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January 20, 2016

Dear Colleagues:

I am pleased to provide you with this year's edition of *Yellow Book*, which represents a review and analysis of the Executive Budget proposal for State Fiscal Year (SFY) 2016-17. This document is intended to provide the Members of the Committee, Members of the Assembly, and the general public with an overview of the fiscal and policy proposals that comprise the Executive Budget, as expressed in legislation submitted by the Governor on January 13, 2016. This publication is accessible on our website: www.assembly.state.ny.us/Reports/WAM/2016yellow/.

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

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

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

As the Legislature begins its work on the State Fiscal Year 2016-17 Budget, I would like to express appreciation to all of my Assembly colleagues for the time and commitment you will dedicate to creating and enacting this year's budget. I would also like to thank the public for their participation as well. Finally, I would like to express my thanks to the staff of the Ways and Means Committee for their outstanding efforts to produce this document, and for their support to our conference throughout the year.

Sincerely,

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

HERMAN D. FARRELL, JR.

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**A REVIEW AND ANALYSIS
OF THE
2016-17 EXECUTIVE BUDGET**

YELLOW BOOK

January 2016

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

Prepared by the
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**A Review and Analysis
of the
2016-17 Executive Budget**

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Financial Plan



BUDGET SNAPSHOT: FINANCIAL PLAN



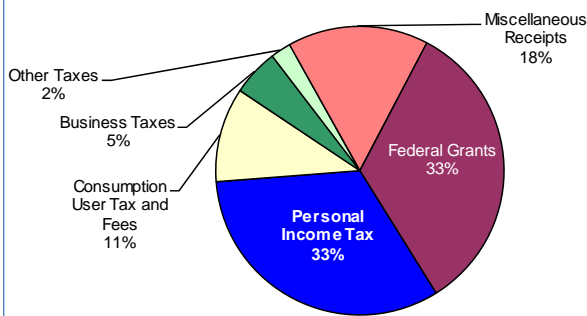
**All Funds
Spending Total:
\$154.5 billion.
Growth of \$2.4
billion or 1.6%.**

**General Fund
Spending Total:
\$70.6 billion.
Decrease of \$1.9
billion or 2.7%.**

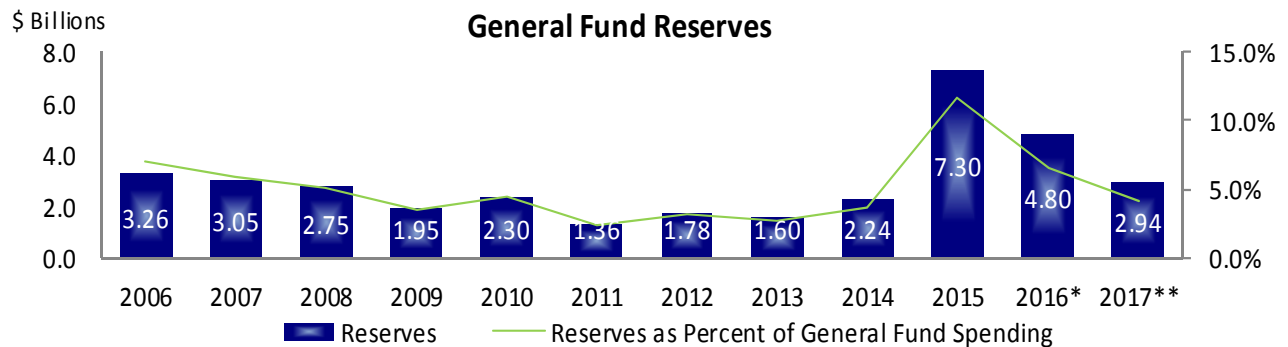
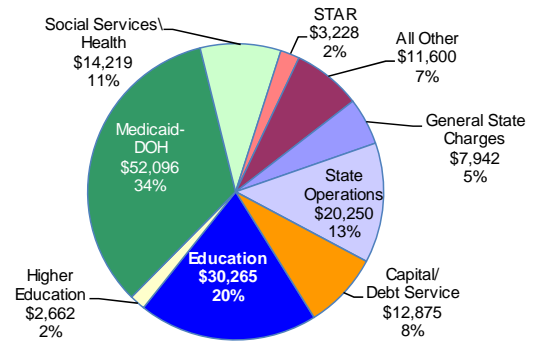
**State Funds
Spending Total:
\$105.3 billion.
Growth of
\$3.1 billion or
3.1%.**

**State Operating
Funds Spending
Total: \$95.9 billion.
Growth of \$1.6
billion or 1.7%**

All Funds Receipts

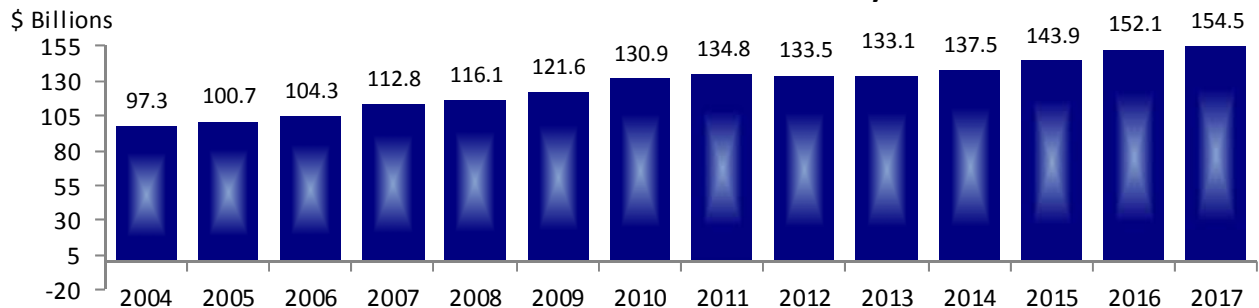


All Funds Disbursements



*In SFY 2015-16, \$4.6 billion was transferred to the Dedicated Infrastructure Investment Fund for capital purposes and \$850 million was used to pay the OPWDD Federal Disallowance.
**In SFY 2016-17, \$1.8 billion is planned to be transferred to the Dedicated Infrastructure Investment Fund for capital purposes.

All Funds Disbursement History



Source: NYS Division of the Budget.

BUDGET HIGHLIGHTS: FINANCIAL PLAN



- **All Funds Spending:** Adjusted All Funds spending for State Fiscal Year (SFY) 2016-17 is estimated to be \$145.3 billion, a growth of 1.2 percent. This amount excludes \$1.1 billion in Federal disaster aid for Superstorm Sandy; \$6.8 billion in additional Federal aid for the Affordable Care Act; and \$1.3 billion in spending of proceeds from financial settlements. When these amounts are considered, the All Funds total is estimated at \$154.5 billion, a 1.6 percent growth.
- **State Operating Funds Spending:** The Executive's estimate of 1.7 percent growth in State Operating Funds remains below the two percent spending benchmark with total disbursements reaching \$95.9 billion. This spending benchmark was first instituted in SFY 2011-12.
- **General Fund Spending:** The Executive estimates that General Fund disbursements for SFY 2015-16 are expected to total \$72.6 billion; a growth of 15.5 percent. General Fund disbursements for SFY 2016-17 are projected to total \$70.6 billion, a decrease of 2.7 percent.
- **Closing the SFY 2016-17 Budget Gap:** The Executive Proposal includes recommendations that are intended to close an estimated \$1.78 billion General Fund budget gap in SFY 2016-17. The Executive proposes to close this gap with \$2.0 billion in spending reductions offset by \$267 million in resource changes and tax actions. Prior to these actions, out-year gaps were estimated at \$2.8 billion for SFY 2017-18, \$4.4 billion for SFY 2018-19, and \$4.2 billion for SFY 2019-20.
- **Monetary Settlements:** The Executive allocates \$2.3 billion in settlement funds; accordingly: \$1.84 billion is transferred to the Dedicated Infrastructure Investment Fund (DIIF) for capital purposes, \$340 million is placed in reserves for the Thruway Toll Credit, and \$120 million is allocated to the Environmental Protection Fund (EPF).
- **General Fund Reserves:** The Executive estimates the SFY 2016-17 General Fund closing balance will be \$2.9 billion, including \$1.8 billion in the "Rainy day" reserve funds.



BUDGET REVIEW AND ANALYSIS: FINANCIAL PLAN



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

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

Table 1

Size of Budget (\$ in Millions)				
	SFY 2015-16	SFY 2016-17	Difference	Percent
General Funds	72,575	70,639	(1,936)	(2.7)
State Operating Funds	94,282	95,885	1,603	1.7
State Funds	102,146	105,262	3,116	3.1
All Funds	143,593	145,303	1,710	1.2
All Funds Adjusted*	152,084	154,517	2,433	1.6

Note: All Funds Adjusted includes federal aid associated with Hurricane Sandy and the Affordable Care Act as well as settlement capital spending.

The Executive proposes a \$145.3 billion budget for SFY 2016-17, representing growth of \$1.7 billion or 1.2 percent. With the inclusion of extraordinary Federal aid for Superstorm Sandy and the Affordable Care Act as well as spending of settlement funds, the All Funds budget grows by \$2.43 billion or 1.6 percent.

General Fund spending is projected at \$70.6 billion for SFY 2016-17, a 2.7 percent decrease from SFY 2015-16. The General Fund spending decrease in SFY 2016-17 is primarily due to the transfer of \$4.6 billion to the DIIF in SFY 2015-16.

State Funds spending which includes spending on capital is projected at \$105.3 billion, or 3.1 percent growth over last year.

Two Percent Spending Benchmark

Beginning in SFY 2011-12, the Executive created a spending benchmark that limited the State Operating Fund to two percent growth. For SFY 2016-17, the Executive proposes a State Operating Funds budget of \$95.9 billion, for a growth of 1.7 percent.

In the SFY 2015-16 Mid-Year Update, the SFY 2016-17 State Operating Funds growth was projected at 4.1 percent over the current fiscal year. The Executive budget reduced the growth to 1.7 percent through a series of spending revisions.

Actions that reduce growth in the Executive proposal include: increasing the contribution from New York City to pay a 30 percent share of CUNY net operating and debt service costs currently funded by the State (\$393 million); reinstating the New York City contribution from the State takeover of Medicaid growth (\$180 million); shifting School Tax Relief (STAR) from a spending program to a refundable personal income tax credit (\$299 million); and other budgetary revisions (\$200 million).

Settlement Funds

Since the SFY 2015-16 mid-year update, the State has received an additional \$225 million in monetary settlements from financial institutions: \$150 million from Barclays; \$74 million from Credit Agricole; and \$1 million from New Day Financial LLC. This brings the total monetary settlements received in SFY 2014-15 and SFY 2015-16 to \$8.3 billion.

Of this total, \$5.4 billion was budgeted in SFY 2015-16 and \$627 million was set aside for financial plan operations. The SFY 2016-17 budget proposes using \$2.3 billion in settlement funds to support infrastructure projects across the State, including: \$700 million for a Thruway Stabilization Plan; an additional \$200 million for the Transportation Capital Plan; \$640 million for housing initiatives; \$255 million for Economic Development purposes; \$25 million for the Empire State Poverty Reduction Initiative; and \$20 million for Municipal Consolidation and Efficiency Competition. The remaining balance will be used to supplement the Environmental Protection Fund (\$120 million) and \$340 million will be reserved to fund a three year toll credit for regular users of the Thruway.



Table 2

**Summary of Settlements Between
Regulators and Financial Institutions
(\$ in Millions)**

	<u>SFY 2014-15</u>	<u>SFY 2015-16</u>	<u>SFY 2016-17</u>	<u>Total</u>
Monetary Settlements Known/Expected	4,942	3,390	0	8,332
BNP Paribas	2,243	1,348	0	3,591
<i>Department of Financial Services (DFS)</i>	2,243	0	0	2,243
<i>Asset Forfeiture (DANY)</i>	0	1,348	0	1,348
Deutsche Bank	0	800	0	800
Credit Suisse AG	715	0	0	715
Commerzbank	610	82	0	692
Barclays	0	635	0	635
Credit Agricole	0	459	0	459
Bank of Tokyo Mitsubishi	315	0	0	315
Bank of America	300	0	0	300
Standard Chartered Bank	300	0	0	300
Bank Leumi	130	0	0	130
Ocwen Financial	100	0	0	100
Citigroup (State Share)	92	0	0	92
Goldman Sachs	0	50	0	50
MetLife Parties	50	0	0	50
American International Group	35	0	0	35
PricewaterhouseCoopers	25	0	0	25
Promontory	0	15	0	15
AXA Equitable Life Insurance Company	20	0	0	20
New Day	0	1	0	1
Other Settlements (TBD)	7	0	0	7
Allocation of Settlement Proceeds	275	5,755	2,300	8,330
Thruway Stabilization Program	0	1,285	700	1,985
Penn Station Access	0	250	0	250
Infrastructure Improvements	0	115	0	115
Broadband Initiative	0	500	0	500
Hospitals	0	400	0	400
Transit-Oriented Development	0	150	0	150
Resiliency, Mitigation, Security, and Emergency Response	0	150	0	150
Municipal Restructuring	0	150	0	150
Southern Tier/Hudson Valley Farm Initiative	0	50	0	50
Upstate Revitalization	0	1,500	0	1,500
Transportation Capital Plan	0	0	200	200
Housing and Homeless Plan	0	0	640	640
Economic Development	0	0	255	255
Empire State Poverty Reduction Initiative	0	0	25	25
Municipal Consolidation Competition	0	0	20	20
Audit Disallowance - Federal Settlements	0	850	0	850
Settlements Budgeted in Financial Plan	275	350	0	625
Transfer to Support OASAS Chemical Dependence Programs	0	5	0	5
Thruway Toll Credit	0	0	340	340
Transfer to Environmental Protection Fund	0	0	120	120

Table 3

Executive Budget Financial Plan
SFY 2016-17
(\$ in Millions)

	<u>Executive General Fund</u>	<u>Executive State Funds</u>	<u>Executive All Funds</u>
OPENING BALANCE	<u>4,796</u>	<u>11,148</u>	<u>11,116</u>
RECEIPTS:			
Personal Income Tax	34,242	49,960	49,960
User Taxes and Fees	7,089	16,195	16,194
Business Taxes	5,776	8,017	8,018
Other Taxes	986	3,512	3,512
Total Taxes	<u>48,093</u>	<u>77,684</u>	<u>77,684</u>
Licenses, Fees, etc.	595	595	595
Abandoned Property	525	525	525
ABC License Fees	63	63	63
HCRA		4,701	4,701
Lottery		3,353	3,353
Medicaid		812	812
Motor Vehicle Fees	161	541	541
Reimbursements	293	293	293
State University Income		4,298	4,298
Investment Income	7	7	7
Other Transactions	998	8,755	8,971
Total Miscellaneous Receipts	<u>2,642</u>	<u>23,943</u>	<u>24,159</u>
Federal Grants	0	79	51,133
Total Transfers from Other Funds	<u>18,051</u>		
TOTAL RECEIPTS	<u>68,786</u>	<u>101,706</u>	<u>152,976</u>
DISBURSEMENTS:			
School Aid	20,778	24,388	27,066
Higher Education	2,650	2,654	2,662
All Other Education	2,278	2,305	3,199
STAR		3,228	3,228
Medicaid - DOH	12,628	18,037	52,096
Public Health	741	1,609	3,418
Mental Hygiene	937	2,619	2,772
Children and Families	1,638	1,642	2,673
Temporary & Disability Assistance	1,229	1,292	4,736
Transportation	101	6,101	6,616
Unrestricted Aid	745	745	745
All Other	1,777	2,589	4,239
Total Local Assistance Grants	<u>45,502</u>	<u>67,209</u>	<u>113,450</u>
Personal Service	6,025	12,809	13,498
Non-Personal Service	2,209	5,667	6,752
Total State Operations	<u>8,234</u>	<u>18,476</u>	<u>20,250</u>
General State Charges	5,459	7,623	7,942
Debt Service	725	5,455	5,455
Capital Projects	3,700	6,499	7,420
State Share Medicaid	1,433		
SUNY Operations	985		
Other Purposes	4,601		
Total Transfers to Other Funds	<u>11,444</u>		
TOTAL DISBURSEMENTS	<u>70,639</u>	<u>105,262</u>	<u>154,517</u>
Other Financing Sources (uses):			
Transfers from Other Funds		33,884	33,141
Transfers to Other Funds		(31,923)	(33,218)
Bonds and Note proceeds		599	599
Net Financing Sources		<u>2,560</u>	<u>522</u>
Excess/(Deficiency) of Receipts over Disbursements	<u>(1,853)</u>	<u>(996)</u>	<u>(1,019)</u>
CLOSING BALANCE	<u>2,943</u>	<u>10,152</u>	<u>10,097</u>



Closing the SFY 2016-17 Executive Budget Gap

The Executive proposal closes an estimated \$1.8 billion General Fund budget gap in SFY 2016-17 through \$2.0 billion in spending changes and \$267 million in resource changes and tax actions.

Table 4

General Fund GAP-Closing Plan				
(\$ in Millions)				
	FY 2017	FY 2018	FY 2019	FY 2020
CURRENT SERVICES GAP ESTIMATES	(1,781)	(2,802)	(4,414)	(4,205)
Spending Changes	2,048	3,705	4,932	6,090
Agency Operations	397	145	40	(357)
Local Assistance	1,333	2,124	2,259	2,480
Capital Projects/Debt Management	439	167	152	88
New Investments and Initiatives	(121)	(381)	(753)	(696)
Adherence to 2% Spending Benchmark	0	1,650	3,234	4,575
Resources	(284)	(48)	130	(424)
Tax Revisions	(229)	(44)	164	100
All Other	(55)	(4)	(34)	(524)
Surplus/(Gap) Before Tax Actions	(17)	855	648	1,461
Tax Actions	17	(322)	(534)	(512)
Small Business Tax Rate Reductions	0	(298)	(298)	(298)
Tax Extenders/credits	17	(24)	(236)	(214)
EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE	0	533	114	949

Prior to the recommendations of the Executive Budget, the forecast for out-year budget gaps in the Mid-Year report were calculated at \$1.8 billion for SFY 2016-17, \$2.8 billion for SFY 2017-18, \$4.4 billion for SFY 2018-19, and \$4.2 billion for SFY 2019-20.

Since the Mid-Year, the Executive revised out-year budget gap estimates to a balanced budget for SFY 2016-17; with surpluses of \$533 million for SFY 2017-18, \$114 million for SFY 2018-19, and \$949 million for SFY 2019-20.

Spending Changes

The Executive proposal holds departmental operations spending flat for a savings of \$397 million and assumes reductions in local assistance spending for savings of \$1.3 billion. The majority of the local assistance savings is attributed to the previously mentioned increased New York City contributions for CUNY and Medicaid as well as the STAR Program Conversion.

Spending control actions also include \$439 million in Debt Management savings by continued competitive bond sales and refundings.

The Executive has also proposed \$121 million in new spending initiatives for SFY 2016-17 which offset the State's net savings. Among these initiatives are Juvenile Justice Reform to raise the age of juvenile jurisdiction and the DREAM Act, to extend student financial assistance to undocumented immigrant students pursuing higher education in New York State.

Before tax actions, out-year surpluses are achieved mainly through adherence to the 2 percent benchmark and spending cuts ranging from \$1.7 billion in SFY 2017-18; \$3.2 billion in SFY 2018-19; and \$4.6 billion in SFY 2019-20.

Resource Changes

The Executive also estimates \$267 million in receipt changes made up of \$284 million in resource revisions and \$17 million in new tax actions in SFY 2016-17. This is primarily attributed to a downward tax revision of \$229 million and a decrease of \$250 million previously expected from the Federal Designated State Health Program (DSHP). These revenue losses are partially offset by the Sales Tax Asset Receivable Corporation (STARC) debt refunding savings that the Executive proposes to recoup from New York City (\$200 million).



General Fund Reserves

The Executive Budget projects \$2.9 billion in reserves at the end of SFY 2016-17, representing a \$1.85 billion decrease from SFY 2015-16. This is due to the transfer of settlement funds from the General Fund to the DIIF. The \$340 million reserved in monetary settlements in SFY 2016-17 will be used to pay for a proposed three-year toll credit beginning in SFY 2017-18.

Table 5

Estimated General Fund Closing Balance		
(\$ in Millions)		
	SFY 2015-16	SFY 2016-17
Tax Stabilization Reserve Fund	1,258	1,258
Statutory Rainy Day Reserve Fund	540	540
Contingency Reserve Fund	21	21
Community Projects Fund	60	44
Reserved for Debt Management	500	500
Reserved for Labor Agreements	15	240
Monetary Settlements	2,402	340
Total	4,796	2,943



Budget Summary



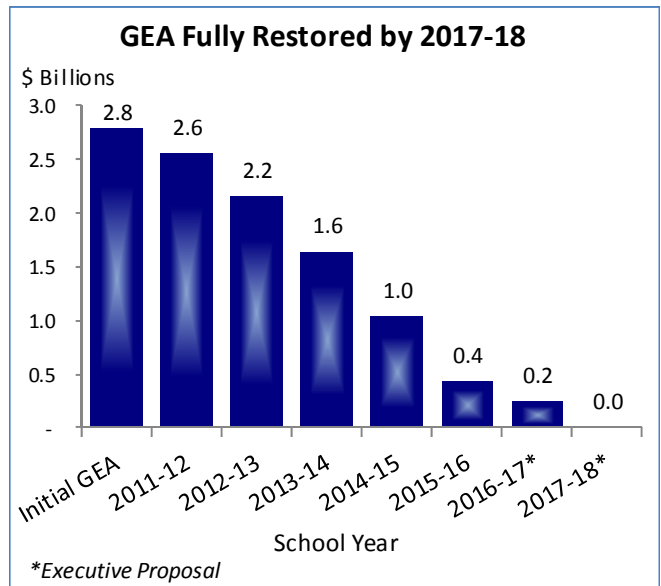
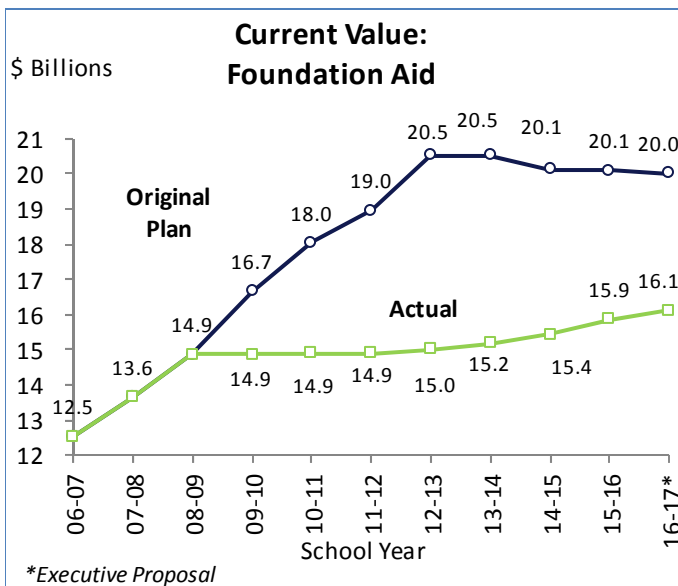
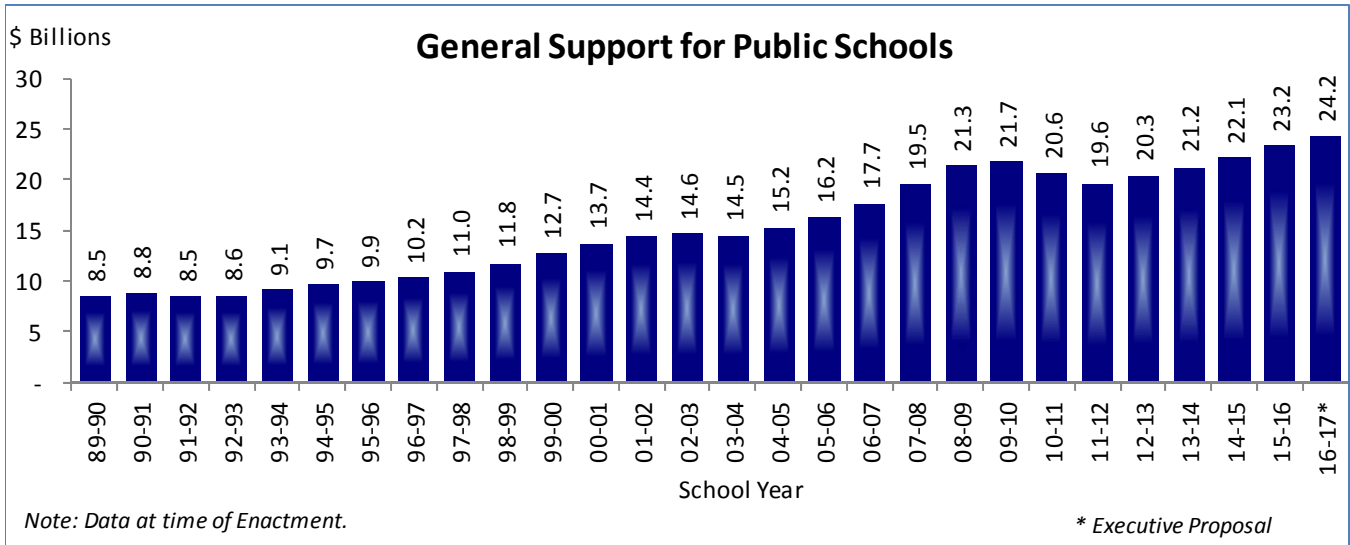
BUDGET SNAPSHOT: EDUCATION



\$991 million increase in General Support for Public Schools, including \$100 million for Community Schools

\$807 million in total support for Prekindergarten

\$28 million in grants for Prekindergarten, Early College High School and QUALITYstarsNY



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

BUDGET HIGHLIGHTS: EDUCATION



- **General Support for Public Schools (\$991 million):** The Executive proposes an increase in General Support for Public Schools of \$991 million or 4.3 percent, increasing aid from \$23.23 billion to \$24.22 billion for School Year (SY) 2016-17. This increase consists of \$961 million for School Aid, \$28 million for competitive grants and \$2.03 million for other education programs.

- **School Aid (\$961 million):** The Executive proposes a School Aid increase of \$961 million or 4.2 percent. This allotment is made up of: \$266.4 million for Foundation Aid, \$189.4 million for the Gap Elimination Adjustment restoration, \$100 million for Community Schools Aid, and \$405.3 million for the reimbursement of expense-based aids.

- **New Grant Programs (\$28 million):** The Executive proposal includes three grant programs:
 - Expanded Prekindergarten (\$22 million): to expand access to and quality of half-day and full-day programs for three-year olds.

 - QUALITYstarsNY (\$2 million): to monitor, review, and evaluate early childhood settings.

 - Expanding access to Early College and Career and Technical Education (CTE) Programs: \$3 million is proposed for the Smart Transfer Program, to allow Early College high school students to obtain associate degrees while in high school at no cost to the student. Additionally, the Governor proposes \$1 million to eliminate barriers that prevent students with disabilities and English Language Learners from participating in CTE programs.

- **Prekindergarten:** The Executive Budget continues \$340 million in support for statewide full-day prekindergarten, and \$467 million for all other prekindergarten programs.

- **Charter School Grants (\$27 million):** The Executive proposes a new direct per pupil grant to charter schools.

- **Mayoral Control:** The Executive proposes a three-year extension of mayoral control in New York City, which is set to expire in June of 2016.



BUDGET REVIEW AND ANALYSIS: EDUCATION



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

New York State has roughly 3.2 million students enrolled in Prekindergarten through twelfth grade, including nearly 2.7 million children in 695 public school districts, and over 400,000 children in nonpublic schools. New York State provides more than \$23 billion in General Support for Public Schools (GSPS) for instructional and operational purposes, allowing school districts to provide educational services to children statewide.

Table 6

Appropriations				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
State Education Department	57,910.57	58,631.82	721.25	1.25
Note: These amounts comprise a 2-year appropriation				

Table 7

Disbursements				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
State Education Department	29,913.49	30,656.56	743.07	2.48



State Education Department

The Executive proposes All Funds appropriations of \$58.63 billion, an increase of \$721.25 million, or 1 percent above the State Fiscal Year (SFY) 2015-16 level. The Executive recommends support for 2,692 full-time equivalent (FTE) positions, an increase of 20 FTEs over the SFY 2015-16 level.

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

Under the Executive proposal, overall School Aid would be increased by \$991 million to \$24.22 billion for the 2016-17 School Year (SY), reflecting a 4.3 percent growth in GSPS. This increase consists of \$266.4 million in Foundation Aid, \$189.4 million in Gap Elimination Adjustment (GEA) restoration, \$100 million in Community Schools Aid, \$405.3 million in expense-based aids, \$2 million in other grant programs and \$28 million for performance grants. The Executive proposal would eliminate the GEA for 200 school districts in SY 2016-17 and fully eliminate the GEA in SY 2017-18.

For school districts to receive increases in school aid, they must have documentation submitted to and approved by the Commissioner of SED demonstrating that they have implemented the standards and procedures for conducting annual teacher and principal evaluations by September 1, 2016.

School Aid is appropriated on a two-year basis for the SFY 2016-17 and SFY 2017-18 at a total of \$34.79 billion. In addition, there is an appropriation of \$6.39 billion to cover remaining school aid obligations for the 2015-16 and other prior SYs.

Table 8

Proposed School Aid Increase (\$ in Millions)	
	SY 2016-17 Exec. Proposal
Foundation Aid	\$ 266.4
Gap Elimination Adjustment Restoration	\$ 189.4
Community Schools Aid	\$ 100.0
Expense Based Aids	\$ 405.3
Subtotal: Formula-Based Aids and Certain Grants	\$ 961.1
Grants Programs and Additional Aid Categories	\$ 2.0
New Initiatives	
Three Year Old Prekindergarten	\$ 22.0
Early College and CTE Programs	\$ 4.0
QUALITYstarsNY	\$ 2.0
Subtotal: New Initiatives	\$ 28.0
Year to Year School Aid Increase	\$ 991.1



Community Schools Aid (\$100 million): The Executive proposes \$100 million in Community Schools Aid, which districts could use to fund the implementation of the community schools model. The community schools model involves turning schools into hubs that provide co-located or school-linked academic, health, counseling, legal and other services to students and their families. Of the \$100 million, \$75 million would be allocated to the 17 school districts that have one or more of the state’s 144 schools identified as struggling or persistently struggling. The remaining \$25 million would be distributed to high need school districts, taking into account the districts’ student populations.

Grant Initiatives (\$28 million): The Executive proposes the following grant programs:

- **Expanded Prekindergarten (\$22 million):** The Executive Budget proposes a new \$22 million grant program to expand access to half-day and full-day programs for three year olds. Grants would be awarded based on factors such as district and student need, as well as the number of students served. These funds would be awarded by a new “Empire State Prekindergarten Grant Board”, which would consist of three members selected by the Governor, the Speaker of the Assembly and the Temporary President of the Senate.
- **QUALITYstarsNY (\$2 million):** The Executive proposes to add \$2 million for QUALITYstarsNY, to support the implementation of a statewide system to assess, improve, and communicate the level of quality in early education and care settings. This funding would be in addition to the \$3 million provided in SFY 2015-16, for a total of \$5 million. Participation in QUALITYstarsNY has been voluntary, but the Executive proposes to require programs identified as needing extra support to participate in order to continue receiving State funds.
- **Expanding access to Early College Programs (\$3 million):** The Executive proposes to add \$3 million for the Smart Transfer Program, which would allow existing Early College high schools to become Smart Transfer high schools. These schools would partner with institutions of higher education to ensure that participating students would be able to obtain associate degrees while in high school at no cost to the student. Funding would be distributed to ensure regional diversity and prioritize programs serving students in academically challenged school districts.
- **Career and Technical Education (CTE) (\$1 million):** The Executive proposes \$1 million to enable the State Education Department to eliminate barriers that prevent students with disabilities and English Language Learners from participating in CTE programs.



Table 9

General Support for Public Schools

AID CATEGORY	2015-16 School Year (\$ in Millions)	2016-17 School Year (\$ in Millions)	\$ Change (\$ in Millions)	% Change
Formula-Based Aids				
Foundation Aid	15,856.39	16,122.76	266.37	1.68%
Community School Aid	0.00	100.00	100.00	NA
Excess Cost - High Cost	532.92	600.53	67.61	12.69%
Excess Cost - Private	320.83	330.81	9.98	3.11%
Reorganization Operating Aid	7.91	7.63	(0.28)	-3.54%
Textbooks (Incl. Lottery)	176.74	179.41	2.67	1.51%
Computer Hardware	37.20	38.33	1.13	3.04%
Computer Software	45.31	46.35	1.04	2.30%
Library Materials	18.85	19.34	0.49	2.60%
BOCES	818.84	861.65	42.81	5.23%
Special Services	211.94	211.40	(0.54)	-0.25%
Transportation	1,697.74	1,782.89	85.15	5.02%
High Tax	223.30	223.30	(0.00)	0.00%
Universal Prekindergarten	383.68	385.03	1.35	0.35%
Academic Achievement Grant	1.20	1.20	0.00	0.00%
Supplemental Education Improvement Grant	17.50	17.50	0.00	0.00%
Charter School Transitional Aid	32.11	35.14	3.03	9.44%
Full-Day Kindergarten	5.78	1.18	(4.60)	-79.58%
Academic Enhancement Aid	9.57	9.57	0.00	0.00%
Supplemental Public Excess Cost	4.31	4.31	0.00	0.07%
Gap Elimination Adjustment	(433.60)	(244.19)	189.41	-43.68%
Building Aid/Reorganization Building	2,830.70	3,026.16	195.46	6.91%
Total Formula-Based Aids	22,799.22	23,760.30	961.08	4.22%
Grant Programs				
Teachers of Tomorrow	25.00	25.00	0.00	0.00%
Teacher-Mentor Intern	2.00	2.00	0.00	0.00%
Student Health Services	13.84	13.84	0.00	0.00%
Roosevelt	12.00	12.00	0.00	0.00%
Urban-Suburban Transfer	6.66	6.66	0.00	0.00%
Employment Preparation Education	96.00	96.00	0.00	0.00%
Homeless Pupils	25.97	26.97	1.00	3.85%
Incarcerated Youth	18.75	19.50	0.75	4.00%
Bilingual Education	14.50	14.50	0.00	0.00%
Education of OMH / OPWDD Pupils	64.50	66.00	1.50	2.33%
Special Act School Districts	2.70	2.70	0.00	0.00%
Chargebacks	(52.00)	(53.50)	(1.50)	2.88%
BOCES Aid for Special Act Districts	0.70	0.70	0.00	0.00%
Learning Technology Grants	3.29	3.29	0.00	0.00%
Native American Building	5.00	5.00	0.00	0.00%
Native American Education	47.62	47.90	0.28	0.59%
Bus Driver Safety	0.40	0.40	0.00	0.00%
Total Grant Programs	286.93	288.96	2.03	0.71%
Total Formula-Based Aids and Grant Programs	23,086.15	24,049.26	963.11	4.17%
Performance Grants	147.00	175.00	28.00	19.05%
School Year Total	23,233.15	24,224.26	991.11	4.27%

Prekindergarten Programs: The Executive Budget continues funding for the following Prekindergarten programs:

- Universal Prekindergarten at \$385 million;
- Statewide Full-Day Prekindergarten at \$340 million;
- Priority Full-Day Prekindergarten and Expanded Half-day Prekindergarten at \$30 million; and
- Expanded Prekindergarten for Three- and Four-Year Old Students at \$30 million.

When combined with new and existing state Prekindergarten programs, the Executive proposal includes approximately \$807 million to support Prekindergarten programs run by districts and community based organizations. The Executive proposal would have all new Prekindergarten grants awarded by a new Empire State Prekindergarten Grant Board. This Board would consist of three members, one each selected by the Governor, the Speaker of the Assembly and the Temporary President of the Senate.

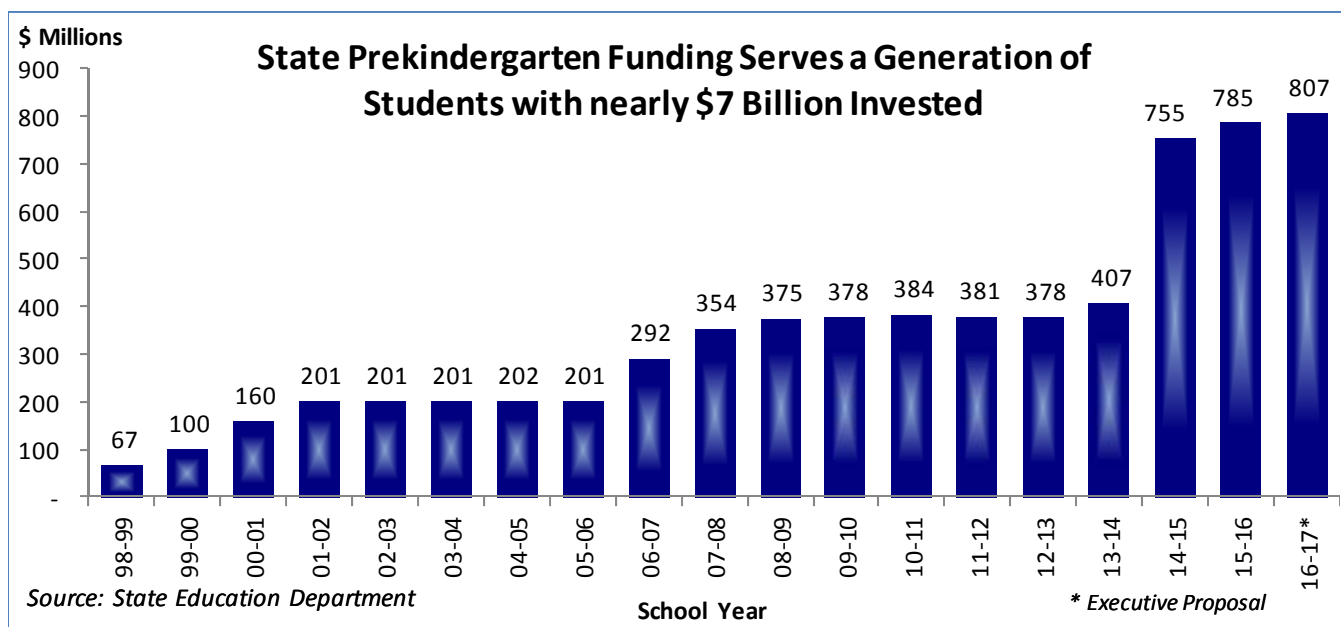


Figure 1

Nonpublic Schools: The Executive proposes a Nonpublic School Aid increase of \$2.61 million or 1.5 percent in SFY 2015-16, for a total \$174.03 million. Additionally, the Executive would continue a \$4.5 million grant for Safety Equipment for Nonpublic Schools and a \$922,000 appropriation for Academic Intervention Services. Nonpublic schools will also receive \$125 million for prior year claims

for the Comprehensive Attendance Policy Program, which is the payment for the second half of a \$250 million appropriation made for such purpose from June 2015.

Tax Credits included in a New “Parental Choice in Education Act”: The Executive proposes a non-refundable tax credit equal to 75 percent of the amount donated to educational entities. Additionally, this proposal would provide for scholarships for students from families earning less than \$250,000 annually. This proposal would also create a credit with a cap of \$200 for teachers that purchase instructional materials and supplies. The Executive also proposes a family choice credit for tuition expenses to both public and non-public schools worth up to \$500 for taxpayers earning less than \$60,000 annually.

Testing Reduction and Release of Test Questions: The Executive proposal continues \$8.4 million in funding that would allow the State Education Department to create and print more forms of the state standardized assessments in order to eliminate stand-alone multiple choice field tests, as well as to release more test questions to teachers to use for training purposes.

Teacher Resource and Computer Training Centers: The Executive proposal discontinues \$14.26 million in support for Teacher Resource and Computer Training Centers.

Charter Schools

Supplemental Charter Tuition: The Executive Budget includes an additional \$14.14 million for supplemental charter tuition, for a total of \$42.4 million. This funding would reimburse districts for the continued statutory growth in supplemental charter school tuition that school districts pay upfront to charter schools.

Grants in Aid for Charter Schools: The Executive provides \$27.41 million in support of a new, per pupil funding mechanism that the State will pay directly to charter schools beginning in SFY 2017-18.

New York City Charter Tuition: The Executive proposes to unfreeze the charter school tuition rate paid by the New York City School District (NYCSD) to charter schools located in the NYCSD.

New York City Charter Facilities Aid: The Executive proposal would continue the current calculation of facilities aid for New York City charter schools in privately owned space for charters approved after October 1, 2016. The current calculation was scheduled to expire and be replaced by a cost allowance established by the Commissioner.



Adult Career and Continuing Education Services Program

The Executive proposal maintains SFY 2015-16 Enacted Budget funding levels for Case Services at \$54 million and Independent Living Centers at \$13.36 million, which includes a continuation of funding that was added in SFY 2015-16. Furthermore, the Executive proposes to continue funding College Readers Aid at \$294,000 and Supported Employment at \$15.16 million.

Cultural Education Program

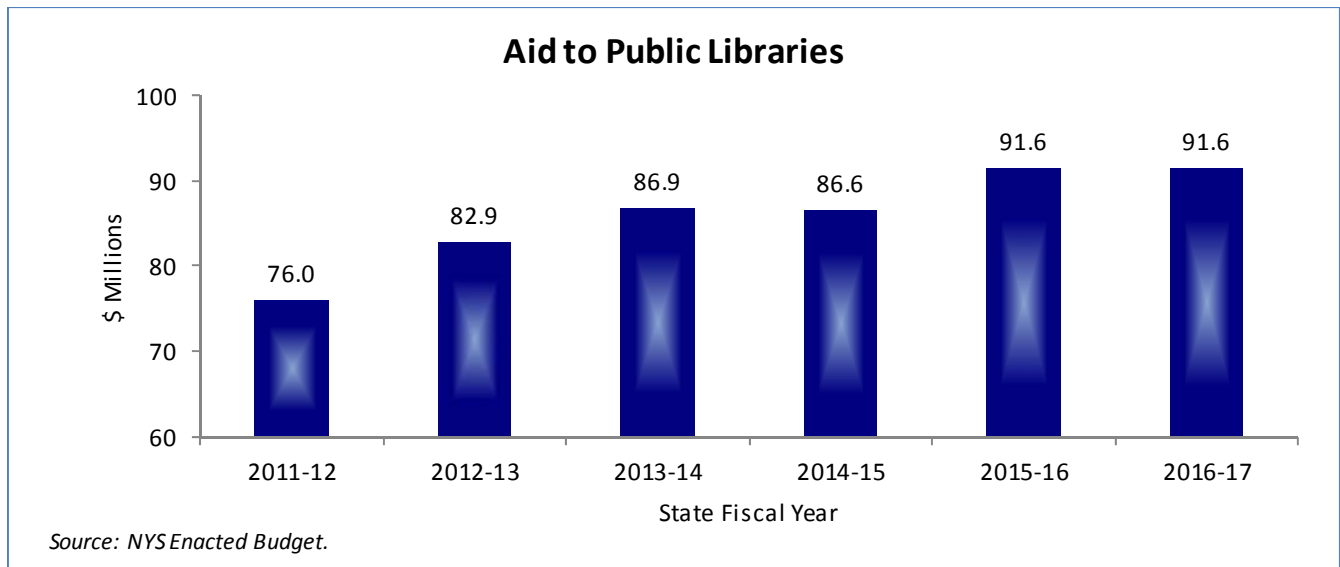


Figure 2

The Executive proposes to maintain funding for Aid to Public Libraries at \$91.63 million by continuing an additional \$5 million that was included in the SFY 2015-16 Enacted Budget. Additionally, the Executive proposes to continue funding of \$1.3 million for reimbursement to public libraries for costs associated with the Metropolitan Transportation Authority (MTA) mobility tax and \$14 million for library construction projects.

The Executive proposal continues funding for Educational Television and Radio at \$14 million, maintaining support at SFY 2015-16 funding levels.

Special Education

The Executive Budget includes \$98.50 million in support of Private Schools for the Blind and Deaf, continuing the \$2.3 million increase from the SFY 2015-16 Enacted Budget.

The Executive increases funding for Preschool Special Education programs by \$15 million, for a total of \$1.04 billion.

The Executive maintains funding for summer school programs for school-aged children with handicapping conditions at \$364.5 million.

Other Programmatic Support

The Executive proposal includes \$120,000 for Teen Health Education with funds collected from a state personal income tax check-off.

Additionally, the Executive maintains support for the administration of the high school equivalency diploma exam at \$5.16 million and \$693,000 for the conservation and preservation of library materials and the Talking Book and Braille Library.

The Executive proposal would reduce the carve-out for the Consortium for Worker Education by \$1.5 million to \$11.5 million and funding for the Smart Scholars Early College High School program from \$2 million to \$1.47 million.

The following table summarizes funding for other elementary and secondary education programs outside of GSPS.



Table 10

Other Public Elementary and Secondary Education Programs

	SFY 2015-16	SFY 2016-17	\$ Change (\$ in Millions)	% Change
	Enacted (\$ in Millions)	Exec. Request (\$ in Millions)		
Supplemental Basic Charter School Tuition Payments	28.26	42.40	14.14	50.04%
Transformation Grants	75.00	75.00	0.00	0.00%
Grants in Aid to Charter Schools	0.00	27.41	27.41	NA
Targeted Prekindergarten	1.30	1.30	0.00	0.00%
Children of Migrant Workers	0.09	0.09	0.00	0.00%
Adult Basic Education	1.84	1.84	0.00	0.00%
Adult Literacy Education	6.29	6.29	0.00	0.05%
Lunch/Breakfast Programs	34.40	34.40	0.00	0.00%
Nonpublic School Aid	171.42	174.03	2.61	1.52%
Nonpublic School Safety Equipment	4.50	4.50	0.00	0.00%
New York State Center for School Safety	0.47	0.47	0.00	0.00%
Health Education Program	0.69	0.69	0.00	0.00%
Academic Intervention Services, Nonpublics	0.92	0.92	0.00	0.00%
Extended School Day/School Violence Prevention	24.34	24.34	0.00	0.00%
Primary Mental Health Project	0.89	0.89	0.00	0.00%
Summer Food Program	3.05	3.05	0.00	0.00%
Consortium for Worker Education	13.00	11.50	(1.50)	-11.54%
Charter School Start Up Grants	4.84	4.84	0.00	0.00%
Smart Scholars Early College HS Program	2.00	1.47	(0.54)	-26.75%
Student Mentoring and Tutoring Program	0.49	0.49	0.00	0.00%
Postsecondary Aid to Native Americans	0.60	0.60	0.00	0.00%
NYS Historical Association—National History Day	0.10	0.00	(0.10)	-100.00%
Small Govt. Assistance to School Districts	1.87	1.87	0.00	0.00%
Math and Science High Schools	1.38	1.38	0.00	0.00%
County Vocational Education and Extension Boards	0.93	0.93	0.00	0.00%
Center for Autism and Related Disabilities – SUNY Albany	1.24	0.74	(0.50)	-40.32%
Just for Kids – SUNY Albany	0.24	0.24	0.00	0.00%
Say Yes to Education Program	0.35	0.35	0.00	0.00%
Nat'l Board for Professional Teaching Standards	0.37	0.37	0.00	0.00%
Teacher Resource Centers	14.26	4.28	(9.98)	-70.00%
Deferred Action for Childhood Arrivals	1.00	1.00	0.00	0.00%
Rochester School Health Service Grants	1.20	0.00	(1.20)	-100.00%
Buffalo School Health Service Grants	1.20	0.00	(1.20)	-100.00%
Henry Viscardi School	0.90	0.00	(0.90)	-100.00%
Executive Leadership Institute	0.48	0.00	(0.48)	-100.00%
BOCES New Technology School Initiative	0.20	0.00	(0.20)	-100.00%
Supplemental Valuation Impact Grants	1.25	0.00	(1.25)	-100.00%
New York City Community Learning Schools Initiative	1.50	0.00	(1.50)	-100.00%
Yonkers City School District	2.00	0.00	(2.00)	-100.00%
Grants to Certain School Districts and Other Programs	54.85	0.00	(54.85)	-100.00%
Prior Year Claims/Fiscal Stabilization Grants	45.07	45.07	(0.00)	0.00%
Total	504.77	472.74	(32.03)	-6.35%

Article VII

The Executive recommends Article VII legislation that would:

- extend provisions of mayoral control of the New York City public school system from June 30, 2016 until June 30, 2019;
- extend additional building aid to school districts for one year, for the purchase of stationary metal detectors, security cameras or other security devices that increase the safety of students and school personnel;
- change the current provisions governing school and building-level safety plans, including requiring mandatory annual training for all staff; protecting confidential information; designating a superintendent or superintendent's designee as a district chief emergency officer in charge of coordinating emergency response training, external communications and safety plan monitoring; and
- change the current provisions of law governing the number of school fire drills by requiring eight of the required 12 drills to be evacuation drills, four of which must use a fire escape or secondary means of egress and requiring the remaining four drills be lock-down drills. Additionally, the Executive proposes numerous procedural changes to fire drills, including a requirement that drills be conducted at different times of the day with at least one of the eight required evacuation drills occurring during a mass gathering.
- authorize the commissioner to forgive a reduction in state aid for a school district being in session for less than 180 days if the shortage is due to credible threat to student safety;
- provide that the New York State Teen Health Education Fund be held in the joint custody of the State Comptroller and Commissioner of Tax and Finance with funds being payable on the audit and warrant of the Comptroller on vouchers approved and certified by the Commissioner of Education;
- continue the Contract for Excellence program by requiring all school districts that submitted a contract for the 2015-16 school year to submit a contract for the 2016-17 school year unless all schools within the district are reported as being in "good standing" academically;
- freeze certain school aid formulas to SFY 2015-16 levels;



- freeze certain school aid formulas for expense based aids for both 2015-16 and 2016-17 school years to the lesser of the Executive run or revised data;
- make a technical amendment to designate Limited English Proficiency students as English Language Learners in state funding;
- 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. Notice of the proposed waiver must be provided to all parents of students who would be impacted by the waiver and the parents must be provided an opportunity to submit written comments. The Commissioner would be required to review comments received when determining whether to grant a waiver request and any entity that is granted a waiver must submit an annual report to the Commissioner;
- continue, for three years, provisions for school bus transportation contracts;
- maintain existing provisions for the Teachers of Tomorrow program in the New York City School District for the 2016-17 school year;
- maintain special education class size waivers for school districts;
- provide for the continuation of a Consortium for Worker Education (CWE) allocation within the Employee Preparation Education (EPE) program;
- continue 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 next school year;
- extend provisions that conform to the federal No Child Left Behind requirements;
- continue provisions for the school bus driver training grant program;
- continue existing provisions for the Chapter 1 Advance which relates to the payment of lottery proceeds to certain districts;



- continue existing provisions for a lottery accrual due to a change made by the Government Accounting Standards Board regarding the Teacher Retirement System pension contribution;
- continue the authorization for the Rochester City School District to purchase health services from BOCES; and
- continue existing set aside provisions for Magnet Schools, Attendance Improvement and Dropout Prevention, and Teacher Support Aid within Foundation Aid.



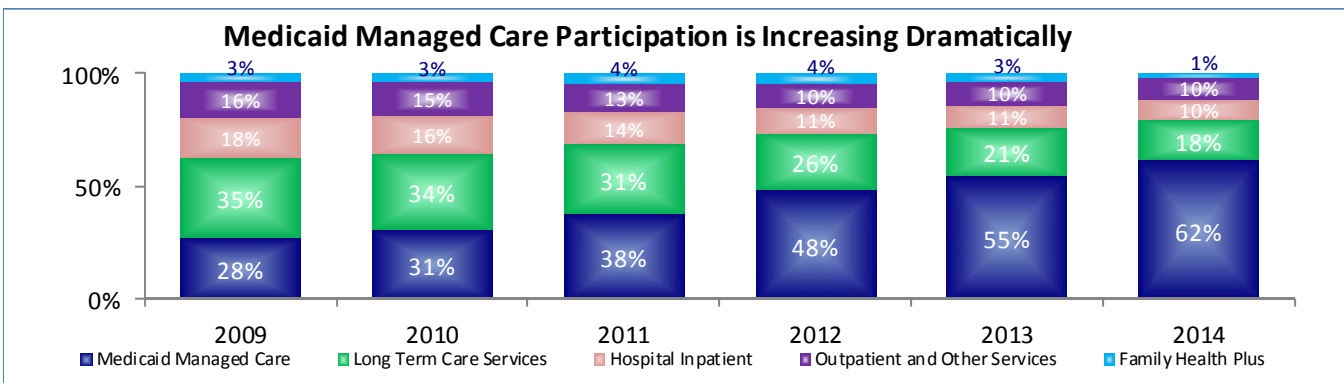
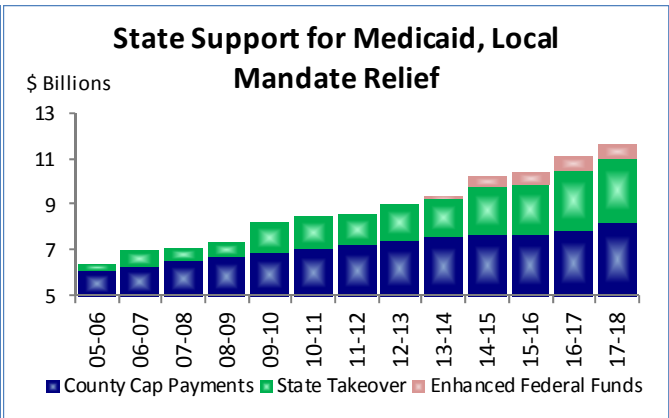
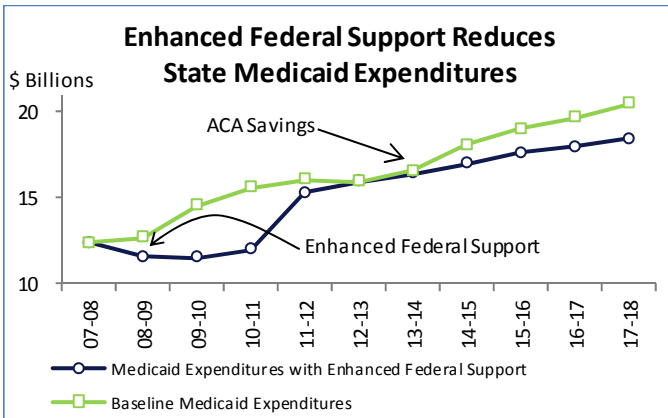
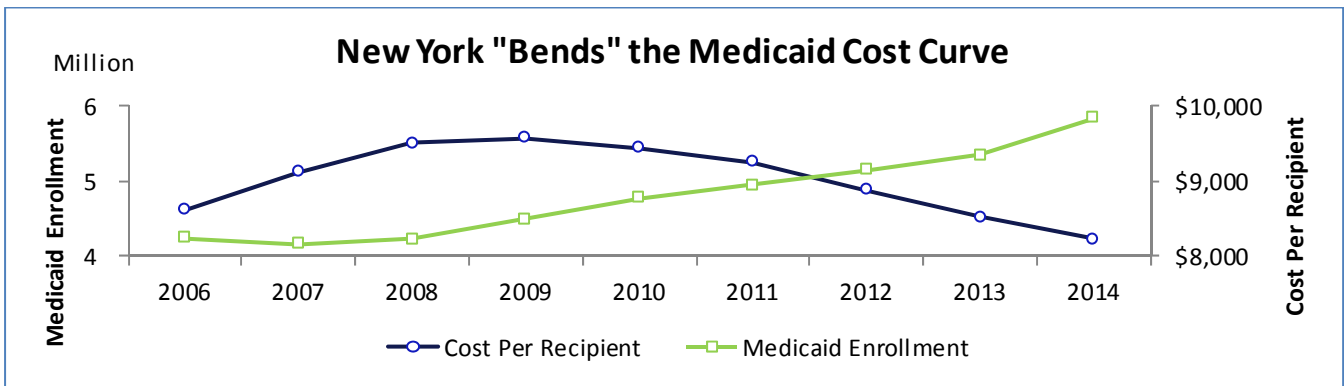
BUDGET SNAPSHOT: HEALTH



Medicaid enrollment is projected at 6.3 million in SFY 2016-17, an increase of 2.9% from the previous year.

The elderly and disabled comprise 20% of the Medicaid population yet account for 60% of total Medicaid expenditures.

The State will receive \$8 billion in federal support over a five year period for health care restructuring activities.



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

BUDGET HIGHLIGHTS: HEALTH



- **Extension of the Medicaid Global Cap:** The Executive proposal continues the cap on Medicaid spending through the Department of Health (DOH) and limits these expenditures to \$17.95 billion in State Fiscal Year (SFY) 2016-17 and \$18.40 billion in SFY 2017-18.
- **Medicaid Redesign Team (MRT) Recommendations:** In addition to the initiatives implemented over the prior five years, the Executive proposes a cost-neutral series of new MRT initiatives for SFY 2016-17, which includes \$314.03 million in cost containment actions offset by \$183.03 million in new federal costs, \$87 million in new investments, and \$44 million in financial plan relief.
- **Local Share Growth for the City of New York:** The Executive proposes to reinstate the annual growth rate for New York City's local Medicaid share, which had been eliminated for all local social services districts on January 1, 2015. The New York City contribution level would be increased by a cumulative \$1.2 billion over the next three years. Conversely, counties outside New York City will save \$651 million over the same period.
- **Health Care Facility Transformation Program:** The Executive would repurpose \$300 million that had been appropriated in SFY 2015-16 to support a redesign of the Oneida County health care system to instead provide \$195 million to support health care transformation projects statewide, \$100 million to support projects at Nano Utica, and \$5 million for mobile mammography vehicles.
- **Early Intervention (EI) Program:** The Executive proposes to modify: insurance collections in the EI program, program screening and evaluation activities, and administrative reimbursement for providers. These proposals would result in a net state savings of \$5 million in SFY 2016-17.
- **HIV/AIDS Support:** To provide the initial installment of a five-year \$200 million commitment to help fight the HIV/AIDS epidemic, the Executive proposes \$10 million for improved HIV/AIDS services and \$30 million for dedicated housing opportunities.



BUDGET REVIEW AND ANALYSIS: HEALTH



The State of New York spends approximately \$70 billion annually on health care. The Department of Health’s (DOH) mission is to provide quality health services to all New Yorkers, including comprehensive health care and long-term care coverage for low and middle income individuals and families through Medicaid, Child Health Plus, and Elderly Pharmaceutical Insurance Coverage (EPIC) programs. In addition to its health insurance programs, DOH promotes and supervises public health activities throughout the State, reduces infectious diseases, directs a variety of emergency preparedness initiatives, and oversees all health care facilities in the State.

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

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

Table 11

Agency	Appropriations			
	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Health*	134,600.80	137,297.90	2,697.10	2.00
State Office for the Aging	258.02	257.17	(0.85)	(0.33)
Office of Medicaid Inspector General	54.96	52.67	(2.28)	(4.15)

Note: The amounts above include a 2-year Medical Assistance (Medicaid) appropriation.

Table 12

Disbursements				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Health	55,654.00	56,997.69	1,343.69	2.41
State Office for the Aging	223.70	224.89	1.20	0.54
Office of Medicaid Inspector General	53.20	51.20	(2.00)	(3.76)

Department of Health

The Executive proposes an All Funds appropriation of \$137.3 billion, an increase of \$2.7 billion or 2.0 percent from the State Fiscal Year (SFY) 2015-16 level. The Executive recommends funding support of 5,126 full time equivalent (FTE) positions, an increase of 243 positions, predominantly associated with the State’s continued assumption of the local share of Medicaid Administration.

Medicaid Program: The Executive budget includes total Medicaid spending of \$65.77 billion, an increase of \$453.17 million or 0.7 percent from SFY 2015-16, which is primarily attributable to an expected increase in federal funds. To support projected expenditures in SFY 2016-17 and SFY 2017-18, the Executive proposes a two-year Medicaid appropriation totaling \$129.03 billion.

Table 13

All State Agency Medicaid Expenditure Projections (\$ in Millions)				
	SFY 2015-16	SFY 2016-17	Year-to-Year Change	
			Amount	Percent
State Share	\$22,695	\$22,893	\$197	0.9%
Federal Share	\$33,862	\$34,484	\$622	1.8%
Local Share	\$8,759	\$8,393	(\$366)	-4.4%
All Funds	\$65,316	\$65,769	\$453.17	0.7%

Health Care Reform Act (HCRA) Financing: In SFY 2016-17, HCRA receipts are projected to total \$5.58 billion, an increase of \$10 million from SFY 2015-16. HCRA disbursements are also projected to total \$5.58 billion, a decrease of \$5 million from SFY 2015-16.

Medicaid Global Cap: The Executive proposes the continuation of a Medicaid spending cap which limits growth in the Department of Health (DOH) State Funds Medicaid spending to a 10-year rolling average of the medical component of the Consumer Price Index, currently estimated at 3.4 percent.



DOH Medicaid expenditures are presently capped at \$17.61 billion in SFY 2015-16. The Executive proposes to extend the global cap for one additional year, and to cap SFY 2016-17 DOH Medicaid expenditures at \$17.87 billion and SFY 2017-18 expenditures at \$18.4 billion.

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

Federal Health Care Reform: Under the Patient Protection and Affordable Care Act (ACA), the State began to receive enhanced matching rates for single, childless adults beginning January 1, 2014. The Executive estimates a total State benefit of \$1.68 billion in SFY 2016-17 from this enhanced matching rate. In addition, under the ACA local social services districts will realize a savings of \$614 million in SFY 2016-17.

Table 14

State and Local Relief Under the ACA			
(\$ in Millions)			
State Fiscal Year	State Savings	Local Savings	Total
2015-16	1,422	522	1,944
2016-17	1,680	614	2,294
2017-18	1,749	652	2,401
3 Year Total	4,851	1,788	6,639

Local Share Growth for the City of New York: The Executive proposes to reinstate the annual growth rate for New York City’s local Medicaid share, which was eliminated for all local social services districts on January 1, 2015. The New York City contribution level would be increased by 3.6 percent in SFY 2016-17 (\$180 million), 5.8 percent in SFY 2017-18 (\$476 million), and approximately two percent annually thereafter, or \$80 million in growth per year. Conversely, counties outside New York City will save \$651 million over the next three years.

Table 15

Executive Local Share Growth Proposal (\$ in Millions)		
State Fiscal Year	New York City Cost	Rest-of-State Savings
2016-17	\$180	(\$163)
2017-18	\$476	(\$217)
2018-19	\$555	(\$271)
3 Year Total	\$1,211	(\$651)

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

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

- **Federal Medicare Costs:** a \$183.03 million increase in State expenditures related to increased State liabilities for individuals who are enrolled in both Medicare and Medicaid coverage, including an increase in Medicare Part B premium rates (a \$69.03 million increase) and an increase in Medicare Part D “Clawback” payments (a \$114 million increase);
- **Pharmacy Reductions:** a \$65.63 million net State share reduction, including proposals to reduce the reimbursement rates for specialty drugs (a \$1.8 million reduction); eliminate “prescriber prevails” provisions in both fee-for-service Medicaid and Medicaid Managed Care for all drug classes except for atypical anti-psychotics and anti-depressants (a \$20.7 million reduction); allow the Clinical Drug Review Program (CDRP) to require prior authorization for drugs meeting CDRP criteria prior to the Drug Utilization Review Program Board’s evaluation of the drugs (a \$160,000 reduction); improve rebate collections through the consolidation of rebate collection contracts (a \$13 million reduction); limit generic price growth in Medicaid to the rate of inflation (a \$23.8 million reduction); establish price ceilings for certain critical brand name drugs, as determined by DOH (a \$6 million reduction); and require prior authorization for more than four opioid prescriptions per month (a \$170,000 reduction);



- **Long Term Care Reductions:** a \$36.35 million State share reduction, including proposals to have the State’s transportation broker assume the management of transportation services for individuals in managed long term care (MLTC), adult day health care, and nursing home care (a \$17.2 million reduction); eliminate spousal refusal provisions (a \$10 million reduction); reduce the minimum amount of resources a community spouse is allowed to retain, from \$74,820 to \$23,844 (a \$5.75 million reduction); include all Medicaid benefits in the MLTC benefit package (a \$1.5 million reduction); and restrict MLTC enrollment to only individuals who are nursing home eligible (a \$1.9 million reduction);

- **Medicaid Managed Care Reductions:** a \$118 million State share reduction, including proposals to reduce the Medicaid Managed Care Profit cap from 5 percent to 3.5 percent (a \$63 million reduction); improve collaborations between the Office of the Medicaid Inspector General and managed care plans (a \$15 million reduction); implement penalties for late or incorrect encounter data submission (a \$10 million reduction); recoup plan premium overpayments (a \$15 million reduction); require Medicaid Managed Care to support the State’s actuary contract, as per existing statute (a \$5 million reduction); and require additional individuals to enroll in Medicaid Managed Care (a \$10 million reduction). In addition to these proposals, the Executive includes out-year initiatives to support the transition of children’s behavioral health services into Medicaid Managed Care (a \$10 million investment in SFY 2017-18) and to reflect savings from the suspension of the federal managed care premium tax (\$70 million in SFY 2017-18);

- **Medicare Cost Sharing Reductions:** a \$11.45 million State share reduction, related to implementing cost-sharing limits to Medicare Part C claims, to ensure that Medicaid crossover claim payments do not exceed the amount that Medicaid would have otherwise paid if it were the primary payor;

- **Other Savings Proposals:** a \$37.4 million State share reduction, including proposals to reduce ambulette fees for certain low severity patients (a \$5.4 million reduction); claim additional federal reimbursement for certain preventative services (a \$600,000 reduction); promote and provide coverage for long acting reversible contraception (a \$6.3 million reduction); increase the disallowance for early elective deliveries without medical indication from 25 percent to 50 percent (a \$1.5 million reduction); reduce the State share investment for transitioning seriously mentally ill individuals into Medicaid Managed Care and support these transitions with federal Balancing Incentive Program funds (a \$10 million reduction); mandate commercial insurance for Early Intervention (EI) services, modify EI program screening requirements, and increase EI provider administrative reimbursement (a \$3.6 million net reduction); establish retail clinic pilot projects (a \$5 million reduction); and continue to review coverage for certain specialized procedures under the Medicaid program (a \$5 million reduction);

- **Support for Distressed Hospitals:** a \$75 million State share investments to continue support for distressed hospitals through the Value Based Payment Quality Incentive Program (VBP QIP) and the Vital Access Provider Assurance Program (VAPAP), bringing total State Share funding for these programs to \$254 million in SFY 2016-17;
- **HIV/AIDS Support:** a \$10 million State share investment in HIV/AIDS community-based providers to provide the first annual installment of a five-year \$200 million plan to help end the HIV/AIDS epidemic. In addition to these grants, the Executive proposes \$30 million in capital support for dedicated housing opportunities for individuals with HIV/AIDS;
- **Breast and Prostate Cancer Screening:** a \$800,000 State share investment in breast and prostate cancer screening programs. In addition, the Executive proposes \$5 million in capital support for mobile mammography vehicles; and
- **Supportive Housing:** a reduction of \$44 million in hard-dollar capital support for supportive housing projects which would instead be supported by bonded capital resources. To achieve financial plan savings, the Executive increases Mental Hygiene Stabilization Fund support by \$44 million and shifts additional expenditures from the Office of Persons with Developmental Disabilities under the global cap.

Early Intervention (EI) Program: The Executive proposes \$5 million in savings related to a series of modifications intended to improve insurance collections in the EI program (a \$4.6 million reduction); to modify program screening and evaluation activities (a \$800,000 reduction); and to increase administrative reimbursement for providers (\$400,000).

Excess Medical Malpractice Program: The Executive proposes to modify physician eligibility to the Excess Medical Malpractice Program reducing state spending by \$25 million.

Child Health Plus - Health Services Initiative: The Executive leverages \$36.2 million in enhanced federal funding under the Health Services Initiative by charging certain Medical Indemnity Fund payments (\$35.1 million) and Poison Control Program expenditures (\$1.1 million) to the federal Child Health Plus Administrative Grant.

State Operations Reductions: The Executive Budget includes \$42.7 million in state operations reductions related to the transfer of various nonpersonal service costs to local assistance (a \$800,000 reduction); the funding of certain provider survey and certification functions with federal funds (a \$10 million reduction); the attrition of 79 positions (a \$4.8 million reduction); and the transfer of Drinking Water Program administration to capital projects funding (a \$4.24 million reduction).



Health Care Facility Transformation Program: The Executive would repurpose \$300 million that had been appropriated in SFY 2015-16 to support a redesign of the Oneida County health care system to instead provide \$195 million for health care transformation projects statewide, \$100 million projects at Nano Utica, and \$5 million for mobile mammography vehicles.

State Health Information Network-NY (SHIN-NY) and All Payer Database (APD): The Executive continues \$40 million in funding for the SHIN-NY and APD, which represents a planned reduction of \$15 million from prior year funding levels.

Roswell Park Cancer Institute: The Executive continues Roswell Park's \$102.6 million subsidy through the continuation of the existing \$87.1 million in operational support from HCRA, as well as a new \$15 million capital appropriation.

Article VII

Part A – New York City Local Share: The Executive recommends Article VII legislation that would increase New York City's local cap contribution under the Medicaid program, by re-instituting the annual growth in the City's local share.

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

- carve out transportation from the MLTC rates and allow such services to be managed by the State's transportation manager;
- restrict the eligibility for enrollment in MLTC to individuals who require a nursing home level of care;
- eliminate the right of spousal refusal;
- modify the resource limits for individuals with an institutionalized spouse;
- establish price ceilings on certain pharmaceuticals;
- reduce reimbursement rates for certain specialty drugs;
- authorize DOH to require prior authorization for fee-for-service drugs prior to obtaining the Drug Utilization Review Board's evaluation and recommendation;
- eliminate the prescriber prevails provisions except for atypical anti-psychotic and anti-depressant drug classes;

- authorize DOH to limit generic price growth in Medicaid to the rate of inflation;
- make a technical correction regarding the negotiation of supplemental rebates for hepatitis C and HIV/AIDS drugs;
- require managed care plans to implement prior authorization of opioid analgesic refills exceeding four prescriptions in thirty days;
- institute penalties against managed care plans for the submission of late or inaccurate encounter data;
- eliminate Medicare Part C payments for dually eligible individuals when the total payment would exceed the Medicaid rate of payment;
- make a technical change to the distribution of payments for the criminal justice health home pilot program; and
- extend the existing Medicaid Global Cap language for one additional year, through SFY 2017-18.

Part C – Excess Medical Malpractice Program: The Executive proposes to modify physician eligibility to the Excess Medical Malpractice Program reducing state spending by \$25 million.

Part D – Extenders: The Executive recommends Article VII legislation that would permanently extend various expiring laws.

Part E – Early Intervention (EI): The Executive proposes to modify: insurance collections in the EI program, program screening and evaluation activities, and administrative reimbursement for providers. These proposals would result in a net state savings of \$5 million in SFY 2016-17.

Part F – Health Care Transformation: The Executive recommends Article VII legislation that would repurpose the Oneida County Health Care Facility Transformation Program to support a statewide facility restructuring capital grant program.

Part G – Limited Services Clinics: The Executive recommends Article VII legislation that would allow diagnostic and treatment centers to operate under a limited license in the retail space of a business.

State Office for the Aging

The Executive proposes an All Funds appropriation of \$257.17 million, which is a decrease of \$852,500 or 0.3 percent from the SFY 2015-16 level. The Executive recommends funding support of 95 FTE positions, unchanged from the SFY 2015-16 level.

Naturally Occurring Retirement Communities (NORC) and Neighborhood NORCs (NNORC): The Executive Budget would specifically target NORC and NNORC funding to those programs that meet the statutory residency requirements to qualify for the funding, which is expected to generate \$951,000 in savings in SFY 2016-17.

State Operations Reduction: The Executive Budget reflects \$75,000 in savings related to the use of existing federal funds to support the NY Connects Resource guide.

Office of the Medicaid Inspector General

The Executive proposes an All Funds appropriation of \$52.67 million, which is a decrease of \$2.28 million or 4.2 percent from the SFY 2015-16 level. The Executive recommends funding support of 453 FTE positions, a reduction of 26 positions from the SFY 2015-16 levels.

State Operations Reduction: The Executive Budget reflects \$1.14 million in State share reductions related to the attrition of 26 positions (a \$689,000 reduction) and various reductions in nonpersonal service costs (a \$452,000 reduction).



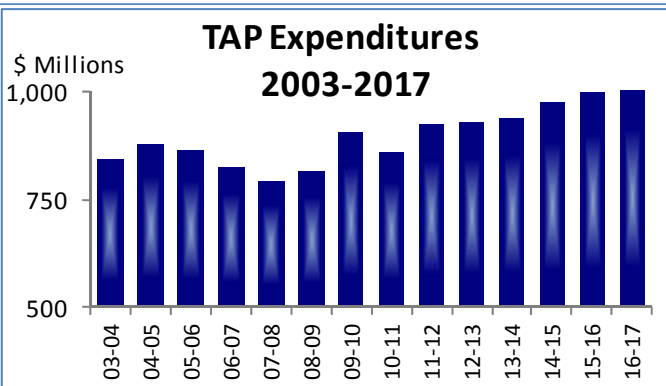
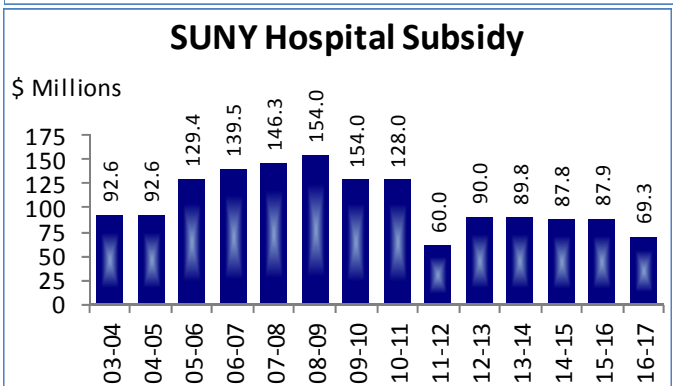
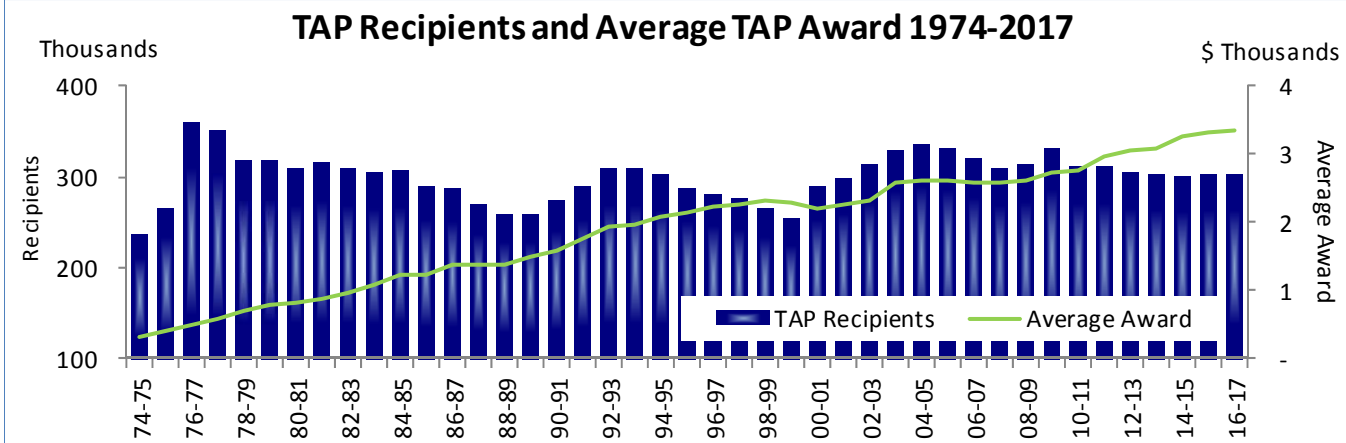
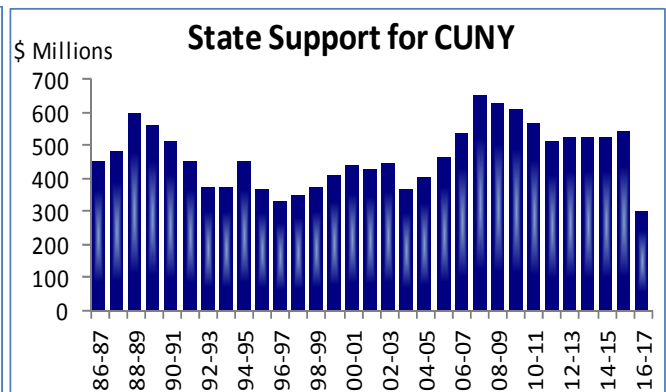
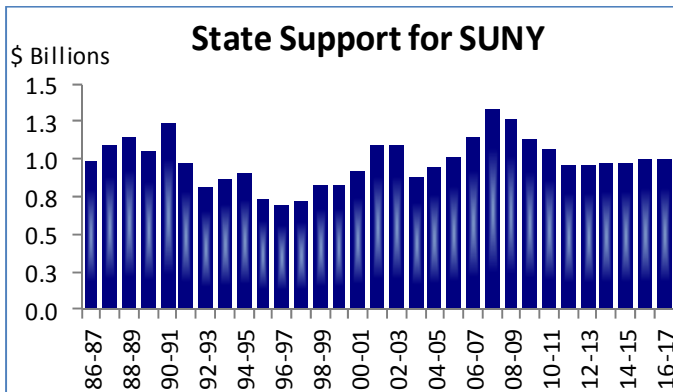
BUDGET SNAPSHOT: HIGHER EDUCATION



Proposed five year continuation of tuition increases through AY 2020-2021.

Executive authorized SUNY Tuition in 2016-17: \$6,770, an increase of \$300.

Executive authorized CUNY Tuition in 2016-17: \$6,630, an increase of \$300.



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

BUDGET HIGHLIGHTS: HIGHER EDUCATION



- **NYSUNY 2020/NYCUNY 2020 Extension:** The Executive proposal would allow the State University of New York (SUNY) and the City University of New York (CUNY) to continue to raise tuition by \$300 on an annual basis for each of the next five years.
- **CUNY Senior College Cost Shift to New York City:** The Executive proposal would require New York City to provide support for 30 percent (\$485 million) of CUNY's net operating and debt service expenses. In addition, a new \$240 million is included for the payment of collectively bargained salary increases; contingent on the Legislature's approval of New York City's assumption of state costs by New York City.
- **DREAM Act:** The Executive proposal includes the DREAM Act, which would allow undocumented immigrants to apply for state college tuition assistance.
- **Apprentice SUNY:** The Executive Budget would provide \$3 million to SUNY and \$2 million to CUNY for a new advanced manufacturing apprenticeship program, which would provide funding for community colleges to work with area businesses to develop registered apprenticeship programs.
- **Community College Community Schools:** The Executive proposal would add support for three new community college community schools to provide on-campus services to address student need.
- **SUNY Health Science Centers:** The Executive Budget would provide an aggregate amount of \$125 million in capital funding to Upstate University Hospital, \$75 million of which would be used as matching funds and \$50 million to Stony Brook University Hospital. No capital funds are provided to SUNY Downstate. The proposed state subsidy to SUNY Hospitals is \$69.3 million, a reduction of \$18.6 million from SFY 2015-16.



BUDGET REVIEW AND ANALYSIS: HIGHER EDUCATION



New York State’s system of public higher education consists of the State University of New York (SUNY), which is composed of 64 campuses educating 460,000 students and the City University of New York (CUNY), which is composed of 24 campuses educating 275,000 students. Both systems include community colleges, four year institutions, and graduate and professional schools, providing a wide range of opportunities to the residents of the State. As part of its academic mission, the SUNY system is responsible for three academic hospitals which are attached to the system’s medical schools.

In order to assure access to education opportunities, the Higher Education Services Corporation (HESC) administers a variety of scholarship and loan programs, including New York’s Tuition Assistance Program (TAP) which provides financial assistance to over 300,000 students attending undergraduate institutions in the State.

Table 16

Appropriations				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
State University of New York	9,711.70	9,905.41	193.71	1.99
City University of New York	4,124.35	4,081.99	-42.36	-1.03
Higher Education Services Corporation	1,203.49	1,199.31	-4.18	-0.35

Table 17

Disbursements				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
State University of New York	7,817.98	7,851.04	33.06	0.42
City University of New York	1,551.47	1,173.95	-377.52	-24.33
Higher Education Services Corporation	1,112.47	1,170.08	57.61	5.18

NYSUNY 2020/NYCUNY 2020 Extension: The Executive proposal would allow SUNY and CUNY to continue to increase the New York resident tuition rate up to \$300 per year for the next five years, through Academic Year (AY) 2020-21. The systems would have to demonstrate efforts to reduce spending and tie any tuition increase to inflationary indices. Any increased tuition revenues could only be used to support faculty, improve instruction, and continue the current tuition credit. In addition, the Executive would continue the current Maintenance of Effort provision as well as provisions requiring SUNY and CUNY to provide a tuition credit to TAP eligible students. The Executive also proposes to maintain State Fiscal Year (SFY) 2015-16 funding levels of \$110 million to support the 2020 Challenge Grant Program within the Urban Development Corporation, providing \$55 million to each system.

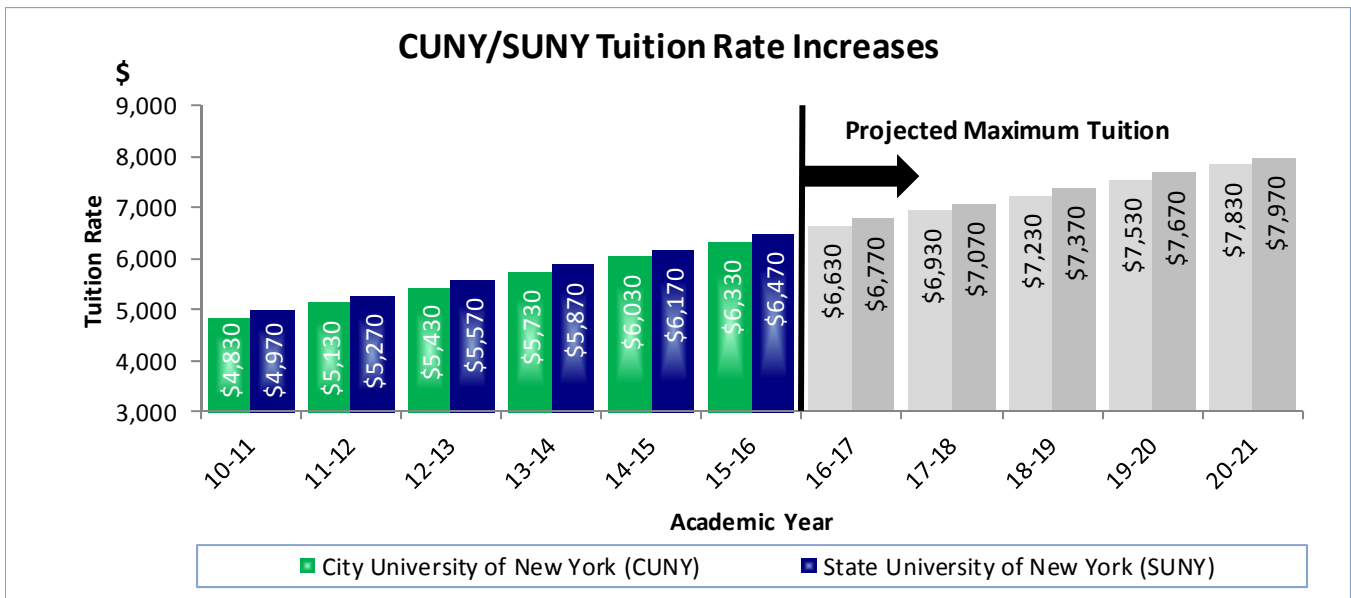


Figure 3

State University of New York (SUNY)

The Executive proposes All Funds appropriations of \$9.91 billion, an increase of \$193.71 million, or 2 percent from the SFY 2015-16 level. The Executive recommends funding support of 43,668 full-time equivalent positions, which is unchanged from SFY 2015-16.

SUNY State Operated Colleges: The Executive proposal would provide \$996.78 million in funding for SUNY State Operated Colleges, a decrease of \$7.47 million of General Fund support from SFY 2015-16. The Executive also proposes to continue providing \$18 million in performance funding through the Investment and Performance Fund.



The Executive proposes a \$1.91 billion appropriation for tuition, an increase of \$89.3 million from SFY 2015-16, which reflects the Executive proposal to extend the SUNY 2020 legislation. State funded fringe benefits would increase by \$41.87 million to a total \$1.45 billion.

The Executive fully restores \$26.81 million for the Educational Opportunity Program, which is unchanged from SFY 2015-16. Educational Opportunity Centers (EOC) would be funded at \$55.04 million, which maintains funding from last year. A \$4.5 million sub-allocation for ATTAIN Labs is included in the EOC appropriation, maintaining the funding level from the prior year.

SUNY Hospitals: The Executive Budget includes \$69.3 million for SUNY Health Science Centers, a reduction of \$18.6 million from amounts authorized in SFY 2015-16.

Community College Base Aid: The Executive proposal would continue funding Community College Base Aid at \$2,597 per full-time equivalent (FTE) student, maintaining the AY 2015-16 level of support. The Executive Budget includes \$463.13 million to support base aid, which is a decrease of \$10.11 million from AY 2015-16. Additionally, funding of \$3 million for the Next Generation NY Job Linkage Program would be maintained for community colleges. Distribution of these funds would be predicated on the previously created regional community college councils completing their plans.

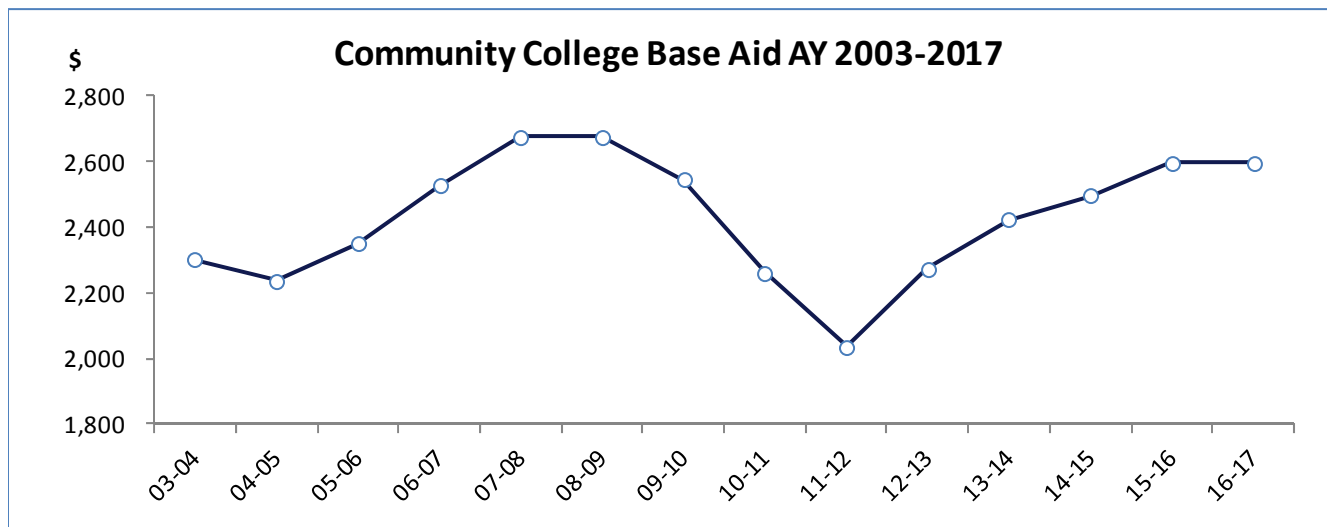


Figure 4

University-Wide Programs: The Executive funds SUNY University-Wide programs at \$141.46 million, which is a decrease of \$2.78 million from AY 2015-16. The overall decrease is attributed to the following proposed program reductions or eliminations:

- \$1.5 million for Small Business Development Centers, for a total \$1.97 million of net support;
- \$600,000 to Graduate Diversity Fellowships, for a total \$6.04 million of net support;
- \$250,000 for the Veterinary College at Cornell, for a total \$250,000 of net support;

- The elimination of \$333,000 in funding for the Marine Animal Disease Laboratory at Stony Brook University; and
- The elimination of \$100,000 in funding for the American Chestnut Research and Restoration Project.

The Executive proposes a \$3 million appropriation to SUNY for a new State Advanced Manufacturing Apprenticeship Program for community colleges. Colleges would use the funding to work with area businesses to develop apprenticeship programs.

Other Programs: The Executive decreases funding for community college child care centers to \$1 million, which is a reduction of \$1.01 million from the prior year. Additionally, the Executive eliminated funding of \$1.5 million for the Graduate, Achievement and Placement program and \$600,000 for Harvest New York.

SUNY Capital: The Executive provides \$528.1 million in capital funding to support the following initiatives:

- \$200 million for critical maintenance projects at various SUNY campuses;
- \$175 million for SUNY Hospitals:
 - \$125 million to Upstate University Hospital, \$75 million of which would be made available only as a match to funds awarded through the Department of Health’s Capital Restructuring Financing Program;
 - \$50 million to Stony Brook University Hospital;
- \$50 million to support SUNY’s Residence Hall Rehabilitation Fund;
- \$25.1 million for the SUNY Construction Fund;
- \$23 million to provide for the state’s 50 percent share of projects at SUNY Community Colleges; and
- \$55 million is appropriated in UDC for a new round of the SUNY 20/20 Challenge Grant Program.

City University of New York (CUNY)

The Executive proposes an All Funds appropriation of \$4.08 billion, a decrease of \$42.36 million or 1.0 percent below SFY 2015-16 levels. The Executive recommends funding support of 13,645 full-time equivalent positions which is unchanged from SFY 2015-16.

CUNY Senior Colleges – Shifting Costs to New York City: The Executive would provide \$296.98 million in funding for CUNY Senior Colleges, a decrease of \$246.83 million or 45.39 percent from the prior year. This is mainly attributable to the Executive proposal to require New York City to pay 30 percent



(\$485 million) of CUNY’s net operating and debt service expenses. This reduction in state support is partially offset by a \$240 million appropriation for the payment of retroactive salary increases to help settle a collective bargaining agreement. These funds are tied to the Legislature accepting the cost shift to New York City.

Table 18

New York City Share of CUNY Senior College Costs		
(\$ Millions)		
Academic Year (AY)		
CUNY Senior College Operating Costs	\$	1,232.12
Debt Service/Capital Administration Cost	\$	384.82
Total CUNY Costs	\$	1,616.94
Proposed 30% Cost Shift to NYC for CUNY Costs	\$	485.08

Source: New York State Division of Budget

The Executive proposes \$1.14 billion for tuition, an increase of \$51.5 million from SFY 2015-16, reflecting the Executive proposal to extend the CUNY 2020 tuition increases for five years. State funded fringe benefit payments would also increase by \$16.62 million for a total \$690.06 million.

The Executive maintains \$23.4 million in funding for the Search for Education, Evaluation, and Knowledge (SEEK) program and \$1.5 million for CUNY LEADS. The Executive proposes to eliminate \$1.5 million in funding to the Joseph Murphy Institute.

The Executive proposes to continue providing \$12 million in performance funding to be allocated to CUNY for the Investment and Performance Fund.

Community College Base Aid: The Executive proposal would continue funding Community College Base Aid at \$2,597 per full-time equivalent (FTE) student, maintaining the AY 2015-16 level of support. The Executive Budget includes \$220.7 million to support base aid, which is an increase of \$14.64 million from AY 2015-16. Additionally, funding of \$2 million for the Next Generation NY Job Linkage Program would be maintained for community colleges.

The Executive also proposes a \$2 million appropriation to CUNY for the creation of a new State Advanced Manufacturing Apprenticeship Program for community colleges. Colleges would use funding to work with area businesses to develop apprenticeship programs.

Support for College Discovery is continued at \$1.12 million, but \$2.5 million for the Accelerated Study in Associates Program (ASAP) is eliminated.

CUNY Capital: The Executive Budget provides \$247.64 million in capital funding to support the following initiatives:

- \$103 million for critical maintenance projects at various CUNY campuses;
- \$52.66 million to provide for the State's 50 percent share of projects at CUNY Community Colleges;
- \$21 million to fund Dormitory Authority services on behalf of CUNY;
- \$15.98 million to support the CUNY Construction Fund; and
- \$55 million is appropriated in UDC for a new round of the CUNY 20/20 Challenge Grant Program.

Other Opportunity Programs Appropriated in the State Education Department

The Executive Budget maintains funding for the following opportunity programs at their AY 2015-16 levels:

- \$35.13 million for Unrestricted Aid to Independent Colleges and Universities (Bundy Aid);
- \$29.61 million for the Higher Education Opportunity Program (HEOP);
- \$15.30 million for the Liberty Partnership Program;
- \$13.18 million for the Science and Technology Entry Program (STEP);
- \$9.98 million for the Collegiate Science and Technology Entry Program (CSTEP);
- \$1.5 million for the Foster Youth Initiative;
- \$941,000 for the High Needs Nursing Program;
- \$450,000 for the Teacher Opportunity Corps Program; and
- \$368,000 for the National Board for Professional Teaching Standards Certification Grant Program.

Higher Education Services Corporation (HESC)

The Executive proposes an All Funds appropriation of \$1.19 billion which is a decrease of \$4.18 million or 0.35 percent below SFY 2015-16 levels. The Executive recommends funding support of 250 full-time equivalent positions which is unchanged from SFY 2015-16.

Tuition Assistance Program: The Executive Budget appropriates the Tuition Assistance Program (TAP) at \$1.04 billion, an increase of \$19.6 million from SFY 2015-16, due to the inclusion of the DREAM Act, enrollment changes, and increases in community college tuition.

DREAM Act: The Executive recommends the enactment of the DREAM Act to allow undocumented immigrants to apply for state college tuition assistance. To become eligible, students must have attended high school in New York State and have applied for admission at a college in New York State within five years of receiving a diploma.

Various Scholarships and Programs: The Executive Budget provides an \$8.89 million increase for a total of \$74.91 million for various scholarships and programs on an appropriation basis. The Executive proposal increases funding for the NYS STEM Incentive Program at \$14.73 million and for the NYS Get on your Feet Loan Forgiveness Program at \$18.90 million. Additionally, the proposal maintains funding for the Aid to Part-Time Study Program at \$14.36 million, the Patricia K. McGee Nursing Faculty Scholarship and Nursing Faculty Loan Forgiveness Programs at \$3.93 million, the Social Worker Loan Forgiveness Program at \$1.48 million, and the New York Young Farmers Loan Forgiveness Program at \$150,000.

Table 19

HESC Scholarship Estimated Spending			
AY 17 Scholarship Projections	2015-16	2016-17	Change
Scholarships For Academic Excellence	\$ 11,457,000	\$ 12,259,000	\$ 802,000
Memorial Scholarships	\$ 992,000	\$ 868,000	\$ (124,000)
Regents Awards for Children of Deceased or Disabled Veterans	\$ 273,000	\$ 298,000	\$ 25,000
Veterans Tuition Awards	\$ 6,648,000	\$ 6,711,000	\$ 63,000
Regents Physician Loan Forgiveness Program	\$ 1,180,000	\$ 1,410,000	\$ 230,000
Military Service Recognition Scholarships	\$ 1,915,000	\$ 2,006,000	\$ 91,000
World Trade Center Memorial Scholarships	\$ 14,493,000	\$ 16,540,000	\$ 2,047,000
Patricia K. McGee Nursing Faculty Scholarships	\$ 1,726,000	\$ 1,875,000	\$ 149,000
Nursing Faculty Loan Forgiveness Incentive Program	\$ 768,000	\$ 912,000	\$ 144,000
Social Worker Loan Forgiveness Program	\$ 1,478,000	\$ 1,478,000	\$ -
Flight 587 Memorial Scholarships	\$ 394,000	\$ 376,000	\$ (18,000)
Math and Science Scholarship Program	\$ 538,000	\$ 701,000	\$ 163,000
Flight 3407 Memorial Scholarships	\$ 101,000	\$ 113,000	\$ 12,000
NYS STEM Incentive Program	\$ 7,640,000	\$ 14,730,000	\$ 7,090,000
NYS Young Farmers Loan Forgiveness Incentive Program	\$ 150,000	\$ 150,000	\$ -
NYS Get on your Feet Loan Forgiveness Program	\$ 5,177,000	\$ 18,896,000	\$ 13,719,000
NYS Achievement and Investment in Merit (NY-AIMS)	\$ 900,000	\$ 1,800,000	\$ 900,000
Total AY Value:	\$ 55,830,000	\$ 81,123,000	\$ 25,293,000
Note: Data for 2015-16 estimated and 2016-17 are forecasts.			
Source: HESC SFY 2016-17 Budget Request			

Other Higher Education Initiatives

Higher Education Facilities Capital Matching Grants Program (HECap): The Executive proposes \$30 million in capital funding to support a fourth round of funding for various projects and initiatives.

College Choice Tuition Savings Program: The Executive proposes \$1.3 million in funding to support program administration.

Regional Greenhouse Gas Initiative (RGGI) Transfer: The Executive Budget includes legislation that would transfer \$15 million from RGGI to fund the SUNY Clean Energy Workforce Opportunity Program to expand and develop clean energy education and workforce training programs at SUNY campuses.

Article VII

The Executive includes the following Article VII proposals:

- to establish a SUNY Stony Brook Affiliation Escrow Fund to support operations of the Stony Brook at Southampton Hospital;
- to extend the New York State Licensed Social Worker Loan Forgiveness Program, the Regents Physician Loan Forgiveness Program, the Patricia K. McGee Nursing Faculty Scholarship Program, and the New York State Nursing Faculty Loan Forgiveness Incentive Program for an additional five years. This proposal would also amend the Patricia K. McGee Nursing Faculty Scholarship Program and the New York State Math and Science Teaching (STEM) Incentive Program to include provisions relating to the repayment of financial obligations; and
- to allow public accountancy firms to have minority ownership, of up to 49 percent, by individuals who are not licensed as certified public accountants or public accountants.



BUDGET SNAPSHOT: HUMAN SERVICES

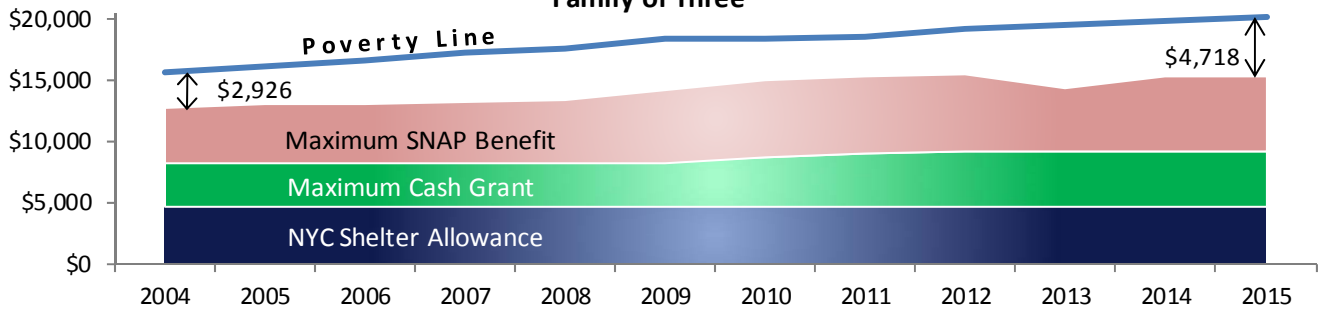


As of January 2016, there are nearly 24,000 homeless children living in shelters in New York City.

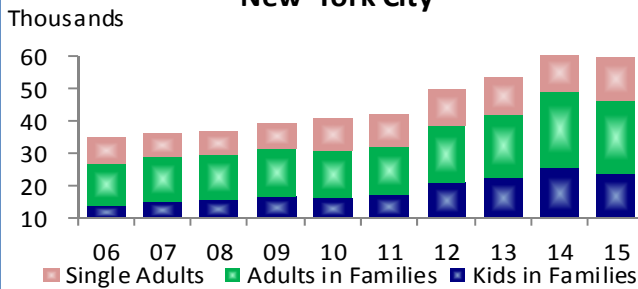
The Executive provides \$917.9 million for child care, including \$10 million in funding for child care provider inspection activities.

Approximately half of children living in Buffalo (47.8%), Syracuse (49.9%), Binghamton (48.5%) and Rochester (52.5%) live below the poverty line.

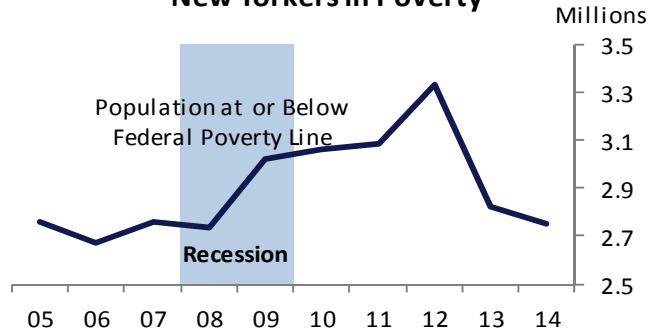
Annual Public Assistance Grant Compared to Federal Poverty Line, Family of Three



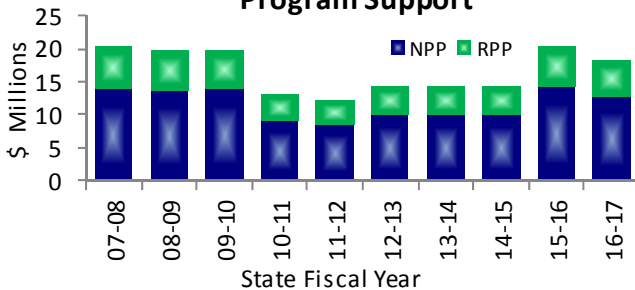
Homeless Shelter Census New York City



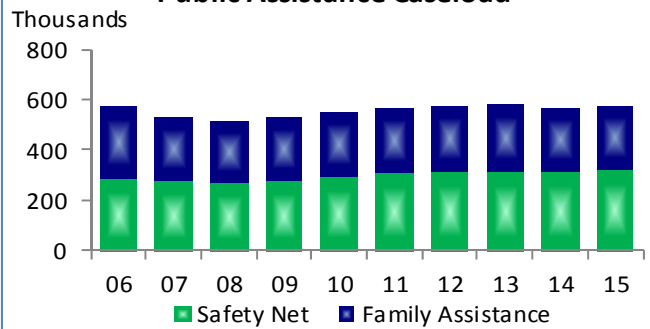
New Yorkers in Poverty



Neighborhood and Rural Preservation Program Support



Public Assistance Caseload



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

BUDGET HIGHLIGHTS: HUMAN SERVICES



- **Minimum Wage:** The Executive proposes to increase the minimum wage to \$10.50 per hour in New York City and \$9.75 per hour in the remainder of the State, effective July 1, 2016. Incremental increases would continue until the minimum wage reaches \$15 in New York City on December 31, 2018 and in the remainder of the State on July 1, 2021.
- **Raise the Age of Juvenile Jurisdiction:** The Executive Budget would raise the age of juvenile jurisdiction to 17 on January 1, 2018, and to 18 on January 1, 2019, and would provide services for 16 and 17 year olds who are involved in the juvenile justice system. Under the Executive proposal, newly sentenced youth would be placed in in Office of Children and Family Services (OCFS) facilities. The Executive provides \$110 million for additional OCFS facility capacity.
- **House NY 2020:** The Executive Budget proposes \$1.97 billion for House NY 2020, a new five-year housing plan that would construct or preserve 100,000 affordable housing units across the State, construct 6,000 new supportive housing units, and create 1,000 new emergency shelter beds.
- **Temporary Assistance for Needy Families (TANF) Spending:** The Executive provides \$31 million for the Summer Youth Employment Program and \$3 million for Non-Residential Domestic Violence Services, and eliminates \$19.5 million in support for TANF initiatives advanced by the Legislature in SFY 2015-16.
- **Paid Family Leave:** Legislation is included to create a program to allow employees to qualify for 12 weeks of paid family leave to care for an infant or an ill family member. The maximum benefit would be set at 50 percent of the State's Average Weekly Wage by 2021, and would be funded entirely through employee payroll deductions.



BUDGET REVIEW AND ANALYSIS: HUMAN SERVICES



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

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

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

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

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

The Office of Welfare Inspector General conducts and supervises investigations of fraud, abuse, or illegal acts relating to social services programs.

Table 20

Appropriations				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of Temporary and Disability Assistance	5,469.02	5,619.26	150.24	2.75
Office of Children and Family Services	4,011.61	3,887.53	-124.08	-3.09
Department of Labor	4,112.48	3,788.02	-324.46	-7.89
Division of Housing and Community Renewal	703.73	2,248.29	1,544.56	219.48
State of New York Mortgage Agency	176.97	192.31	15.34	8.67
Office of National and Community Service	30.68	30.68	0.00	0.00
Pay for Success	69.00	69.00	0.00	0.00
Division of Human Rights	18.01	18.01	0.00	0.00
Division of Veterans' Affairs	19.28	17.53	-1.75	-9.08
Office of Welfare Inspector General	1.16	1.26	0.10	8.62

Table 21

Disbursements				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of Temporary and Disability Assistance	5,034.76	5,069.52	34.76	0.69
Office of Children and Family Services	3,192.64	3,046.76	-145.88	-4.57
Department of Labor	571.16	568.56	-2.60	-0.46
Division of Housing and Community Renewal	232.89	309.49	76.61	32.89
State of New York Mortgage Agency	0.00	0.00	0.00	0.00
Office of National and Community Service	14.91	14.91	0.00	0.00
Pay for Success	0.09	0.50	0.41	455.56
Division of Human Rights	14.27	14.23	-0.04	-0.28
Division of Veterans' Affairs	17.46	15.55	-1.91	-10.94
Office of Welfare Inspector General	0.67	0.67	0.00	0.00

Office of Temporary and Disability Assistance

The Executive proposes an All Funds appropriation of \$5.62 billion, an increase of \$150.2 million or 2.8 percent over the SFY 2015-16 level. The Executive recommends funding support of 1,953 full-time equivalent (FTE) employees, unchanged from SFY 2015-16 workforce levels.

Public Assistance Benefits: The Executive Budget estimates a public assistance caseload of 557,159 recipients for SFY 2016-17, a decrease of 7,279 recipients from SFY 2015-16. State spending on Safety Net of \$477.8 million is anticipated, a reduction of \$1.3 million. The Executive estimates federal TANF support for benefits at a total \$1.1 billion, a decrease of \$24 million from the SFY 2015-16 level.

Temporary Assistance for Needy Families (TANF) Commitments: The Executive proposes an appropriation of \$1.42 billion for TANF initiatives, an increase of \$81.5 million over SFY 2015-16 which is largely attributable to a \$100 million child care offset by a reduction in OCFS General Funding for the same purpose. The Executive eliminates \$19.5 million in TANF initiatives that were enacted in SFY 2015-16. The proposal also includes \$31 million for Summer Youth Employment, an increase of \$1 million due to a higher minimum wage, and funding for the Non-residential Domestic Violence Program in the amount of \$3 million, unchanged from SFY 2015-16.

Table 22

TANF Initiatives		
(\$ in Thousands)		
Category/Item	SFY 2015-16	SFY 2016-17
	Enacted	Proposed
Flexible Fund for Family Services	964,000	964,000
Child Care Subsidies	324,519	424,519
TANF Initiatives		
Access - Welfare to Careers	800	0
Attain	4,000	0
Bridge	102	0
Career Pathways	1,500	0
Centro of Oneida	25	0
Comm. Solutions Transportation	112	0
Educational Resources	250	0
Emergency Homeless Program	1,000	0
Facilitated Enrollment	8,400	0
Fatherhood Initiative	200	0
Non-residential DV	3,000	3,000
Preventative Services Initiative	1,570	0
Rochester-Genesee Regional TA	82	0
Summer Youth Employment	30,000	31,000
SUNY/CUNY Child Care	334	0
Wage Subsidy Program	950	0
Wheels for Work	144	0
Subtotal of TANF Initiatives	52,469	34,000
TANF Funding Total	1,340,988	1,422,519

The Executive proposal would maintain funding levels for Emergency Assistance to Needy Families (EAF) at \$180.2 million, as well as savings of \$14 million associated with a ten percent local share of EAF for New York City. Additionally, the Executive eliminates \$30 million for administrative costs that would be absorbed within OTDA and OCFS.

Homeless Programs: The Executive proposes to create 6,000 new supportive housing units, which would be funded out of capital appropriations in the Division of Housing and Community Renewal. Additionally, 1,000 new emergency shelter beds in high need areas within the state are proposed, which would be funded through public assistance appropriations. The Executive also proposes \$17.7 million, an increase of \$11.3 million, which would support OTDA oversight of homeless shelters and may include additional health and safety inspectors.

The Executive proposal would maintain SFY 2015-16 funding levels for existing homelessness programs including \$34.2 million for the New York State Supportive Housing Program, Solutions to End



Homelessness Program, and Operational Support for AIDS Housing; \$15 million for the New York City Rental Assistance Program; and \$1 million for the Emergency Homeless Services Program.

Community Initiatives: The Executive proposal eliminates \$2.3 million in funding for various local initiatives, including the United Way Anti-Poverty Task Forces in Rochester, in the amount of \$500,000, and Broome County in the amount of \$100,000, as well as reducing the Disability Advocacy Program by \$1 million from the SFY 2015-16 level.

Empire State Poverty Reduction Initiative: The Executive budget proposes \$25 million for a new initiative to combat poverty in ten high-need communities: Albany, Binghamton, Buffalo, Elmira, Jamestown, Oneonta, Oswego, Syracuse, Troy, and Utica. Of this amount, \$5 million would be split evenly between the ten communities with the remaining \$20 million available in the form of capital grants to match private sector and foundation funding.

Fair Hearings Chargeback: The Executive proposes an increase of \$10 million related to the expiration of language authorizing reimbursement by local social services to the state for the cost of fair hearings based on performance criteria.

The Executive proposes Article VII language that would authorize the 2017 Federal Supplemental Security Income (SSI) Cost of Living Adjustment.

Office of Children and Family Services

The Executive proposes an All Funds appropriation of \$3.89 billion, a net decrease of \$124.1 million or 3.1 percent from SFY 2015-16 level. The Executive recommends funding support for 2,954 full-time equivalent (FTE) employees, an increase of 79 FTEs, and reflects additional direct care staff at OCFS youth facilities and an increase in staffing for the Human Services Contact Center.

Child Care: The Executive Budget provides \$917.9 million for child care. This is a net decrease of \$14.7 million from SFY 2015-16, which is related to the elimination of Facilitated Enrollment and SUNY/CUNY child care funding, as well as the reduction of a portion of funds added by the Legislature in SFY 2015-16 to provide additional child care subsidies. Federal appropriations for TANF child care subsidies would be increased by \$100 million, while General Fund appropriations would be reduced by \$96.5 million.

The Executive Budget proposes \$10 million in funding to support mandated child care provider site inspection activities that are necessary to comply with the reauthorization of the Federal Child Care and Development Block Grant (CCDBG).

Adoption Assistance: The Executive proposes to invest savings of \$5 million associated with adoption assistance, which is provided to help meet the special needs of caring for disabled and hard-to-place children, into post adoption and preventive services for children at risk of entering foster care. The savings result from a greater Federal share for adoption assistance costs because income is no longer a factor in determining Federal adoption assistance.

Human Services Cost of Living Adjustment (COLA): The Executive proposes \$1.4 million to support the 0.2 percent COLA for OCFS programs including the Foster Care Block Adoption Subsidy, home and community based services waiver, Committee on Special Education, Bridges to Health, and NY/NY III.

Community Initiatives: The Executive eliminates \$23 million in funding for 39 community initiatives.

Capital: The Executive Budget includes Capital appropriations of \$147.7 million, representing no change from SFY 2015-16. The Executive proposes \$110 million for additional OCFS facility capacity related to Raise the Age.

Article VII

The Executive proposes Article VII legislation:

- to raise the age of juvenile jurisdiction to age 17 on January 1, 2018 and to age 18 on January 1, 2019. The Executive would provide comprehensive diversion, probation, and programming services for 16 and 17 year old youth who will be involved in the juvenile justice system and place newly sentenced youth in OCFS facilities; and
- associated with the Federal Sex Trafficking and Strengthening Families Act.

Department of Labor

The Executive proposes All Funds appropriations of \$3.79 billion, a decrease of \$324.5 million or 7.9 percent from the SFY 2015-16 level. The Executive recommends support for 2,992 FTEs, unchanged from SFY 2015-16.

Unemployment Insurance (UI) Benefits: The Executive proposes \$3.25 billion, a \$250 million decrease that reflects an anticipated decline in claims due to the improving economy. The Executive proposes \$429 million for UI administration, a decrease of \$34.8 million.



The Executive proposes \$5 million in appropriations from the UI Interest Assessment account, a reduction of \$25 million. This funding would only be used if the State owed an interest payment to the federal government for UI borrowing, which is not anticipated in SFY 2016-17.

Workforce Innovation and Opportunity Act (WIOA): The Executive proposes a net decrease of \$1.9 million for WIOA. There is an increase of \$1.7 million related to staff to assist dislocated workers which is offset by a decrease of \$3.7 million for Workforce Investment Act boards for adult, youth and dislocated worker employment and training. These decreases are attributable to changes in federal funding.

Community Initiatives: The Executive proposes a decrease of \$12.7 million, reflecting the elimination of various labor programs funded in SFY 2015-16, including support for the Displaced Homemaker program and the New York Committee on Occupational Safety and Health.

Article VII

The Executive recommends Article VII legislation that would:

Minimum Wage: The Executive proposes an increase the minimum wage from the current \$9.00 per hour to \$10.50 for New York City and \$9.75 in the remainder of the State, effective July 1, 2016. The Executive proposes incrementally increasing the rates to reach a \$15 minimum wage in New York City by December 31, 2018, and in the rest of the state by July 1, 2021.

Apprenticeship Training Council: The Executive proposes expanding membership to the Apprenticeship Training Council to include up to three representatives from State and/or City University of New York community colleges, or Boards of Cooperative Educational Services.

Paid Family Leave: The Executive proposes to create a program for paid family leave, allowing employees to qualify for 12 weeks of paid leave to care for an infant or ill family member. The maximum benefit would be set at 50 percent of the State's Average Weekly Wage by 2021.

Division of Housing and Community Renewal (DHCR)

The Executive proposes an All Funds appropriation of \$2.25 billion, an increase of \$1.54 billion or 219.5 percent over SFY 2015-16. This increase is primarily attributable to the inclusion of \$1.97 billion in capital appropriations for a proposed "House NY 2020" housing plan. The Executive recommends support for 683 Full Time Equivalent (FTE) positions, unchanged from SFY 2015-16.

House NY 2020: The new \$1.97 billion capital appropriation supports a five-year, \$20 billion House NY 2020 plan, which includes:

- \$10 billion for affordable housing which would be used to build 50,000 new units and preserve 50,000 existing units; and
- \$10 billion for supportive housing and emergency shelter beds, including \$2.6 billion for the construction and operations for 6,000 supportive beds and 1,000 shelter beds. The balance of funds would support existing shelter beds and supportive housing units statewide.

Other Housing Programs: The Executive proposal also includes funding for affordable housing, supportive housing, capital improvements to housing stock, rental subsidies, and rental assistance. For these purposes the Executive proposal recommends \$271.7 million. This includes Capital appropriations of \$97.2 million, Aid to Localities appropriations of \$24.5 million, and off-budget, Mortgage Insurance Fund (MIF) allocations totaling \$150 million. These funds are committed as follows:

Table 23

Proposed Housing Program Allocations			
Program	SFY 2015-16 \$ millions	SFY 2016-17 Executive \$ millions	Change \$ millions
Affordable Housing Corporation	29.0	26.0	-3.0
Access to Home	1.0	1.0	0.0
Public Housing Modernization Program	6.4	6.4	0.0
Low Income Housing Trust Fund	47.7	54.2	6.5
Homes for Working Families Program	17.5	26.8	9.3
Housing Opportunities for the Elderly	6.4	1.4	-5.0
Mitchell-Lama Housing Project Rehabilitation	42.0	42.0	0.0
Rural Rental Assistance Program	21.6	22.3	0.7
Rural and Urban Community Investment Fund Program	17.0	35.3	18.3
Main Street Program	9.7	4.2	-5.5
Neighborhood Preservation Program/Rural Preservation Program	20.3	18.0	-2.3
Homeless Housing: NYSSH/STEHP/AIDS Housing	34.2	34.2	0.0
Total	252.8	271.7	18.9

State Operations Appropriations: The Executive proposes a State Operations appropriation of \$92.5 million, an increase of \$5.7 million over SFY 2015-16. This includes \$20.5 million for the Office of Housing Preservation which is responsible for ensuring that buildings are in compliance with Section 8 rules and regulations, physical codes standards, and income eligibility requirements. The Executive proposal also includes a \$45.38 million appropriation, an increase of \$4.5 million or 9.9 percent, for the Office of Rent Administration which is responsible for limiting rent increases and providing maintenance services and repairs, among other activities. The Executive fully funds the Tenant



Protection Unit, which enforces landlord obligations to tenants and imposes penalties for failing to comply with state orders and rent laws.

Aid to Localities Appropriations: The Executive eliminates \$742,000 in funding for the New York City Housing Authority Tenant Pilot Program. The Executive proposes a \$40 million appropriation for the Small Cities Community Development Block Grant Program and \$32.5 million for the Low Income Weatherization Program, both unchanged from SFY 2015-16 levels.

State of New York Mortgage Agency (SONYMA)

The Executive proposes an All Funds appropriation of \$192.31 million, an increase of \$15.3 million or 8.7 percent, over the SFY 2015-16 level to reflect statutorily required guarantee payments.

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

Office of National and Community Service

The Executive provides an All Funds appropriation of \$30.7 million, which maintains SFY 2015-16 funding levels. The Executive recommends support for 10 FTEs, unchanged from the SFY 2015-16 level.

Division of Human Rights

The Executive proposes an All Funds appropriation of \$18.01 million, which maintains funding levels for SFY 2015-16. The Executive recommends the funding support of 164 FTEs, which is unchanged from prior year levels.

Pay for Success Contingency Reserve

The Executive proposes All Funds appropriations of \$69 million, unchanged from SFY 2015-16. Pay for Success initiatives are currently underway for a training and employment program for formerly incarcerated individuals and are in development in the areas of juvenile justice and home visiting services.

Division of Veterans' Affairs

The Executive proposes All Funds appropriations of \$17.5 million, which is a decrease in funding levels from the SFY 2015-16 levels by \$1.8 million or, 9.1 percent. The Executive recommends support for 98 FTEs, unchanged from the SFY 2015-16 level. The decrease in funding is a result of the elimination of \$1.8 million for various community initiatives.

Office of Welfare Inspector General

The Executive proposes All Funds appropriations of \$1.3 million, which is an increase of \$100,000, or, 8.62 percent from SFY 2015-16 funding levels. The Executive recommends 7 FTEs which is unchanged from the SFY 2015-16 levels.

The Executive Budget includes new appropriation authority of \$100,000 in Federal funds that would only be used in the event of a criminal violation of both State and Federal law, such as racketeering involving state contractors. In those cases, the Federal funds would be released to the State, to be used for that investigation only.



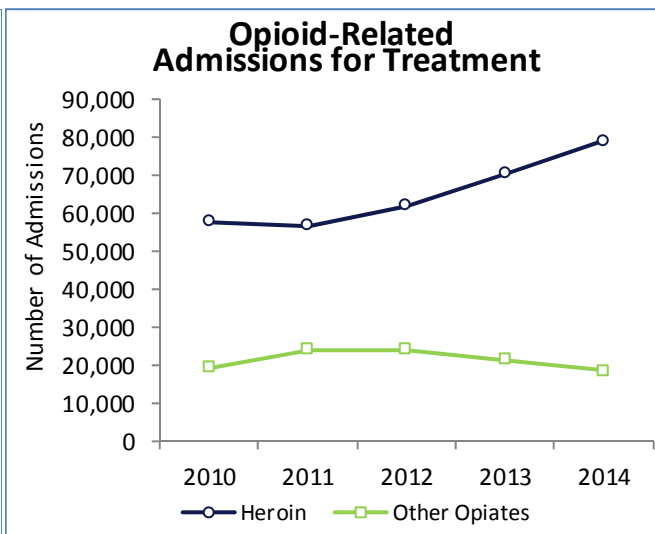
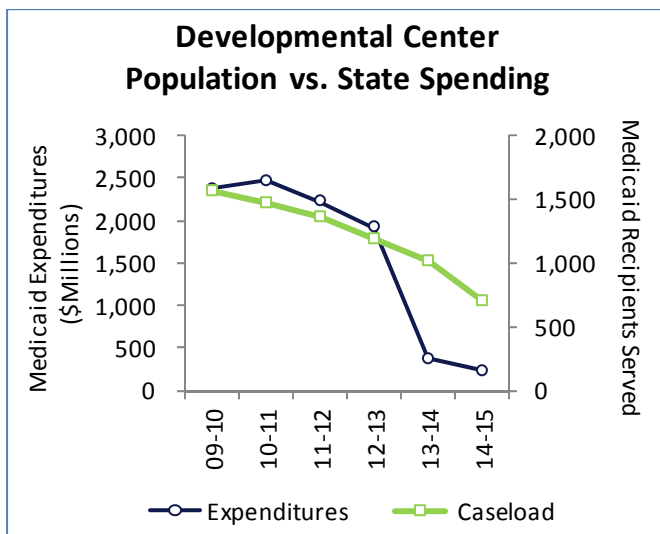
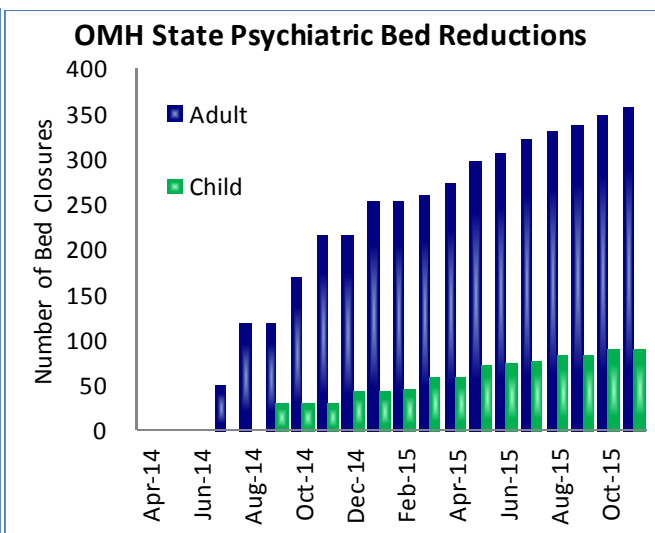
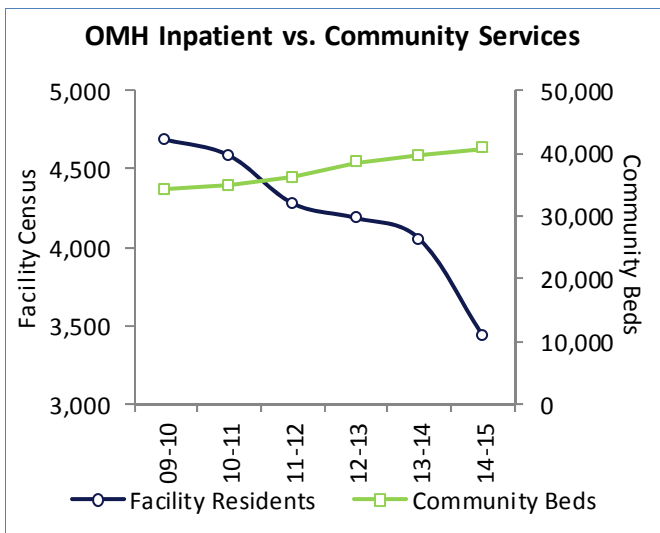
BUDGET SNAPSHOT: MENTAL HYGIENE



In 2014, community-based mental healthcare providers served 689,622 individuals, and 9,967 were served by state psychiatric hospitals.

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

Treatment admissions for heroin and other opioids have increased 21% over the past three years.



Sources: Department of Health; NYS Office of Mental Health; NYS Office for People with Developmental Disabilities; Substance Abuse and Mental Health Services Administration.

BUDGET HIGHLIGHTS: MENTAL HYGIENE



- **OMH Facility Downsizing and Reinvestment:** The Executive proposal includes \$6.35 million in savings related to the elimination of 100 additional OMH State-operated inpatient beds. To increase services in the areas impacted by this downsizing, \$5.5 million is provided for community reinvestment, or \$110,000 per bed. The Executive also includes \$2.43 million in savings related to the transition of 100 long-stay individuals from OMH facilities into alternate settings provided through the Medicaid Managed Long Term Care program.
- **Jail-Based Restoration Programs for Felony Defendants:** The Executive proposal includes \$3 million in savings related to the development of specialized units in local jails to restore felony-level defendants to competency, which would provide a less costly alternative to state psychiatric facilities.
- **OPWDD Service Expansions:** The Executive proposal includes an increase of \$30 million to support the creation of up to 6,000 new service slots for individuals with disabilities living at home or in residential school settings and a new \$3 million to support community-based services for 152 additional individuals that are expected to transition out of institutional settings.
- **OPWDD Affordable Housing Program:** The Executive proposal includes \$10 million in capital investments to support the development of affordable housing units that are specifically constructed to provide for the specialized needs of individuals with disabilities.
- **Opiate Abuse Prevention and Treatment Programs:** The Executive proposes a total \$141 million to support heroin and opiate abuse prevention, treatment and recovery programs. This funding level reflects the reallocation of \$6 million under OASAS to support additional opiate and heroin abuse services.



BUDGET REVIEW AND ANALYSIS: MENTAL HYGIENE



The State of New York spends approximately \$7.04 billion annually to support its mental hygiene agencies, which include the Office for People with Developmental Disabilities (OPWDD), the Office of Mental Health (OMH), the Office of Alcoholism and Substance Abuse Services (OASAS), the Justice Center for the Protection of People with Special Needs, and the Developmental Disabilities Planning Council (DDPC).

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

Table 24

Appropriations				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of People with Developmental Disabilities	4,395.91	4,402.19	6.28	0.14
Office of Mental Health	3,932.74	3,960.92	28.18	0.72
Office of Alcoholism and Substance Abuse	599.50	616.17	16.67	2.78
Department of Mental Hygiene	600.00	600.00	0.00	0.00
Justice Center	54.48	54.54	0.06	0.11
Developmental Disabilities Planning Council	4.76	4.76	0.00	0.00

Table 25

Disbursements				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of People with Developmental Disabilities	3,240.71	3,022.76	-217.95	-6.73
Office of Mental Health	3,379.83	3,369.11	-10.72	-0.32
Office of Alcoholism and Substance Abuse	594.40	603.58	9.18	1.54
Department of Mental Hygiene	0.00	0.00	0.00	0.00
Justice Center for the Protection of People with Special Needs	41.92	42.67	0.75	1.79
Developmental Disabilities Planning Council	4.20	4.20	0.00	0.00

Cost of Living Adjustment (COLA): The Executive Budget includes \$14.6 million in State share funding to support a 0.2 percent COLA across various human service programs funded by OPWDD, OMH, OASAS, OCFS, DOH, the Office of Temporary Disability Assistance (OTDA), and the State Office for the Aging (SOFA).

Social Worker Licensure Exemption: The Executive proposal includes Article VII language that would extend, for five years, the social work licensure exemption for individuals working in certain programs and services that are regulated, operated, funded or approved by OMH, OPWDD, OASAS, DOH, SOFA, OCFS, DOCCS, OTDA, local governmental units, or social services districts. The Executive estimates that this proposal would save the affected agencies approximately \$325 million per year in personal service costs.

Office for People with Developmental Disabilities (OPWDD)

The Executive proposes All Funds appropriation of \$4.40 billion, an increase of \$6.28 million or 0.14 percent from SFY 2015-16. The Executive recommends the support for 18,382 full-time equivalent (FTE) positions, a decrease of 255 from the SFY 2015-16 level, primarily related to the attrition of staff.

Transitioning Individuals into the Community: The Executive proposal includes a decrease of \$21.4 million in support for state-operated facilities, reflecting \$15.6 million in savings from prior year census declines (249 individuals) and \$5.80 million in savings related to the transition of 152 individuals out of institutional settings and into the community. The Executive proposal includes an increase of \$3.02 million to support the establishment of new community based service opportunities for these 152 individuals and continues \$12.9 million in services for individuals that already transitioned to the community.

Community Based Service Expansions: The Executive Budget includes an increase of \$30 million to support the creation of up to 6,000 new service slots for individuals with disabilities living at home or in residential settings. In addition, the Executive continues \$62 million in new services that were provided as a part of the SFY 2015-16 budget.

OPWDD Affordable Housing Program: The Executive proposal includes \$10 million in capital investments to support the development of affordable housing units that are specifically constructed to provide for the specialized needs of individuals with disabilities. This funding would support the establishment of approximately 100 new specialized housing units.

State Employee Worker Pilot Projects: The Executive proposal maintains \$2.2 million in funding to continue to support the existing pilot program, which authorizes 112 State employees to provide services in the community.

Other Reductions: The Executive Budget reflects a reduction of \$85.68 million related to one-time expenses in SFY 2015-16, including an extra institutional pay period; the consolidation of services in the Office of Information Technology Services (ITS); and a 53rd Medicaid payment cycle. In addition, the Executive also proposes \$4.66 million in savings related to various other programmatic changes and the elimination of certain grants to community based organizations.

Balance Incentive Program (BIP) Phase-Out: The Executive Budget includes an increase of \$65.30 million in State support to continue programs previously funded with federal BIP funding.

The Executive proposal includes Article VII language to authorize OMH and OPWDD, in certain situations, to appoint a temporary operator for mental health programs and for programs certified by OPWDD.

Office of Mental Health (OMH)

The Executive proposes All Funds appropriations of \$3.96 billion, an increase of \$28.18 million or 0.7 percent from SFY 2015-16. The Executive recommends support for 14,278 FTEs, a decrease of 122 FTEs from the SFY 2015-16 level.



State Psychiatric Facility Downsizing and Reinvestment: The Executive Budget includes a \$6.35 million reduction related to the elimination of 100 beds from State–operated psychiatric facilities, in addition to the 449 beds that have closed over the past two fiscal years. The Executive Budget provides \$5.5 million in community reinvestment to increase services in the areas impacted by these downsizings, which represents a re-investment of \$110,000 per bed. These reinvestments would be implemented prior to any bed closure, and language is included to require that these beds be vacant for 90 days prior to any reduction in capacity.

Transfer Long-Stay Individuals Out of Psychiatric Facilities: The Executive proposal reflects \$2.43 million in net savings related to the transition of 100 long-stay individuals from OMH facilities into more clinically appropriate settings provided through the Medicaid Managed Long Term Care program or skilled nursing facilities.

Jail-Based Restoration Programs for Felony Defendants: The Executive proposal includes \$3 million in savings related to the development of 25 specialized beds in local jails to restore felony-level defendants to competency, which would provide a less costly alternative to state psychiatric facilities.

Raise the Age of Juvenile Jurisdiction: The Executive proposal includes \$492,000 to support 9 FTEs to provide services to incarcerated youth at Hudson Correctional Facility, in support of the proposal to raise the age of juvenile jurisdiction. In addition \$23 million is provided for this transition in the Department of Corrections and Community Supervision.

Supportive Housing Programs: The Executive Budget provides \$50 million to support the continuation of OMH community bed development, including 1,200 beds under the NY/NY III agreement and 800 other residential beds. The Executive projects OMH community beds will total 44,112 in SFY 2016-17.

State Operations: The Executive Budget reflects a reduction of \$77.2 million related to one-time expenses in SFY 2015-16, including an extra institutional pay period, a transfer of functions to ITS, and certain non-recurring capital expenses. The Executive proposal includes an increase of \$36.46 million related to additional costs for salary and fringe benefits, \$2.6 million to support the development of 25 new Sexual Offender Management and Treatment Act (SOMTA) beds at OMH facilities, and \$1 million in Delivery System Reform Incentive Payment (DSRIP) program funding to allow OMH facilities to collaborate with Performing Provider Systems (PPS).

Capital Projects: The Executive proposal includes an increase of \$2 million to support bed development and the rehabilitation of existing units.



The Executive proposal also includes Article VII proposals that would:

- extend, for three years, the authority of OMH to recover Medicaid exempt income from providers;
- extend, for four years, the statutory authority of the Commissioner of OMH to approve certificates for the operation of a Comprehensive Psychiatric Emergency Program (CPEP);
- authorize OMH to work with volunteering counties to establish jail-based restoration to competency programs for individuals awaiting trial;
- authorize OMH and OPWDD, in certain situations, to appoint temporary operators for mental health programs and for programs certified by OPWDD; and
- authorize the sharing of clinical records between state operated facilities and managed care organizations, behavioral health organizations, and health homes for the purposes of providing, arranging, or coordinating health care services for certain individuals.

Office of Alcoholism and Substance Abuse Services (OASAS)

The Executive proposes All Funds appropriations of \$616.17 million, an increase of \$16.7 million or 2.71 percent from SFY 2015-16. The Executive recommends the support for 741 FTEs, which is unchanged from the SFY 2015-16 level.

Opiate Abuse Prevention and Treatment Programs: A total \$141 million is included to support heroin and opiate abuse prevention, treatment and recovery programs. The Executive proposal includes an increase of \$3 million to develop additional congregate care beds for NY/NY III in Albany, Suffolk, and Westchester counties, and in the Southern Tier. This funding level reflects the reallocation of \$6 million in existing OASAS funds.

Additional Savings: The Executive Budget includes a reduction of \$2.76 million as a result of delays in bed development and lower than expected utilization rates. The Executive Budget also includes the elimination of \$2 million in supplemental support for Substance Abuse and Prevention Intervention Specialists (SAPIS) in New York City's Department of Education.

State Operations: The Executive Budget proposes a decrease of \$1.33 million related to the one-time extra institutional pay period in SFY 2015-16, offset by an increase of \$5.51 million related to salary and fringe benefit increases.

Capital Projects: The Executive proposes a \$6 million increase in capital funding, including \$1 million related to the purchase of synthetic drug testing devices for state and local law enforcement and \$5 million for maintenance at state-operated Addiction Treatment Centers.

The Executive proposal also includes Article VII language to authorize OASAS licensed treatment facilities that provide alcohol or substance abuse services to also operate as traditional physical health care clinics, while remaining eligible for financing through the Dormitory Authority of the State of New York .

Justice Center for the Protection of People with Special Needs

The Executive proposes All Funds appropriations of \$54.54 million, an increase of \$68,000 or 0.12 percent from SFY 2015-16. The Executive recommends support for 450 FTEs, an increase of 22 FTEs from the SFY 2015-16 level.

Investigative Staff Improvements: The Executive proposal includes an increase of \$557,000 related to transferring 10 FTEs from the OPWDD to conduct intermediate care facility investigations. The Executive also proposes to add 12 new investigative positions which would be financed within the Agency's existing resources.

Developmental Disabilities Planning Council (DDPC)

The Executive proposes All Funds appropriations of \$4.76 million, unchanged from the SFY 2015-16 level. The Executive recommends support for 18 FTEs, unchanged from the SFY 2015-16 level.



BUDGET SNAPSHOT: ENVIRONMENT, AGRICULTURE AND ENERGY

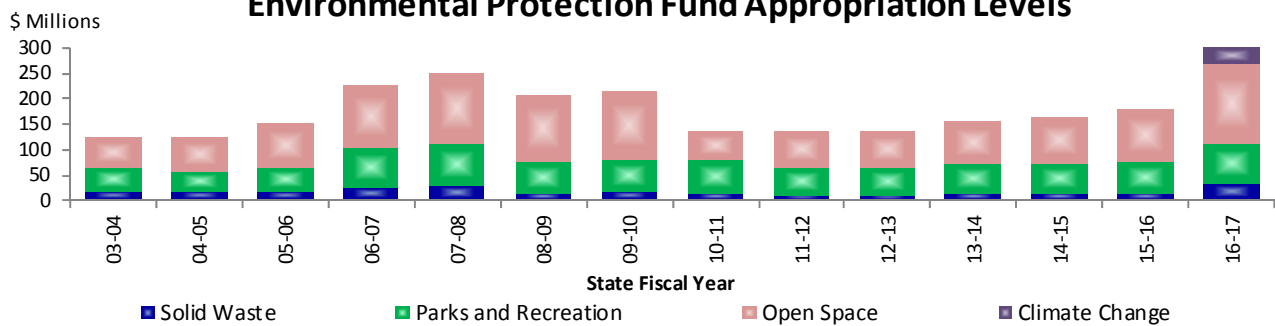


There are 36,000 farms in New York State generating \$5.4 billion in agricultural sales.

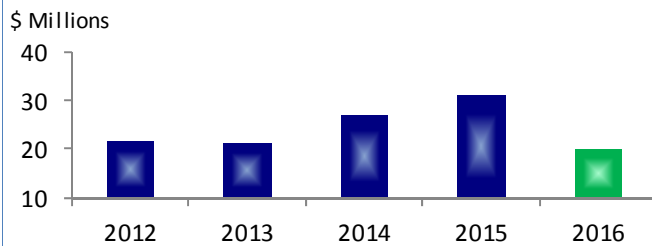
There were 62 million visits to New York State Parks in 2014.

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

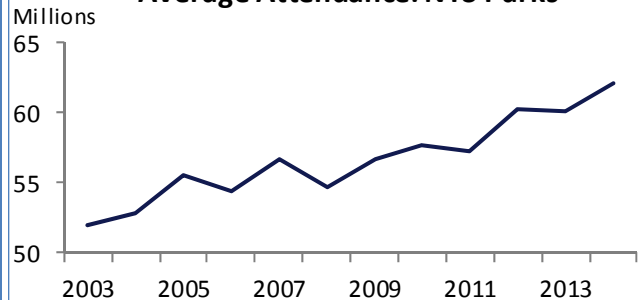
Environmental Protection Fund Appropriation Levels



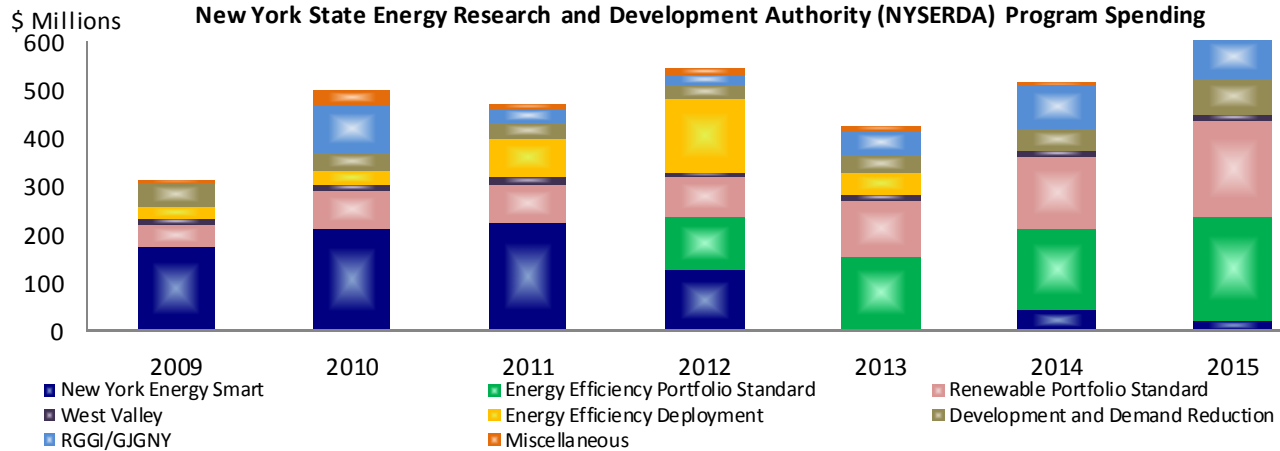
Department of Agriculture and Markets Aid to Localities General Fund Appropriation



Average Attendance: NYS Parks



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



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

BUDGET HIGHLIGHTS: ENVIRONMENT, AGRICULTURE AND ENERGY



- **Environmental Protection Fund (EPF):** The Executive proposes to fund the EPF at \$300 million, a \$123 million increase from State Fiscal Year (SFY) 2015-16 levels. The Executive proposes creating a new Climate Change Mitigation and Adaptation Account within the EPF with an appropriation of \$32.5 million. Other EPF allocations include \$33.9 million for solid waste programs, \$76.8 million for parks and recreation, and \$156.9 million for open space programs.
- **Water Infrastructure Improvement Act of 2015:** The Executive Budget proposes an increase of \$100 million to the Water Infrastructure Improvement Act of 2015 for a total of \$300 million over three years.
- **State Superfund Program:** The Executive proposal continues to fully fund the State's Superfund Program with a \$100 million appropriation, including funding for the Environmental Restoration Program.
- **Transfer of the Canal Corporation:** The Executive proposal would transfer the New York State Canal Corporation from the New York Thruway Authority to the New York Power Authority.



BUDGET REVIEW AND ANALYSIS: ENVIRONMENT, AGRICULTURE AND ENERGY



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

The Department of Environmental Conservation's (DEC) mission is to conserve and improve the State's natural resources and environment and to prevent, abate, and control water, land and air pollution. DEC's responsibilities include the administration of a portion of the State's Environmental Protection Fund (EPF) and protecting the State's land and resources. The DEC also manages more than 787,000 acres of state Forests, including the Adirondack Forest Preserve.

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

The Public Service Commission (PSC) is responsible for regulating the rates and services of the State's public utilities, overseeing the siting of major electric and gas transmission lines and facilities, ensuring the safety of natural gas and liquid petroleum pipelines, and planning the future of energy in the New York. In 2013, the PSC's responsibilities were expanded to include the oversight of the Long Island Power Authority. The PSC is also responsible for regulating and overseeing the Department of Public Service.

The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation that is responsible for the management of energy research, development, and demonstration programs funded by assessments on gas and electric utilities. NYSERDA also administers federal grant programs related to energy efficiency, issues tax-exempt bonds on behalf of private energy supply companies for environmental improvements, and administers the Green Bank. Since NYSERDA is funded primarily through various off-budget revenues, most NYSERDA programs are not included in the Executive Budget.

The Office of Parks, Recreation and Historic Preservation (OPRHP) is responsible for the conservation, protection, and enhancement of New York State’s natural, historic and cultural resources. OPRHP provides recreational and interpretive opportunities for New York State residents and visitors at 180 parks and 35 historic sites across the state. Within OPRHP, the State Historic Preservation Office is tasked with helping communities identify, evaluate, preserve, and revitalize their historic, archaeological, and cultural resources.

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

The New York Power Authority’s (NYPA) mission is to provide low-cost, reliable, clean energy to help drive New York State’s economic growth and competitiveness. NYPA runs 16 generating facilities, including the Niagara Falls power plant.

Table 26

Appropriations				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Environmental Conservation	1,251.84	1,321.05	69.21	5.53
Office of Parks, Recreation and Historic Preservation	411.32	390.36	-20.96	-5.10
Department of Agriculture and Markets	176.76	153.24	-23.52	-13.31
Department of Public Service	92.16	90.49	-1.67	-1.81
Energy Research and Development Authority	12.50	13.45	0.95	7.60
Olympic Regional Development Authority	11.82	11.54	-0.28	-2.33
Adirondack Park Agency	5.26	4.84	-0.42	-7.96
Hudson River Valley Greenway Communities Council	0.32	0.32	0.00	0.00
Greenway Heritage Conservancy	0.17	0.17	0.00	0.00
Hudson River Park Trust	0.00	0.00	0.00	0.00



Table 27

Disbursements				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Environmental Conservation	922.46	998.23	75.77	8.21
Office of Parks, Recreation and Historic Preservation	322.83	326.02	3.18	0.99
Department of Agriculture and Markets	100.92	85.66	-15.26	-15.12
Department of Public Service	74.81	73.69	-1.12	-1.49
Energy Research and Development Authority	18.31	23	5.14	28.09
Olympic Regional Development Authority	10.66	10.39	-0.28	-2.58
Adirondack Park Agency	4.68	4.68	0.00	0.00
Hudson River Valley Greenway Communities Council	0.00	0.00	0.00	0.00
Greenway Heritage Conservancy	0.00	0.00	0.00	0.00
Hudson River Park Trust	3.54	0.00	-3.54	-100.00

Department of Environmental Conservation (DEC)

The Executive Budget proposes an All Funds appropriation of \$1.32 billion, an increase of \$69.21 million, or 5.53 percent from the State Fiscal Year (SFY) 2015-16 level. The Executive recommends support of 2,946 full time equivalent (FTE) positions, unchanged from the SFY 2015-16 levels.

Water Infrastructure Improvement Act of 2015: The Executive Budget proposes an increase of \$100 million to the Water Infrastructure Improvement Act of 2015 for a total of \$300 million over three years. The program began with \$50 million in SFY 2015-16 and the Executive proposal would provide \$125 million for SFY 2016-17 and \$125 million for SFY 2017-18, increasing each fiscal year's original appropriation by \$50 million.

State Superfund Program: The Executive proposal continues to fully fund the State's Superfund Program with a \$100 million appropriation, ten percent of which is allocated to the Environmental Restoration Program (ERP).

Environmental Protection Fund (EPF): The Executive proposes \$300 million for the EPF, an increase of \$123 million from SFY 2015-16 levels. Of this increase, \$120 million would come from settlement funds and \$3 million from an increase from the general fund. The Executive proposes creating a new

Climate Change Mitigation and Adaptation Account within the EPF funded at \$32.5 million for SFY 2016-17. The Executive proposal would also transfer several programs into the EPF totaling \$2.42 million, for a net increase of \$120.58 million.

The EPF was started in 1993 to protect and preserve the State's environment. There currently are three categories in the EPF. The solid waste category provides funding for recycling and waste reduction and funding of \$33.85 million is proposed for SFY 2016-17. The parks and recreation category provides public access to open space, and economic development support for areas surrounding the open space and funding of \$76.8 million is proposed for SFY 2016-17. The open space category provides funding for open space land conservation projects, biodiversity stewardship and research, agricultural and farmland protection activities, and non-point source abatement and control projects. The Executive proposes \$156.85 million for the open space category for SFY 2016-17.

The new climate change mitigation category would contain three new programs, including: \$3 million for Greenhouse Gas Management; \$4.5 million for resiliency planning and vulnerability assessments; and \$23 million for Adaptive Infrastructure, which includes \$20 million for the Climate Smart Communities Competition, \$2.5 million for the Climate Resilient Farms Program, and \$500,000 for the Resiliency Planting Program. In addition to the three new programs the Executive proposes transferring Smart Growth to this category and funding it at \$2 million.



Table 28

SFY 2016-17 Environmental Protection Fund (\$ in Thousands)

	SFY 2015-16 Enacted	SFY 2016-17 Executive	Change (\$)	% Change
	Budget	Request		
SOLID WASTE				
Landfill Closure/ Gas Management	250	700	450	180.00%
<i>Essex County +</i>	-	300	300	100.00%
<i>Hamilton County +</i>	-	150	150	100.00%
Municipal Recycling	7,500	14,000	6,500	86.67%
Pollution Prevention Institute	3,250	4,000	750	23.08%
Secondary Marketing	1,000	1,000	0	0.00%
Environmental Justice **	-	7,000	7,000	100.00%
<i>Environmental Justice Grants</i>	1,100	2,000	900	81.82%
Environmental Health **	-	2,000	2,000	100.00%
<i>Children's Environmental Health Centers **</i>	-	1,000	1,000	100.00%
Natural Resources Damages	1,000	1,950	950	95.00%
Pesticide Database	1,200	1,200	0	0.00%
Brownfield Opportunity Area Grants**	-	2,000	2,000	100.00%
Subtotal, Solid Waste	15,300	33,850	18,550	121.24%
PARKS & REC				
Waterfront Revitalization	12,500	15,000	2,500	20.00%
<i>Adirondack Projects **</i>	-	660	0	100.00%
<i>Inner City/Underserved</i>	6,250	10,000	3,750	60.00%
Municipal Parks	15,750	20,000	4,250	26.98%
<i>Inner City/Underserved</i>	7,875	10,000	2,125	26.98%
Hudson River Park (HRP)	2,500	800	-1,700	-68.00%
Public Access & Stewardship	18,500	28,000	9,500	51.35%
<i>Belleayre</i>	500	500	0	0.00%
ZBGA	12,450	13,000	550	4.42%
Subtotal, Parks & Rec	61,700	76,800	15,100	24.47%
OPEN SPACE				
Land Acquisition	26,550	40,000	13,450	50.66%
<i>Land Trust Alliance</i>	2,000	2,000	0	0.00%
<i>Urban Forestry</i>	1,000	1,000	0	0.00%
<i>Regions 1, 2 and 3</i>	1,000	1,500	500	50.00%
Farmland Protection	15,000	20,000	5,000	33.33%
<i>Fort Drum Army Combatible Use Buffer</i>	1,000	1,000	0	0.00%
<i>Cornell Land Classification & List of Soils **</i>	-	70	70	100.00%
Agricultural Waste Management	1,500	1,500	0	0.00%
Biodiversity Stewardship	500	1,000	500	100.00%
<i>Pollinator Protection Plan **</i>	-	500	500	100.00%
Albany Pine Bush Commission	2,475	2,675	200	8.08%
Invasive Species	5,850	10,000	4,150	70.94%
<i>Eradication</i>	1,000	2,000	1,000	100.00%
LI Pine Barrens Commission	1,600	1,800	200	12.50%
Environmental Commissions +	-	746	746	100.00%
<i>Susquehanna River Basin Commission +</i>	-	259	259	100.00%
<i>Delaware River Basin Commission +</i>	-	360	360	100.00%
<i>Ohio River Basin Commission +</i>	-	14	14	100.00%
<i>Great Lakes Commission +</i>	-	60	60	100.00%
<i>Interstate Environmental Commission +</i>	-	15	15	100.00%
<i>New England Interstate Commission +</i>	-	38	38	100.00%
Oceans & Great Lakes Initiative	6,050	15,000	8,950	147.93%
Water Quality Improvement Program	8,000	20,000	12,000	150.00%
<i>Suffolk County</i>	3,000	5,000	2,000	66.67%
<i>Nassau County Sewage Outfall Pipe**</i>	-	5,000	5,000	100.00%
LI South Shore Estuary Reserve	900	900	0	0.00%
Ag. Non-Point Source Pollution Control	14,200	19,000	4,800	33.80%
<i>Cornell University Pro-Dairy +</i>	-	224	224	100.00%
<i>Cornell University IPM +</i>	-	1,000	1,000	100.00%
Non-Ag Non-Point Source Pollution Control	4,800	8,000	3,200	66.67%
Soil & Water Conservation Districts	5,275	9,000	3,725	70.62%
Finger Lake; Lake Ontario Watershed	1,750	1,979	229	13.09%
Lake Erie Watershed Protection	250	250	0	0.00%
Hudson River Estuary Plan	4,700	5,000	300	6.38%
<i>Mohawk River</i>	800	800	0	0.00%
Subtotal, Open Space	100,000	156,850	56,850	56.85%
CLIMATE CHANGE MITIGATION & ADAPTATION				
Greenhouse Gas Management **	-	3,000	3,000	100.00%
Resiliency Planning **	-	4,500	4,500	100.00%
Smart Growth	600	2,000	1,400	233.33%
Adaptive Infrastructure **	-	23,000	23,000	100.00%
Subtotal, Climate Change	-	32,500	32,500	100.00%
TOTAL EPF	177,000	300,000	123,000	69.49%
** 16-17 New Categories		+ Transferred from another budget area		

Source: NY State Division of the Budget

The Executive also proposes several new programs within the EPF, including \$1 million for Environmental Health, \$660,000 for Adirondack improvements, \$70,000 for Cornell Land Classification and List of Soils; \$500,000 to implement recommendations of the pollinator protection plan; and \$5 million for the Nassau Sewage Outfall Pipe.

The Executive also proposes \$1 million for Children’s Environmental Health Centers, \$2 million for Brownfield Opportunity Area grants, and \$5 million for an environmental justice program.

The Executive proposal would transfer several programs into the EPF from other budget areas, totaling \$2.42 million. These include \$300,000 for Essex County and \$150,000 for Hamilton County; \$746,000 for Environmental Commissions; \$224,000 for environmental programs within Cornell University Pro-Dairy, (an overall decrease of \$378,000 from SFY 2015-16 levels) and \$1 million for Cornell University Integrated Pest Management.

Federal Solid Waste Management: \$30 million is included for the federal share of the cleanup of hazardous waste sites.

Other programs: The Executive proposes to eliminate funding for several programs added by the Legislature in SFY 2015-16, totaling \$8.88 million.

The Executive includes the following Article VII proposals:

- to modify certain provisions of the Environmental Protection Fund (EPF) including the establishment of a permanent Climate Change Mitigation and Adaptation Account and the types and amounts of grants available from the Local Waterfront Revitalization Program (LWRP).
- to make permanent the Waste Tire Management and Recycling Fee set to expire on December 31, 2016. The \$2.50 fee pays for planning, abatement, and staff related to the elimination of waste tire stockpiles.

Office of Parks, Recreation, and Historic Preservation

The Executive Budget proposes an All Funds appropriation of \$390.36 million, a decrease of \$21.3 million, or 5.17 percent, from SFY 2015-16 levels. The Executive recommends support of 1,735 FTE positions, unchanged from SFY 2015-16.

Natural Heritage Trust: The Executive eliminates funding for the Natural Heritage Trust (\$1.08 million), which was added by the Legislature in SFY 2015-16.



Capital Funding: The Executive recommends \$154.7 million in capital funding, a decrease of \$19 million from the SFY 2015-16 levels reflecting a \$1 million increase in the State Park Infrastructure Fund and a reduction of \$20 million in the New York Works Infrastructure appropriation.

The Executive also includes an Article VII proposal to reduce the reimbursement paid to governmental entities for voluntary enforcement of the Navigation Law to 25 percent from 50 percent, resulting in savings of \$900,000.

Department of Agriculture and Markets

The Executive Budget proposes an All Funds appropriation of \$153.24 million, a decrease of \$23.51 million, or 13.31 percent from the SFY 2015-16 level. The Executive recommends support of 476 FTEs, an increase of 1 FTE from the SFY 2015-16 level.

Agricultural Programs: The Executive Budget recommends \$39.86 million in Aid to Localities funding, a decrease of \$11.22 million from SFY 2015-16. This change is primarily due to the decrease of prior year restorations.

Table 29

Executive Budget SFY 2016-17 Proposed Aid to Localities Appropriations

	Total SFY 2015-16	Total SFY 2016-17	\$ Change
Cornell Diagnostic Lab			
"Core" Diagnostic Lab	5,425,000	4,425,000	(1,000,000)
NYS Cattle Health Assurance Program	360,000	360,000	-
Quality Milk Production Services Program	1,174,000	1,174,000	-
Cornell University Johnes Disease Program	480,000	480,000	-
Cornell University Rabies Program	610,000	50,000	(560,000)
Cornell University Avian Disease Program	252,000	252,000	-
Other Cornell Programs			
Cornell University Agriculture in the Classroom	80,000	80,000	-
Cornell University Future Farmers of America	392,000	192,000	(200,000)
Association of Agricultural Educators	66,000	66,000	-
Cornell University Farm Family Assistance	800,000	384,000	(416,000)
Geneva Exp. St. for Seed Inspection Program	128,000	128,000	-
Hop Evaluation and Field Testing Program	200,000	40,000	(160,000)
Cornell University Golden Nematode Program	62,000	62,000	-
Integrated Pest Management	500,000	0	(500,000)
Cornell University Pro-dairy Program	1,200,000	598,000	(602,000)
Cornell University Onion Research	50,000	0	(50,000)
Cornell University Vegetable Research	100,000	0	(100,000)
Cornell University Honeybee Research	50,000	0	(50,000)
Cornell University Maple Research	125,000	0	(125,000)
Other Programs			
Ag Child Care (Migrant)	7,521,000	8,275,000	754,000
Local Fairs	500,000	340,000	(160,000)
New York Wine and Grape Foundation	1,019,000	713,000	(306,000)
New York Farm Viability Institute	1,900,000	400,000	(1,500,000)
Dairy Profit Teams	150,000	150,000	-
Dairy Profit Teams/NY FVI	220,000	0	(220,000)
New York State Apple Growers Association	750,000	206,000	(544,000)
Apple Research and Development Program	500,000	0	(500,000)
Wood Products Development Council	100,000	0	(100,000)
Maple Producers Association	213,000	0	(213,000)
NY Corn and Soybean Growers Association	75,000	0	(75,000)
Tractor Rollover Protection Program	250,000	0	(250,000)
Northern NY Agricultural Development	600,000	0	(600,000)
Eastern Equine Encephalitis Program	175,000	0	(175,000)
Turfgrass Environmental Stewardship	150,000	0	(150,000)
Animal Care & Control of NYC	250,000	0	(250,000)
North Country Low-cost Rabies Vaccine	25,000	0	(25,000)
NY Christmas Tree Farmers	125,000	0	(125,000)
New York State Berry Growers	320,000	0	(320,000)
Grown on Long Island	100,000	0	(100,000)
Genesee County Ag. Academy	100,000	0	(100,000)
Island Harvest Food Bank	20,000	0	(20,000)
Taste NY	1,100,000	1,100,000	-
Farm-To-School	250,000	250,000	-
Quality Assurance Program	250,000	0	(250,000)
Precision Agriculture Study	100,000	0	(100,000)
Long Island Deer Fence Matching Grants	200,000	0	(200,000)
Regional Food Hubs	1,064,000	0	(1,064,000)
Senior Farmers Market Nutrition Program	500,000	0	(500,000)
Drain Tile Revolving Loan Fund	500,000	0	(500,000)
Electronic Benefits Transfer	0	138,000	138,000
TOTAL	\$31,081,000	\$19,863,000	(11,218,000)

Source: NY State Division of the Budget.

Agriculture Migrant Child Care: In SFY 2015-16, Migrant Child Care was funded at \$1.75 million under the Office of Children and Family Services and \$7.52 million under the Department of Agriculture and Markets. The Executive proposes moving the entire program within the Department of Agriculture and Markets and funding it at \$8.28 million for SFY 2015-16, a decrease of \$1 million.

The Executive also includes an Article VII proposal to transfer administration of agricultural and dairy marketing orders to Empire State Development Corporation, resulting in a \$12.3 million appropriation decrease.

Department of Public Service

The Executive Budget proposes an All Funds appropriation of \$90.49 million, a decrease of \$1.67 million, or 1.81 percent, from SFY 2015-16 levels. The Executive recommends support of 508 FTEs, a decrease of 17 FTEs from the SFY 2015-16 level. The decreases in both appropriations and FTEs would result from the Executive's Article VII proposal to streamline the review of utility service rates changes.

The Executive also includes the following Article VII proposals:

- to eliminate the hearing requirement for the Public Service Commission for proposed rate cases of municipally-owned gas and electric utilities and extend the time the Commission has to consider for all utility rate cases.
- to continue the authorization for the Department of Health to finance the public health education programs with revenues generated from an assessment on cable television companies.

NYS Energy Research and Development Authority (NYSERDA)

The Executive proposes an All Funds appropriation of \$13.45 million, an increase of \$950,000, or 7.6 percent, from the SFY 2015-16 level. This \$13.45 million capital appropriation is for the federal match for West Valley, a former reprocessing facility for used nuclear fuel that is being decontaminated by the US Department of Energy. Additionally, the Executive Budget includes Article VII legislation to transfer \$913,000 from NYSERDA to the General Fund to offset New York State's debt service requirements for West Valley.



NYSERDA’s approximately \$873 million revenue in SFY 2015-16 was funded primarily through off-budget revenues, mostly assessments on utilities. Most programs are therefore not included in the Executive Budget, with the exception of the state share for West Valley.

Table 30

SFY 2015-16 NYSERDA Revenues		
(\$ in Thousands)		
Revenue Source	SFY 2015-16	Percentage
Systems Benefit Charge	343,250	39.29%
Renewable Portfolio Standard	297,934	34.10%
Allowance Auction Proceeds	127,400	14.58%
State Appropriations	43,574	4.99%
Miscellaneous	61,429	7.03%
Total NYSERDA Revenues	873,587	100.00%

Source: NYSERDA Draft 2016-17 Budget

The Systems Benefits Charge and Renewable Portfolio Standard are assessments on gas and electric corporation revenues. Allowance auction proceeds are funds from auctions on regional permits for carbon dioxide emissions (also known as the Regional Greenhouse Gas Initiative).

Regional Greenhouse Gas Initiative (RGGI) Transfer: The Executive Budget includes legislation that would transfer \$38 million from RGGI to fund the State University of New York Clean Energy Workforce Opportunity Program (\$15 million) and carbon tax programs (\$23 million).

The Executive also includes an Article VII proposal to extend for another year the increased assessment on gas and electric corporations for the NYSERDA research, development and demonstration program.

Adirondack Park Agency

The Executive proposes an All Funds appropriation of \$4.8 million, a decrease of \$419,000, or 7.96 percent from the SFY 2015-16 level. The Executive recommends support of 54 FTE positions, unchanged from the SFY 2015-16 level.

Olympic Regional Development Authority (ORDA)

The Executive proposes an All Funds appropriation of \$11.54 million, a decrease of \$275,000, or 2.33 percent, from SFY 2015-16 levels. The decrease reflects savings achieved by a more efficient snow making schedule.



New York Power Authority Asset Transfer

The Executive proposes an All Funds appropriation of \$279 million, a decrease of \$21 million, or 7 percent, from SFY 2015-16 levels.

The Executive also includes the following Article VII proposal to transfer the New York State Canal Corporation from the New York Thruway Authority to the New York Power Authority (NYPA). To help fund the costs associated with the Canal Corporation, the annual sweep from NYPA to the General Fund is reduced from \$90 million to \$20 million.

BUDGET SNAPSHOT: TRANSPORTATION

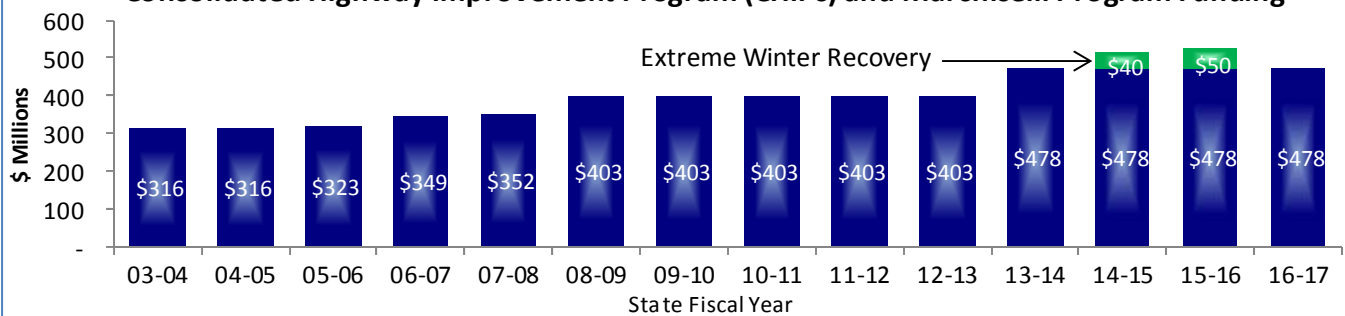


The proposed 2015-19 MTA Capital Program would cost \$29 billion, funded in part with \$8.3 billion of State funds.

The Executive proposes a \$22.1 billion five-year DOT capital plan funded in part with \$13.9 billion of State funds.

The Executive proposes \$4.99 billion in operating support for transit systems statewide, including the MTA.

Consolidated Highway Improvement Program (CHIPs) and Marchiselli Program Funding



Note: In SFY 2014-15 and 2015-16 funding was distributed through the CHIPs program for extreme winter recovery.

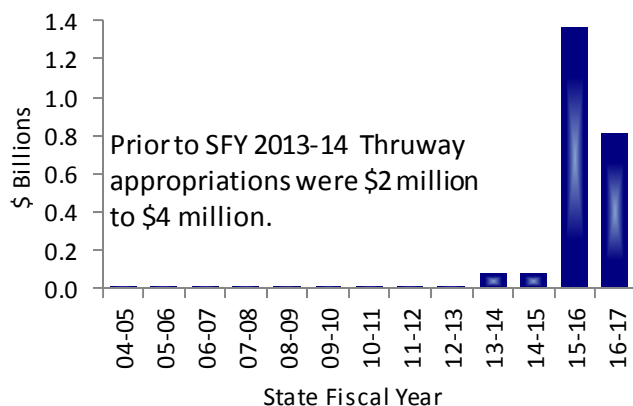
Proposed 2015-19 MTA Capital Plan by Funding Source (\$ Millions)

- New York State: \$8,336
- Federal Funding: \$6,375
- MTA Bonds: \$5,889
- Bridges and Tunnels: \$2,856
- New York City: \$2,492
- MTA PAYGO: \$1,846
- Miscellaneous*: \$1,162



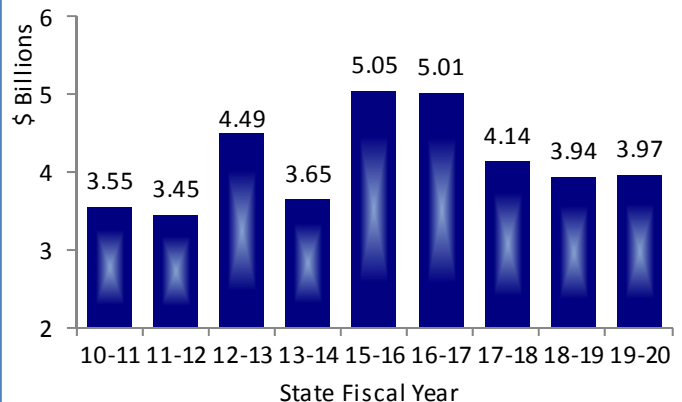
*Note: includes \$530m in savings from a proposed Payroll Mobility Tax (PMT) bond credit.

Thruway Authority Appropriations



Prior to SFY 2013-14 Thruway appropriations were \$2 million to \$4 million.

DOT Capital Plan (on an obligations basis)



Source: NYS Assembly Ways and Means Committee; Metropolitan Transportation Authority.

BUDGET HIGHLIGHTS: TRANSPORTATION



- **Department of Transportation (DOT) Capital Plan:** The Executive proposes a five-year Capital Plan of \$22.1 billion, on an obligations basis, spanning State Fiscal Years (SFY) 2015-16 to 2019-20. This reflects an increase of \$3.8 billion and would be funded in part with \$13.9 billion of State funds including \$2 billion for the Thruway Authority.
- **MTA Capital Support:** The Executive proposal includes Article VII legislation to authorize \$7.3 billion in support for the MTA's 2015-19 capital program. This authorization is in addition to \$1 billion appropriated in the SFY 2015-16 Enacted Budget, making total state support \$8.3 billion.
- **Transit Operating Assistance:** The Executive proposes \$4.99 billion in support for transit systems, including the MTA, reflecting an increase of \$27 million or 0.54 percent.
- **Thruway Capital Support and Toll Reduction Tax Credits:** The Executive proposal includes a new capital appropriation of \$700 million to prevent toll increases until 2020. The Executive proposal would also create two new tax credits which would reimburse half the value of tolls paid by frequent travelers of the Thruway and the full value of tolls paid by all farm vehicles.
- **Continued Local Capital Construction Programs Funding:** The Executive proposal would continue appropriation levels of \$438.1 million for the Consolidated Highway Improvement Program (CHIPS) and \$39.7 million for the Marchiselli program. Funding of \$50 million for extreme weather recovery that was distributed through the CHIPS program in SFY 2015-16 is not continued.
- **Airport Revitalization Competition:** The Executive proposal would appropriate \$200 million for upstate public-use airports to be awarded to five revitalization projects through a competitive process.

BUDGET REVIEW AND ANALYSIS: TRANSPORTATION



New York State supports a vast transportation infrastructure with the goal of creating an interconnected statewide system that addresses environmental and community concerns while efficiently moving people and goods throughout the State. DOT maintains and improves the State's more than 40,000 highway lane miles and 7,600 bridges and supports local government highway and bridge construction, CHIPs, rail, and aviation projects. DOT also supports over 130 locally operated transit systems, including the MTA.

The MTA maintains a fleet of 5,700 buses and 6,400 subway cars which operate on an infrastructure of 2,200 miles of track. MTA ridership has increased 54 percent since 1995 and in 2015 reached an all-time high of 2.7 billion people riding on its subways, buses and railroads, a number which is projected to reach 3.1 billion by 2030. Additionally, the MTA's nine bridges and tunnels carry over 290 million vehicles annually.

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

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

Table 31

Appropriations				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Transportation	10,181.96	10,799.80	617.84	6.07
Metropolitan Transportation Authority	3,086.64	2,373.78	-712.85	-23.09
Department of Motor Vehicles	324.94	325.77	0.83	0.25
New York State Thruway Authority	21.50	0.00	-21.50	-100.00

Table 32

Disbursements				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Transportation	10,360.00	10,030.13	-329.87	-3.18
Metropolitan Transportation Authority	512.17	493.23	-18.94	-3.70
Department of Motor Vehicles	305.14	302.33	-2.81	-0.92
New York State Thruway Authority	23.30	0.00	-23.30	-100.00

Metropolitan Transportation Authority

MTA 2015-19 Capital Plan

In October 2015 the MTA proposed a new \$29 billion capital plan, a decrease of \$3 billion, or 9.6 percent from the 2014 plan. Of this decrease, \$1 billion is due to a reduction in funding for the Second Avenue Subway. The remaining \$2 billion decrease primarily reflects future savings the MTA anticipates and projects deferred until the 2020-24 capital plan. The MTA has not formally submitted this plan to the Legislature for approval.

To help fund the MTA's proposed 2015-19 capital plan, the Executive budget includes Article VII legislation which would authorize \$7.3 billion of State funding. This amount is in addition to the \$1 billion appropriated in the SFY 2015-16 Enacted Budget for total State support for the MTA's 2015-19 capital program of \$8.3 billion. The State's contribution to the MTA's 2010-14 capital program was \$770 million.



The MTA's proposed plan includes partial funding for three expansion projects totaling \$4.46 billion, which accounts for 15.4 percent of the total cost of the plan. Those projects include:

- East Side Access, which will bring the Long Island Rail Road into Grand Central Terminal (\$3.09 billion);
- Second Avenue Subway Phase 2, which will extend the new line from 96th Street to 125th Street (\$535 million); and
- Penn Station Access, which will bring Metro-North Railroad (MNR) into Penn Station and add four new MNR stations in the Bronx (\$695 million).

The remaining 84.6 percent of the plan is focused on maintaining a state of good repair and the normal replacement of assets. Major spending categories include bus and train car procurements (\$5.25 billion), station maintenance and renovations (\$3.47 billion), signals and communications including positive train control and communications-based train control (\$3.35 billion), and track maintenance and reconstruction (\$3.33 billion).

MTA Contingency Appropriation

The Executive proposes contingency appropriations of \$2.4 billion, an increase of \$37 million from the SFY 2015-16 budget. This contingency appropriation can be used to support operating costs as well as debt service payments for the MTA in SFY 2017-18 in the event that the state budget for that fiscal year is not enacted by April 1, 2017.

The Executive also includes the following Article VII proposals:

- to provide design-build authorization to the Empire State Development Corporation, the New York Convention Center Development Corporation and their subsidiaries to utilize a design-build project delivery method for the Jacob V. Javits Convention Center, the Empire State Station Complex, the James A. Farley Building Replacement, and the Pennsylvania Station New York Redevelopment projects;
- to commit the State and New York City to contribute a combined \$10.828 billion to the MTA's 2015-19 Capital Program, including \$8.336 billion from the State and \$2.492 billion from New York City;
- to modify the procurement process for the MTA to reduce its administrative expenses; and

- to authorize the MTA to enter into public-private partnerships and take other actions related to the delivery of capital projects.

Department of Transportation

The Executive proposes All Funds appropriations of \$10.8 billion, an increase of \$618 million or 6.1 percent from the SFY 2015-16 level. The Executive recommends funding support of 8,258 full-time equivalent (FTE) positions, which is a reduction of 46 from the SFY 2015-16 level.

The DOT budget has two main components. The first is the DOT capital plan which funds the maintenance of State highways and bridges as well as the CHIPs, rail, and aviation projects and is primarily funded through the Dedicated Highway and Bridge Trust Fund (DHBTF). The second is transit assistance, which is primarily funded by dedicated transportation tax revenue and distributed to over 130 mass transit authorities around the State, including the MTA. This MTA funding primarily supports operations and is distinct from the Executive's proposal to help support the MTA's 2015-19 Capital Plan.

DOT Capital Plan: The Executive proposes a five-year Capital Plan of \$22.1 billion, on an obligations basis, spanning SFY 2015-16 to 2019-20 to correspond to the MTA's 2015-19 Capital Plan. This reflects an increase of \$3.8 billion and is funded with \$13.9 billion of State funds and \$8.2 billion of federal support. This funding includes \$2 billion to support the Thruway Authority.

Traditionally, approximately 61 percent of capital plan spending is on road and bridge maintenance and construction, and associated consultant engineering and Right of Way costs. Other major components include State funding for local road and bridge construction through the CHIPs and Marchiselli programs (12 percent), DOT's in-house engineering costs (10 percent), and summer road maintenance (9 percent). The capital plan also provides funding for rail, aviation and non-MTA transit purposes.

The Executive proposal would appropriate \$200 million from State settlement funds to support the capital plan. The five-year capital plan proposal would be further supported in SFY 2016-17 by State funds totaling \$809 million through a New York Works appropriation, which would provide:

- \$200 million for airport revitalization projects to be awarded to five upstate public use airports revitalization projects through a competitive process. These grants would fund projects that enhance safety, improve operations and access, reduce pollution, and create jobs;
- \$284.5 million in general support for the capital plan;



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

Dedicated Highway and Bridge Trust Fund (DHBTF): The DOT capital plan is funded largely from the DHBTF. The DHBTF itself is funded through dedicated transportation taxes and fees (including those collected by the DMV), as well as bond proceeds, federal funds and a General Fund transfer. The DHBTF has a projected funding shortfall of \$634 million in SFY 2016-17, which is \$78 million higher than in SFY 2015-16 and is closed with a \$700 million transfer from the General Fund (which also includes a \$66 million transfer required by statute).

Table 33

Dedicated Highway and Bridge Trust Fund (\$ in Millions)				
	SFY 2015-16 Estimate	SFY 2016-17 Projection	\$ Change	% Change
Receipts				
Dedicated Taxes (including Motor Vehicle Fees, Petroleum Business Tax, Motor Fuel Tax, Highway Use Tax, Auto Rental Tax, Corporation & Utility Tax)	1,999.9	1,979.8	(20.1)	(1.0%)
Miscellaneous Receipts (primarily bond proceeds)	658.2	599.6	(58.7)	(8.9%)
Transfers from Federal Funds	291.3	308.1	16.8	5.8%
Transfers from General Fund	622.2	699.8	77.5	12.5%
Transfers from other Funds	1.8	5.3	3.5	193.4%
Total Receipts	3,573.4	3,592.5	19.1	0.5%
Disbursements				
Road and Bridge Capital Construction Program	635.6	595.1	(40.5)	(6.4%)
Administration	74.9	77.3	2.4	3.2%
State Forces Engineering	406.5	412.8	6.3	1.6%
Constultant Engineering	128.0	144.1	16.1	12.6%
DOT Operations	714.3	695.5	(18.8)	(2.6%)
DMV Operations	189.7	204.5	14.8	7.8%
Subtotal Disbursements	2,148.9	2,129.3	(19.6)	(0.9%)
Transfers Out				
Transfers for ITS	50.9	51.0	0.1	0.1%
Transfer for State Debt Service	853.7	868.4	14.7	1.7%
Transfer for Local Debt Service (CHIPS)	489.6	543.9	54.3	11.1%
Total Disbursements	3,543.1	3,592.6	49.5	1.4%

Transit Assistance: The Executive proposes \$4.99 billion in support for transit systems, which is an increase of \$27 million from SFY 2015-16. Of this amount, \$4.49 billion is directed to the MTA, which is an increase of \$22 million or 0.49 percent from SFY 2015-16. This funding comprises 30 percent of the MTA's 2016 annual budget of \$15.101 billion, compared to 31 percent in SFY 2015-16 and 32 percent in SFY 2014-15.

The remainder of the MTA's operating budget is not appropriated through the state budget but comes from local taxes, as well as farebox and toll revenue. The MTA's funding includes a \$309.25 million transfer from the General Fund to fully offset MTA Mobility Tax revenue reductions, which exempted certain entities from the requirement to pay such tax.

The Executive proposal includes appropriations totaling \$10.3 million to continue the Verrazano Narrows Bridge Staten Island Resident Rebate Program and its companion Commercial Rebate Program.

Of the \$4.99 billion in total transit operating assistance, \$193.7 million is for upstate transit systems, an increase of \$5 million or 2.7 percent from SFY 2015-16. Non-MTA downstate transit systems are provided \$303.5 million, reflecting no change from prior year levels.



Table 34

Executive Proposal: Transit Operating Assistance				
Cash Disbursements				
(\$ in Millions)				
	SFY 2015-16	SFY 2016-17		
	Enacted	Executive	\$ Change	% Change
	Budget	Proposal		
MTA				
NYC Transit Authority	1,731.3	1,817.1	85.8	5.0
Commuter Rail (MNR & LIRR)	647.8	663.0	15.2	2.3
MTA (Payroll Mobility Tax & Other)	2,091.6	2,013.1	-78.5	-3.8
MTA Total	4,470.7	4,493.2	22.5	0.5
Non-MTA Downstate Systems				
Nassau	66.7	66.7	0.0	0.0
NYC DOT	87.7	87.7	0.0	0.0
Rockland	3.4	3.4	0.0	0.0
Staten Island Ferry	32.8	32.8	0.0	0.0
Suffolk	25.9	25.9	0.0	0.0
Westchester	55.1	55.1	0.0	0.0
FORMULAS	31.8	31.8	0.0	0.0
Non-MTA Downstate Systems Total	303.5	303.5	0.0	0.0
Upstate Systems				
Capital District Transportation Authority (CDTA)	33.9	34.8	0.9	2.7
Central New York Regional Transportation Authority (CNYRTA)	31.0	31.8	0.8	2.7
Niagara Frontier Transportation Authority (NFTA)	48.8	50.1	1.3	2.6
Rochester Genesee Regional Transportation Authority (RGRTA)	37.6	38.6	1.0	2.7
FORMULAS	37.3	38.3	1.0	2.6
Upstate Systems Total	188.7	193.7	5.0	2.7
Transit Operating Assistance Total:	4,962.9	4,990.4	27.5	0.6

State Operations Appropriations: The Executive proposes All Funds State Operations appropriations of \$33.17 million, an increase of \$59,000 or 0.18 percent from the SFY 2015-16 level.

Department of Motor Vehicles

The Executive proposes All Funds appropriations of \$325.8 million, an increase of \$827,000 or 0.25 percent above the SFY 2015-16 level. The Executive recommends funding support of 2,149 FTEs, a reduction of 10 positions.

The DMV State Operations budget is composed of specific programs which are self-supported by fees. The DMV appropriations are as follows:

Table 35

Department of Motor Vehicles Appropriations						
(\$ in Thousands)						
	SFY 2014-15	SFY 2015-16	SFY 2016-17			
	Enacted	Enacted	Executive	\$ Change	% Change	
Administration Program						
DMV Seized Asset Account	400	400	400	0	0.0%	
Federal Seized Asset Account	1,000	1,000	1,000	0	0.0%	
Banking Service Account	5,300	5,300	5,300	0	0.0%	
Administrative Adjudication Program						
Administration Adjudication Account	41,754	42,189	42,189	0	0.0%	
Clean Air Program						
Mobile Source Account	19,162	19,162	19,162	0	0.0%	
Compulsory Insurance Program						
Compulsory Insurance Account	14,687	14,758	14,758	0	0.0%	
Governor's Traffic Safety Committee						
Highway Safety Research and Operating Grants	13,626	13,839	13,966	127	0.9%	
Highway Safety Programs	21,200	21,400	21,600	200	0.9%	
Highway Safety Research & Development	4,800	5,500	6,000	500	9.1%	
Transportation Safety Program						
Motorcycle Safety Account	1,499	1,628	1,628	0	0.0%	
Internet Point Insurance Reduction Program Account	669	512	512	0	0.0%	
SUBTOTAL	124,097	125,688	126,515	827	0.7%	
Capital (Transportation Support)	194,314	199,255	199,255	0	0.0%	
Total	318,411	324,943	325,770	827	0.3%	

The Executive proposes DMV operations appropriations of \$199.3 million, unchanged from SFY 2015-16, from fees deposited into the DHBTF, a capital fund.

The Executive also includes the following Article VII proposals:

- to consolidate the DMV Seized Asset Fund, Compulsory Insurance Fund, Internet Point Insurance Reduction Program (IPIRP) Fund and the Motorcycle Safety Fund into the Dedicated Highway and Bridge Trust Fund; and
- to address federal commercial driver's license requirements pertaining to covered farm vehicles and vehicles transporting passengers in commerce.



Thruway Authority

The Authority's \$2.1 billion annual budget is traditionally funded primarily through various off-budget revenues, mostly tolls. Most programs are therefore not traditionally included in the Executive Budget. The SFY 2016-17 Executive proposal includes a new capital appropriation of \$700 million to prevent toll increases until 2020. The SFY 2015-16 Enacted Budget included a \$1.285 billion appropriation for the Thruway Authority, bringing total support for the Thruway in the SFY 2015-16 to SFY 2019-20 transportation capital plan to \$2 billion. Of the \$1.285 billion appropriation, \$750 million was used for the construction of the replacement of the Tappan Zee Bridge.

The Executive proposal would transfer the New York State Canal Corporation from the New York State Thruway Authority (NYSTA) to the New York Power Authority (NYPA). Beginning in SFY 2013-14 the Thruway had been provided with \$85 million annually through three funding streams to help support the Canal. This transfer would eliminate those funding streams. To fund NYPA's costs associated with the Canal, an existing annual transfer from NYPA to the General Fund would be reduced to \$20 million from \$90 million and a \$6.2 million reappropriation would be made available to NYPA. Approximately \$9 million in savings would accrue to the State from this transfer.

The Executive proposal also creates two new tax credits which would reimburse half of the cost of tolls paid by frequent travelers of the Thruway and all of the cost of tolls paid by farm vehicles. The tax credits would sunset in three years and cost \$113 million annually.

BUDGET SNAPSHOT: ECONOMIC DEVELOPMENT

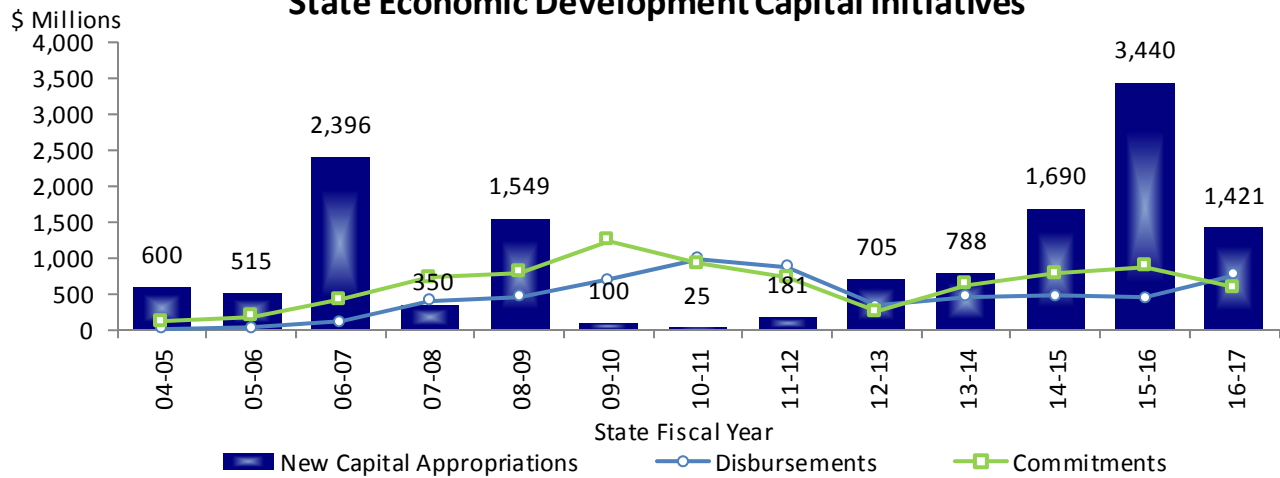


New York State hosts a record high 7.9 million private sector jobs and a 4.8% unemployment rate, the lowest level since November 2007.

Total economic impact for New York State's tourism industry was over \$100 billion in 2014.

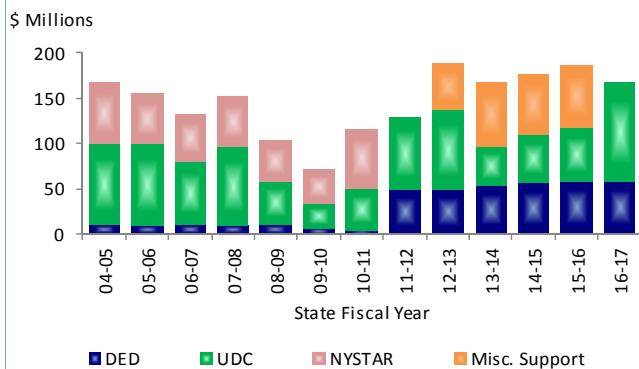
New York State currently supports more than 7,900 Minority- and Women-Owned Businesses.

State Economic Development Capital Initiatives

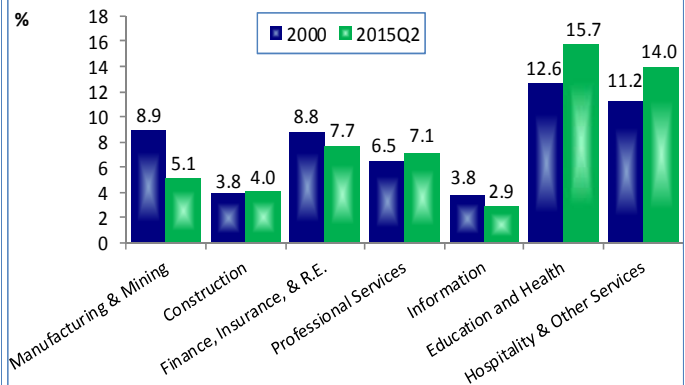


Note: Includes amounts made available through the ESDC and Miscellaneous Capital Appropriations.

Economic Development Operating Support



NYS Employment Share in Key Sectors



Sources: 2004-2015 Enacted Budgets; 2016-17 Executive Budget; 2005-2016 Executive Budget Five-Year Capital Program and Financial Plans; U.S. Bureau of Labor Statistics; New York State Department of Labor.

BUDGET HIGHLIGHTS: ECONOMIC DEVELOPMENT



- **New Capital Initiatives:** The Executive proposes \$904.8 million in appropriations for capital project investments throughout the State. This reflects a \$1.4 billion decrease over the prior year due to the absence of the one-time \$1.5 billion Upstate Revitalization Initiative that was enacted in SFY 2015-16.
- **Continuation of the Upstate Revitalization Initiative:** The Executive proposal includes a new, \$200 million grants to upstate regions that did not win last year's competitive Upstate Revitalization Initiative. This initiative would allocate \$50 million each to the Mohawk Valley, North Country, Capital District, and Mid-Hudson regions to develop regional investment plans.
- **Downtown Revitalization Initiative:** A new \$100 million allocation is included for a new Downtown Revitalization Initiative, which will target ten downtown areas, one in each economic development region, that is either suffering from a population loss or economic distress. Projects that increase economic activity, create new housing, or improve transportation within the downtown area would be eligible.
- **Expansion of SUNY Polytechnic Institute Colleges of Nanoscale Science and Engineering (CNSE):** A total \$540 million is included for projects under the direction of CNSE, including: \$200 million for a new commercialization center in Chautauqua County; \$200 million for Nano Utica; \$125 million for a new industrial scale research and development facility in Clinton County, and \$15 million for projects at the CNSE campus.
- **Tourism and economic development promotion:** The Executive proposal includes \$66.5 million to support efforts which promote New York State as a tourism destination, as well as for efforts to attract and expand business investment and job creation.

BUDGET REVIEW AND ANALYSIS: ECONOMIC DEVELOPMENT



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

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

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

Table 36

Agency	Appropriations			
	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Urban Development Corporation	2,347.66	1,014.29	-1,333.37	-56.80
New York State Gaming Commission	237.80	239.98	2.18	0.92
Department of Economic Development	84.57	83.46	-1.11	-1.31
Council on the Arts	46.88	46.88	0.00	0.00

Table 37

Disbursements				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Urban Development Corporation	708.22	1,165.49	457.27	64.57
New York State Gaming Commission	281.43	252.44	-28.99	-10.30
Department of Economic Development	100.10	98.51	-1.59	-1.59
Council on the Arts	35.75	45.95	10.20	28.53

Urban Development Corporation/Empire State Development Corporation

The Executive proposes All Funds appropriations of \$1.01 billion, a decrease of \$1.33 billion, or 56.8 percent below the State Fiscal Year (SFY) 2015-16 level.

Capital: The Executive proposes \$904.75 million in All Funds Capital Projects appropriations within the Urban Development Corporation, a net decrease of \$1.38 billion, or 60.5 percent below the SFY 2015-16 level. In addition to this amount, funding is also provided by the New York State Special Infrastructure Account and redirected reappropriations for various economic development initiatives totaling \$1.47 billion. These amounts would support the initiatives enumerated in the table below:

Table 38

Economic Development Capital Initiatives			
(\$ in Thousands)			
Category/Item	SFY 2016-17		\$ Change
	SFY 2015-16 Enacted	Exec. Request	
CNSE Commercialization Center in Chautaugua County	0	200,000	200,000
Nano Utica	0	200,000	200,000
Upstate Revitalization Initiative Projects	0	200,000	200,000
Regional Economic Development Councils	150,000	150,000	0
CNSE Industrial Scale R&D Facility in Clinton County	0	125,000	125,000
NY-SUNY/CUNY 2020 Challenge Grant Programs	110,000	110,000	0
Downtown Revitalization Initiative*	0	100,000	100,000
New York Works Economic Development Fund	45,000	99,000	54,000
Unspecified Economic development or Infrastructure Projects	0	85,000	85,000
Center for Bioelectronic Medicine at Nassau Hub*	0	50,000	50,000
Parking Structure/ Infrastructure Improvements at Ronkonkoma Hub*	0	50,000	50,000
New York Power Electronics Manufacturing Consortium	33,500	33,500	0
Albany Nano G450C Facility	0	15,000	15,000
Clarkson-Trudeau Partnership	5,000	12,000	7,000
Brookhaven National Laboratory	0	10,000	10,000
Buffalo High Technology Manufacturing Innovation Hub	0	10,000	10,000
Market New York Program	0	8,000	8,000
Renovation and expansion of MacArthur Airport*	0	6,000	6,000
Western NY Football Retention Efforts	2,223	2,251	28
Upstate Revitalization Initiative	1,500,000	0	(1,500,000)
Transformative Investment Program	400,000	0	(400,000)
Binghamton University School of Pharmacy	25,000	0	(25,000)
Cornell University College of Veterinary Medicine	19,000	0	(19,000)
Funding Total	2,289,723	1,465,751	(823,972)

*Note: *Initiatives supported through a carve out in reappropriations.*

Regional Economic Development Councils (REDC): The Executive Budget provides \$150 million for a sixth round of REDC competitive awards and \$70 million in Excelsior Tax Credits designated for this same purpose.

Colleges/Universities: The Executive proposes a total \$159 million in economic development capital for collegiate initiatives, including \$110 million for the continuation of the SUNY/CUNY 2020 competitive grant program and \$12 million to support the Clarkson-Trudeau Partnership to promote biotechnology research and development.

New York Power Electronics Manufacturing Consortium: As part of a multi-year \$135 million commitment, the Executive proposes a second installment of \$33.5 million to develop and further upgrade the materials used on semiconductors.

Continued Support for Western New York: In the Executive proposal, \$10 million is provided for the Buffalo high technology manufacturing innovation hub with future out-year commitments totaling \$100 million over 10 years. The Executive also proposes a total of \$6.81 million to cover contractual obligations for the retention of the Buffalo Bills in Western New York.

Economic Development Funds: The Executive proposes \$99 million in capital funding through the New York Works Economic Development Fund and maintaining \$31.18 million in operating support for the Empire State Economic Development Fund.

The Executive recommends Article VII legislation that would extend for one year the authorization of the New York State Urban Development Corporation to administer the Empire State Economic Development Fund and the general loan powers of the New York State Urban Development Corporation.

New York State Gaming Commission

The Executive proposes an All Funds appropriation of \$239.9 million in SFY 2016-17, an increase of \$2.2 million or 0.9 percent over SFY 2015-16 levels. The Executive proposes a workforce of 405 full time equivalent (FTE) positions, unchanged from SFY 2015-16.

Agency Operations: The Executive proposes a \$975,000 increase due to lease increases, structural capital improvement, and to provide for an uninterruptable power system. The Executive also proposes an increase in appropriation authority of \$988,700 that would only be used to support personal for personal service costs related to commercial gaming regulation if new casinos are opened. The Executive proposes a \$416,700 decrease relating to renegotiation of the contract for employee background checks.

Commercial Gaming Revenue: The Executive proposal includes \$4 million in aid to host governments and non-host counties within a gaming region, a reduction of \$26.2 million. The Executive proposes \$2 million in host aid and \$2 million in regional aid based upon the New York Gaming Facility Location Board recommendation to award Tioga Downs with a commercial gaming facility license. In SFY 2015-16, \$30.2 million in aid was appropriated in host and regional aid based upon the three casinos with approved licenses.

Tribal State Compacts: The Executive proposal consolidates the Tribal State Compact Revenue Program under the Gaming Commission and increases the appropriation for the Tribal State Compact from \$91.7 million to \$122.5 million, an addition of \$30.8 million.



Article VII

The Executive proposes Article VII language that would:

- require that a total of 0.5 percent of 2 percent of purses provided to the NY Thoroughbred Horsemen Association be put towards conducting equine drug testing research and testing equipment;
- increase the regulatory fee, from 0.5 percent to 0.6 percent of the total daily pools, on on-track thoroughbred, on-track harness, off-track pari-mutuel betting, and simulcast racing;
- increase the share of the purse enhancement used to promote and ensure equine health and safety share from 1 percent to 1.6 percent;
- adjust the timing of billing and payment of per diem costs paid to the Gaming Commission by licensed harness racing corporations for the cost of racing judges and starters;
- establish an additional commission and an adjusted tax rate for the Finger Lakes Video Lottery Terminal (VLT) facility;
- extend the current vendor fee rate paid to the Monticello VLT facility for one year;
- extend the current pari-mutuel tax rates and out-of-state simulcasting provisions for one year;
- extend the video lottery gaming vendor's capital awards program for one year, including approval and completion dates; and
- amend the Upstate New York Gaming and Economic Development Act of 2013 to clarify that host community payments are to be funded from revenue attributable to a specific licensed gaming facility in that host county and host municipality.

Department of Economic Development

The Executive proposes All Funds appropriations of \$83.46 million, a decrease of \$1.11 million, or 1.31 percent below the SFY 2015-16 level. The Executive recommends support for 153 full time equivalent FTE positions, which is 5 FTEs fewer than the SFY 2015-16 level due to attrition.

High Technology Programs: The Executive proposes a funding total of \$38.85 million for various high technology programs, including \$13.82 million for the Centers for Advanced Technology and a combined \$8.72 million for ten Centers of Excellence.

New York State Tourism: The Executive proposes total funding of \$50.51 million for tourism related activities throughout the State. In addition to the traditionally funded tourism support programs, the Executive proposes \$13 million for the continuation of the Market NY Program to support tourism marketing efforts and \$27 million to promote New York State as a tourism destination.

Table 39

Appropriations for Tourism Related Activities	
Program/ Funding Source	All Funds Amount (\$ in millions)
Tourism and Economic Development	27.00
Market NY	13.00
Local Tourism Matching Grants	3.82
I Love NY	2.50
Tourism Marketing (SRO)	2.19
Other unidentified ESDC Resources	2.00
TOTAL:	50.51

New York State Hot Spots and Incubators: The Executive provides \$5 million to support 20 Hot Spots and Incubators throughout the State, unchanged from the prior year.

Other Initiatives: The Executive proposes \$85 million in unspecified economic development and infrastructure projects. The Executive proposes funding for the Center for Bioelectronic Medicine at the Nassau Hub (\$50 million), for a parking structure and infrastructure improvements at the Ronkonkoma Hub (\$50 million), and for the renovation and expansion of MacArthur Airport (\$6 million). An additional \$10 million is provided for the Brookhaven National Laboratory with future out-year commitments by the Executive totaling \$50 million over five years.

New York State Council on the Arts (NYSCA)

The Executive proposes an All Funds appropriation of \$46.88 million, unchanged from the SFY 2015-16 level. The Executive recommends support for 30 FTE positions, which is unchanged from SFY 2015-16.



Council on the Arts

The Executive proposes an All Funds appropriation of \$46.88 million to maintain grant funding support to local non-profit arts organizations. The Executive recommends funding support of 30 FTE positions which is unchanged from SFY 2015-16.

BUDGET SNAPSHOT: PUBLIC PROTECTION

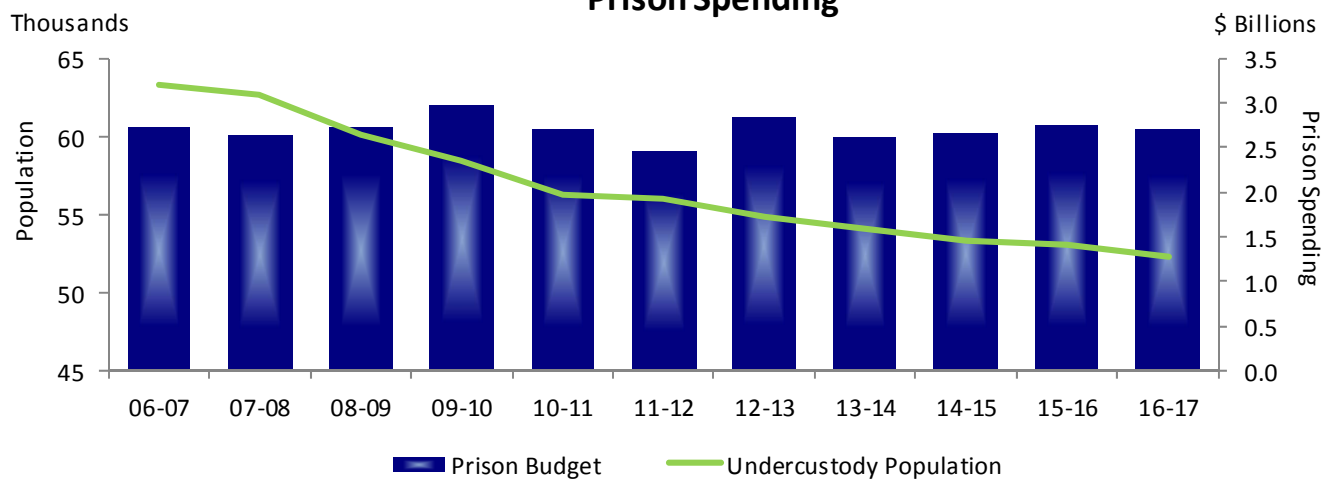


Over the past six years, 13 prisons have been closed to reflect a continued reduction in the prison population.

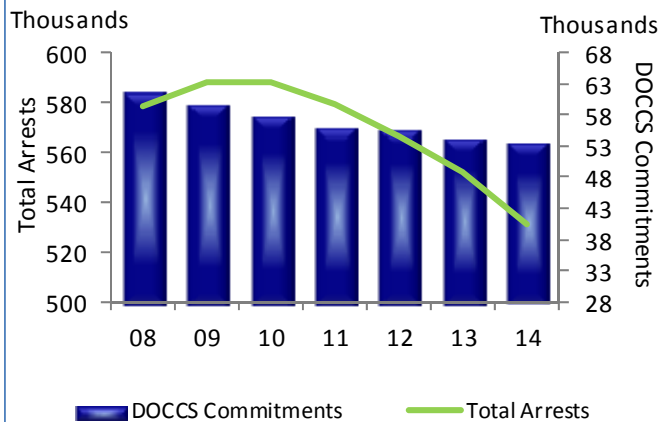
New York's prison population has been reduced from 71,600 in 1999 to approximately 52,300 today.

Currently, there are 89 youths age 16 and 17 in DOCCS facilities and 1,679 under the age of 21.

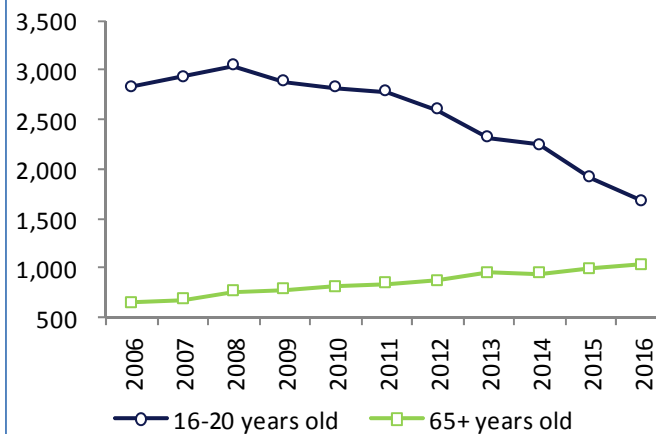
NYS Undercustody Population vs. Prison Spending



Arrests and Prison Commitments



Undercustody Population by Age



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



BUDGET HIGHLIGHTS: PUBLIC PROTECTION



- **Raise the Age of Juvenile Jurisdiction:** The Executive proposal includes language to raise the age of juvenile jurisdiction from 16 to 17 on January 1, 2018, and to 18 on January 1, 2019 as well as increase the lower age of juvenile jurisdiction from age seven to 12 on January 1, 2018. A new \$22 million is included to continue the transition of 16 and 17 year olds out of adult jails and prisons and into a designated facility by August 2016.
- **Alternatives to Incarceration (ATI) and Re-Entry Services:** The Executive proposal would provide \$1 million to expand ATI programs to serve individuals in upstate counties who are at high risk of being incarcerated. The Executive also includes \$1 million to support the expansion of County Re-Entry Task Forces, and \$5.8 million to connect recently released individuals with employment opportunities.
- **Grand Jury Reform:** The Executive proposal would establish an independent counsel, appointed by the Governor, to review cases in which a police officer or peace officer is accused of causing the death of an unarmed civilian in the line of duty.
- **Indigent Legal Services Settlement:** An additional \$12.4 million is provided to the Office of Indigent Legal Services to continue implementation of the *Hurrell-Harring* settlement agreement, including support for the development of caseload standards, defense counsel for indigent clients at arraignment, and the annualization of additional staff.
- **Equipment and Technology Upgrades:** A new \$25 million is included to provide certain state correctional facilities and staff with fixed cameras, thermal imaging, heartbeat monitors, and body cameras.
- **Counter-Terrorism Activities:** The Executive proposal includes \$40 million to expand the current deployment of National Guard and State Police officers at New York City transit hubs and other critical infrastructure, and to establish a permanent State Police presence in New York City to support counter-terrorism activities.



BUDGET REVIEW AND ANALYSIS: PUBLIC PROTECTION



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

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

Table 40

Appropriations				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Corrections and Community Supervision	2,946.09	3,182.39	236.30	8.02
Division of Homeland Security and Emergency Services	935.85	1,518.95	583.10	62.31
Division of State Police	754.03	849.63	95.60	12.68
Division of Criminal Justice Services	267.62	272.78	5.16	1.93
Department of Law	226.05	236.78	10.73	4.75
Division of Military and Naval Affairs	117.51	129.51	12.00	10.21
Office of Victim Services	112.52	119.41	6.89	6.12
Office of Indigent Legal Services	87.00	99.40	12.40	14.25
Interest on Lawyer Account	46.84	46.84	0.00	0.00
Judicial Commissions	5.65	5.65	0.00	0.00
Office for the Prevention of Domestic Violence	4.94	5.14	0.20	4.05
State Commission of Correction	2.89	2.89	0.00	0.00

Table 41

Disbursements				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Corrections and Community Supervision	2,997.04	2,944.41	-52.63	-1.76
Division of Homeland Security and Emergency Services	2,390.86	1,681.69	-709.17	-29.66
Division of State Police	733.96	729.92	-4.04	-0.55
Department of Law	226.27	233.53	7.26	3.21
Division of Criminal Justice Services	232.20	235.66	3.46	1.49
Division of Military and Naval Affairs	103.70	138.97	35.27	34.01
Office of Victim Services	66.70	71.23	4.53	6.79
Office of Indigent Legal Services	66.01	101.69	35.68	54.05
Judicial Commissions	5.65	5.65	0.00	0.00
Office for the Prevention of Domestic Violence	2.28	2.38	0.10	4.39
State Commission of Correction	2.65	2.65	0.00	0.00

Department of Corrections and Community Supervision

The Executive proposes All Funds appropriations of \$3.18 billion, an increase of \$236 million or 8 percent from the State Fiscal Year (SFY) 2015-16 level. The Executive recommends support for 29,089 full-time equivalent (FTE) positions, an increase of 220 FTEs from the SFY 2015-16 level reflecting an increase of 180 critical positions, 20 FTEs for raising the age of juvenile jurisdiction, and 20 FTEs related to solitary confinement reform.

Raise the Age of Juvenile Jurisdiction: The Executive proposal includes language to raise the age of juvenile jurisdiction from age 16 to 17 on January 1, 2018, and to 18 on January 1, 2019 as well as increase the minimum age of juvenile jurisdiction from age seven to 12 on January 1, 2018. The Executive Budget would invest a new \$22 million in DOCCS capital funds to continue renovations at Hudson Correctional Facility to complete the transition of 16 and 17 year olds out of adult jails and prisons by August 2016. The Executive proposal includes an additional \$1 million to support 20 FTEs at DOCCS and \$492,000 to support nine FTEs from the Office of Mental Health to provide services for the youths transitioning into Hudson from other facilities.

Solitary Confinement: The Executive proposal includes \$1.5 million to support 20 new FTEs and \$1.5 million for training to implement policies and procedures related to the agreement between the State and the New York Civil Liberties Union regarding the use of solitary confinement in state correctional facilities. The Executive would also reassign an additional 50 FTEs to support this proposal from within the current DOCCS system.

College in Prison: The Executive proposal would use \$7.5 million in criminal forfeiture funds obtained by the Manhattan District Attorney's Office to expand college in prison programming in state correctional facilities. These funds are not appropriated in the Executive proposal but would be administered by the Manhattan District Attorney.

Equipment and Technology Upgrades: The Executive proposal includes \$25 million in capital funds to provide certain state correctional facilities and staff with various equipment and technology upgrades, including fixed cameras, thermal imaging, and heartbeat monitors. Under the proposal, DOCCS would also launch a pilot program for the use of body cameras by correctional officers.

Video Visiting Programs: The Executive proposal includes an additional \$300,000 to expand family televisiting programs between incarcerated parents and their children at certain state correctional facilities.

Increased Health Costs: The Executive Budget provides an additional \$24 million for increased drug and hospital costs.

Workforce: The Executive proposal includes \$13.89 million for negotiated salary increases, which would be offset by \$11.38 million in savings related to reduced overtime and vacancy controls. DOCCS also would realize \$75 million in savings related to the elimination of the non-recurring 27th institutional pay period in SFY 2015-16.

Division of Criminal Justice Services

The Executive proposes All Funds appropriations of \$272.79 million, an increase of \$5.16 million or 1.9 percent from the SFY 2015-16 level. The Executive recommends support for 436 FTE positions, unchanged from the SFY 2015-16 level.

Local Program Assistance: The Executive proposes the elimination of \$13.15 million in General Fund support for various targeted programs, including grants to alternatives to incarceration (ATI) programs, local law enforcement agencies, legal service providers, and immigration legal services programs as noted below:

Table 42

DCJS General Fund Project Eliminations

(\$)

Program	SFY 2015-16	SFY 2016-17
Law Enforcement, Anti-Violence, Anti-Drug, Crime Control Prevention	2,891,000	-
Domestic Violence Legal Services	2,218,000	-
New York State Defenders Association	1,000,000	-
ATI Programs	715,267	-
Law Enforcement and Emergency Services Equipment and Technology Upgrades	604,000	-
Finger Lakes Law Enforcement	500,000	-
Westchester Policing Program	316,000	-
Operation S.N.U.G. - Bronx, Jacobi Medical Center Auxiliary	315,000	-
Brooklyn Legal Services Corp A	250,000	-
Community Service Society - Record Repair Counseling Corps	250,000	-
Legal Services NYC Staten Island	250,000	-
Child Care Center of New York	250,000	-
NY Judicial Institute: Legal Education Opportunity Program	200,000	-
NYPD Training: Museum of Tolerance NY	200,000	-
Vera Institute of Justice: Common Justice	200,000	-
Vera Institute of Justice: Immigrant Family Unity Project	200,000	-
Legal Action Center	180,000	-
Brooklyn Defender	175,000	-
Consortium of the Niagara Frontier	175,000	-
Albany Law School - Immigration Clinic	150,000	-
Friends Of the Island Academy	150,000	-
Greenpoint Outreach Domestic and Family Intervention Program	150,000	-
Legal Aid Society - Immigration Law Unit	150,000	-
Legal Services NYC - Dream Clinics	150,000	-
Make the Road NY	150,000	-
Correctional Association	127,000	-
Goddard Riverside Community Center	118,733	-
Bailey House - Project FIRST	100,000	-
Bronx County NYPD Community - Police Relations Program	100,000	-
District Attorney Office - Queens County	100,000	-
District Attorney Office - Richmond County	100,000	-
Fortune Society	100,000	-
John Jay College	100,000	-
Neighborhood Initiatives Development Corporation	100,000	-
Groundswell	75,000	-
District Attorney Office - Rockland County	65,000	-
Exodus Transitional Community	50,000	-
Harlem Mothers SAVE	50,000	-
The Mohawk Consortium	50,000	-
Osborne Association	31,000	-
NYU Veteran's Entrepreneurship Program	30,000	-
Bergen Basin Community Development Corporation	26,000	-
Jacob Riis Settlement House	20,000	-
Elmcor Youth and Adult Activities Program	19,000	-
Grand Total	13,151,000	-



Legal Services Assistance Fund (LSAF) Allocations: The Executive proposes the elimination of LSAF support for various programs as noted below:

Table 43

DCJS LSAF Allocations		
(\$)		
Program	SFY 2015-16	SFY 2016-17
Aid to Prosecution	2,592,000	2,592,000
Aid to Defense	2,592,000	2,592,000
HESC Loan Forgiveness Program	2,430,000	2,430,000
Civil Legal Service Grants	2,830,000	-
Prisoners Legal Services	2,200,000	2,200,000
Domestic Violence Related Legal Services	950,000	-
Indigent Parolee Program	600,000	-
Various Civil and Criminal Legal Services	-	4,380,000
Grand Total	14,194,000	14,194,000

Prisoner’s Legal Services: The Executive proposal continues \$2.2 million for Prisoner’s Legal Services support through the LSAF, including \$1.2 million that was added by the Assembly in SFY 2015-16.

ATI and Re-Entry Services: The Executive proposal provides \$1 million to expand upstate ATI programs that provide services such as defendant screening, assessment, referral, monitoring, and case management. The Executive proposal consolidates \$14.61 million in specialized ATI funding into a single ATI appropriation. The Executive proposal includes \$1 million to support the expansion of County Re-Entry Task Force activities in new or existing counties to enhance re-entry coordination activities.

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

- create an Executive-appointed “independent monitor” who could be tasked to review evidence and grand jury proceedings when a grand jury does not indict a police or peace officer who, while acting in an official capacity, allegedly caused the death of an unarmed person;
- allow issuance of a special report by a grand jury, or a letter by the district attorney, when a grand jury declines to return an indictment in such a case;
- authorize a motion seeking leave to appeal to the Court of Appeals from a determination of the Appellate Division concerning a pretrial motion for a change of venue;

- require annual reports from law enforcement agencies to DCJS that include information on certain violation and non-penal law misdemeanor arrests, and demographic information on the subject of each arrest and appearance ticket or summons issued by the agency;
- require reports by law enforcement agencies concerning deaths of civilians occurring during police activity and deaths occurring while a person is in law enforcement custody;
- establish a “use of force” policy for state and local law enforcement agencies, to be created by the Municipal Police and Training Council; and
- require that every application for a search warrant include information concerning whether a request for a warrant had previously been submitted to another judge and, if so, the result of that previous submission.

District Attorney Settlements: The Executive recommends Article VII language that would extend for an additional year, until March 31, 2017, the current provisions relating to the distribution of certain monies recovered by county district attorneys of the City of New York in settlement agreements signed before the filing of an accusatory instrument.

Division of Homeland Security and Emergency Services

The Executive proposes All Funds appropriations of \$1.52 billion, an increase of \$583.1 million or 62.3 percent from the SFY 2015-16 level. The Executive recommends support for 478 FTE positions, an increase of 12 FTEs from the SFY 2015-16 level.

Disaster Assistance: The Executive proposes a \$600 million increase in appropriations in disaster assistance to allow the Federal Emergency Management Agency to grant funds to municipalities, non-profit organizations, and other government entities in the event of a natural or man-made disaster.

Security Assessments: The Executive proposal includes \$1.3 million to increase the number of annual security assessments on critical infrastructure conducted by Division’s Critical Infrastructure Protection Unit in each of the state’s 16 Counter Terrorism Zones.

Division of State Police

The Executive proposes All Funds appropriations of \$849.64 million, an increase of \$95.6 million or 12.7 percent from the SFY 2015-16 level. The Executive recommends support for 5,608 FTE positions, unchanged from the SFY 2015-16 level.



Counter-Terrorism Activities: The Executive proposal includes \$40 million to expand the current deployment of National Guard (\$23 million) and State Police (\$14 million) officers at New York City transit hubs and other critical infrastructure, and to establish a permanent State Police presence in New York City to support counter-terrorism activities.

Enhanced Training and Equipment: The Executive proposal includes \$4 million to provide all on-duty uniformed troopers statewide with rifles, body armor, and ballistic helmets. In addition, State Troopers would receive corresponding counter-terrorism training.

Programmatic Funding Shifts: The Executive proposal includes a \$58 million Internal Service Fund to support the operations of Troop T, which would be funded by the NYS Thruway Authority. The Executive Budget also includes a \$5 million transfer of cellular surcharge revenue from the General Fund to the Public Safety Communications Account to support State Police operations.

Workforce: The Executive proposal includes \$44.6 million for negotiated salary increases, including \$40.3 million pursuant to a collective bargaining agreement with the Police Benevolent Association. The Executive Budget also includes \$2 million to support the establishment of the Commercial Gaming Unit.

Capital Projects: The Executive proposal includes \$6 million in capital support for the consolidation of two stations into Troop L Zone Headquarters in Nassau County.

New York State Intelligence Center: The Executive proposes Article VII language to move the operational components of the Office of Counter Terrorism, currently within the Division of Homeland Security and Emergency Services' to the Division of State Police's Office of Counter Terrorism to create the New York State Intelligence Center. This proposal would consolidate all intelligence and analysis resources within the State under the command of the Division of State Police, and transfer \$1.3 million, which supports 7 FTEs, from the Division of Homeland Security and Emergency Services to the Division of State Police.

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

Department of Law

The Executive proposes All Funds appropriations of \$236.78 million, an increase of \$10.73 million or 4.7 percent from the SFY 2015-16 level. The Executive recommends support for 1,839 FTE positions, an increase of 6 FTEs from the SFY 2015-16 level.

Technology Projects: The Executive proposes \$10 million in capital support to continue critical technology projects for the Department, which includes consolidating data centers and upgrading the phone system and case management system.

Division of Military and Navy Affairs

The Executive proposes All Funds appropriations of \$129.51 million, an increase of \$12 million or 10.2 percent from the SFY 2015-16 level. The Executive recommends support for 354 FTE positions, an increase of 17 FTEs from the SFY 2015-16 level.

Capital Projects: The Executive proposal includes \$8 million in capital funds to support preventative maintenance positions and the preservation of facilities.

Recruitment Incentive and Retention Program (RIRP): The Executive proposal includes Article VII language to extend RIRP for five years, until September 1, 2021. RIRP provides \$1.5 million in direct payments for college tuition for eligible service members matriculated and enrolled at least half-time at a two or four-year college or university in New York State.

Office of Indigent Legal Services

The Executive proposes All Funds appropriations of \$99.4 million, an increase of \$12.4 million or 14.3 percent from the SFY 2015-16 level. The Executive recommends support for 19 FTE positions, unchanged from the SFY 2015-16 level.

Indigent Legal Services Settlement: The Executive Budget includes \$12.4 million in additional funding for implementation of the *Hurrell-Harring* settlement agreement with Onondaga, Ontario, Schuyler, Suffolk, and Washington counties, including: \$10.4 million to support the implementation of new criminal caseload standards; \$1 million to provide indigent clients with defense counsel at arraignment; \$800,000 to ensure that existing grants for counsel at arraignment are not reduced due to increased participation in the program; and \$200,000 to support the annualization of additional oversight staff. This proposal would bring total funding for the settlement to \$16.4 million in SFY 2016-17.

Office of Victim Services

The Executive proposes All Funds appropriations of \$119.42 million, an increase of \$6.89 million or 6.1 percent from the SFY 2015-16 level. The Executive recommends support for 81 FTE positions, unchanged from the SFY 2015-16 level.

The Executive proposal includes \$2.79 million in grants for rape crisis centers, which is unchanged from the SFY 2015-16 Enacted Budget level. The Executive also proposes a \$4.85 million increase in victim and witness assistance grants in anticipation of additional federal funding.

Office for the Prevention of Domestic Violence

The Executive proposes All Funds appropriations of \$5.14 million, an increase of \$200,000 or 4 percent from the SFY 2015-16 level. The Executive recommends support for 28 FTE positions, unchanged from the SFY 2015-16 level.

High-Risk Homicide Reduction Pilot Programs: The Executive Budget includes \$200,000 for the establishment of two upstate high-risk homicide reduction pilot projects that focus on providing risk assessment to victims of domestic violence and determining whether higher levels of ongoing monitoring or detainment for offenders is needed.

New York Interest on Lawyer Account

The Executive proposes All Funds appropriations of \$46.84 million, unchanged from the SFY 2015-16 level. The Executive recommends support for 8 FTE positions, unchanged from the SFY 2015-16 level.

Commission of Correction

The Executive proposes All Funds appropriations of \$2.89 million, unchanged from the SFY 2015-16 level. The Executive recommends support for 32 FTE positions, unchanged from the SFY 2015-16 level.

Judicial Commissions

The Executive proposes All Funds appropriations of \$5.65 million, unchanged from the SFY 2015-16 level. The Executive recommends support for 50 FTE positions, unchanged from the SFY 2015-16 level.

BUDGET SNAPSHOT: LOCAL GOVERNMENTS

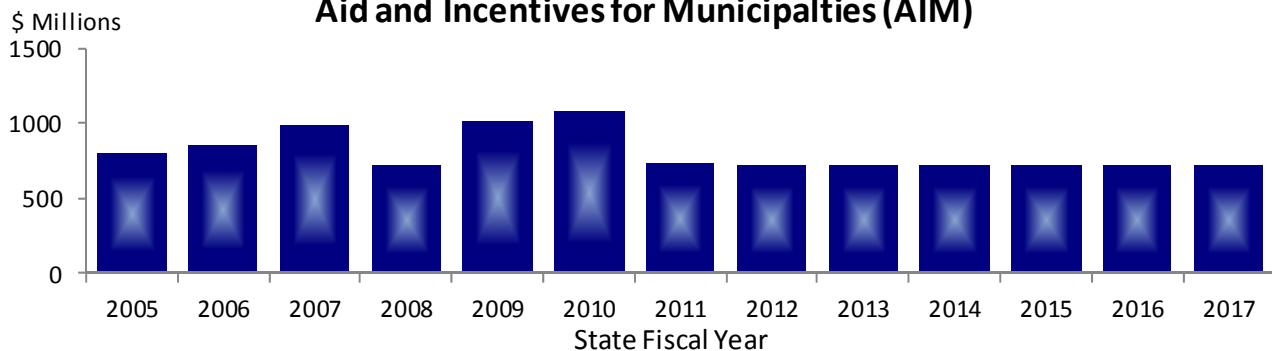


2014 Tax Caps Overridden:
28 counties
31 cities
29 towns
35 villages

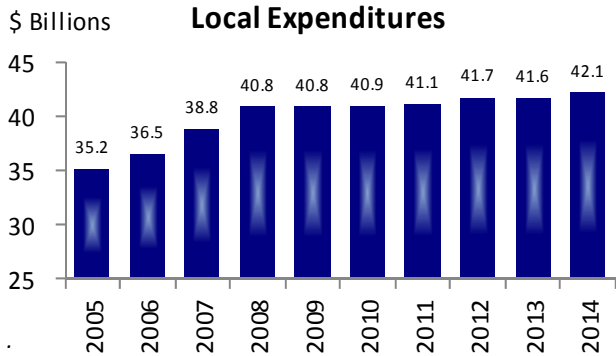
Eligible Financial Restructuring Board Municipalities:
23 counties
45 cities
141 towns
178 villages

Major sources of Local Revenue:
Real Property Taxes: 40%
State Aid: 22%
Federal Aid: 7%
Other: 32%

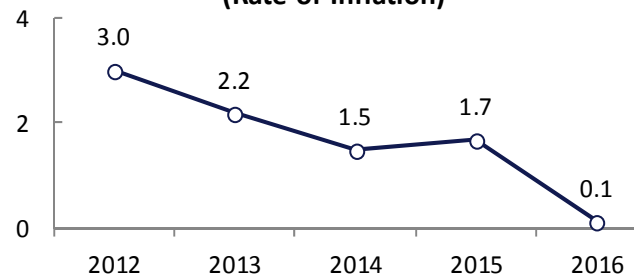
Aid and Incentives for Municipalities (AIM)



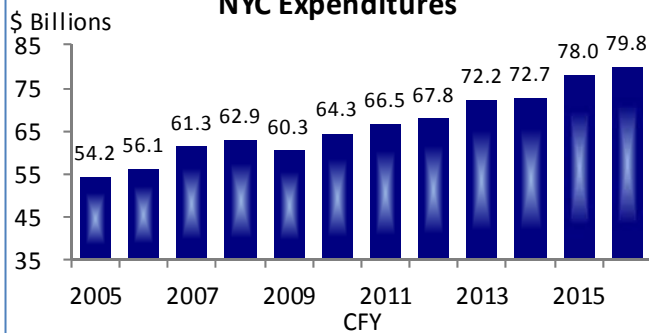
Local Expenditures



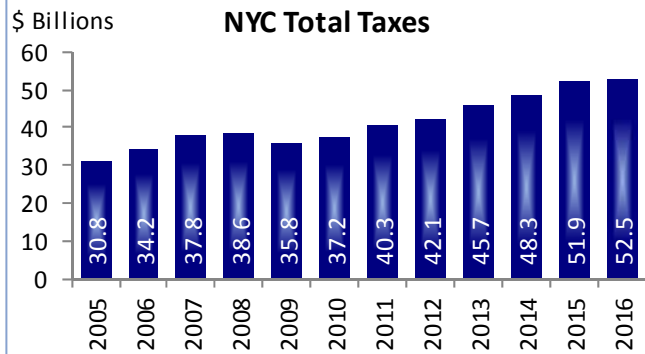
Local Property Tax Cap (Rate of Inflation)



NYC Expenditures



NYC Total Taxes



Sources: NYS Division of the Budget; NYC Comptroller CAFR; NYC OM; NYS Comptroller.

BUDGET HIGHLIGHTS: LOCAL GOVERNMENTS



- **Aid and Incentives for Municipalities (AIM):** Under the Executive proposal program support would remain at \$715 million, the same level as the previous seven years.
- **The Municipal Consolidation and Efficiency Competition:** The Executive proposes a new \$20 million appropriation to allow counties, cities, towns and villages to compete in developing consolidation action plans to permanently reduce operational costs and property taxes.
- **Citizen Re-organization Empowerment Grants and Citizen Empowerment Tax Credits:** The Executive proposes \$35 million for empowerment initiatives in SFY 2016-17. Citizen Re-organization Empowerment grants provide local governments up to \$100,000 to cover costs associated with studies, plans and implementation efforts related to reorganization measures. Citizen Empowerment Tax Credits provide a bonus equal to 15 percent of the newly combined local government's tax levy and at least 70 percent of such amounts must be used for direct relief to property taxpayers.
- **Video Lottery Terminal (VLT) Aid:** The Executive proposal maintains an appropriation of \$29.3 million for VLT Aid, which includes \$19.6 million to the City of Yonkers and \$9.7 million to all other eligible municipalities that host VLT facilities.

BUDGET REVIEW AND ANALYSIS: LOCAL GOVERNMENTS



The Executive Budget provides aid to local governments through various programs including Aid and Incentives for Municipalities (AIM), part of which is an unrestricted revenue sharing program, and other efficiency programs to promote and assist the efforts of local governments to merge, consolidate, and share services.

Table 44

Appropriations				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Aid and Incentives for Municipalities	794.00	754.00	-40.00	-5.04
Municipalities with VLT Facilities	29.30	29.30	0.00	0.00
Miscellaneous Financial Assistance	15.85	0.00	-15.85	-100.00
Small Government Assistance	0.22	0.22	0.00	0.00

Table 45

Disbursements				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Aid and Incentives for Municipalities	735.76	714.70	-21.06	-2.86
Municipalities with VLT Facilities	29.30	29.30	0.00	0.00
Miscellaneous Financial Assistance	18.20	0.80	-17.40	-95.60
Small Government Assistance	0.22	0.22	0.00	0.00

Aid and Incentives for Municipalities (AIM)

The Executive Budget for State Fiscal Year (SFY) 2016-17 provides \$714.7 million in unrestricted AIM for cities (outside of New York City), towns, and villages.

The AIM program was created in SFY 2005-06 to consolidate various unrestricted local aid funding programs and to provide unrestricted aid that could be utilized at the discretion of the local entity.

Other initiatives tie increases in State aid to fiscal accountability improvements and require a local commitment to minimize property tax growth. From SFY 2011-12 through SFY 2016-17, AIM has remained unchanged. Of the \$714.7 million available, cities receive \$647 million, towns receive \$47.8 million and villages receive \$19.9 million.

Table 46

SFY 2016-17 Executive Budget---Aid and Incentives for Municipalities Proposal

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

Note: (1) The Village of Prospect, Oneida County, dissolved effective December 31, 2015. The former Village's AIM will henceforth be paid to the Town of Trenton.

(2) The Village of Salem, Washington County, will dissolve effective March 31, 2016. The Village's AIM will henceforth be paid to the Town of Salem.

(3) The Village of Lyons, Wayne County, dissolved effective December 31, 2015. The former Village's AIM will henceforth be paid to the Town of Lyons.

Source: New York State Division of Budget



State Impact on New York City

Table 47

Certain State Impacts to the City of New York			
(\$ Millions)			
City Fiscal Year	2017	2018	2019
City University of New York (CUNY) Senior Colleges	485	485	485
Medicaid	299	495	575
STARC Debt Refunding	200	200	200
Total	984	1,180	1,260

Source: New York State Division of Budget

The Executive Budget proposes to increase the City of New York’s contribution of certain expenditures, related to CUNY and Medicaid, and realigns certain financing costs. These proposals have an impact of \$984 million in 2017, \$1.2 billion in 2018 and \$1.3 billion in 2019. The following is a summary of these proposals:

- The City’s contribution to CUNY for net operating and debt service costs would be increased commensurate to the City’s representation on the CUNY Board of Trustees, which stands at 30 percent. This action would cost the City \$485 million annually, and will be used in part to finance a projected \$240 million contract settlement with CUNY employees;
- Increase the City’s Medicaid contribution by reinstating the annual growth rate for the city’s local share; and
- Recoup savings of \$650 million accrued to the city for a refinancing of certain bonds that are secured by State sales tax revenue.

Consolidation, Dissolution, and Financial Restructuring Board

Local Government Performance and Efficiency Program (LGPEP): The Local Government Performance and Efficiency Program provides competitive one-time awards, of up to \$25 per capita, for local governments that have achieved efficiencies and performance improvements.

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

Local Government Efficiency Grants: The Executive proposes to provide a \$4 million appropriation for Local Government Efficiency Grants, which provide local governments with funding for costs associated with efficiency projects such as consolidation or shared services.

Financial Restructuring Board: The Financial Restructuring Board can make loans or grant awards of up to \$5 million under LGPEP to 387 fiscally eligible municipalities that accept the Board’s recommendations.

The Financial Restructuring Board has undertaken comprehensive reviews for the cities of Albany, Elmira, Fulton, Jamestown, Lockport, Rochester, Utica, and the villages of Alfred, Hoosick Falls, Owego, and Wilson, and the Town of Fishkill. They have offered formal recommendations to seven of these 12 municipalities. Additional Comprehensive Review requests are expected.

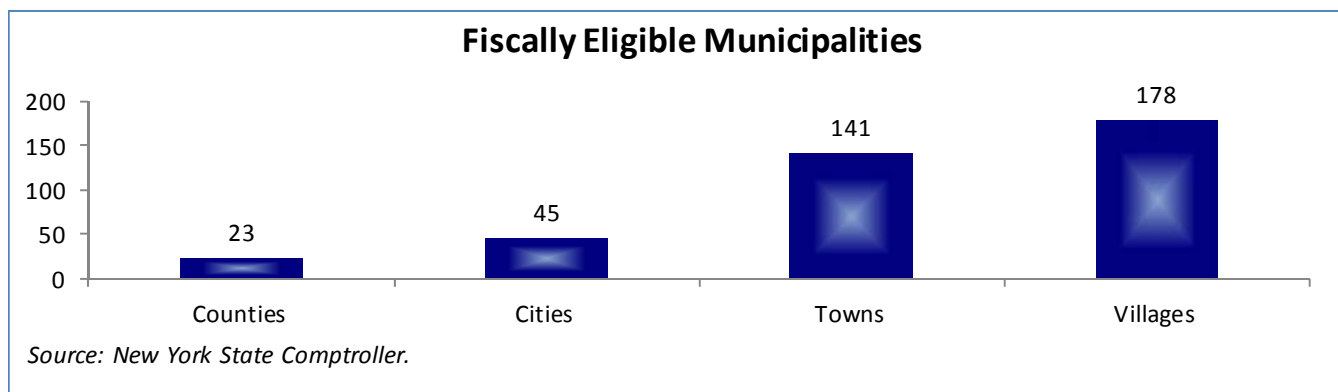


Figure 5

Municipal Restructuring: The Executive repurposes a \$150 million Capital Projects appropriation from the SFY 2015-16 Budget, for the implementation of local government and school district shared services cooperation agreements, mergers, and other actions that permanently reduce operational costs and property tax burdens. The SFY 2016-17 budget reappropriates \$100 million of the appropriation authority for the Downtown Revitalization Program initiative; includes \$25 million for services and expenses related to the establishment of the anti-poverty initiatives; and includes \$25 million to local governments and school districts for similar purposes of the Local Government Efficiency Grant Program, the Citizen Empowerment Tax Credit, the Local Government Performance and Efficiency program and the Financial Restructuring Board.

The Municipal Consolidation and Efficiency Competition: To further encourage local government consolidations, the Executive created a new \$20 million consolidation competition designed to encourage local governments to pursue opportunities for consolidation, shared services, and other changes that permanently reduce municipal operational costs and property tax burdens. Winners will be selected through a competitive application process developed by the Secretary of State.

Video Lottery Terminal (VLT) Aid

The Executive maintains the program at \$29.3 million, the same as SFY 2015-16. These funds help localities that host VLT facilities to address potential costs associated with operating these facilities.

Table 48

Aid to Municipalities with Video Lottery Terminal (VLT) Facilities	
(\$ Thousands)	
Yonkers	19,600
Batavia Downs	802
Fairgrounds (Buffalo)	1,154
Finger Lakes	2,369
Monticello	1,234
Saratoga	3,101
Vernon Downs	626
Tioga Downs	446
Total	29,331
<i>Source: New York State Division of Budget</i>	

BUDGET SNAPSHOT: GENERAL GOVERNMENT

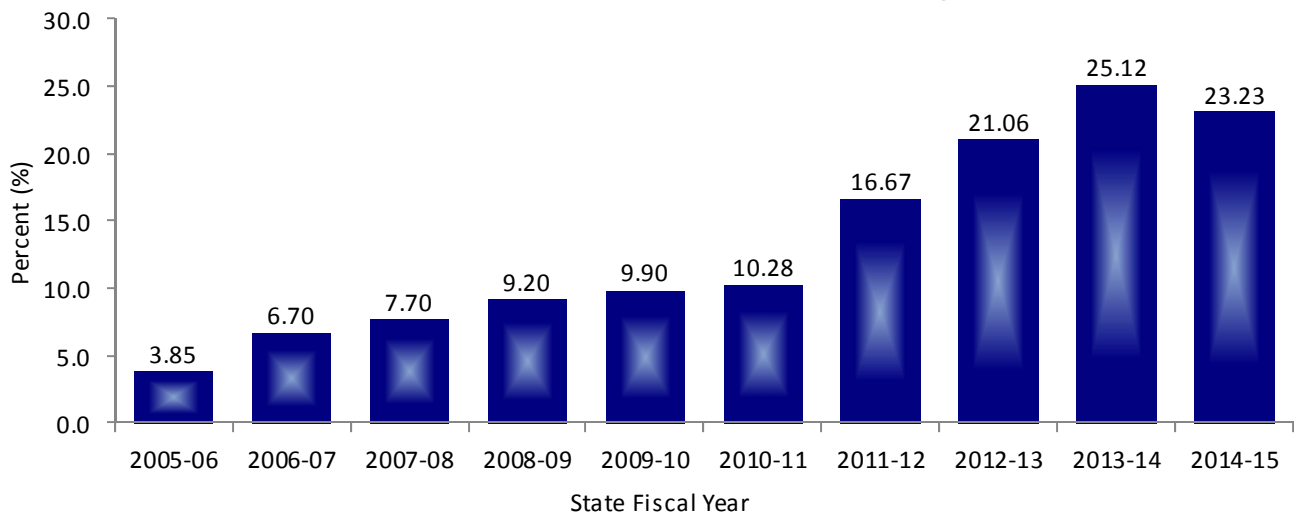


Since 2011, state-certified MWBEs have won more than \$6.3 billion in State contracts.

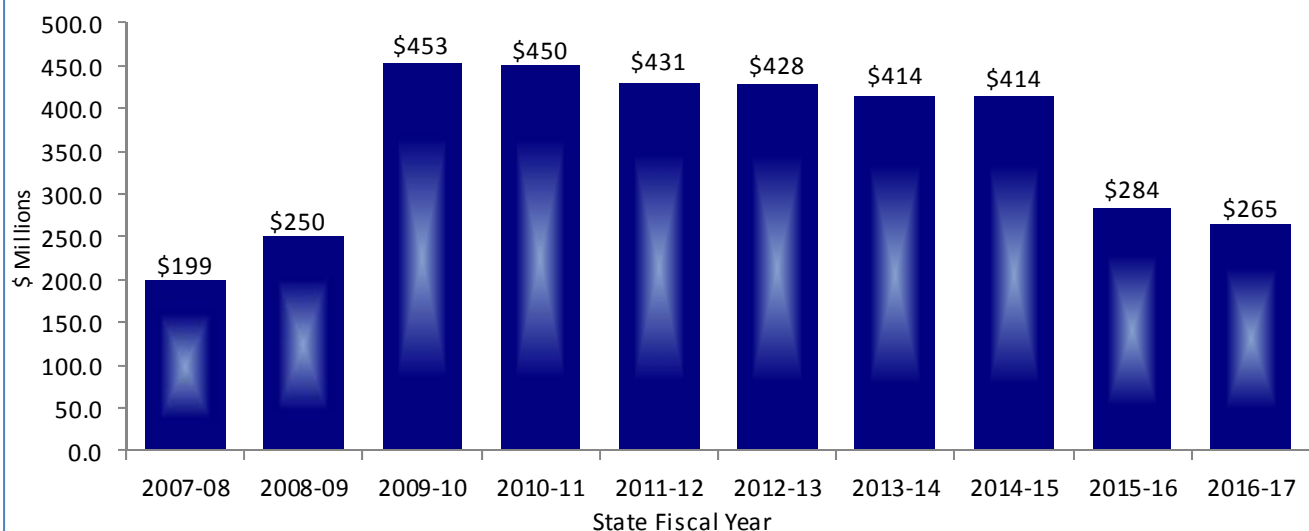
Fourteen states offer public financing of election campaigns.

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

Statewide MWBE Utilization Percentage



New York State Insurance Assessment



Sources: Empire State Development Division of Minority and Women's Business Development; NYS Division of the Budget.

BUDGET HIGHLIGHTS: GENERAL GOVERNMENT



- **Campaign Finance:** The Executive proposes legislation that would provide for the public financing of political campaigns beginning in 2018, including requirements for eligibility, use and disclosure of public funds, and related financing mechanisms. This legislation would also set parameters for limits on contributions to party accounts and transfers between committees, mandate greater disclosure, and impose stricter limits on campaign contributions. This includes imposing the existing \$5,000 annual aggregate contribution and expenditure limit specified for corporations upon LLCs and requiring LLC's to file with the New York State Board of Elections.
- **Automatic Voter Registration and Early Voting:** The Executive proposes legislation that would enact a system of automatic voter registration upon application to the Department of Motor Vehicles for a license or identification card. The legislation would also establish an early voting system with a 12-day early voting period prior to a general, primary, or special election. The early voting proposal would take effect on January 1, 2017 and apply to any election held 120 days or more after that date.
- **Ethics:** The Executive proposes legislation that would: prohibit members of the Legislature from earning income in excess of 15 percent of their base statutory salary; incorporate the State legislature into certain provisions of the Freedom of Information Law (FOIL) and repeal existing FOIL provisions that apply to the Legislature; require certain public officers to provide additional information on financial disclosure statements; make various changes to the powers and duties of the Joint Commission on Public Ethics (JCOPE); enhance JCOPE's enforcement abilities; require a study concerning the feasibility of assigning a single identifying code to contractors, vendors, and other payees in order to track such entities and related expenditures; and extend the reporting and compliance requirements of the Legislative Law's "Lobbying Act" to cover political consultants.
- **Workers' Compensation:** The Executive proposes changes relating to the time workers have to access benefits, creating a pooling agreement for employers, expanding the list of eligible providers, utilizing virtual hearings to improve accessibility, and providing support for the World Trade Center Volunteer Fund.

BUDGET REVIEW AND ANALYSIS: GENERAL GOVERNMENT



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

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

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



Table 49

Appropriations				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of General Services	1,271.07	1,131.34	-139.73	-10.99
Office of Information Technology Services	961.66	839.10	-122.56	-12.74
Department of Taxation and Finance	462.17	456.41	-5.76	-1.25
Department of Financial Services	425.59	410.96	-14.63	-3.44
Department of Audit and Control	316.45	328.87	12.42	3.92
Workers' Compensation Board	247.12	189.06	-58.06	-23.49
Department of State	140.71	140.74	0.03	0.02
Statewide Financial System	30.14	30.14	0.00	0.00
Division of Budget	50.71	50.18	-0.53	-1.05
Executive Chamber	18.48	18.48	0.00	0.00
Division of Alcoholic Beverage Control	18.07	13.31	-4.76	-26.34
State Board of Elections	11.48	11.48	0.00	0.00
Office of the Inspector General	6.89	7.24	0.35	5.08
Joint Commission on Public Ethics	5.58	5.58	0.00	0.00
Division of Tax Appeals	3.04	3.04	0.00	0.00

Table 50

Disbursements				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of General Services	281.06	300.61	19.55	6.96
Office of Information Technology Services	543.03	697.82	154.79	28.50
Department of Taxation and Finance	357.77	352.15	-5.62	-1.57
Department of Financial Services	375.56	357.49	-18.07	-4.81
Department of Audit and Control	177.22	184.71	7.49	4.23
Workers' Compensation Board	196.46	206.68	10.22	5.20
Department of State	140.71	130.73	-9.98	-7.09
Statewide Financial System	30.14	30.14	0.00	0.00
Division of Budget	30.92	30.50	-0.42	-1.36
Executive Chamber	14.19	14.19	0.00	0.00
Division of Alcoholic Beverage Control	17.39	12.84	-4.55	-26.16
State Board of Elections	28.43	8.48	-19.94	-70.16
Office of the Inspector General	7.22	7.37	0.15	2.08
Joint Commission on Public Ethics	5.53	5.53	0.00	0.00
Division of Tax Appeals	3.04	3.04	0.00	0.00

Office of General Services

The Executive proposes an All Funds appropriation of \$1.13 billion, a decrease of \$140 million or 11 percent from State Fiscal Year (SFY) 2015-16. The Executive recommends support for 1,869 full-time equivalent (FTE) positions, an increase of 115 positions attributable to the annualization of Business Services Center (BSC) and Human Resource (HR) transfers from 13 State Divisions/Offices.

Enterprise Functions: The Executive proposal includes an increase of \$11.55 million of which \$4.24 million is related to HR transfers and the consolidation of functions from other agencies to the BSC; \$2 million is for the continued consolidation of the Media Services Center enterprise initiative; and \$5.31 million is for continued development of the Real Estate Center for Excellence enterprise initiative, including new OGS leases held on behalf of other agencies during the procurement phase.

Convention Center: The Executive proposal includes \$1.9 million in Enterprise Funds that support special events at the Empire State Convention Center, an increase of \$410,000 due to additional events.

Harriman Campus Strategic Action Plan: A \$152 million capital appropriation that was provided last year to repair, renovate, and upgrade certain campus buildings for the relocation of various state agencies is reappropriated.

Office of Information Technology Services

The Executive proposes an All Funds appropriation of \$839.1 million, a net decrease of \$122.5 million, or, 12.7 percent, from the SFY 2015-16 level. The Executive recommends funding support of 3,585 FTEs, reflecting no change from previous year levels.

Agency Operations: The Executive proposes General Fund appropriations of \$567.8 million, an increase of \$54.7 million over SFY 2015-16. The increase is attributable to continued consolidation of other agencies' personal service and non-personal service information technology (IT) related obligations within ITS. Funding will support enterprise contracts, agency operations, maintenance information technology costs, and consulting costs.

The Executive reduces Internal Service Funds by \$149.4 million to \$151.6 million. The Internal Service Fund appropriation allows ITS to bill other State agencies for IT services performed on their behalf, and this decrease reflects the ongoing conversion from this billing structure to supporting costs directly from the General Fund.

Capital: The Executive maintains an \$85.7 million appropriation for the Statewide IT Initiative Program for expenses related to technology, software and services, as well as an exploration of lower-cost alternatives. This appropriation is unchanged from SFY 2015-16.

Department of Taxation and Finance

The Executive proposes \$456 million in All Funds appropriations for the Department of Taxation and Finance. This is a decrease of \$5.76 million from SFY 2015-16 levels. The Executive proposal would save \$7.76 million through the attrition of 92 employees and through other non-personnel savings. The Executive expects a total workforce of 4,359 by the end of the next fiscal year.

The Executive is expecting \$4 million in revenue from the sale of medical marijuana, of which 45 percent is disbursed to the localities that manufacture and dispense the product. As such, the

Executive proposes an increase in the Department's appropriation from \$2 million to \$4 million in SFY 2016-17.

Article VII legislation is included to: make the Income Verification Procedure (IVP) mandatory; authorize the Commissioner to make direct payments to STAR recipients when there is an administrative error; make tax modernization provisions permanent; permanently extend tax shelter reporting requirements; and expand jeopardy assessments to the cigarette and tobacco tax.

Department of Financial Services

The Executive proposes an All Funds appropriation of \$410.96 million, which is a decrease of \$14.63 million or 3.4 percent from the SFY 2015-16 level. The Executive recommends continued funding support for 1,382 FTE positions, which is unchanged from the SFY 2015-16 level.

The Executive provides an increase of \$4.86 million to the Banking Program to support actual program expenditures.

Program Eliminations: The Executive eliminates \$250,000 for the Entertainment Worker Demonstration Program, which expires on July 1, 2016, and proposes to transition these enrollees to new coverage through the New York Health Benefit Exchange.

Healthy NY Program and Direct Pay Subsidy Program: The Executive budget includes a \$19.24 million reduction in stop-loss funding for the Healthy NY and direct pay subsidy programs related to the continuing transition of these individuals to the health benefit exchange.

Department of Audit and Control

The Executive proposes All Funds appropriations of \$328.9 million, an overall increase of \$12.4 million or 3.9 percent over the SFY 2015-16 funding level. The Executive Budget recommends support for 2,663 FTEs, an increase of 20 FTEs from the SFY 2015-16 level.

The Executive Budget proposes a \$6.3 million increase in funding to accommodate an upgrade to the PayServ payroll operating system. Of this amount, \$6 million in capital funding would support hardware and software upgrades and \$300,000 would support 4 FTEs to staff the system. Additionally, the Executive proposes a \$500,000 increase to support 9 FTEs to perform additional audits in the Office of Unclaimed Funds, along with \$624,000 and 8 FTEs for additional auditors for the State's Medicaid Program.

The Executive proposes an allocation of \$1.3 million for increased lease and utility costs at the Department's data center. The Executive also recommends a \$3.7 million increase to reflect reimbursement for shared information technology services.

Workers' Compensation Board

The Executive proposes All Funds appropriations of \$189.1 million, a decrease of \$58.1 million or 23.5 percent from SFY 2015-16.

An increase of \$1.9 million is included to reflect higher fringe benefits and indirect costs. The Executive recommends support for 1,165 FTE positions, unchanged from the SFY 2015-16 level.

Funding was provided in SFY 2015-16 for an information technology program that would provide for electronic processing of claims and improve data retrieval, among other technology upgrades. While SFY 2015-16 funding of \$60 million is reappropriated, there is no new funding authorized for this purpose in the Executive Budget.

The Executive recommends Article VII legislation that would:

- modify the calculation by which the average weekly wage is determined;
- create a 'pooled individual self-insured employer fund' where eligible individual self-insured employers can collectively secure their Workers' Compensation liabilities;
- authorize the establishment of a public group self-insurer;
- eliminate mandatory deposits to the Aggregate Trust Fund;
- authorize the Department of Taxation and Finance to enter into a financing agreement with the Dormitory Authority to bond out for the liabilities of the re-opened case fund;
- authorize the Board to enter into a contract with a carrier, a self-insured employer, State Insurance Fund (SIF) or any third party to assume liability for special disability claims; and
- authorize the Board to use assessment reserves as follows:
 - spend up to \$60 million to implement infrastructure and system upgrades consistent with recommendations from the redesign and re-engineering project;



- spend up to \$50 million for various health, safety, or training programs, or for costs associated with enactment of a proposed paid family leave act; and
- transfer \$140 million to the SIF in SFY 2016-17 for partial payment and satisfaction of the state's obligations to the SIF under workers compensation. There would be an additional \$100 million transferred in SFY 2017-18 and again in SFY 2018-19, as well as \$35 million in SFY 2019-20.

Department of State

The Executive proposes All Funds appropriations of \$140.7 million, a net increase of \$26,000, or 0.02 percent over the SFY 2015-16 level. The Executive recommends support for 539 FTEs, a decrease of 4 positions.

Business and Licensing: The Executive proposes an increase of \$3.7 million to digitize 50 million corporate record documents, which are currently housed on aging microfiche. The Executive proposes a General Fund decrease of \$1.3 million offset by an increase of \$2 million in the Business and Licensing Program related to the transfer of existing staff.

The Executive proposes reductions of \$600,000 related to Article VII language that would place responsibility for mailing a copy of service of process with plaintiffs rather than with DOS. There is also a proposed reduction of \$200,000 and 4 FTEs due to decreased call volume at a call center, as more calls are being routed to a centralized call center within the Department of Taxation and Finance.

Constitutional Convention Commission: The Executive proposes an appropriation of \$1 million to support the costs of a Constitutional Convention Commission.

Community Initiatives: The Executive proposes to eliminate a total of \$5.4 million in legislative adds, including:

- \$3.5 million for the County of Dutchess;
- \$1.4 million for Dutchess County Coordinated Jail-Based Services;
- \$505,000 for the Public Utility Law Project; and
- \$21,000 in travel costs for the New York Commission on Uniform State Laws.

Article VII

The Executive proposes Article VII language to:

- require a plaintiff to mail a copy of service of process rather than DOS;
- authorize the New York State Athletic Commission (NYSAC) to regulate professional mixed martial arts (MMA) in a manner similar to how NYSAC regulates professional boxing, wrestling and sparring; and
- extend, for one year, the ability of the Secretary of State to charge fees for expediting certain documents issued by or requested from the DOS Division of Corporations.

Statewide Financial System (SFS)

The Executive proposes All Funds appropriations of \$30.1 million to support the ongoing maintenance and operating cost of SFS, reflecting no change from SFY 2015-16. The Executive recommends support for 139 FTE positions, unchanged from the SFY 2015-16 level.

The Executive proposal reflects an increase in personal service costs of \$238,000, which is offset by a decrease of \$416,000 in consultant services as the State reduces its reliance on private contractors. An increase of \$500,000 for the Office of State Comptroller Data Center is included to increased storage needs, and would decrease funding for supplies and equipment by \$322,000.

Division of the Budget (DOB)

The Executive proposes All Funds appropriations of \$50.2 million, a decrease of \$527,000 from the SFY 2015-16 level. The Executive recommends support for 261 FTE positions, which is unchanged from the SFY 2015-16 level.

The proposal eliminates \$527,000 related to membership dues for the Council of State Governments, the National Conference of Insurance Legislators, and the National Conference of State Legislators.

The Budget proposal continues to authorize interchange and transfer of appropriations among State agencies.

Executive Chamber

The Executive proposes All Funds appropriations of \$18.5 million for the support of the Office of the Governor (\$17.9 million) and the Office of the Lieutenant Governor (\$630,000), which is unchanged from the SFY 2015-16 level. The Executive recommends support for 143 FTE positions, which is unchanged from the SFY 2015-16 level. There are 136 FTEs for the Office of the Governor and seven FTEs assigned to the Office of the Lieutenant Governor.

Division of Alcoholic Beverage Control

The Executive proposes All Funds appropriations of \$13.31 million, an overall decrease of \$4.75 million, or 26.31 percent from the SFY 2015-16 level. The Executive recommends support for 127 FTEs, which remains unchanged from the SFY 2015-16 level. However, support for these positions has been shifted from Special Revenue Funds to the General Fund.

State Board of Elections (SBOE)

The Executive proposes an All Funds appropriation of \$11.4 million, which is unchanged from the SFY 2015-16 level. Support for 80 FTEs also remains unchanged from the SFY 2015-16 level.

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

The Executive recommends Article VII legislation that would:

- close the LLC loophole by imposing the \$5,000 annual aggregate contribution and expenditure limits specified for LLCs, requiring all LLCs that make political contributions to file with the SBOE, including identification of all direct and indirect owners of membership interests. The legislation would also attribute all contributions by the LLC to each member in proportion to each member's ownership interests.
- enact a public financing system modeled on New York City's, where contributions are matched \$6 to \$1, with reporting and disclosure requirements, eligibility criteria based on accrual of "matchable contributions" by candidates, election cycle public funding limits and allowable uses, and civil and criminal penalties for violations.
- enact campaign finance reforms and lower campaign limits for all state offices. Specifically, the legislation would require disclosure of intermediaries or "bundlers," require disclosure of any campaign contribution or loan in excess of \$1,000 within 60 days of receipt, limit contributions to "housekeeping accounts" to \$25,000, limit transfers from party or constituted committees to other party or constituted committees to no more than \$5,000 per election, except that such committees could transfer or spend up to \$500 from each contributor to support or oppose a candidate, and limit contributions from any contributor to a party or constituted committee to no more than \$25,000 per year.

- create the “New York State Campaign Finance Fund” which allows for certain transfers from the abandoned property fund into such Campaign Finance Fund.
- establish a new tax return checkoff allowing resident taxpayers to contribute to the “New York State Campaign Finance Fund”.
- enact a system of automatic voter registration upon application to DMV for a driver’s license, license renewal, or identification card, with eligibility requirements, penalties for submissions of false applications, the option to decline registration, and a choice of party enrollment or to decline a party affiliation included in the application. The legislation would require DMV to transmit the application, with original signatures, to the appropriate board of elections within 10 days.
- establish an early voting system with a 12-day early voting period prior to a general, primary, or special election ending on the second day before Election Day. The legislation would require a minimum of one to a maximum of seven early voting sites in each county, with one site for every 50,000 registered voters, and provide that an eligible voter may vote at any early polling site within a county with certain limitations.

Office of Inspector General

The Executive proposes All Funds appropriations of \$7.2 million, an increase from the SFY 2015-16 level of \$350,000, or 5.1 percent. The Executive recommends support for 109 FTE positions, which is unchanged from the SFY 2015-16 numbers. The FTE level includes 39 funded positions that were previously within the Workers’ Compensation Fraud Inspector General’s office to be transferred to the Office of the Inspector General.

The Executive proposes an increase of \$150,000 in order to maintain the current level of operations, which were previously funded by a suballocation from the Lottery Division. The Executive Budget also includes a \$200,000 increase in federal funding that can only be used in the event of a criminal violation of both state and federal law, such as racketeering involving state contractors. In those cases, the federal funds would be released to the State, to be used for that investigation only.

Joint Commission on Public Ethics

The Executive proposes All Funds appropriations of \$5.6 million, unchanged from the SFY 2015-16 level. The Executive recommends support for 58 FTE positions, which is unchanged from the SFY 2015-16 level.



Article VII

The Executive proposes stand-alone Article VII legislation to:

- prohibit members of the Legislature from earning outside income in excess of 15 percent of their base statutory salary, and establish penalties for willful violations of such outside income limitations;
- make changes to the Freedom of Information Law (FOIL) and other access to records laws to: repeal the provision of FOIL specific to state legislative records and incorporate the state legislature into the other provisions of FOIL; make proposed terms of a collective bargaining agreement available to the public pursuant to FOIL; codify proactive disclosure of records; include personal communications between a legislator and a constituent in the definition of an unwarranted invasion of personal privacy under FOIL; make changes to instances of the awarding of attorneys' fees related to FOIL cases; expedite appeals of judicial FOIL decisions; and repeal a provision of the county law that prohibits records of calls made to a municipality's enhanced emergency 911 telephone service system from being made publicly available;
- Eliminate categories of values on Financial Disclosure Forms and require disclosure of actual dollar values of income and other financial data on such forms, impose additional associated penalties for violations, make various changes to the powers and duties of JCOPE, and enhance JCOPE's enforcement abilities;
- require the State Comptroller, the Attorney General, the Chief Information Officer of Office of Technology Services, and the Commissioner of Office of General Services to conduct a study, due by January 1, 2017, concerning the feasibility of assigning a single identifying code to contractors, vendors, and other payees in order to track such entities and related expenditures; and
- extend the reporting and compliance requirements of the "Lobbying Act" to cover political consultants, expand the duties of the advisory council on procurement lobbying to consider political consulting, change the definition of "lobbying" to include persons who influence or induce another to make a purchase of an article of procurement, and require treasurers of political committees to furnish statements related to all persons and organizations which provide consulting services, and the fair market value and actual amount paid for such services.

Division of Tax Appeals

The Executive proposes a \$3.0 million appropriation and a workforce of 27 FTEs for the Division of Tax Appeals for SFY 2016-17. This level of funding and staffing would be unchanged from the last year.



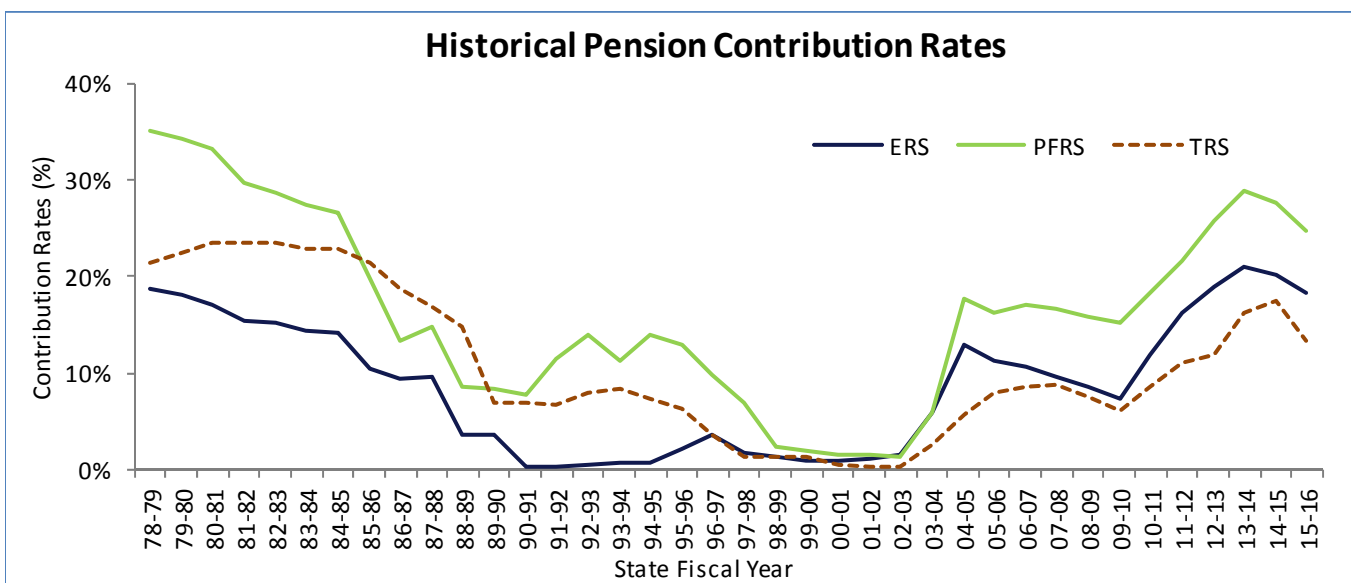
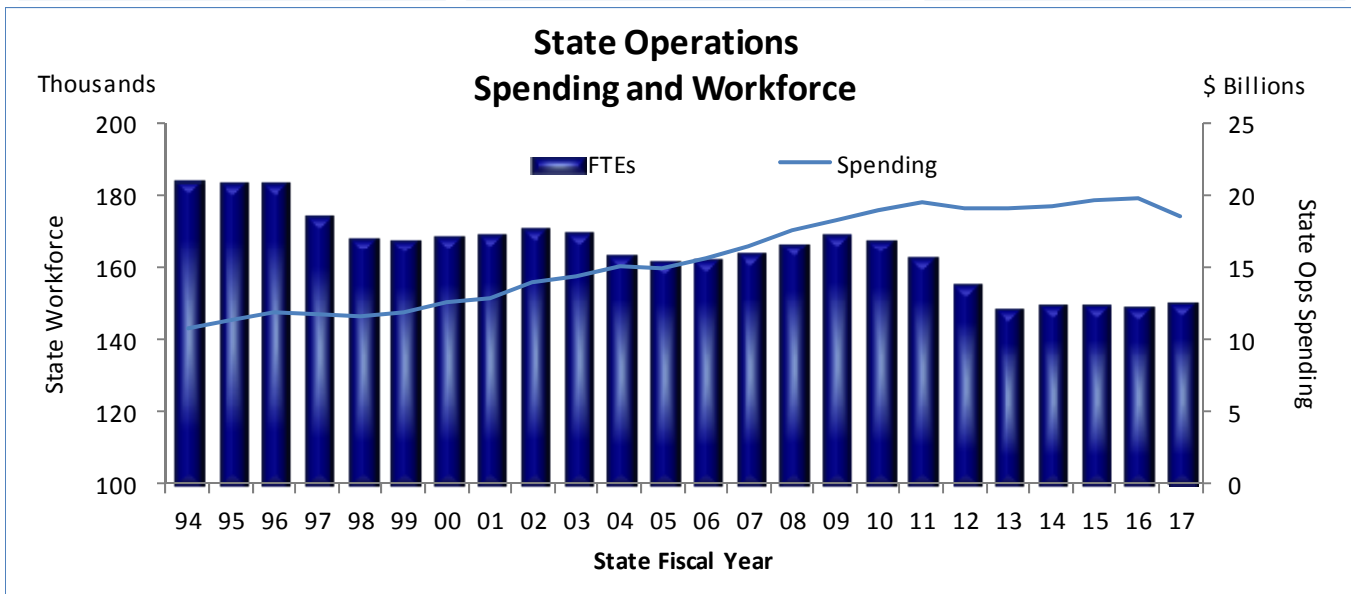
BUDGET SNAPSHOT: STATE OPERATIONS AND WORKFORCE



State Operations spending represents 19.3% of the budget.

By the end of SFY 2016-17, there will be approximately 180,505 state employees.

Health insurance spending represents 2.2% of the budget.



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

BUDGET HIGHLIGHTS: STATE OPERATIONS AND WORKFORCE



- **Executive Agencies:** The Executive proposes to hold agency spending flat with limited exceptions, such as costs attributable to the NY State of Health marketplace. Agencies are expected to continue to use less costly forms of service deliveries, improve administrative practices, and pursue statewide solutions.
- **Fringe Benefits/Fixed Costs:** The Executive Budget includes a payment of the state's pension bill in April 2016, instead of March 1, 2017, which will provide state savings of \$59 million. Reserves will offset the cost of workers' compensation claims over the next four years (\$140 million in State Fiscal Year (SFY) 2016-17, \$100 million each in SFY 2017-18 and SFY 2018-19, and \$35 million in SFY 2019-20). The Executive proposes to eliminate Income Related Medicare Adjustment Amount (IRMAA) reimbursement for high income retirees, maintaining the reimbursement of the standard Medicare Part B premium at current levels, and implementing differential healthcare premiums based on years of service for new civilian retirees with less than 30 years of service. The Executive Budget anticipates increasing fringe benefit costs associated with baseline growth in health insurance and workers' compensation costs.

BUDGET REVIEW AND ANALYSIS: STATE OPERATIONS AND WORKFORCE



State employees deliver services to the public and manage a range of facilities and provider networks. They oversee and administer billions of dollars in program funding and capital projects. There are 180,252 State employees employed in Executive agencies.

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

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

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

Table 51

Appropriations				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
General State Charges	3,604.47	5,787.85	2,183.38	60.57
Department of Civil Service	50.87	55.44	4.57	8.98
Office of Employee Relations	4.81	4.81	0.00	0.00
Public Employment Relations Board	3.98	3.98	0.00	0.00

Table 52

Disbursements				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
General State Charges	4,481.12	4,753.04	271.92	6.07
Department of Civil Service	13.20	13.38	0.18	1.36
Office of Employee Relations	2.58	2.58	0.00	0.00
Public Employment Relations Board	3.73	3.57	-0.16	-4.29

General State Charges

The Executive proposes All Funds appropriations of \$5.79 billion, an increase of \$2.18 billion, or 60.6 percent over the SFY 2015-16 level. Fringe benefits are appropriated within General State Charges for General Fund employees and within each agency for employees funded outside the General Fund.

Health Insurance Benefits: The Executive budget proposes a \$217.7 million increase over the SFY 2015-16 level for health insurance benefits contributions, which reflects a 6.8 percent increase in the New York State Health Insurance Plan costs. The increase is primarily attributable to increased prescription drug costs, including increased utilization of specialty drugs for chronic conditions and price inflation for most other drugs. The increase is offset by savings associated with Article VII proposals that would implement differential healthcare premium reimbursement for retirees based on years of service (\$3 million), cease Income Related Monthly Adjustment Amount (IRMAA) for high income retirees (\$6.2 million), and freeze rates for Medicare Part B reimbursement (\$1 million).

Pensions: The Executive budget proposes a \$181.2 million increase in pension funding associated with the increase in amortization rate associated with prior pension amortizations, offset partially by the entry of lower cost Tier 6 employees. There is also \$59 million in savings associated with the payment to the retirement systems in April 2016 instead of March 2017.

Workers' Compensation Benefits: The Executive proposes a \$97.4 million decrease in Workers' Compensation benefits for injured State employees, representing a 21.4 percent decrease from SFY 2015-16. Costs are increasing based on growth in the average weekly wage for benefits and medical costs, offset by \$140 million of resources available in Workers Compensation Reserves.

Fixed Costs: The Executive budget proposes an increase of \$40.7 million or 7.3 percent in other fringe benefits due primarily to expected growth in litigation, taxes and assessments.



The Executive recommends Article VII legislation that would:

- Implement differential healthcare premiums for retirees based upon years of service. The proposal would not impact retirees with 30 plus years of pension service credit, retirees eligible to claim full pension at less than 30 years of service, or workers who retire with a disability pension; it would apply only to employees who retire after October 1, 2016. Under the proposal, the State would pay:
 - For employees Grade 10 and above: 50 percent of individual coverage and 35 percent of dependent coverage for retirees with 10 years of service; the amount covered would incrementally rise by two percent per year until 20 years of service, after which the State contribution would rise by one percent per year. Upon 30 years of service, the State would contribute 84 percent and 69 percent for dependent coverage, respectively; and
 - For employees Grade 9 and below: 54 percent of individual coverage and 39 percent of dependent coverage for retirees with 10 years of service; the amount covered would incrementally rise by two percent per year until 20 years of service, after which the State contribution would rise by one percent per year. Upon 30 years of service, the State would contribute 88 percent and 73 percent for dependent coverage, respectively.
- Cease reimbursement of IRMAA for high-income retirees, and freeze State reimbursement of Medicare Part B premiums to eligible enrollees, retirees and their dependents at \$104.90 per month.

Department of Civil Service

The Executive proposes All Funds appropriations of \$55.44 million, an increase of \$4.6 million over the SFY 2015-2016 level. The Executive recommends support for 347 full-time equivalent (FTE) positions, unchanged from in SFY 2015-16.

The proposed budget for SFY 2016-17 provides \$3.8 million for additional pre-employment health examinations and an additional \$700,000, which would be suballocated to the Office of the Comptroller to perform audits of the State's health insurance program.

Office of Employee Relations

The Executive provides an All Funds appropriation of \$4.8 million, which maintains SFY 2015-16 funding levels. The Executive recommends support for 37 FTEs, unchanged from the SFY 2015-16 level.

Public Employment Relations Board

The Executive proposes an All Funds appropriation of \$3.98 million, which is unchanged from the SFY 2015-16 level. The Executive recommends support for 33 FTE positions, which is also unchanged from the SFY 2015-16 level.



Table 53

Workforce Impact Summary

All Funds

FY 2015 Through FY 2017

	FY 2015 Actuals (03/31/15)	Starting Estimate (03/31/16)	Attritions	New Fills	Mergers	Net Change	Ending Estimate (03/31/17)
Adirondack Park Agency	54	54	0	0	0	0	54
Aging, Office for the	93	95	0	0	0	0	95
Agriculture and Markets, Department of	475	476	0	0	0	0	476
Alcoholic Beverage Control, Division of	112	127	0	0	0	0	127
Alcoholism and Substance Abuse Services, Office of	750	741	(67)	67	0	0	741
Arts, Council on the	24	30	0	0	0	0	30
Audit and Control, Department of	2,526	2,643	0	20	0	20	2,663
Budget, Division of the	239	261	0	0	0	0	261
Children and Family Services, Office of	2,986	2,875	0	79	0	79	2,954
City University of New York	13,703	13,645	0	0	0	0	13,645
Civil Service, Department of	305	347	0	0	0	0	347
Correction, Commission of	28	32	0	0	0	0	32
Corrections and Community Supervision, Department of	28,673	28,869	0	220	0	220	29,089
Criminal Justice Services, Division of	413	436	0	0	0	0	436
Deferred Compensation Board	3	4	0	0	0	0	4
Economic Development, Department of	142	158	(5)	0	0	(5)	153
Education Department, State	2,643	2,672	0	20	0	20	2,692
Elections, State Board of	70	80	0	0	0	0	80
Employee Relations, Office of	28	37	0	0	0	0	37
Environmental Conservation, Department of	2,869	2,946	(21)	21	0	0	2,946
Executive Chamber	129	136	0	0	0	0	136
Financial Control Board, New York State	12	12	0	0	0	0	12
Financial Services, Department of	1,334	1,382	0	0	0	0	1,382
Gaming Commission, New York State	376	405	(25)	25	0	0	405
General Services, Office of	1,588	1,754	0	115	0	115	1,869
Health, Department of	4,839	4,926	(79)	322	0	243	5,169
Higher Education Services Corporation, New York State	267	250	0	0	0	0	250
Homeland Security and Emergency Services, Division of	406	466	(10)	22	0	12	478
Housing and Community Renewal, Division of	666	683	0	0	0	0	683
Hudson River Valley Greenway Communities Council	1	1	0	0	0	0	1
Human Rights, Division of	148	164	0	0	0	0	164
Indigent Legal Services, Office of	10	19	0	0	0	0	19
Information Technology Services, Office of	3,592	3,585	0	0	0	0	3,585
Inspector General, Office of the	66	109	0	0	0	0	109
Interest on Lawyer Account	8	8	0	0	0	0	8
Judicial Conduct, Commission on	45	50	0	0	0	0	50
Justice Center for the Protection of People with Special Needs	354	428	(24)	36	10	22	450
Labor Management Committees	65	77	0	0	0	0	77
Labor, Department of	3,111	2,992	0	0	0	0	2,992
Law, Department of	1,747	1,833	0	6	0	6	1,839
Lieutenant Governor, Office of the	3	7	0	0	0	0	7
Medicaid Inspector General, Office of the	457	479	(26)	0	0	(26)	453
Mental Health, Office of	14,528	14,400	(350)	228	0	(122)	14,278
Military and Naval Affairs, Division of	338	337	(30)	47	0	17	354
Motor Vehicles, Department of	2,153	2,159	(10)	0	0	(10)	2,149
Parks, Recreation and Historic Preservation, Office of	1,747	1,735	0	0	0	0	1,735
People with Developmental Disabilities, Office for	18,528	18,655	(245)	0	(10)	(255)	18,400
Prevention of Domestic Violence, Office for	24	28	0	0	0	0	28
Public Employment Relations Board	29	33	0	0	0	0	33
Public Ethics, Joint Commission on	40	58	0	0	0	0	58
Public Service Department	517	525	(17)	0	0	(17)	508
State Police, Division of	5,667	5,608	(210)	210	0	0	5,608
State University Construction Fund	145	152	0	0	0	0	152
State University of New York	43,692	43,668	0	0	0	0	43,668
State, Department of	512	543	(4)	0	0	(4)	539
Statewide Financial System	130	139	0	0	0	0	139
Tax Appeals, Division of	25	27	0	0	0	0	27
Taxation and Finance, Department of	4,395	4,359	(415)	323	0	(92)	4,267
Temporary and Disability Assistance, Office of	1,946	1,953	0	0	0	0	1,953
Transportation, Department of	8,559	8,228	(235)	265	0	30	8,258
Veterans' Affairs, Division of	84	98	0	0	0	0	98
Victim Services, Office of	65	81	0	0	0	0	81
Welfare Inspector General, Office of	6	7	0	0	0	0	7
Workers' Compensation Board	1,130	1,165	0	0	0	0	1,165
Grand Total	7,519	8,048	(208)	197	10	(1)	8,047

BUDGET REVIEW AND ANALYSIS: JUDICIARY



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

The Judiciary’s proposed budget request recommends appropriations of \$2.9 billion, which is an increase of \$81.94 million or 2.9 percent from the State Fiscal Year (SFY) 2015-16 level.

Table 54

Appropriations				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of Court Administration	2,795.55	2,877.49	81.94	2.93

Table 55

Disbursements				
Agency	2015-16 Adjusted (\$ in Millions)	2016-17 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of Court Administration	2,753.37	2,865.60	112.23	4.08

Civil Legal Services: The proposed budget includes a total of \$85 million to support the recommendations of Former Chief Judge Jonathan Lippman’s task force to expand civil legal services, an increase of \$15 million from the SFY 2015-16 level.

Personal Service Costs: The Judiciary’s budget includes a \$20.3 million increase in personal service over the SFY 2015-16 level. This includes the first year of full support for all 25 new Family Court judgeships created in 2014 and mandatory and negotiated salary increases for non-judicial employees.

Judicial Compensation: In December 2015, the Commission on Legislative, Judicial and Executive Compensation released its final recommendations on judicial salaries. The Commission recommended that State Supreme Court justices salaries be increased so that they are comparable to Federal District Court judges. Specifically, the Commission recommended that justices of the State Supreme Court salaries be fixed at 95 percent of the salary of a Federal District Court judge, effective April 1, 2016, and at 100 percent, effective April 1, 2018, with the salaries of all other state judges adjusted accordingly. The cost of the first year of salary increases is approximately \$27 million.





Economy



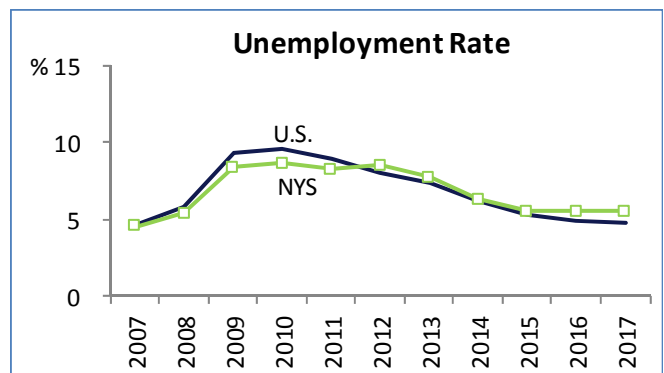
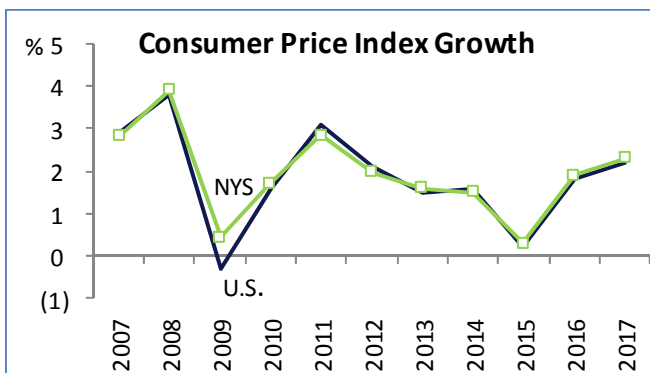
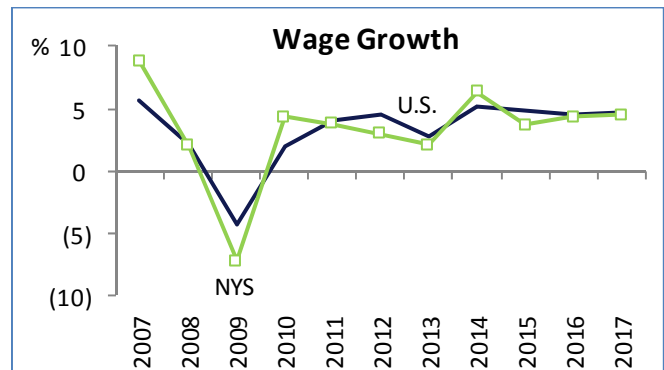
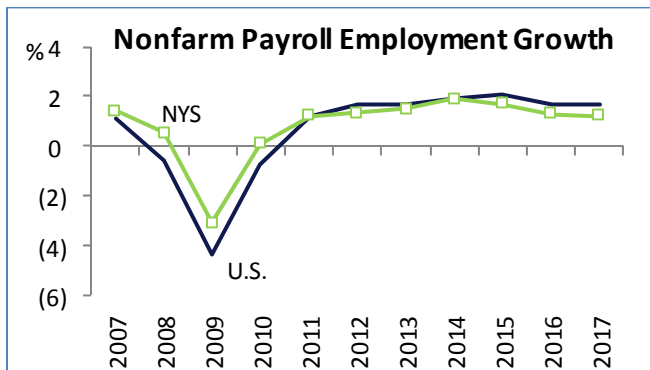
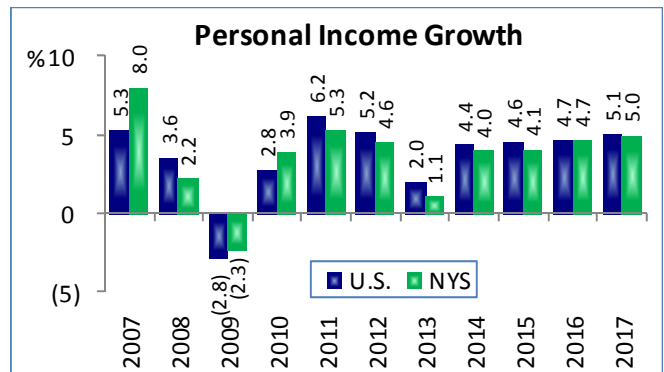
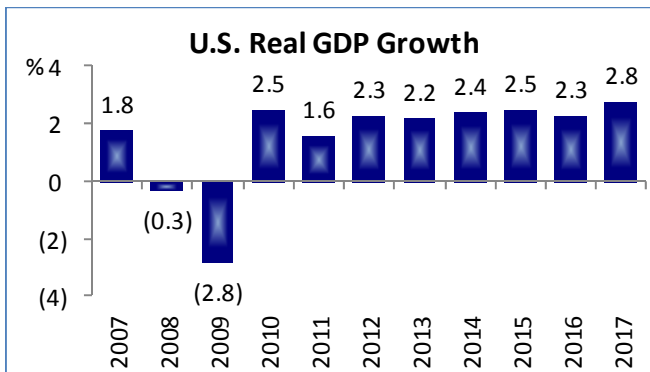
BUDGET SNAPSHOT: ECONOMY



The national economy is expected to continue to grow in 2016 by 2.3 percent, supported by household spending, solid improvements in residential housing investment, and government spending.

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

New York State total wages are expected to grow at 4.3 percent in 2016. Base wages will grow at 4.4 percent in 2016, while variable wages will grow at 3.7 percent in 2016.



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

BUDGET HIGHLIGHTS: ECONOMY



- According to the Executive, U.S. real GDP is projected to grow 2.3 percent in 2016 and 2.8 percent in 2017.

Table 56

U.S. Economic Outlook (Percent Change)			
	2015	2016	2017
Real GDP	2.5	2.3	2.8
Consumption	3.1	2.7	2.9
Residential Investment	8.5	7.0	6.7
Nonresidential Investment	3.2	4.2	5.1
Exports	1.4	2.8	4.6
Imports	5.2	3.9	5.3
Government	0.8	1.3	1.0
Personal Income	4.6	4.7	5.1
Wages & Salaries	4.8	4.6	4.7
Employment	2.1	1.7	1.7
Unemployment Rate	5.3	4.9	4.8
CPI-Urban	0.2	1.8	2.2
S&P 500 Stock Price	6.8	2.2	4.0
Federal Fund Rate	0.1	0.8	2.1
Treasury Note Rate (10-year)	2.1	2.7	3.4

Note: Values are as reported in the Executive Budget 2016-17 released on January 13, 2016.
Source: NYS Division of the Budget.

- The Budget Division projects that State private employment will grow 1.3 percent in 2016, the sixth consecutive year of above average growth, and by 1.2 percent in 2017.

Table 57

New York State Economic Outlook (Percent Change)			
	2015	2016	2017
Employment	1.7	1.3	1.2
Personal Income	4.1	4.7	5.0
Total Wages (calendar year basis)	3.7	4.3	4.5
Base Wages	4.2	4.4	4.3
Variable Compensation	0.2	3.7	5.8
Total Wages (fiscal year basis)	4.2	4.5	4.5
Base Wages	4.4	4.4	4.3
Variable Compensation	3.2	5.2	5.8
New York Area CPI	0.3	1.9	2.3

Note: Values are as reported in the Executive Budget 2016-17 released on January 13, 2016.
Source: NYS Division of the Budget.



BUDGET REVIEW AND ANALYSIS: ECONOMY



The National Economy: After growing an estimated 2.5 percent in 2015, the Executive projects the U.S. economy will expand further in 2016 but at a slower pace of 2.3 percent, as measured by Gross Domestic Product (GDP).

- **Consumption:** The Executive projects consumption spending growth of 2.7 percent in 2016, after growing an estimated 3.1 percent in 2015. According to the Executive, growth in consumption spending is supported by employment growth, low energy prices which boost real disposable income, and healthier household balance sheets as household debt has decreased and the housing market continues to recover.
- **Investment:** The Executive indicates that business spending growth remains tepid partially due to lack of growth in sales needed to induce investment spending by companies. The Executive projects 4.2 percent growth in nonresidential fixed investment in 2016, up from an estimated 3.2 percent in 2015, supported by faster growth in spending on structures and equipment.
- **Exports and Imports:** The Executive forecasts that exports of U.S. goods and services will rise 2.8 percent in 2016, up from an estimated 1.4 percent in 2015. According to the Executive, weak economic growth globally and among U.S trading partners will keep U.S. exports weak. In addition, a rising dollar and continued sluggish growth abroad present risks to U.S. exports. The Executive states that imports are projected to grow 3.9 percent in 2016, down from an estimated 5.2 percent in 2015, as the U.S. economy strengthens and the dollar remains strong.
- **Government Spending:** The Executive projects that state and local government spending, adjusted for inflation, will grow 1.9 percent in 2016, following growth of 1.6 percent in 2015. The Executive estimates that federal government spending will grow 0.3 percent in 2016, after declining an estimated 0.4 percent in 2015.
- **Employment:** The Executive projects U.S. employment growth of 1.7 percent in 2016, down from 2.1 percent in 2015. The Executive anticipates that the following services sectors will contribute the most to steady improvement in private-sector employment in 2016: professional and technical services, construction, management, administrative and support, waste services, health care and social assistance services. The Executive expects the government sector to show slow growth.

- **Inflation:** The Executive forecasts that inflation, as measured by the Consumer Price Index (CPI), will increase to 1.8 percent in 2016 from a pace of 0.2 percent in 2015 as oil prices and wages are expected to increase moderately, which will put upward pressure on prices overall.
- **Corporate Profits:** The Executive projects corporate profits will grow 2.9 percent in 2016, after declining an estimated 0.9 percent in 2015. The Executive implies that the weakness in corporate profits growth stems from weak economic growth both at home and overseas.
- **Stock Market:** The Executive acknowledges that equity market turbulence has remained a constant throughout the recovery. However, in the long run, equity market price growth is expected to be consistent with growth in corporate earnings. The Executive projects equity market growth of 2.2 percent in 2016, following growth of 6.8 percent in 2015.

The New York State Economy: The Executive projects that the State economy will continue to improve, but State private employment will grow slower at 1.5 percent in 2016, after growing 2.1 percent in 2015.

- **Personal Income:** The Executive forecasts total State personal income will grow 4.7 percent in 2016, up from an estimated 4.1 percent growth in 2015. According to the Executive, growth in State personal income has been mainly due to wage growth.
- **Wages:** The Executive forecasts wages in the State will grow 4.3 percent in 2016, following an estimated growth of 3.7 percent in 2015. The Executive states that bonus growth in the finance and insurance sector is projected to be slightly better than last year. In addition, high wage industries in the State such as professional and business services have exhibited solid wage growth.
- **Employment:** According to the Executive, the State labor market grew robustly in 2015, especially in the private sector. Total nonfarm employment in the State grew an estimated 1.7 percent in 2015, 0.4 percentage point lower than in the nation. The Executive forecasts that employment in the State will grow 1.3 percent in 2016, slower than the nation's employment growth (see Figure 6).

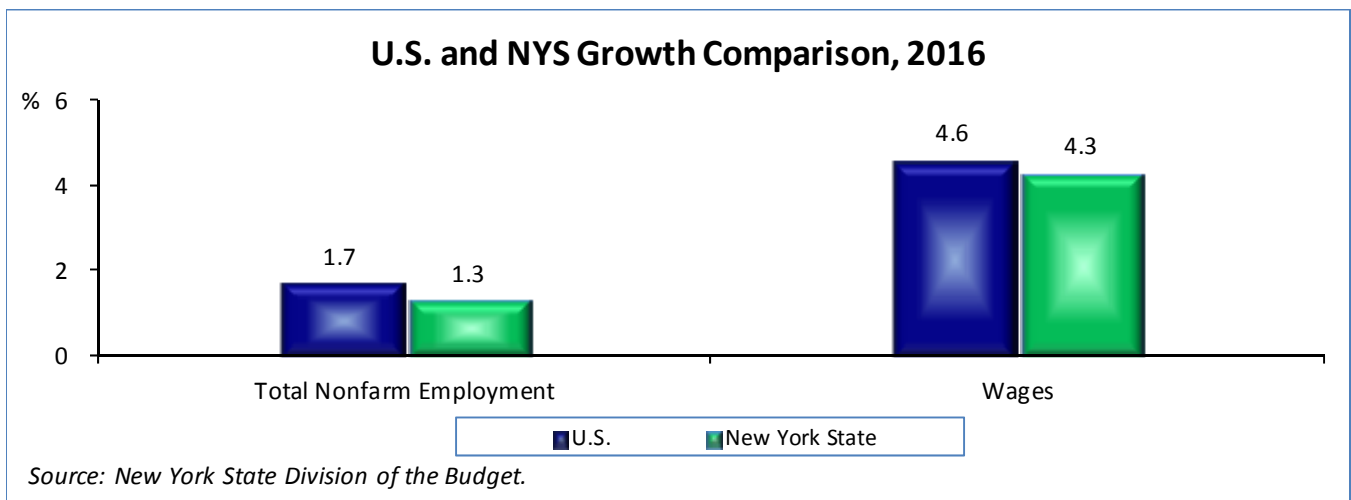


Figure 6

- **Employment by Sector:** The Executive projects that private employment in the State will grow 1.5 percent in 2016, after growing an estimated 2.1 percent in 2015. The construction, leisure, hospitality and other services, educational services, and professional, scientific, technical services, and educational services sectors are expected to grow relatively faster in 2016 (see Table 58).

Table 58

New York State Employment Growth Forecast for 2016	
	Percent
Total	1.3
Total Private	1.5
Construction	2.5
Leisure, Hospitality and Other Services	2.3
Educational Services	2.2
Professional, Scientific, and Technical Services	2.1
Management, Administrative, and Support Services	1.9
Healthcare & Social Assistance Services	1.9
Transportation and Warehousing	1.5
Real Estate and Rental and Leasing	1.4
Retail Trade	1.2
Information	0.5
Utilities	0.5
Wholesale Trade	0.4
Finance and Insurance	0.4
Government	0.1
Manufacturing and Mining	0.0
Note: The sum of sectors may not match the total due to the exclusion of unclassified.	
Source: NYS Division of the Budget.	

- **Employment by Region:** According to the Executive, the New York City region led the State in private employment growth in the first half of 2015. All Upstate regions are estimated to have gained employment in the first half of 2015, compared to the same period in 2014. Among the Upstate regions, employment in the Capital District grew the fastest at 2.0 percent, followed by the Finger Lakes at 0.8 percent (see Figure 7).

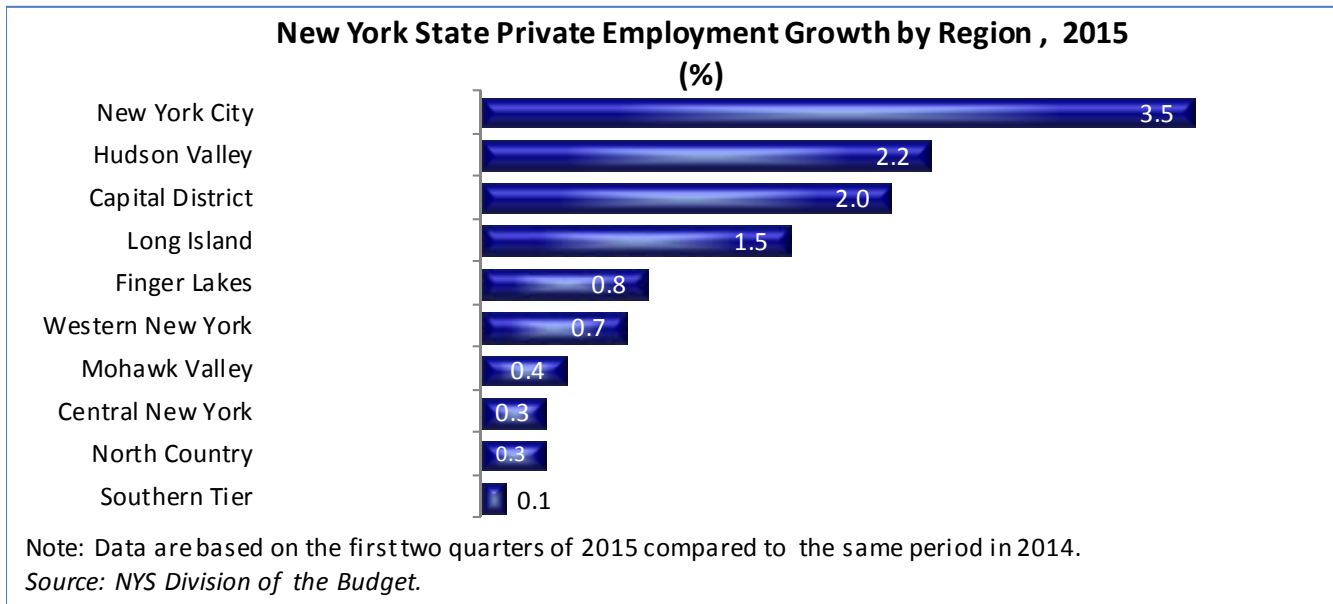


Figure 7

Risks: The Executive acknowledges that all the risks to the U.S. forecast also apply to the State. The Executive indicates that if the euro-area economic recovery is more sluggish than expected then exports and corporate profits could grow slower than reflected in the forecast. Although oil prices are expected to stabilize, continued tepid global growth could send oil prices even lower. If the Federal Reserve exit strategy is more volatile than expected and long term interest rates increase faster than anticipated, the impact on the global economy could be quite negative. In addition, the Executive indicates that any developments that have an impact on credit and financial markets represent risks to the forecast for revenue, wages, bonuses, and capital gains realization.



Revenue



BUDGET SNAPSHOT: REVENUE

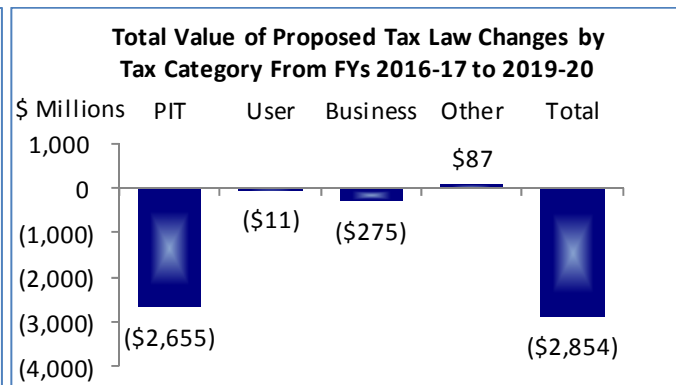
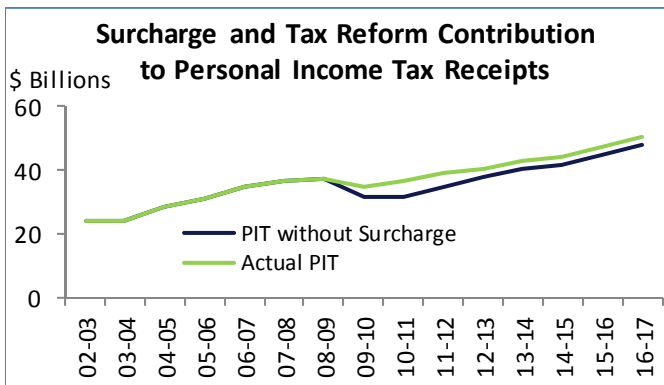
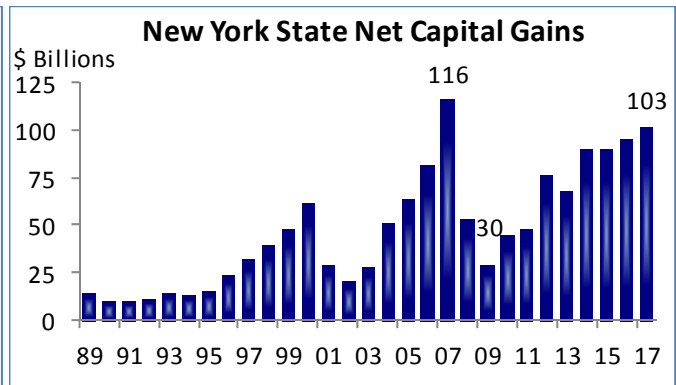
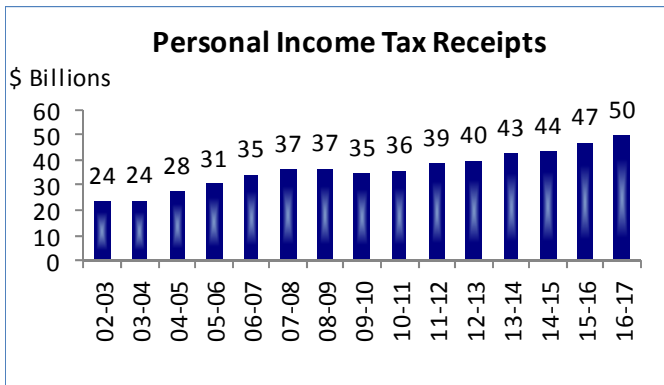
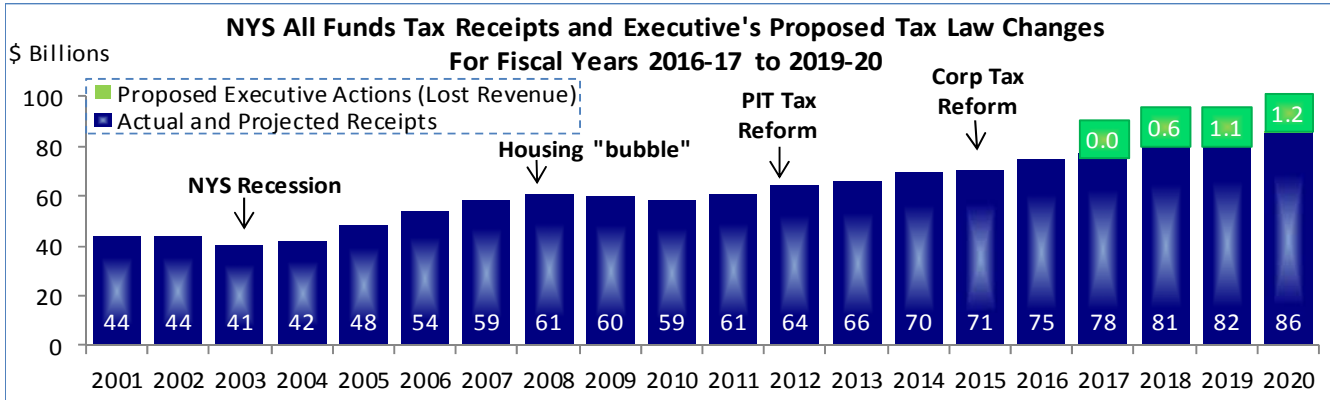


**Year-to-date
All Funds tax
revenue growth is
9.4%**

**2015-16 All Funds
Revenue total is
\$153 billion; growth
of 2.9%**

**2016-17 tax receipts
total is \$78 billion;
growth of 3.5%**

**2016-17 All Funds
Revenue total is
\$153 billion;
a decline of 0.3%**



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

BUDGET HIGHLIGHTS: REVENUE



The Executive Budget contains a variety of tax proposals that when fully phased-in lead to a revenue loss of \$596 million in State Fiscal Year (SFY) 2017-18 and a revenue loss of \$1.2 billion by SFY 2019-20.

- **Personal Income Tax (PIT):** The Executive proposes various education tax credits, credits for thruway tolls, various short-term and permanent extensions, as well as personal income tax cuts for small businesses. In addition, the Executive proposes converting the STAR benefit into a PIT tax credit, and would convert the NYC PIT STAR credit into a State PIT credit.
- **User Taxes:** The Executive would extend an alcohol beverage tax exemption for wine tasting as well as an extension of the beer production credit to include cider, wine and liquor. The Executive also proposes to simplify the taxation of remarketed rooms, extend the alternative fuels tax exemption for five years, expand jeopardy assessments to cigarette and tobacco, and conform state and local tax law with federal regulations related to aviation fuel.
- **Business Taxes:** The Executive proposes the enhancement of the Urban Youth Program, small business tax cuts and the extension of several programs; including: Hire-a-Vet, Excelsior Jobs Program, Alternative Fuels Exemption, and Commercial Production credit.
- **Other Executive Revenue Proposals:** The Executive proposal would provide for a variety of extensions to pari-mutuel law provisions, extend Video Lottery Terminal (VLT) rates for certain facilities, increases purse surcharges, and removes a restriction related the to single equine lab testing provider. In addition, the Executive proposes authorizing combative sports in the State of New York, modernizing certain tax law provisions and making permanent certain tax filing requirements, and eliminating charitable giving as a factor in determining domicile for the Estate tax.

BUDGET REVIEW AND ANALYSIS: REVENUE



EXECUTIVE ALL FUNDS RECEIPTS 2015-16 ESTIMATES AND 2016-17 FORECAST

Table 59

Executive Budget - All Funds Receipts					
(\$ in Millions)					
	SFY 2014-15	SFY 2015-16	% Change	SFY 2016-17	% Change
Personal Income Tax	\$43,709	\$47,093	7.7%	\$49,960	6.1%
User Taxes	\$15,384	\$15,641	1.7%	\$16,194	3.5%
Business Taxes	\$8,504	\$8,406	-1.2%	\$8,018	-4.6%
Other	\$3,437	\$3,944	14.8%	\$3,512	-11.0%
Total Taxes	\$71,034	\$75,084	5.7%	\$77,684	3.5%
Miscellaneous Receipts	\$29,438	\$26,035	-11.6%	\$24,159	-7.2%
Federal Funds	\$48,636	\$52,328	7.6%	\$51,133	-2.3%
Total All Funds	\$149,108	\$153,447	2.9%	\$152,976	-0.3%

SFY 2015-16 All Funds Receipts Estimate

- The Executive estimates State Fiscal Year (SFY) 2015-16 All Funds tax receipts to total \$75.084 billion, or 5.7 percent over the previous fiscal year, an increase of \$4.05 billion. The majority of the additional revenue is attributed to Personal Income Tax receipts growth of 7.7 percent, or \$3.384 billion.
- Including Miscellaneous Receipts and Federal Funds, All Funds receipts are estimated to increase 2.9 percent, to \$153.447 billion in SFY 2015-16. The decline in Miscellaneous Receipts growth is attributed to fewer receipts from settlements with financial institutions.

SFY 2016-17 All Funds Receipts Forecast

- The Executive forecasts SFY 2016-17 All Funds tax receipts to total \$77.684 billion, an increase of 3.5 percent or \$2.6 billion over SFY 2015-16. The increase is attributed to the Personal Income Tax that is forecast to increase by \$2.867 billion, or 6.1 percent.
- Including Miscellaneous Receipts and Federal Funds, All Funds receipts are forecast to decline by 0.3 percent, or \$471 million, to \$152.976 billion.

REVENUE ACTIONS - (Revenue Article VII unless otherwise noted)

Personal Income Taxes

- The Executive proposes a non-refundable tax credit equal to seventy five percent of the amount donated to educational entities. Additionally, this proposal would provide for scholarships for students from families earning less than \$250,000 annually, and would also create a credit with a cap of \$200 for teachers that purchase instructional materials and supplies. The Executive also proposes a family choice credit for tuition expenses to both public and non-public schools worth up to \$500 for taxpayers earning less than \$60,000 annually.
- The Executive proposes to reduce taxation for small businesses filing under the personal income tax by allowing them to subtract fifteen percent of their business income from their federal adjusted gross income for New York State taxation purposes. In addition, it will expand the definition of businesses eligible for the small business deduction to include LLCs, partnerships or S corporations. The proposal would also reduce the Earned Net Income tax rate from 6.5 percent to 4 percent for small corporate franchise tax filers.
- The Executive proposes to make permanent the Earned Income Tax Credit provisions that apply to non-custodial parents.
- The Executive proposes to extend the credit for companies who provide transportation to individuals with disabilities for six years. The credit is available to businesses that incur costs for upgrades to make the vehicle accessible to people with disabilities or that purchase certain new taxicab or livery service vehicles that are accessible to those with disabilities. The credit is limited to \$10,000 per vehicle.
- The Executive proposes to enhance tax preparer compliance by increasing requirements and penalties, as well as making the electronic filing mandate of 2008 permanent. This proposal would also make permanent the ability of the Commissioner to require vendors that are not compliant with the tax law to maintain segregated accounts for sales tax collections.
- The Executive proposes to make permanent the provisions requiring taxpayers to disclose certain transactions related to sheltering income from taxation.
- The Executive proposes to allow a non-refundable tax credit for the NYS Thruway tolls paid by qualifying taxpayers through individual or business E-Z Pass accounts for tax years 2016, 2017 and 2018.

School Tax Relief (STAR)

- The Executive proposes to gradually convert the School Tax Relief (STAR) program from a real property tax exemption benefit, to a Personal Income Tax (PIT) credit. Enactment of this proposal would close the existing STAR exemption program to new applicants. Current recipients of STAR exemptions would be permitted to keep their exemptions as long as they continue to own their current homes, but they could choose to receive a PIT credit instead.
- The Executive proposes to convert the New York City STAR Credit used to offset the NYC PIT into a New York State PIT credit.
- The Executive proposes to eliminate the growth of Basic and Enhanced STAR benefits beginning with the 2016-2017 school year. Under current law, STAR savings may grow up to two percent.
- The Executive proposes to make participation in the STAR Income Verification Program (IVP) mandatory for senior citizens wishing to receive the Enhanced STAR benefit.
- The Executive proposes to make it possible for seniors who qualify for the Enhanced STAR exemption or the Senior Citizens Exemption to receive an extension to the filing deadline if they failed to timely file their exemption renewal applications due to hardship or any other good cause.
- The Executive proposes to allow the Commissioner of Taxation and Finance to directly reimburse a STAR-eligible property owner when the property owner did not receive the STAR tax savings to which he or she was entitled due to an administrative error.

Consumption and Use Taxes

- The Executive proposes to expand jeopardy assessments to the cigarette and tobacco tax. This proposal would allow the assessment of excise tax on cigarette and tobacco products prior to either the filing of a return or prior to the deadline to file a return should collection of the excise tax be jeopardized by delay. The taxpayer would be required to pay the assessment upon notice.
- The Executive proposes to simplify the taxation of remarketed rooms. Currently, room remarketers are required to collect state and local sales tax and New York City's hotel room occupancy tax on hotel room occupancies they sell. Room remarketers are not exempt from sales tax on the purchases of the hotel room occupancies they purchase for resale. However, room remarketers are eligible to receive a credit or refund against taxes paid on resold rooms.

This proposal would exempt room remarketers from paying sales tax on hotel rooms purchased from hotel operators if resold.

- The Executive proposes to amend state and local tax law for consistency with federal tax regulations on aviation fuel. Petroleum Business Tax revenues received from the sale of aviation fuel would be deposited into an aviation purpose account. Monies from such account would be dedicated to airport improvement projects. The sale of fuel for the use of commercial and general aviation aircraft would not be subject to the prepayment of sales tax required for motor fuels. Additionally, fuel used for the purpose of commercial and general aviation aircraft would be exempt from the local sales tax.
- The Executive proposes to extend for five years the current tax exemptions on the alternative fuels E85, CNG, hydrogen, and B20, which are set to expire on September 1, 2016. This proposal would extend the alternative fuel exemptions from motor fuel taxes, petroleum business taxes, fuel use taxes, and state and local sales and compensating use taxes.
- **Transportation and Economic Development Article VII:** The Executive proposes to license and regulate professional mixed martial arts in the State of New York. Gross receipts from ticket sales would be taxed at a rate of 8.5 percent. The sum of gross receipts from broadcasting rights and gross receipts from digital streaming over the internet would be taxed at a rate of 3.0 percent, not to exceed \$50,000 for any match or exhibition.

Business Taxes

- The Executive proposes technical corrections to the State and New York City corporate tax. The proposal would correct cross-references in the Tax Law that were not addressed in corporate tax reform as well as correct typographical errors in Article 9-A.
- The Executive proposes to extend the beer production credit under the corporate franchise tax and the personal income tax to include cider, wine, and liquor. This proposal would also extend the sales and use tax exemption on items used during a tasting held by a producer of alcoholic beverages.
- The Executive proposes to extend the sunset dates for the corporate and personal income tax credits for purchasing bioheat until January 1, 2020. This proposal would also change the minimum biodiesel fuel qualification for the corporate and personal income tax credits to at least six percent biodiesel per gallon. By implementing a minimum biodiesel percentage, the bill would exclude from the credit heating fuels that are already commonly available.



- The Executive proposes to authorize any unawarded Excelsior tax credits remaining at the end of 2024 to be allocated in taxable years 2025–2029. However, the aggregate statutory cap may not be exceeded, and no tax credits may be allowed for taxable years beginning on or after January 1, 2030.
- The Executive proposes to extend the Hire-a-Veteran credit for an additional two years through tax year 2018.
- The Executive proposes to increase the aggregate amount of low-income housing tax credits the Commissioner of Housing and Community Renewal may allocate from \$64 million to \$104 million, in \$8 million increments annually for the next five fiscal years.
- The Executive proposes to extend the Empire State Commercial Production Tax Credit for two years through tax year 2018. Statewide, up to \$7 million in credits are available annually through the program to encourage qualified production companies to produce commercials in the state. The credit will be allocated as follows: \$3 million for companies producing commercials downstate; \$3 million upstate; and an additional \$1 million for companies that demonstrate incremental “growth” in commercial production.
- **ELFA Article VII:** The Executive proposes to authorize additional tax credits to be allocated in 2016 and 2017 to employers participating in the Urban Youth Jobs program and expand the program statewide. Under this proposal, program four would be allocated \$50 million for 2016, and program five would be allocated \$50 million for 2017, of which \$10 million in each program year may be allocated anywhere in the State outside current law localities.

Other Revenue Proposals

- The Executive proposes to conform certain New York City and New York State tax filing deadlines to those at the federal level.
- The Executive proposes to bring domicile determination for estate taxes in line with that for the Personal Income Tax. This proposal would prohibit charitable contributions and activities from being considered when determining domicile.
- The Executive proposes to remove restriction for Morrisville College to be a single equine lab testing provider and modify requirements for horsemen to contribute to equine steroid testing. The Gaming Commission would have the discretion to determine a laboratory suitable for testing, and would no longer be limited to a state university within the state with an approved equine science program.

- The Executive proposes to increase Video Lottery Terminal purse enhancements from 1 to 1.6 percent and the racing regulatory fee 0.5 to 0.6 percent.
- The Executive proposes to adjust timing of reimbursement to the Gaming Commission of per diem costs for harness racing judges and starters. The Gaming Commission would be required to notify a licensed racing corporation of the per diem costs for a harness racing associate judge and starter within sixty days of the end of each month when actual costs are known, rather than at the beginning of such month.
- The Executive proposes to provide an additional commission for certain Video Lottery Terminal facilities. An additional commission would be provided to Video Lottery Terminal facilities located in a county within a region where a gaming facility is operating in a county within a neighboring region. A Video Lottery Terminal facility, following one year of operation of a licensed gaming facility, would be subject to a blended tax rate comparable to a licensed gaming facility.
- The Executive proposes to extend for one year the Monticello Video Lottery Terminal facility eligibility for a higher commission rate in exchange for opting out of the capital awards program.
- The Executive proposes to extend certain racing and pari-mutuel wagering tax rates and simulcasting provisions for one year.
- The Executive proposes to extend the Video Lottery Gaming (VLG) vendor's capital awards. The deadline to receive approval for capital projects to be reimbursed and the deadline to complete such projects would be extended for an additional year.
- The Executive proposes technical amendments to the Upstate New York Gaming and Economic Development Act with respect to payments made by a gaming facility to municipalities and video lottery terminal facilities. Under this proposal, the host county and host municipality would receive community payments from the revenue generated from such gaming facility located in the host communities. Video lottery terminal facilities located in the same region as a licensed gaming facility will only receive additional commission from the gaming facility so long as it is open and operational.

Table 60

TAX AND OTHER REVENUE ACTIONS

(\$ in Millions)

	General Fund		All Funds	
	SFY 2016-17	SFY 2017-18	SFY 2016-17	SFY 2017-18
Tax Cuts and Credits				
Corporate and Personal Income Tax Cut for Small Businesses	0	(298)	0	(298)
Enhance the Urban Youth Opportunity Program Tax Credit	0	(30)	0	(30)
Establish Thruway Toll Tax Credits	0	(113)	0	(113)
Education Tax Credits	0	0	0	0
Alcohol Beverage Tax Tasting Exemptions and Production Credit	(1)	(3)	(1)	(3)
Total	(1)	(444)	(1)	(444)
Tax Simplification Actions				
Taxation of Remarketed Rooms	0	0	0	0
Enforcement Initiatives				
Expand Jeopardy Assessments to Cigarette and Tobacco Tax	0	0	0	0
Tax Law Extenders				
Extend Empire State Commercial Production Credit for 2 Years	0	0	0	0
Authorize Additional Low Income Housing Credits	0	(8)	0	(8)
Extend the Hire-A-Vet Credit for 2 Years	0	0	0	0
Extend the Clean Heating Fuel Credit for 3 Years	0	0	0	0
Extend the Alternative Fuels Tax Exemption for 5 Years	(1)	(1)	(2)	(4)
Extend the Excelsior Jobs Program for 5 Years	0	0	0	0
Extend Credit for Companies Providing Transportation to Individuals with Disabilities	0	0	0	0
Permanently Extend the Non-Custodial Earned Income Tax Credit	0	0	0	0
Permanently Extend the Tax Shelter Reporting Requirements	18	18	18	18
Make Permanent and Update Certain Modernization Provisions of the Tax Law	0	0	0	0
Extend Tax Preparer E-File Failure Penalties	0	0	0	0
Total	17	9	16	6
STAR				
Convert STAR Benefit into a PIT Tax Credit (Credit Portion)	0	(98)	0	(98)
Convert STAR Benefit into a PIT Tax Credit (Spending Savings)	98	194	0	0
Convert NYC PIT STAR Credit into a State PIT Credit (Credit Portion)	0	(87)	0	(87)
Convert NYC PIT STAR Credit into a State PIT Credit (Spending Savings Portion)	87	284	0	0
Cap Annual Growth in Basic and Enhanced STAR at Zero Percent	56	112	0	0
Allow Late Filing of Enhanced STAR Renewal Applications and Senior Exemptions for Cases of Hardship	(1)	(1)	0	0
Make Participation in Income Verification Program Mandatory	0	5	0	0
Authorize Direct Payments of STAR Tax Savings to Property Owners in Appropriate Cases	0	0	0	0
Total	240	409	0	(185)
Other Revenue Actions				
Authorize Combative Sports	1	1	1	1
Amend State and Local Tax Law for Consistency with Federal Tax Regulations on Aviation Fuel	0	0	0	0
Conform to New Federal Tax Filing Dates	0	0	0	0
Eliminate Charitable Giving as a Factor in Determining Domicile for Estate Tax	0	0	0	0
Total	1	1	1	1
Gaming Initiatives				
Extend Certain Tax Rates and Simulcasting Provisions for One Year	0	0	0	0
Extend Video Lottery Gaming Vendor's Capital Awards Program for One Year	0	0	0	0
Extend Monticello VLT Rates for One Year	0	0	(3)	0
Amend Upstate NY Gaming and Economic Development Act for Technical Changes	0	0	0	0
Provide for an Additional Commission for Certain VLT Facilities	0	0	0	0
Increase Purse Surcharge from 1.0% to 1.6% and Regulatory Fee from 0.5% to 0.6%	0	0	2	2
Adjust Timing of Reimbursement to Gaming Commission of Per Diem Costs for Harness Racing Judge and Starter	0	0	0	0
Remove Restriction for a Single Lab Testing Provider	0	0	0	0
Total	0	0	(1)	2
Fees				
Permanently Extend Waste Tire Fee	0	0	6	24
Redirect DMV Funds to Dedicated Highway and Bridge Trust Fund	0	0	0	0
Total	0	0	6	24
Total Revenue Actions	257	(25)	21	(596)

Table 61

All Funds Receipts SFY 2015-16 (\$ in Millions)

	2014-15 Actual	2015-16 Estimate	Change	Percent Growth
Personal Income Tax	\$43,709	\$47,093	\$3,384	7.7%
Gross Receipts	52,248	56,419	\$4,171	8.0%
Withholding	34,907	36,816	\$1,909	5.5%
Estimated Payments	13,743	15,678	\$1,935	14.1%
Vouchers	10,367	11,135	\$768	7.4%
IT 370s	3,376	4,543	\$1,167	34.6%
Final Payments	2,206	2,633	\$427	19.4%
Delinquencies	1,392	1,292	(\$100)	-7.2%
Total Refunds	8,539	9,326	\$787	9.2%
Prior Year Refunds	4,961	5,140	\$179	3.6%
Current Refunds	1,950	2,250	\$300	15.4%
Credits	579	600		
Previous Refunds	458	648	\$190	41.5%
State/City Offsets	591	688	\$97	16.5%
Collections	43,709	47,093	\$3,384	7.7%
User Taxes and Fees	15,384	15,641	\$257	1.7%
Sales and Use Tax	12,991	13,318	\$327	2.5%
Motor Fuel Tax	487	491	\$4	0.8%
Cigarette Tax	1,314	1,224	(\$90)	-6.8%
Highway Use	140	155	\$15	10.4%
Alcoholic Beverage Tax	251	254	\$3	1.2%
Medical Marihuana Excise Tax		1		
Auto Rental Tax	119	126	\$7	5.9%
Taxi Surcharge	82	72	(\$10)	-12.5%
Business Taxes	8,504	8,406	(\$98)	-1.2%
Corporate Franchise	3,548	5,069	\$1,521	42.9%
Utility Tax	728	767	\$39	5.4%
Insurance Tax	1,533	1,557	\$24	1.6%
Bank Tax	1,536	(92)	(\$1,628)	-106.0%
Petroleum Business Tax	1,159	1,105	(\$54)	-4.7%
Other	3,437	3,944	507	14.8%
Estate and Gift	1,109	1,446	\$337	30.4%
Real Estate Transfer	1,038	1,147	\$109	10.5%
Pari Mutuel	18	18	(\$0)	-0.6%
Payroll Tax	1,271	1,331	\$60	4.7%
Total Taxes	\$71,034	\$75,084	\$4,050	5.7%
All Funds Misc Receipts	29,438	26,035	(\$3,403)	-11.6%
Federal Grants	48,636	52,328	\$3,692	7.6%
Total All Funds Receipts	\$149,108	\$153,447	\$4,339	2.9%



Table 62

Total Collections SFY 2016-17 (\$ in Millions)

	2015-16 Estimate	2016-17 Forecast	Change	Percent Growth
Personal Income Tax	\$47,093	\$49,960	\$2,867	6.1%
Gross Receipts	56,419	59,494	3,075	5.5%
Withholding	36,816	38,675	1,859	5.0%
Estimated Payments	15,678	16,741	1,063	6.8%
Vouchers	11,135	12,045	910	8.2%
IT 370s	4,543	4,696	153	3.4%
Final Payments	2,633	2,720	87	3.3%
Delinquencies	1,292	1,358	66	5.1%
Total Refunds	9,326	9,534	208	2.2%
Prior Year Refunds	5,140	5,622	482	9.4%
Current Refunds	2,250	1,750	(500)	-22.2%
Family/Property Credits	600	756	156	26.0%
Previous Refunds	648	718	70	10.8%
State/City Offset	688	688	-	0.0%
Collections	47,093	49,960	2,867	6.1%
User Taxes and Fees	15,641	16,194	553	3.5%
Sales and Use Tax	13,318	13,877	559	4.2%
Motor Fuel Tax	491	488	(3)	-0.6%
Cigarette Tax	1,224	1,226	2	0.2%
Highway Use	155	143	(12)	-7.7%
Alcoholic Beverage Tax	254	258	4	1.6%
Medical Marihuana Excise Tax	1	4	3	300.0%
Auto Rental Tax	126	128	2	1.6%
Taxi Surcharge	72	70	(2)	-2.8%
Business Taxes	8,406	8,018	(388)	-4.6%
Corporate Franchise	5,069	4,487	(582)	-11.5%
Utility Tax	767	762	(5)	-0.7%
Insurance Tax	1,557	1,484	(73)	-4.7%
Bank Tax	(92)	203	295	-320.7%
Petroleum Business Tax	1,105	1,082	(23)	-2.1%
Other	3,944	3,512	(432)	-11.0%
Estate and Gift	1,446	965	(481)	-33.3%
Real Estate Transfer	1,147	1,138	(9)	-0.8%
Pari Mutuel	18	18	-	0.0%
Payroll Tax	1,331	1,388	57	4.3%
Total Taxes	\$75,084	\$77,684	\$2,600	3.5%
All Funds Misc Receipts	26,035	24,159	(1,876)	-7.2%
Federal Grants	52,328	51,133	(1,195)	-2.3%
Total All Funds Receipts	\$153,447	\$152,976	(471)	-0.3%



Capital and Debt



BUDGET SNAPSHOT: CAPITAL AND DEBT



State Supported Debt is estimated to total \$53.2 billion.

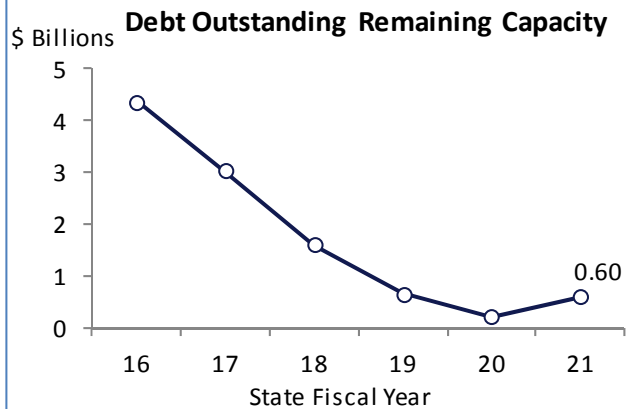
State Supported Debt Service totals \$5.4 billion.

State Debt Issuance totals \$6 billion.

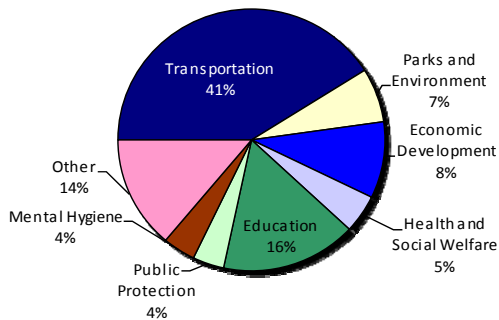
Capital Plan spending totals \$11.9 billion.

New Capital Obligations SFY 2016-17 Executive Budget (\$ in Thousands)

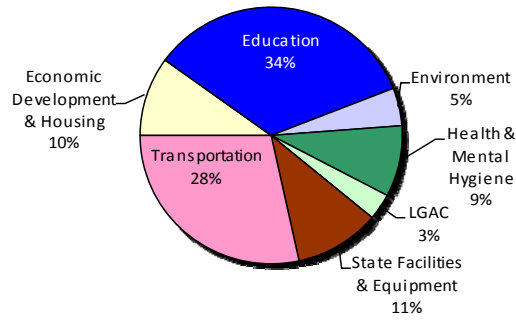
	FY 2017 Appropriations
Special Infrastructure Account	1,250,000
Transportation/Transit	5,765,325
Social Welfare	2,244,175
Health & Mental Hygiene	532,572
Parks and Environment	1,013,300
Economic Development	904,751
Higher Education	633,654
All Other Capital Appropriations	730,006
Total	13,073,783



SFY 2016-17 Capital Spending by Function



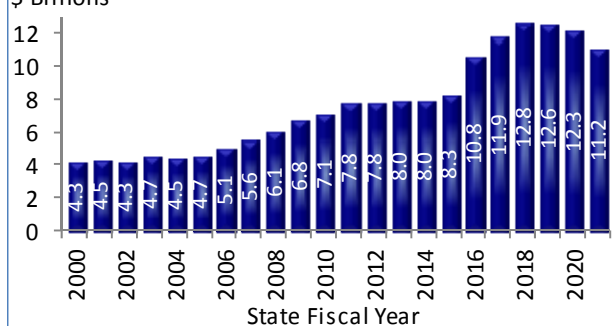
SFY 2016-17 Debt Outstanding by Function



State Supported Debt Service



Capital Projects Spending



Source: NYS Division of the Budget.

BUDGET HIGHLIGHTS: CAPITAL AND DEBT



- **Capital Program and Financing:** The proposed Capital Program and Financing Plan totals \$11.9 billion for State Fiscal Year (SFY) 2016-17, an increase of \$1.1 billion, or 10 percent from SFY 2015-16.
- **Debt Issuance:** The Executive proposes to issue \$6 billion in debt to finance new and existing capital project spending in SFY 2016-17, an increase of \$2.4 billion, or 66 percent from SFY 2015-16.
- **Debt Outstanding:** State-supported debt outstanding is projected to remain under the statutory debt cap over the Plan period, however debt issuance capacity is projected to be declining from \$4.4 billion in SFY 2015-16, to \$206 million in SFY 2019-20 under today's economic conditions.
- **Monetary Settlements:** The Executive proposal would allocate \$1.96 billion in settlement funds for capital purposes such as transportation, homeless and housing initiatives, and economic development initiatives.
- **Transportation Capital Plan:** A \$22.1 billion five-year capital plan includes \$18.3 billion of previously planned Department of Transportation funding, \$1.3 billion in Thruway Stabilization funds first authorized in SFY 2015-16, \$1.8 billion in new State and Federal resources and an additional \$700 million in Thruway Stabilization funding.
- **MTA Capital Commitment:** The Executive budget proposal includes \$8.3 billion in state resources towards the MTA's \$26.1 billion 2015-19 transit capital plan, consisting of \$1 billion in appropriations first enacted in SFY 2015-16 and \$7.3 billion of capital costs that would be authorized in the SFY 2016-17 budget.
- **Affordable and Homeless Housing:** The Executive Budget proposes \$640 million for affordable and homeless housing as well as emergency homeless response initiatives through multiple agencies.

BUDGET REVIEW AND ANALYSIS: CAPITAL AND DEBT



The Five-Year Capital Plan provides a detailed data analysis on Capital Projects as well as information on debt affordability, bond caps, public authority debt, and other financing sources.

Table 63

Capital Spending by Function Capital Program and Financing Plan SFY 2016-17 Through SFY 2020-21 (\$ in Millions)

Spending	2016-17	2017-18	2018-19	2019-20	2020-21
Transportation ¹	4,872	4,761	4,911	5,072	4,636
Education	412	679	509	437	17
Higher Education	1,536	1,530	1,496	1,490	1,465
Economic Development & Gov't Oversight	1,120	1,319	1,328	1,381	1,300
Mental Hygiene	470	483	430	431	431
Parks and Environment	792	894	911	852	765
Health	285	660	865	425	555
Social Welfare	274	441	648	666	567
Public Protection	450	399	356	346	341
General Government	295	230	145	109	79
Other	<u>1,350</u>	<u>1,360</u>	<u>1,014</u>	<u>1,053</u>	<u>1,067</u>
Total	<u>11,857</u>	<u>12,756</u>	<u>12,614</u>	<u>12,263</u>	<u>11,223</u>
Off-Budget Spending ²	(853)	(863)	(796)	(771)	(771)
Net Cash Spending	<u>11,004</u>	<u>11,893</u>	<u>11,818</u>	<u>11,492</u>	<u>10,453</u>

¹ Acceleration of Federal transportation spending causes a year-over-year decline in SFY 2017. State and Federal appropriation levels for DOT increase by over \$500 million in SFY 2017 to support a \$22.1 billion five-year transportation

² Represents spending which occurs directly from bond proceeds held by public authorities.

The Five-Year Capital Plan

The Executive is proposing a \$60.7 billion Five-Year Capital Plan that prioritizes transportation, higher education, and economic development initiatives. The Executive's state fiscal year (SFY) 2016-17 Capital Plan totals \$11.9 billion, which reflects an increase of 10 percent, or \$1.1 billion from SFY 2015-16.

New Capital Initiatives

The Executive budget proposes \$13.1 billion in capital appropriation authority all of which is projected to be committed and spent over a multi-year period for various infrastructure programs such as economic development, transportation, health care, higher education, parks and environment, social welfare, and other programs.

Table 64

New Capital Appropriations SFY 2016-17 Executive Budget (\$ in Thousands)			
<u>Special Infrastructure Account</u>	<u>1,250,000</u>	<u>Parks & Environment</u>	<u>1,013,300</u>
Thruway Stabilization Program	700,000	DEC Program	358,600
DOT Capital Contribution	200,000	Environmental Protection Fund	300,000
Upstate Revitalization Initiative	170,000	Parks & Historical Preservation	154,700
Other Economic Development	85,000	Superfund	100,000
Emergency Homeless Housing & Services	50,000	NYS Water Infrastructure	100,000
Empire State Poverty Reduction Initiative	25,000		
Municipal Consolidation Competition	20,000	<u>Economic Development</u>	<u>904,751</u>
		REDC	150,000
<u>Transportation/Transit</u>	<u>5,765,325</u>	NY SUNY & CUNY 2020 Grants	110,000
Local Highway and Bridge Program	477,797	Economic Dev. at Nano Utica	100,000
Transportation Infrastructure & Facilities	219,475	Upstate Revitalization Initiative	30,000
Airport Revitalization Competition	200,000	All Other Economic Development	514,751
State and Local Bridge Program	150,000		
Transportation & DMV Capital Program	4,718,053	<u>Higher Education</u>	<u>633,654</u>
		SUNY/CUNY Systemwide Main.	353,000
<u>Social Welfare</u>	<u>2,244,175</u>	SUNY Hospitals	175,000
Affordable & Homeless Housing Plan	1,973,475	Community College Projects	75,654
DHCR and OTDA Programs	160,700	Capital Matching Grants	30,000
Raise the Age	110,000		
		<u>All Other Capital Appropriations</u>	<u>730,006</u>
<u>Health & Mental Hygiene</u>	<u>532,572</u>		
Mental Hygiene Program	374,472	<u>Total Capital Appropriations</u>	<u>13,073,783</u>
DOH Program	128,100		
SHIN-NY	30,000		

The Executive proposes \$5.8 billion in capital obligations for Transportation purposes, in addition to \$700 million for the Thruway Stabilization Program and \$200 million for Department of Transportation (DOT) Capital from the Special Infrastructure Account.



The Executive includes increases in social welfare capital obligations, due to the proposed housing programs, and in parks and environment obligations due to the increase to the Environmental Protection Fund (EFC) and state park commitments.

Capital Spending of Settlement Funds

The State expects to receive a total of \$8.3 billion derived from settlements with financial institutions from SFY 2015-16 and SFY 2016-17. The Executive proposal allocates \$2.3 billion of remaining settlement funds with \$1.96 billion funding capital purposes and \$340 million funding the Thruway Toll Reduction Plan. Of the \$1.96 billion, \$1.84 billion would be spent from the Dedicated Infrastructure Investment Fund (DIIF) and \$120 million will be spent through the Environmental Protection Fund.

Of the \$1.84 billion transferred to the DIIF, \$1.25 billion is allocated in the Special Infrastructure Account as follows: \$700 million for the Thruway Stabilization Program; \$170 million for the Upstate Revitalization Initiative; an additional \$200 million for the DOT Capital Plan contribution; \$20 million for the Municipal Consolidation and Efficiency Competition; \$85 million for various economic development projects; \$50 million for Emergency Homeless Housing Response; \$25 million for the Empire State Poverty Reduction Initiative. A total of \$590 million is allocated for the Division of Housing and Community Renewal for affordable and homeless housing initiatives.

Table 65

Use of Settlement Proceeds (\$ in Millions)			
	SFY 2016 Enacted Budget	SFY 2017 Executive Budget	Two-Year Total
Capital Purpose	<u>4,550</u>	<u>1,960</u>	<u>6,510</u>
Thruway Stabilization Program	1,285	700	1,985
Upstate Revitalization Initiative	1,500	170	1,670
Affordable and Homeless Housing	0	590	590
Broadband Initiative	500	0	500
Health Care	355	0	355
MTA Capital Plan (Penn Station Access)	250	0	250
DOT Capital Plan Contribution	0	200	200
Municipal Restructuring Program and Consolidation	150	20	170
Security and Emergency Response	150	0	150
Long Island Transformative Projects	150	0	150
Environmental Protection Fund	0	120	120
Upstate Infrastructure and State Fair	115	0	115
Other Economic Development Projects	0	85	85
Southern Tier and Hudson Valley Farmland	50	0	50
Emergency Homeless Housing Response	0	50	50
Empire State Poverty Reduction Initiative	0	25	25
Community Health Care Revolving Loans	20	0	20
Roswell Park Cancer Institute	16	0	16
Behavior Health Care Grants	10	0	10
Non-Capital Purposes	<u>1,482</u>	<u>340</u>	<u>1,822</u>
Federal Audit Disallowance	850	0	850
Thruway Toll Credit	0	340	340
Financial Plan/Budgetary Relief ¹	627	0	627
OASAS Services	5	0	5
Total	<u>6,032</u>	<u>2,300</u>	<u>8,332</u>

¹ This spends out as \$275 million in SFY 2015, \$250 million in SFY 2016, and \$102 million in SFY 2017
Source: NYS Division of the Budget

Financing the Capital Plan for 2016-17

The Executive proposes to finance the Five-Year Capital program with a combination of State and Federal Pay-As-You-Go (PAYGO) funding total of \$5.6 billion and bonded resources totaling \$6.2 billion.

Table 66

Capital Program and Financial Plan Financing Sources SFY 2016-17 (\$ in Millions)				
Financing Source	FY 2016	FY 2017	\$ Change	Annual % Change
Authority Bonds	4,799	5,648	849	18%
Federal Pay-As-You-Go	2,146	1,627	(520)	-24%
State Pay-As-You-Go	3,350	3,982	632	19%
General Obligation Bonds	474	599	125	26%
Total	10,769	11,857	1,088	10%

State Debt Issuances Over Five Years

Table 67

State Debt Issuances Summarized By Financing Program SFY 2016-17 Through SFY 2020-21 (\$ in Thousands)					
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<u>General Obligation Bonds</u>	599,487	649,531	488,536	414,672	34,534
<u>Revenue Bonds</u>					
Personal Income Tax	4,138,598	4,431,412	4,490,217	4,314,637	4,041,637
Sales Tax	1,250,561	1,288,078	1,326,720	1,366,521	1,407,517
Subtotal Revenue Bonds	5,389,159	5,719,490	5,816,937	5,681,158	5,449,154
Total State-supported	5,988,646	6,369,021	6,305,473	6,095,830	5,483,688

A total of \$6 billion in new issuances are expected in SFY 2016-17, sold through the following bond programs:

- \$4.2 billion through the Personal Income Tax (PIT) Revenue Bond Program;
- \$1.3 billion through the Sales Tax Revenue Bond Program; and
- \$599.5 million of State General Obligation Bonds.

State Supported Debt

Table 68

New York State-Supported Debt Outstanding by Function SFY 2016-17 (\$ in Millions)		
	Amount	Share
Education	18,109	34.02%
Transportation	15,129	28.42%
State Facilities & Equipment	5,613	10.55%
Economic Development & Housing	5,326	10.01%
Health & Mental Hygiene	4,764	8.95%
Environment	2,530	4.75%
LGAC	1,758	3.30%
Total State-Supported Debt	53,230	

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

Debt Affordability

State-supported debt outstanding is projected to remain under the statutory debt cap over the Five-Year Capital Plan, declining from \$4.4 billion in SFY 2015-16 to its lowest point of \$206 million in remaining capacity in SFY 2019-20. The state cap on the amount of debt outstanding is limited to four percent of state personal income. The Executive estimates that the \$3 billion of available room under the statutory debt cap for SFY 2016-17 will be reduced to \$1.6 billion million in SFY 2017-18.

State-related debt outstanding as a percentage of personal income is expected to decrease from 4.6 percent in SFY 2016-17 to 4.2 percent in SFY 2020-21.

State-related debt service is projected at \$5.9 billion in SFY 2016-17, a decrease of \$58 million, or one percent, from SFY 2015-16.



State-Related Debt

State-related debt outstanding is projected to total \$54.7 billion in SFY 2016-17, an increase of \$2 billion or 3.7 percent from SFY 2015-16. Over the plan, State-related debt outstanding is projected to increase from \$52.8 billion in SFY 2015-16 to \$61.0 billion in SFY 2019-20, or an average increase of 3.0 percent.

Table 69

State-related Debt Outstanding (Other State Debt Obligations in Addition to State-supported) (\$ in Millions)		
	2015-16 Estimated	2016-17 Projected
Contingent Contractual		
DASNY/MCFFA Secured Hospitals Program	257	220
Tobacco Settlement Financing Corporation	1,375	1,035
Moral Obligation		
HFA Moral Obligation Bonds	2	1
State Guaranteed		
Job Development Authority (JDA)	6	3
Other State Financing		
MBBA Prior Year School Aid Claims	234	203
Subtotal	<u>1,873</u>	<u>1,463</u>
State-supported Debt	<u>50,878</u>	<u>53,230</u>
Total State-related Debt	52,751	54,693

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

Other debt obligations, in addition to state-supported debt, are estimated to total \$1.5 billion, a decrease of \$410 million or 22 percent from SFY 2015-16. Contingent contractual obligations are agreements by the State to fund the debt service payments related to a bonded debt issuance only in the case that debt service payments cannot be made. Moral obligation bonds are issued by an authority to finance revenue-producing projects that is solely secured by project revenues.

State Debt Retirements

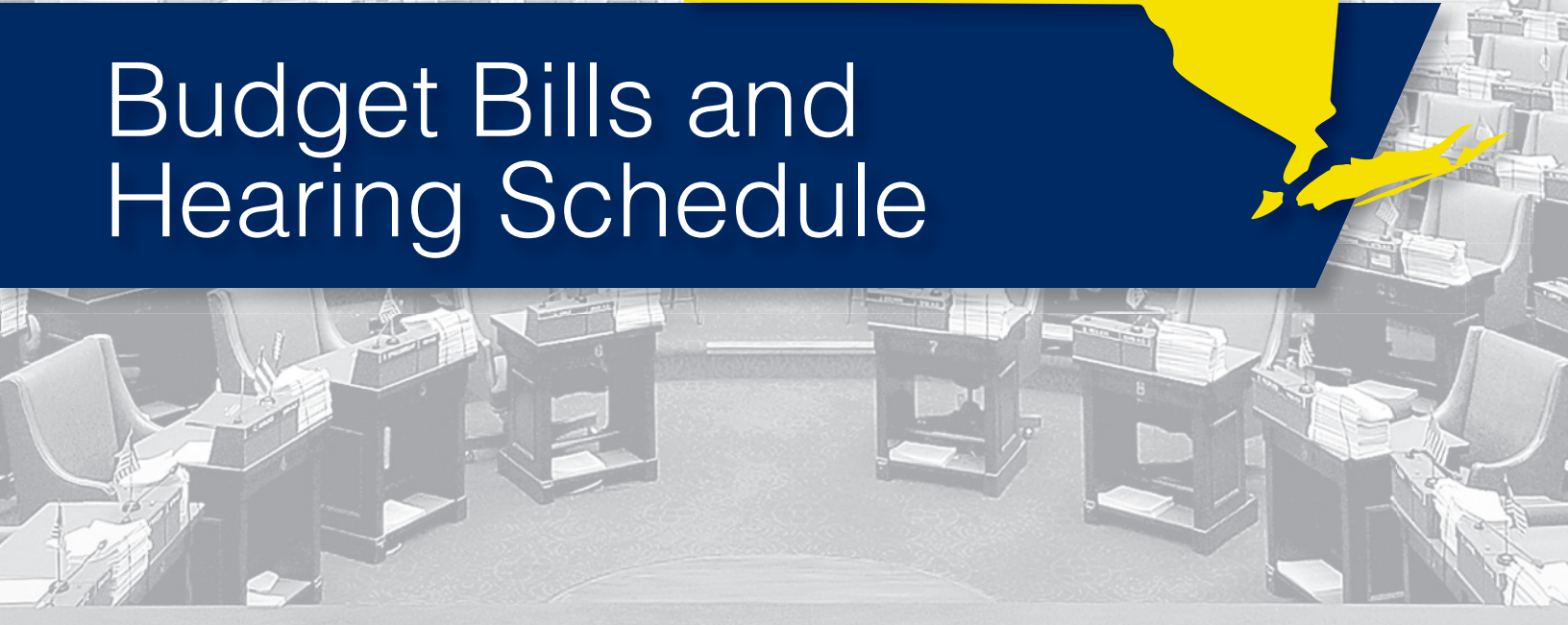
Retirements of state-related debt has significant impact on the State's ability to finance its capital programs. Retirements reflect the completion of annual principal payments owed to bondholders. In SFY 2016-17, state-related debt retirements are projected to be \$4 billion, a decrease of \$137 million from last fiscal year. Over the next five years, retirements of state-related debt are projected to increase slightly, averaging \$4.8 billion annually.

Table 70

New York State - Principal Retirement	
Period	Cumulative Percentage of Existing Debt Scheduled for Retirement as of 1/01/2016
5 Years	33%
10 Years	59%
15 Years	79%
20 Years	90%
25 Years	97%
30 Years	100%



Budget Bills and Hearing Schedule



APPROPRIATION BUDGET BILLS

A. 9000 / S. 6400	State Operations Budget Appropriation Bill
A. 9001 / S. 6401	Legislature and Judiciary Budget Appropriation Bill
A. 9002 / S. 6402	Debt Service Budget Appropriation Bill
A. 9003 / S. 6403	Aid to Localities Budget Appropriation Bill
A. 9004 / S. 6404	Capital Projects Budget Appropriation Bill
A. 9005 / S. 6405	Public Protection and General Government Article VII Bill
A. 9006 / S. 6406	Education, Labor and Family Assistance Article VII Bill
A. 9007 / S. 6407	Health and Mental Hygiene Article VII Bill
A. 9008 / S. 6408	Transportation, Economic Development and Environmental Conservation Article VII Bill
A. 9009 / S. 6409	Revenue Article VII Bill
A. 9010 / S. 6410	Pension Forfeiture Concurrent Resolution of the Senate and Assembly
A. 9011 / S. 6411	Good Government and Ethics Reform 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. 9005 - PUBLIC PROTECTION AND GENERAL GOVERNMENT

PART	DESCRIPTION	SUMMARY
A	The Criminal Justice Reform Act of 2016	This part would enact a series of criminal justice measures related to: appointment of a special counsel and special district attorney in matters involving use of deadly force by police and peace officers, grand jury proceedings involving police and peace officers; use of force policies; law enforcement reporting; change of venue appeals; and search warrants.
B	Disposition of certain monies recovered by county district attorneys	This part would extend for one year, the provisions relating to the disposition of money recovered by district attorneys before the filing of an accusatory instrument.
C	Suspend payments into the Emergency Services Revolving Loan Fund	This part would continue suspending the annual \$1.5 million transfer from the Public Safety Communications Account to the Emergency Services Revolving Loan Fund for two fiscal years.
D	Realignment of counterterrorism resources	This part would transfer the Intelligence and Analysis Unit within the Office of Counterterrorism in the Division of Homeland Security and Emergency Services to the Division of State Police to place key intelligence staff under one command structure.
E	Recruitment Incentive and Retention Program	This part would extend the Recruitment Incentive and Retention Program for members of the New York State Organized Militia for an additional five years.
F	Procurement Stewardship Act and Procurement Lobbying Act	This part would make permanent the Procurement Stewardship Act and Procurement Lobbying Act.
G	Workers Compensation	This part would modify various provisions of the Worker’s Compensation Law as it relates to; the Reopened Case Fund, the Disability Fund, and the Aggregate Trust Fund; calculation of the weekly benefit for injured workers; creation of pooled individual self-insured employer fund; the composition of the workers’ compensation board; and the process by which providers may be authorized to provide care to injured workers.

H	Paid Family Leave	This part would provide 12 weeks of paid family leave on an annual basis to bond with an infant, newly adopted child, or to care for a seriously-ill family member as well as provide protections for employees against retaliatory actions by their employer.
I	Create the New York State Design and Construction Corporation (NYSDCC)	This part would create the New York State Design and Construction Corporation (NYSDCC) as a subsidiary of the Dormitory Authority of the State of New York (DASNY) for the purposes of providing management expertise and oversight on significant public works projects undertaken by state agencies, departments, public authorities, and public benefit corporations.
J	Health Care Contribution Rates for Retirees	This part would decrease the state's contribution rate for health benefits for certain state employees who retire on or after October 1, 2016.
K	Medicare Premium Charge and IRMAA	This part would modify amount the state will pay towards the standard Medicare premium charge after October 1, 2016 and also stops all state payments for the income related monthly adjustment amount (IRMAA) after January 1, 2016.
L	Binding Arbitration and Fiscally Eligible Municipalities	This part would extend provisions relating to binding arbitration and fiscally eligible municipalities until July 1, 2019.
M	Dedicated Infrastructure Investment Fund	This part would authorize the State Comptroller to transfer funds to and from the Dedicated Infrastructure Fund (DIIF) in State fiscal years subsequent to FY 2015-2016.
N	Authorize transfers temporary loans, and amendments to miscellaneous capital/debt provisions, including bond caps	This part would provide the statutory authorization for the administration of funds and accounts included in the State Fiscal Year 2016-17 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 laws in relation to capital projects and certain certifications, (4) authorize modifications to various debt provisions, and (5) modify various bond authorizations necessary to implement the budget.

A. 9006 - EDUCATION, LABOR AND FAMILY ASSISTANCE

PART	DESCRIPTION	SUMMARY
A	School Aid	This part would amend various provisions of Education Law related to School Aid, charter school facilities aid and tuition, waivers for special education requirements, Pre-Kindergarten, school security, and aid for libraries.
B	School safety reforms	This part would amend school safety plans to require changes related to annual staff training, emergency response plans, designation of chief emergency officer, fire and evacuation drills; and authorize the commissioner to forgive a reduction in state aid for a school district in certain circumstances.
C	Funding for the City University of New York (CUNY)	This part would require the City of New York to assume a 30% share of CUNY senior college net operating and debt service expenses beginning July 1, 2016.
D	NYSUNY 2020 and NYCUNY 2020	This part would extend for an additional five years, the NYSUNY 2020 and NYCUNY 2020 Programs.
E	The Stony Brook Affiliation Escrow Fund	This part would establish the SUNY Stony Brook Affiliation Escrow Fund to support the Stony Brook at Southampton Hospital.
F	The New York State DREAM Act	This part would enact the New York State DREAM Act to allow undocumented students to be eligible for the Tuition Assistance Program (TAP) and other state financial assistance programs.
G	Various Scholarship and Loan Forgiveness Programs	This part would extend the New York State Licensed Social Worker Loan Forgiveness Program, the Regents Physician Loan Forgiveness Program, the Senator Patricia K. McGee Nursing Faculty Scholarship Program, and the New York State Nursing Faculty Loan Forgiveness Incentive Program for an additional five years. This part would also amend the Senator Patricia K. McGee Nursing Faculty Scholarship Program and the New York State Math and Science Teaching Incentive Program to add provisions relating to the repayment of financial obligations.
H	Minority Ownership for Public Accountancy Firms	This part would allow public accountancy firms to have minority ownership by individuals who are not certified public accountants.
I	Extends mayoral control over the New York City school district	This part would extend current mayoral control provisions over the New York City school district until June 30, 2019.

J	Apprenticeship Training Council	This part would reform the Apprenticeship Training Council by expanding membership.
K	Minimum Wage	This part would increase the minimum wage to \$15 in NYC by 2018 and in the rest of the state by 2021.
L	Urban Youth Jobs Program Tax Credit	This part would authorize additional funding for the Urban Youth Jobs Program tax credit and expand eligibility.
M	The federal Preventing Sex Trafficking and Strengthening Families Act	This part would enact various provisions related to the federal Preventing Sex Trafficking and Strengthening Families Act to: include foster children in the development of permanency plans and clarify the authorization of payments to successor kinship guardians; provide caregivers with immunity from liability related to certain federal requirements; and, the review and disclosure of criminal background checks.
N	Raise the Age of Criminal Responsibility	The part would raise the age of juvenile jurisdiction to 17 in 2018 and to 18 in 2019; create a “Youth Parts” in Superior Court to process Juvenile Offenders, including 16 and 17 year olds accused of certain crimes and allow for their removal to Family Court in limited circumstances; prohibit confinement of any minor in adult jail or prison; limit detention and placement of certain low-risk youth; expand diversion and adjustment opportunities in misdemeanor cases; prohibit placement of Persons in Need of Supervision; expand services available for youth; use determinate sentencing for youth convicted of certain crimes; expand opportunities for youthful offender status; provide for conditional sealing of convictions under certain circumstances; provide 100% state reimbursement for placement of youth.
O	Federal Supplemental Security Income Cost of Living Adjustment	This part would authorize the continuation of the current Federal Supplemental Security Income (SSI) Cost of Living (COLA) in 2017.
P	Transfer of Funds from the Mortgage Insurance Fund	This part would transfer \$150 million from the Mortgage Insurance Fund to the Housing Trust Fund Corporation, the Housing Finance Agency and the Homeless Housing Assistance Program to finance various housing programs.

A. 9007 - HEALTH AND MENTAL HYGIENE

PART	DESCRIPTION	SUMMARY
A	New York City's local funding contribution under the Medical Assistance Program	This part would re-institute the local contribution toward financing growth in Medicaid expenses for New York City. The contribution level would be increased by \$180 million in SFY 2017 and would grow to \$476 million in FY 2018.
B	Medicaid Redesign Team recommendations	This part would make various changes to benefits, eligibility, spousal contributions and responsibilities, prices for pharmaceuticals, requirements of Managed Care Organizations, and payments in the Medicaid program.
C	Physicians Excess Medical Malpractice Program	This part would extend and modify the Physicians Excess Medical Malpractice Program for one year.
D	Extends certain authorization of the Department of Health	This part would authorize the continued operation of Special Needs Plans; permanently extend the authority of the Department of Health (DOH) to: make Disproportionate Share/Inter-Governmental Transfers (DSH/IGT) to public hospitals outside of New York City; operate the Patient Centered Medical Home Program; appoint temporary operators of adult homes; and the reimbursement methodology for general hospitals regarding behavioral rates.
E	Early Intervention	This part would make various changes to the Early Intervention (EI) program by making changes to the screening, evaluation, review, and payment procedures.
F	The Health Care Facility Transformation Program	This part would modify the Health Care Facility Transformation Program, by making funds available statewide for outdated facilities as part of an overall transformation plan, including residential health care facilities, diagnostic and treatment centers, primary care providers, and home care providers.
G	Authorize the operation limited services clinics	This part would allow retail business operations (i.e., pharmacies) to operate Diagnostic and Treatment Centers known as "Limited Services Clinics" to provide healthcare services within their retail spaces. DOH would have oversight of such clinics.
H	The Office of Mental Health's (OMH) authority to recover income	This part would extend the Office of Mental Health's (OMH) authority to recover Medicaid exempt income from providers until June 30, 2019.

I	The Comprehensive Psychiatric Emergency Program	This part would extend the authority for the Commissioner of OMH to approve certificates for operation of a Comprehensive Psychiatric Emergency Program (CPEP) until July 1, 2020.
J	Social Work Licensure Exemption	This part would extend the social work licensure exemption for five years until July 1, 2021 for individuals working in certain programs and services that are regulated, operated, funded or approved by OMH, OPWDD, OASAS, DOH, SOFA, OCFS, DOCCS, OTDA, and/or local governmental units or social services districts.
K	Authorize OMH to work with volunteering counties to establish jail-based restoration	This part would authorize OMH to work with volunteering counties to establish jail-based restorations to competency programs for individuals awaiting trial.
L	Authorize OMH and OPWDD to appoint temporary operators	This part would authorize OMH and OPWDD to appoint temporary operators for the purpose of continued operation of programs and the provision of services for persons with serious mental illness and/or developmental disabilities.
M	Permit State operated facilities to share clinical records with managed care organizations (MCOs)	This part would allow the sharing of clinical records between State operated facilities and managed care organizations, behavioral health organizations, health homes, or other department of mental hygiene or department of health entities for the purposes of providing, arranging, or coordinating health care services for certain individuals.
N	Authorize OASAS licensed facilities to operate a physical health care clinic	This part would authorize OASAS licensed treatment facilities that provide alcohol or substance abuse services to also operate as traditional physical health care clinics, while remaining eligible for DASNY financing.

A. 9008 - TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION

PART	DESCRIPTION	SUMMARY
A	Metropolitan Transportation Authority (MTA) Capital Plan	This part would require the State of New York (NYS) and the City of New York (NYC) to fund \$10.828 billion of the MTA's 2015-2019 Capital Program (NYS funding \$8.336 billion, NYC funding \$2.492 billion).
B	Modify the procurement process for the MTA	This part would modify the procurement process for the MTA to reduce its administrative expenses.
C	Authorize the MTA to enter into public-private partnerships	This part would authorize the MTA to enter into public-private partnerships and take other actions related to delivery of capital projects.
D	Consolidation of Department of Motor Vehicles (DMV) Accounts	This part would consolidate the DMV Seized Asset Fund, Compulsory Insurance Fund, Internet Point Insurance Reduction Program (IPIRP) Fund and the Motorcycle Safety Fund into the Dedicated Highway and Bridge Trust Fund.
E	Commercial Drivers	This part would amend various sections of law relating to federal requirements for the operation of covered farm vehicles and vehicles transporting passengers in commerce.
F	Extend the authority of the New York State Urban Development Corporation (UDC) to administer the Empire State Development Fund	This part would extend the authority of the UDC to administer the Empire State Development Fund from July 1, 2016 to July 1, 2017.
G	Extend the general loan powers of the New York State Urban Development Corporation (UDC)	This part would extend the general loan powers of the UDC from July 1, 2016 to July 1, 2017.
H	Transformational Economic Development Infrastructure and Revitalization Projects Act	This part would authorize the Empire State Development Corporation, the New York Convention Center Development Corporation and their subsidiaries to utilize a design-build project delivery method for the Jacob V. Javits Convention Center, the Empire State Station Complex, the James A. Farley Building Replacement, and the Pennsylvania Station New York Redevelopment projects.

I	Authorize the State Comptroller to receive payment from New York State Energy Research and Development Authority (NYSERDA)	This part would transfer \$913,000 to the General Fund for debt service related to the West Valley Nuclear Site.
J	Authorize NYSEDA to receive revenue from the Department of Public Service (DPS)	Authorize a one year increase in assessment on gas and electric corporations. Require that funds shall pass directly from DPS to NYSEDA and shall not exceed \$19,700,000. Require NYSEDA reporting no later than August 1, 2016 and annually thereafter.
K	Extend Department of Health public service education program	This part would extend the appropriation of funds from the cable television account to the Department of Health's public service education program.
L	Eliminate the hearing requirement for proposed rate cases of municipally-owned gas and electric utilities	This part would eliminate the hearing requirement for the Public Service Commission for proposed rate cases of municipally-owned gas and electric utilities; and, extend the time the Commission has to consider a rate case submitted by a utility.
M	Fees for expedited handling of certain documents	This part would extend, for one year, the ability of the Secretary of State to charge increased fees for expediting certain documents issued by or requested from the Department of State's Division of Corporations.
N	Shift responsibility for mailing a copy of service of process from the Department of State (DOS) to plaintiffs	This part would require persons or entities suing corporations to serve legal papers on the Secretary of State and the defendant corporation at the same time.
O	Mixed Martial Arts	This part would authorize the New York State Athletic Commission (NYSAC) to regulate professional mixed martial arts (MMA).
P	Extend the authorization of the Dormitory Authority of the State of New York (DASNY) to create subsidiaries	This part would extend for an additional two years the authorization of the Dormitory Authority of the State of New York (DASNY) to create subsidiaries to take title to the property of borrowers regulated under Public Health Law Article 28, who have defaulted on loan agreements or mortgages with DASNY.
Q	Transfer of the New York State Canal Corporation	This part would authorize the transfer of the New York State Canal Corporation from the New York State Thruway Authority (NYSTA) to the New York Power Authority (NYPA).

R	Private Activity Bond Allocation Act of 2016/Public Authorities Control Board Increased Powers	This part would permanently extend the State's process for allocating tax exempt private activity bonding authority and require Public Authorities Control Board approval of certain applications prior to financing or bond issuances that utilize the local agency set-aside.
S	Agricultural and Dairy Marketing Orders	This part would transfer the administration of agricultural and dairy marketing orders from the Department of Agriculture and Markets to the Empire State Development Corporation.
T	Make permanent the waste tire management and recycling fee	This part would make the waste tire management and recycling fee permanent.
U	Modify the Environmental Protection Fund	This part would create a new climate change mitigation and adaptation account within the Environmental Protection Fund and modify the grant award criteria of the Local Waterfront Revitalization Program.
V	Navigation Law Enforcement	This part would reduce the authorized reimbursement rate paid to governmental entities voluntarily enforcing the Navigation Law from 50 percent to 25 percent.

A. 9009 - REVENUE

PART	DESCRIPTION	SUMMARY
A	Convert STAR exemption payment to credit	Converts the STAR exemption into a Personal Income (PIT) tax credit for new home owner.
B	Cap annual growth in STAR savings	Freezes the annual STAR savings at the 2015-16 savings amount by reducing the savings growth cap from two percent to zero.
C	Income Verification Procedure for STAR	Makes mandatory the Income Verification Procedure for receiving Enhanced STAR.
D	Late filing of renewal for Enhanced STAR and Senior Citizen Property Tax exemptions	Authorizes late filing for renewal of Enhanced STAR and senior citizen exemptions due to hardship or showing good cause.
E	New York City STAR personal income tax credit	Converts the New York City STAR credit into a New York State STAR credit for NYC residents.
F	STAR payment procedure due to administrative error	Authorizes the Department of Taxation and Finance (DTF) to make STAR payments directly to taxpayers when savings were denied due to an administrative error.
G	E-filing requirements for Personal Income Tax filing	Makes the e-filing requirements permanent and impose tax preparer penalties for underpayment of tax.
H	Low Income Housing Credit	Authorizes additional Low Income Housing Credits (\$8 Million annually) for the next 5 years.
I	Hire-A-Vet credit	Extends the credit for hiring a veteran for 2 years.
J	Empire State Commercial Production Credit	Extends the Empire State Commercial Production Credit for 2 years.
K	Credit for transportation to individuals with disabilities	Extends the credit for companies providing vehicles with access to individuals with disabilities for 6 years.
L	Non-custodial Earned Income Tax Credit	Makes the non-custodial Earned Income Tax Credit permanent.
M	Tax Shelter Reporting Law	Makes the Tax Shelter Reporting provisions and its penalties permanent.
N	Clean Heating Fuel Credit	Extends the Clean Heating Fuel Credit for 3 years.
O	Excelsior Jobs Program	Extends the Excelsior Jobs Program for 5 years. Any un-awarded credits remaining would be re-allocated during tax years 2025-2029.
P	Corporate Reform Changes	Makes technical changes to enacted corporate tax reform.
Q	Corporate Tax Filing Date	Conforms various corporate filing deadlines (3/15) and makes consistent with the newly enacted federal filing deadline (4/15).

R	Small Business Tax Incentives	Reduces the corporate tax rate for small businesses under corporate tax; increases the net income deduction for small business and farmers and include in the deduction entities such as a sole proprietor, S corporations, and partnerships.
S	Education Tax Credits	Provides tax credits for: (1) charitable contributions for corporate & personal income taxpayers; (2) educational expenses for teachers; and (3) parent tuition credit for primary and secondary school if income not over \$60,000.
T	Thruway Toll Tax Credit	Provides a non-refundable tax credit for a portion of Thruway tolls paid by a qualifying business taxpayer. To be eligible, taxpayers must spend at least \$50/\$100 but less than \$10,000 for annual tolls.
U	Alternative Fuels Tax Exemption	Extends the alternative fuels tax exemption for 5 years.
V	Alcohol Beverage Tasting Exemption & Beer Production Tax Credit	Exempts from the use and alcoholic beverage tax for tasting when offered for no charge by alcohol beverage producers and makes the existing beer production credit eligible for cider, liquor and wine producers.
W	Cigarette and Tobacco Tax Procedures for tax collections (jeopardy assessments)	Authorizes DTF to require tax filing before due date if risk of non-collection exists. Tax Law contains comparable provisions under Gas, PBT and sales taxes.
X	Sales tax on Room Remarketers	Allow hotel room remarketers to receive upfront sales tax exemption for rooms purchased for later re-sales instead of immediate payment.
Y	Estate tax residency	Eliminates charitable giving as a factor in determining domicile of taxpayers' estate.
Z	Federal Compliance on revenue generated from aviation fuel	Amends dedication of revenue stream generated from sales and business taxes to a segregated account in compliance of federal law. Exempts from local sales tax aviation fuel.
AA	Equine Lab Tasting	Authorizes procurement of equine lab tasting based on competitive process. Current law designates only one college.
BB	Video Lottery Terminal (VLT) Purse enhancement	Increases VLT purse from 1% to 1.6% and raises regulatory fee from 0.5% to 0.6% to pay for the cost of regulating the industry.
CC	Reimbursement to Gaming Commission for harness racing judges and starters	Amends due date of making the payment for per diem costs for judge and starter to time when such costs are determined.
DD	Video Lottery Terminal Authorization	Provides a commission for VLT facilities located in Ontario County.

EE	Monticello Video Lottery terminal Rate	Extends the Monticello VLT rates for 1 year.
FF	Miscellaneous Racing Pari-mutuel Wagering and Breeding Law	Extends various authorization provisions under the Racing, Pari-mutuel, Wagering and Breeding law for 1 year.
GG	Video Lottery Terminal vendor's Capital Award Program	Extends the VLT Capital Award Program for 1 year.
HH	Upstate New York Gaming and Economic Development Act	Makes technical changes to the VLT commission pursuant to Upstate New York Gaming and Economic Development Act.

A. 9010 – FREESTANDING ART VII – PENSION FORFEITURE

DESCRIPTION	SUMMARY
Pension Forfeiture Concurrent Resolution	This part would require any public official who is convicted of a crime related to public office to forfeit his or her pension.



A. 9011 – FREESTANDING ART VII – GOOD GOVERNMENT AND ETHICS REFORM

PART	DESCRIPTION	SUMMARY
A	Closing the LLC Loophole	This part would close the LLC loophole by including LLC’s within the \$5,000 annual aggregate contribution and expenditure limit specified for corporations; and require all LLC’s that make expenditures to file with the NYSBOE and to identify all direct and indirect owners of membership interests. This part would also require all contributions by the LLC to be attributed to each member in proportion to each member’s ownership interests.
B	Limits on outside income for members of the Legislature	This part would define “outside earned income” and prohibit members of the Legislature from earning such income in excess of 15 percent of their base statutory salary. This part would also establish penalties for willful violations of outside income limitations.
C	Campaign Finance Reform and Public Financing of Campaigns	This part would require that statements filed by political committees include information about intermediaries; limit campaign contributions to “housekeeping accounts” and lower the campaign contribution limits for candidates; limit transfers from party or constituted committees to other party or constituted committees; limit contributions from any contributor to a party or constituted committee. This part would also provide for civil and criminal penalties for violations of the proposed public financing system, and create the “New York State Campaign Finance Fund” which allows for certain transfers from the abandoned property fund into the Campaign Finance Fund, and establish a check-off for the New York State Campaign Finance Fund on tax returns.
D	Freedom of Information Law	This part would make changes to the Freedom of Information Law (FOIL) and other access to records laws to, among other things: repeal the provision of FOIL specific to state legislative records and incorporate the state legislature into the other provisions of FOIL; make proposed terms of a collective bargaining agreement available to the public pursuant to FOIL; and amend the attorneys’ fees and appeal provisions of FOIL.
E	Disclosure requirements for public officials	This part would require certain public officers to provide additional information on financial disclosure statements, impose additional associated penalties for violations, make various changes to the powers and duties of the Joint Commission on Public Ethics (JCOPE), and enhance JCOPE’s enforcement abilities.

F	Enhancing Voter Opportunities	This part would provide for automatic voter registration upon application for a driver's license, license renewal, or identification card; establish a system for early voting for general, primary, and special elections.
G	Feasibility study on assigning a single identifying code to contractors, vendors, and other payees	This part would require the State Comptroller, the Attorney General, the Chief Information Officer of Office of Technology Services, and the Commissioner of Office of General Services to conduct a study, due by January 1, 2017, concerning the feasibility of assigning a single identifying code to contractors, vendors, and other payees in order to track such entities and related expenditures.
H	Lobbying Reform	This part would define "political consulting" and extend the reporting and compliance requirements of the "Lobbying Act" to cover political consultants. This part would change the definition of "lobbying" to include persons who influence or induce another to make a purchase of an article of procurement, and would require treasurers of political committees to furnish statements including value of services related to all persons and organizations which provide consulting services.

**JOINT FISCAL COMMITTEE HEARINGS ON THE EXECUTIVE BUDGET
STATE FISCAL YEAR 2016-17**

DATE	TIME	TOPIC
January 20	9:30 AM	Transportation
January 25	9:30 AM	Health/Medicaid
January 26	10:00 AM	Local Government Officials and General Government
January 27	9:30 AM	Elementary & Secondary Education
January 28	9:30 AM	Environmental Conservation
February 1	10:00 AM	Housing
February 2	9:30 AM	Taxes
	1:00 PM	Economic Development
February 3	9:30 AM	Mental Hygiene
	1:00 PM	Workforce Development
February 4	9:30 AM	Public Protection
February 8	10:00 AM	Higher Education
February 9	9:30 AM	Human Services

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.