article VII legislation that would:

- continue the current 18(a) utility assessment through March 31, 2019 which is set to expire on March 31, 2014;
- strengthen oversight and enforcement mechanisms of the PSC to ensure that public utility companies are held accountable and responsive to regulators and customers; and
- continue to authorize the Department of Health to finance certain activities with revenues generated from an assessment on cable television companies.

## DEPARTMENT OF STATE

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	68,170,828	71,407,000	3,236,172	4.7%
AID TO LOCALITIES	69,884,000	65,379,000	(4,505,000)	-6.4%
CAPITAL PROJECTS	0	10,000,000	10,000,000	--
<b>Total for AGENCY SUMMARY:</b>	<b>138,054,828</b>	<b>146,786,000</b>	<b>8,731,172</b>	<b>6.3%</b>

### Agency Mission

The Department of State (DOS) is responsible for programs relating to services to local governments and community-based organizations. In addition, DOS administers programs for community development and local government service activities and supports businesses through various licensing and registration activities.

### Budget Summary

The Executive proposes All Funds appropriations of \$146.78 million, an increase of \$8.73 million or 6.3 percent over the State Fiscal Year (SFY) 2012-13 level. The Executive recommends funding support of 567 full-time equivalent (FTE) positions, an increase of 30 positions.

### State Operations Appropriations

(A. 3000)

The Executive proposes All Funds State Operations appropriations of \$71.41 million, an increase of \$3.24 million or 4.7 percent over the SFY 2012-13 level.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	537	567	30
<b>TOTAL:</b>	<b>537</b>	<b>567</b>	<b>30</b>

**Business and Licensing Program**

In SFY 2012-13, there was a shift in non-personal service funds from the General Fund to the Business and Licensing Program in order to assist the program in achieving its core mission. The Executive proposes an increase of \$2.8 million in SFY 2013-14 related to the full annual costs of that shift. In addition, the Executive proposes an increase of \$1 million related to personal service costs.

**Aid to Localities Appropriations**

(A. 3003)

The Executive proposes All Funds Aid to Localities appropriations of \$65.38 million, a decrease of \$4.51 million or 6.4 percent from the SFY 2012-13 level.

**Local Government & Community Services**

The Executive proposes the elimination of \$505,000 in funding for the Public Utility Law Project and \$4 million in funding for the Local Waterfront Revitalization Program.

**Capital Projects Appropriations**

(A. 3004)

The Executive proposes a new Capital Projects appropriation of \$10 million, or a 100 percent increase over the SFY 2012-13 level.

## **Solid and Hazardous Waste Management**

The Executive proposes a \$10 million appropriation for the Brownfield Opportunity Areas Program, which funds competitive grants to municipalities and community-based organizations for the clean-up of brownfields.

### **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- extend the authority of the Secretary of State to charge increased fees for expedited handling of documents issued by or requested from the Department's Division of Corporations; and
- facilitate an online corporate filing system that would eliminate categories of corporation types, and various filing requirements for businesses and not-for-profit corporations.



## DEPARTMENT OF TAXATION AND FINANCE

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	422,697,000	483,859,400	61,162,400	14.5%
AID TO LOCALITIES	926,000	926,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>423,623,000</b>	<b>484,785,400</b>	<b>61,162,400</b>	<b>14.4%</b>

### Agency Mission

The Department of Taxation and Finance (DTF) is responsible for the administration and collection of various state taxes, as well as numerous local taxes. In addition, the Department also manages the State Treasury and provides investment and cash management services to various state agencies.

### Budget Summary

The Executive proposes \$484.79 million in All Funds appropriations for the Department of Taxation and Finance. This is an increase of \$61.2 million or 14.4 percent from the State Fiscal Year (SFY) 2012-13 levels. The Executive recommends a workforce of 4,379 full-time equivalent (FTE) positions, an increase of 204 FTEs from the SFY 2012-13 budget. Two hundred new FTEs are proposed for the Audit, Collections, and Enforcement program and an increase of four FTEs is proposed for the Revenue, Processing, and Reconciliation program.

### State Operations Appropriations

(A. 3000)

The Executive proposes \$483.86 million in State Operations appropriations, an increase of \$61.16 million over SFY 2012-13. The Executive proposes an increase of \$9.1 million for the Audit, Collections, and Enforcement program in order to hire new auditors and an increase of \$52.06 million for the Revenue, Processing, and Reconciliation program to facilitate the call center consolidation project.

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	3,474	3,678	204
All Other Funds:	701	701	0
<b>TOTAL:</b>	<b>4,175</b>	<b>4,379</b>	<b>204</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes to maintain the Aid to Localities funding at \$926,000, representing no change from SFY 2012-13.

**Article VII Proposals**

The Executive recommends Article VII legislation that would:

- provide the DTF the authority to refuse to issue a certificate of registration, required for sale of cigarettes and other tobacco products, to retailers with unpaid tax delinquencies;
- increase the civil penalty for possessing unstamped cigarettes from \$150 to \$600 per carton;
- expand criteria for refusal to issue sales tax Certificates of Authority to include all delinquent taxes and increase penalties for operating without one;
- enforce past-due tax liabilities by suspending, with certain exceptions, the New York State driver's license of a taxpayer who owes in excess of \$10,000;
- allow DTF to garnish wages of delinquent taxpayers without filing a warrant with the Department of State or appropriate County Clerk; and
- make permanent the tax modernization provisions enacted in 2011 and extended in 2012.

## DIVISION OF TAX APPEALS

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	3,121,000	3,121,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>3,121,000</b>	<b>3,121,000</b>	<b>0</b>	<b>0.0%</b>

### Agency Mission

The Division of Tax Appeals provides taxpayers with a system of due process for resolving disputes with the Department of Taxation and Finance. The separation of tax administration from tax adjudication promotes impartial and timely hearing of taxpayer disputes.

### Budget Summary

The Executive proposes an All Funds appropriation of \$3.12 million with a workforce of 27 full-time equivalent positions for the State Fiscal Year (SFY) 2013-14. This represents no change in funding or workforce from SFY 2012-13.

### State Operations Appropriations

(A. 3000)

The Executive proposes to maintain State Operations appropriations at \$3.12 million, representing no change from SFY 2012-13.

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**ALL FUNDS PERSONNEL**  
**BUDGETED FILL LEVELS**

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	27	27	0
<b>TOTAL:</b>	<b>27</b>	<b>27</b>	<b>0</b>

# NEW YORK STATE THRUWAY AUTHORITY

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	0	24,000,000	24,000,000	--
CAPITAL PROJECTS	2,000,000	2,000,000	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>2,000,000</b>	<b>26,000,000</b>	<b>24,000,000</b>	<b>1200.0%</b>

### Agency Mission

The New York State Thruway Authority (Authority) is responsible for operating a 570-mile toll highway system, along with the New York State Canal System. Through its subsidiary, the New York State Canal Corporation, the Authority maintains, operates, develops, and makes capital improvements to the 524 mile canal system which includes 57 locks, 16 lift bridges, and numerous dams, reservoirs, and water control structures.

The Authority is funded primarily through various off-budget revenues. Most programs are therefore not included in the Executive Budget. The two exceptions are the Canal Development Program and a new State Operations appropriation in State Fiscal Year (SFY) 2013-14 which would help to eliminate the need for a previously proposed commercial toll increase.

### Budget Summary

The Executive proposes an All Funds appropriation of \$26 million, an increase of \$24 million over the SFY 2012-13 level.

### State Operations Appropriations

(A.3000)

#### **Thruway Authority Relief**

The Executive recommends a new appropriation of \$24 million from the General Fund to eliminate the need for a previously proposed 45 percent commercial toll increase.

## **Capital Projects Appropriations**

(A.3004)

### **Canal Development Program**

The Executive recommends an appropriation of \$2 million for the Canal Development Program, unchanged from the SFY 2012-13 funding level. The revenues deposited into the Canal System Development Fund (CSDF) are generated by canal tolls and other user fees. Revenues from the CSDF are available strictly for the development, promotion, maintenance, and construction of the canals.

### **Article VII Proposals**

The Executive recommends Article VII legislation that would provide a state takeover of personnel costs of the Division of State Police Troop T that patrols the Thruway (\$55.22 million transferred to a General Fund appropriation in the Division of State Police budget); create an exemption from an annual assessment due from the Authority to the State (\$5.20 million); and establish a system for spending the above appropriation (\$24 million). Together these actions would provide \$84.42 million in support for the Authority and would eliminate the need for a previously proposed commercial toll increase.

## DEPARTMENT OF TRANSPORTATION

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	35,774,000	36,032,000	258,000	0.7%
AID TO LOCALITIES	4,482,419,700	4,808,914,700	326,495,000	7.3%
CAPITAL PROJECTS	5,099,105,000	4,341,385,000	(757,720,000)	-14.9%
<b>Total for AGENCY SUMMARY:</b>	<b>9,617,298,700</b>	<b>9,186,331,700</b>	<b>(430,967,000)</b>	<b>-4.5%</b>

### Agency Mission

The Department of Transportation (DOT) maintains and improves the state's more than 40,000 highway lane miles and 7,500 bridges. In addition, DOT partially funds locally operated transit systems, local government highway and bridge construction, as well as rail and aviation programs. DOT closely coordinates with other state transportation agencies and authorities with the goal of creating an interconnected statewide transportation system that addresses environmental and community concerns and efficiently moves people and goods throughout the state.

### Budget Summary

The Executive proposes All Funds appropriations of \$9.19 billion, a decrease of \$430.97 million or 4.48 percent from the SFY 2012-13 level. The Executive recommends funding support of 8,337 full-time equivalent (FTE) positions, a decrease of 22 positions.

### State Operations Appropriations

(A. 3000)

The Executive proposes All Funds State Operations appropriations of \$36.03 million, an increase of \$258,000 from the SFY 2012-13 level.

### **Office of Passenger and Freight Transportation Program**

The Executive recommends appropriation increases of \$258,000 to reflect increased revenues from assessments on freight rail (\$12,000) and increased revenues from registration fees for the regulation of motor carriers and interstate commerce (\$246,000).

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**ALL FUNDS PERSONNEL**  
BUDGETED FILL LEVELS

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Fund	Current 2012-13	Requested 2013-14	Change
General Fund:	825	825	0
All Other Funds:	7,534	7,512	(22)
<b>TOTAL:</b>	<b>8,359</b>	<b>8,337</b>	<b>(22)</b>

**Aid to Localities Appropriations**  
(A. 3003)

The Executive proposes All Funds Aid to Localities appropriations of \$4.81 billion, an increase of \$326.5 million or 7.28 percent from the SFY 2012-13 level. The Executive proposal maintains capital support to local governments for highway and bridge projects at SFY 2012-13 levels, with \$363.1 million provided for the Consolidated Highway Improvement Program (CHIPS) and \$39.7 million for the Marchiselli program.

**Dedicated Public Transit Special Revenue Funds**

Most transit aid is appropriated from three dedicated special revenue funds.

- **Mass Transportation Operating Assistance (MTOA) fund program (\$1.86 billion):** The Executive Budget proposes a net increase of \$196.85 million or 1.89 percent, to MTOA to reflect projected increases in dedicated tax revenues in the Metropolitan Mass Transportation Operating Assistance Account to support downstate transit (\$200.64 million), offset by decreased tax revenues in the Public Transportation Systems Operating Assistance account to support upstate transit (a \$3.80 million reduction).
  - **Dedicated Revenue Transfer:** The Executive recommends a sweep of \$20 million in dedicated tax revenue from MTOA to pay for a portion of the debt service associated with previously-issued MTA service contract bonds.
  - **Metropolitan Mass Transportation Operating Assistance Account (MMTOA):** The MMTOA account includes a new appropriation of \$2.51 million to reimburse the MTA for lost toll revenue on the Rockaway bridges during November 2012. The tolls were suspended on the Marine Parkway and Cross Bay Bridges to assist the Rockaways storm recovery.



- **Dedicated Mass Transportation Trust Fund (DMTTF) (\$662.19 million):** The Executive Budget increases appropriations by \$3.94 million from the DMTTF to reflect projected increases in fees and dedicated tax revenues primarily to support the MTA as well as upstate transit.
- **Metropolitan Transportation Authority Support Program (\$1.93 billion):** The Executive Budget increases appropriations by \$118 million, or 6.11 percent, to reflect projected increases in fees and dedicated tax revenues in the Mobility Tax Trust Account (\$100 million) and the Metropolitan Transportation Authority Aid Trust Account (\$18 million) to support MTA transit aid.

The three dedicated special revenue funds (MTOA, DMTFF and MTA Support), plus \$97.55 million from the General Fund, support the following transit systems:

<b>Transit Operating Assistance – Executive Budget Appropriations SFY 2013-14</b>				
(\$ in millions)				
	All Funds 2012-13	All Funds 2013-14	Change \$	Change %
MTA	3,992.15	4,287.40	295.25	7.40
Non-MTA Downstate	261.23	284.77	23.54	9.01
Upstate	175.51	175.51	0.0	0.0
<b>Total</b>	<b>4,428.88</b>	<b>4,747.67</b>	<b>318.79</b>	<b>7.2</b>

In addition, the Executive recommends an appropriation increase of \$7.71 million, or 84.74 percent, in the Federal Transit Authority Program Management Account to reflect increased federal operating grants.

### Capital Projects Appropriations

(A. 3004)

The Executive proposes All Funds Capital Projects appropriations of \$4.34 billion, a decrease of \$757.72 million or 14.86 percent, from the SFY 2012-13 level.

#### **Dedicated Highway and Bridge Trust Fund (DHBTF)**

- **Non-Federally Aided Highway Capital Projects:** The Executive recommends a net appropriation increase of \$77.95 million, or 4.39 percent, in the DHBTF. Reductions are made to appropriations for engineering (\$23.55 million) and Administration (\$5.22 million). Increases are provided to construction (\$79.25 million), maintenance (\$21.97 million), capital plan management (\$4.03 million), real estate (\$1.27 million), and bus inspections (\$202,000). The level of recommended appropriations reflects an additional \$100 million of core program spending agreed to in the SFY 2012-13 budget.
- **Other Fund Actions:**

- The Executive Budget reflects the non-recurrence of New York Works spending in the DHBTF with \$232.05 million of reduced appropriations.
- The Executive proposes to shift last year's \$3 million appropriation from the Regional Aviation Fund back into the DHBTF where it had traditionally resided.
- The Executive proposal also includes transfer authority of \$624.69 million from the General Fund to the Dedicated Highway and Bridge Trust Fund to fill an expected capital funding shortfall of \$568 million in SFY 2013-14.

### **New York Works and Regional Economic Development Projects**

The Executive proposes Road and Bridge Capital Plan obligations of \$3.68 billion in SFY 2013-14, a decrease of \$0.85 billion or 18.84 percent. This net year-to-year decrease primarily reflects the non-recurrence of 2012-13 New York Works infrastructure funding (\$1.16 billion). The year-to-year reduction is mitigated by \$200 million in new funding under the New York Works program and \$100 million in new commitments to be awarded competitively through the Regional Economic Development Councils. The plan continues to spend last year's New York Works infrastructure funding and reflects an additional \$100 million of core program spending authorized in last years enacted budget.

### **Savings Actions**

The Executive's proposed level of funding reflects \$32.2 million in reductions to be achieved through operational and administrative efficiencies, such as staff; attrition; restacking and shared services; reductions in maintenance non-personal services; and savings from prior estimates of needed Amtrak corridor subsidies.

### **Mass Transportation and Rail Freight**

The Executive Budget appropriates \$54.33 million for the Mass Transportation and Rail Freight program, an increase of \$27.71 million or 105 percent, from the SFY 2012-13 level. The appropriation includes \$10 million for DOT rail projects and \$44.33 million for Amtrak service subsidies required by the Federal Passenger Rail Improvement and Investment Act (PRIIA).

## **Engineering Services Program**

The Executive provides \$18.32 million to the New York City Metropolitan Transportation Council to support planning activities required for the distribution of federal funds. This is \$423,000, or 2.36 percent, above SFY 2012-13 levels and reflects increased federal funding.

### **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- provide the annual authorization for the CHIPS and Marchiselli programs;
- make permanent the current distribution of Transmission Tax revenues; and
- transfer \$307 million from the General Fund to the MTA financial Assistance Fund, Mobility Tax Trust Account, to fully offset revenue reductions enacted during the December 2011 Special Legislative Session.

## URBAN DEVELOPMENT CORPORATION

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
AID TO LOCALITIES	89,615,000	42,885,000	(46,730,000)	-52.1%
CAPITAL PROJECTS	705,000,000	556,057,000	(148,943,000)	-21.1%
<b>Total for AGENCY SUMMARY:</b>	<b>794,615,000</b>	<b>598,942,000</b>	<b>(195,673,000)</b>	<b>-24.6%</b>

### Agency Mission

The Empire State Development Corporation (ESDC) – formerly the Urban Development Corporation – is a New York State public benefit corporation. The mission of ESDC is to promote economic and real estate development by providing financial assistance to local governments, businesses and not-for-profit corporations engaged in economic development activities.

### Budget Summary

The Executive proposes an All Funds appropriation of \$598.94 million, a decrease of \$195.67 million or 24.6 percent from the State Fiscal Year (SFY) 2012-13 level.

### Aid to Localities Appropriations

(A. 3003)

The Executive proposes an All Funds Aid to Localities appropriation of \$42.89 million, a decrease of \$46.73 million or 52.1 percent from the SFY 2012-13 level.

### **Community and Business Assistance**

The Executive Budget would maintain a total of \$3.9 million in appropriations for the following: Entrepreneurial Assistance Program (\$1.76 million); Community Development Financial Institutions (\$1.5 million); and base funding for the Minority- and Women-Owned Business Development and Lending Program - MWBDLP (\$635,000).

The Executive proposes the elimination of \$17.6 million in appropriations for the Jobs Now Program (\$16.2 million); additional MWBDLP funding (\$365,000); and the Center State Corporation for Economic Opportunity (\$1 million).

The Executive proposes a reduction of \$19.22 million for the Empire State Economic Development Fund, reflecting a decrease of 38.13 percent resulting in an appropriation of \$31.2 million, and a reduction of \$4 million for the Urban and Community Development Program, reflecting a total net decrease of 54.0 percent.

**Other Program Eliminations:**

The Executive Budget would also eliminate appropriations totaling \$7.41 million including:

- Military Base Retention (\$5 million);
- College of Nanoscale Science and Engineering (CNSE)
- Institute for Nanoelectronics Discovery and Exploration (INDEX) (\$1.01 million);
- Military Base Redevelopment Efforts (\$600,000);
- Brooklyn Chamber of Commerce (\$350,000);
- Rochester Technology and Manufacturing Association (\$200,000);
- Adirondack North Country Association (\$100,000);
- Canisius Women’s Business Center (\$100,000); and a
- redevelopment study at Belmont Park (\$50,000).

**Capital Projects Appropriations**

(A. 3004)

The Executive proposes an All Funds Capital Projects appropriation of \$556.1 million, a decrease of \$148.9 million or 21.1 percent under the SFY 2012-13 level.

**Regional Economic Development Councils**

The Executive Budget would maintain a \$150 million appropriation for a third round of competitive funding for the Regional Economic Development Councils. In addition, \$70 million in Excelsior tax credits would be made available for allocation by the Councils on a competitive basis.

**Buffalo/Western New York Revitalization**

The Executive proposes a second installment to a multi-year \$1 billion commitment to the Buffalo Regional Innovation Cluster which includes \$75 million in capital and an additional \$25 million in Excelsior Tax Credits. The Executive also proposes \$53.9 million for capital improvements to the Ralph Wilson Stadium and an additional \$2.17 million for the retention of football in Western New York. Coupled with an Aid to Localities appropriation of \$4.41 million, support for retention efforts totals \$6.57 million.

## **SUNY/CUNY Programs**

The Executive proposes a combined total of \$110 million for the NYSUNY 2020 Grant Program and the new NYCUNY 2020 Grant Program. The State University of New York (SUNY) would receive \$55 million to be used for a third round of funding, while The City University of New York would receive \$55 million for its initial round of funding.

## **New York Works Economic Development Fund**

The Executive proposes \$165 million for the New York Works Economic Development Fund for a total increase of \$90 million or 120 percent over SFY 2012-13.

## **Off-Budget Initiatives**

The Mitchell-Lama affordable housing asset portfolio would be transferred from the Empire State Development Corporation to Division of Housing and Community Renewal in an effort to preserve over 8,600 units of affordable rental housing throughout the State.

The Executive proposes \$50 million in support for a new NYS Innovation Venture Capital Fund which would provide resources for new business creation and growth, as well as to spur commercialization. This fund would be supported by a \$40 million transfer from the New York Power Authority, an \$8 million suballocation from the State Small Business Credit Initiative, and a \$2 million allotment from the Small Business Technology Investment Fund.

Additionally, the Executive proposes a new “Innovate NY Network” to foster collaboration between academics, business leaders and professionals in order to enhance the commercialization process.

## **Article VII Proposals**

The Executive recommends Article VII legislation that would:

- make permanent the general loan powers of the New York State Urban Development Corporation; and
- provide general grant-making power for the New York State Urban Development Corporation.

**MISCELLANEOUS: TRANSPORTATION, ECONOMIC DEVELOPMENT & ENVIRONMENTAL**

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
CONSERVATION				
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	322,182,000	322,182,000	0	0.0%
AID TO LOCALITIES	54,136,000	50,936,000	(3,200,000)	-5.9%
CAPITAL PROJECTS	0	720,000,000	720,000,000	--
<b>Total for AGENCY SUMMARY:</b>	<b>376,318,000</b>	<b>1,093,118,000</b>	<b>716,800,000</b>	<b>190.5%</b>

**State Operations Appropriations**  
(A. 3000)

**Green Thumb**

The Executive proposes a State Operations appropriation of \$2.83 million for the Green Thumb Program, which is the same level of funding as in State Fiscal Year (SFY) 2012-13. The Green Thumb Program provides part-time employment in State agencies for income-eligible seniors.

**Greenway Heritage Conservancy of the Hudson River Valley**

The Executive Budget proposes a State Operations appropriation of \$166,000 for the Greenway Heritage Conservancy of the Hudson River Valley, reflecting no change from SFY 2012-13 funding levels. The Greenway Heritage Conservancy of the Hudson River Valley promotes the preservation of natural and cultural resources in the Valley, serves as a land trust in the acquisition of lands important to the Greenway, and designates and develops the Hudson River Valley Greenway Trail.

**Hudson River Valley Greenway Communities Council**

The Executive Budget proposes a State Operations appropriation of \$185,000 for the Hudson River Valley Greenway Communities Council, reflecting no change from SFY 2012-13 funding levels. The Hudson River Valley Greenway Communities Council is a 25-member advisory board which is responsible for promoting the preservation of natural and cultural resources in the Hudson River Valley.

## **New York Work Task Force**

The Executive proposes a State Operations appropriation of \$1 million for the New York Works Task Force, which is the same level of funding as in SFY 2012-13. The New York Works Task Force coordinates capital infrastructure plans across State agencies and authorities.

### **Aid to Localities Appropriations**

(A. 3003)

## **Hudson River Valley Greenway Communities Council**

The Executive Budget proposes an Aid to Localities appropriation of \$136,000 for the Hudson River Valley Greenway Communities Council, reflecting no change from SFY 2012-13 funding levels. The Hudson River Valley Greenway Communities Council is a 25-member advisory board which is responsible for promoting the preservation of natural and cultural resources in the Hudson River Valley.

## **Metropolitan Transportation Authority**

The Executive proposes contingency Aid to Localities appropriations of \$2.28 billion, an increase of \$98.17 million, or 4.49 percent, from the SFY 2012-13 budget. This includes an appropriation of \$638.48 million, an increase of \$4.48 million, from the Dedicated Mass Transportation Trust Fund and an appropriation of \$1.65 billion, an increase of \$93.69 million, from the Metropolitan Transportation Authority Support Program (Mobility Tax Trust Account). This contingency appropriation can be used to support operating costs as well as debt service payments for the MTA in SFY 2014-15 in the event that the state budget for that fiscal year is not enacted by April 1, 2014.

### **Capital Projects Appropriations**

(A. 3004)

## **Transformative Initiatives**

The Executive proposal includes a \$720 million appropriation to promote transformative economic development and infrastructure initiatives, and may support projects that adapt infrastructure to extreme weather events and climate change. A minimum of \$360 million of the appropriation would be made available for competitive allocation by the Regional Economic Development Councils.



# **LEGISLATURE & JUDICIARY**

## **Summary of Recommended Appropriations By Agency**

## LEGISLATURE

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	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	219,944,801	219,944,801	0	0.0%
<b>Total for AGENCY SUMMARY:</b>	<b>219,944,801</b>	<b>219,944,801</b>	<b>0</b>	<b>0.0%</b>

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## JUDICIARY

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
STATE OPERATIONS	1,870,349,975	1,870,858,374	508,399	0.03%
AID TO LOCALITIES	101,644,040	102,377,495	733,455	0.7%
<b>Total for AGENCY SUMMARY:</b>	<b>1,971,994,015</b>	<b>1,973,235,869</b>	<b>1,241,854</b>	<b>0.1%</b>

### Agency Mission

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.

### Budget Summary

The Executive proposes All Funds appropriations of \$1.97 billion, an increase of \$1.24 million or 0.1 percent, over the State Fiscal Year (SFY) 2012-13 level.

The Judiciary's budget includes a \$40 million appropriation to support the recommendations of the Chief Judge's task force to expand civil legal services, which is a \$15 million increase from the SFY 2012-13 funding level. In addition, the request continues a \$15 million sub-allocation to the Interest on Lawyers Account (IOLA) fund in support of civil legal service programs.

# **DEBT SERVICE**

## **Summary of Recommended Appropriations By Agency**

## DEBT SERVICE

	Adjusted Appropriation 2012-13	Executive Request 2013-14	Change	Percent Change
<b>AGENCY SUMMARY</b>				
General Fund	245,000,000	245,000,000	0	0%
Fiduciary	30,500,000	25,600,000	(4,900,000)	-19.1%
Debt Service Funds	6,665,660,000	7,223,260,000	557,600,000	7.7%
Capital Projects Funds	960,300,000	980,300,000	20,000,000	2%
Contingency Appropriation	1,400,000,000	1,500,000,000	100,000,000	6.7%
<b>Total for AGENCY SUMMARY:</b>	<b>9,301,460,000</b>	<b>9,974,160,000</b>	<b>672,700,000</b>	<b>7.2</b>

### Programmatic Highlights

The State Fiscal Year (SFY) 2013-14 Executive Budget includes \$9,997,160,000 in Debt Service Appropriations, an increase \$72.7 million or 7.2 percent over SFY 2012-13.

### Article VII Proposals

The Executive recommends Article VII legislation that would:

- authorize the Comptroller to make required certifications in relation to the 1986 Environmental Quality Bond Act to assure the continuation of the tax-exempt status of the bonds;
- authorize use of Mental Health Services Fund to make arbitrage rebate payments to the federal government, if necessary;
- reimburse certain capital spending from appropriations into the correctional facilities capital improvement fund;
- authorize \$1 billion from the General Fund to the debt reduction reserve fund;
- authorize Dormitory Authority of the State of New York (DASNY) and Empire State Development Corporation to issue bonds for any other issuers' authorized purposes under the Personal Income Tax (PIT) credit structure;
- amend the statute governing the Board of the Local Government Assistance Corporation, allowing bond issues to be approved by a unanimous vote of all directors;

- authorize PIT bonds to be issued for any purposes that state-supported debt can be issued, except General Obligation bonds;
- reimburse new appropriations and reappropriations from the Capital Projects Fund with the authority bond proceeds;
- authorize the creation of the New York State Transformative Capital Fund which would consist of two accounts; one to finance Federal Emergency Management Agency and a transformative capital account to finance transformative economic development and infrastructure initiatives;
- authorize the creation of a new Sales Tax Revenue Bond Tax Fund to replicate PIT and Local Government Assistance Corporation revenue bonds, to lower the costs of borrowing. The Sales Tax Revenue Bond will be secured by the pledge of payments from the General Debt Service Fund which will receive one percent of the state's four percent sales and use tax receipts. The bonds will be used interchangeably with PIT bonds to finance state capital needs; and
- authorize a new self-supporting bonding program State University of New York (SUNY) Dormitory Facilities supported by third party revenues generated by student rents. These revenues will flow directly to DASNY for the payment of debt service without an appropriation. Future bonds of SUNY dorms will not count as debt of the state.

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