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ALBANY

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January 27, 2020

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) 2020-21. This document is intended to provide the Members of the Committee, Members of the Assembly, and the general public with an overview of the fiscal and policy proposals that comprise the Executive Budget, as expressed in legislation submitted by the Governor on January 21, 2020. This publication is accessible on our website: [www.assembly.state.ny.us/Reports/WAM/2020yellow/](http://www.assembly.state.ny.us/Reports/WAM/2020yellow/).

*Yellow Book* is the Assembly's preliminary analysis of the Executive Budget, as required by Section 53 of the Legislative Law. This document is 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.

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 2020-21 Budget, I would like to express my gratitude 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 thank 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,

HELENE E. WEINSTEIN



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**A REVIEW AND ANALYSIS  
OF THE  
2020-21 EXECUTIVE BUDGET  
  
YELLOW BOOK**

**January 2020**

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# A Review and Analysis of the 2020-21 Executive Budget

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# BUDGET HIGHLIGHTS: FINANCIAL PLAN



- **All Funds Spending:** The Executive Budget estimates All Funds spending for State Fiscal Year (SFY) 2020-21 at \$178.0 billion, an annual growth of 1.2 percent.
- **State Operating Funds Spending:** The Executive's estimate of 1.9 percent growth in State Operating Funds remains below its 2.0 percent spending benchmark with total disbursements reaching \$105.8 billion.
- **General Fund Spending:** The Executive estimates General Fund disbursements in SFY 2020-21 of \$81.9 billion, for an annual growth of \$2.9 billion or 3.7 percent.
- **Closing the SFY 2020-21 Budget Gap:** The Executive budget closes a projected budget gap of \$6.1 billion. The gap-closing plan includes a combination of spending actions (\$4.5 billion) and revenue actions (\$2.6 billion), which include \$2.5 billion in cost-containment measures to be determined by the Medicaid Redesign Team (MRT II) as well as recurring saving of \$851 million from the Medicaid Savings Plan. The reported gap assumes \$890 million in Medicaid savings actions are achieved.
- **Out-year Budget Gaps:** After gap-closing actions, the Executive projects gaps of \$1.9 billion in SFY 2021-22 and \$3.3 billion in SFY 2022-23 and SFY 2023-24, respectively.
- **Monetary Settlements:** The State has received a total of \$12.8 billion in settlement funds from financial institutions since SFY 2014-15 including \$896 million in SFY 2019-20. The Executive Budget proposal allocates \$890 million for economic uncertainties and \$6 million to the Department of Law.
- **General Fund Reserves:** The Executive estimates a SFY 2020-21 General Fund closing balance of \$5.9 billion, a decrease of \$623 million from last year. Excluding monetary settlements, the General Fund balance is estimated at \$3.9 billion, unchanged from SFY 2019-20.



# BUDGET REVIEW AND ANALYSIS: FINANCIAL PLAN



State Finance Law requires the Executive to provide a detailed multi-year financial plan to the Legislature upon submission of the Executive Budget. The Financial Plan must meet certain requirements, including the State law that requires 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 Funds, Debt Service Funds and Capital Funds. The Executive presents the proposed budget in two other classifications: State Operating Funds (consisting of the General Fund, Debt Service Funds and State Special Revenue Funds); and State Funds (consisting of all the components in State Operating Funds plus Capital Funds).

**Table 1**

<b>Size of Budget (\$ in Millions)</b>				
	<b>SFY 2019-20</b>	<b>SFY 2020-21</b>	<b>Difference</b>	<b>Percent</b>
General Fund	79,011	81,921	2,910	3.7
State Operating Funds	103,882	105,811	1,929	1.9
State Funds	115,509	118,510	3,001	2.6
All Funds	175,909	178,029	2,120	1.2

The Executive proposes a \$178 billion budget for SFY 2020-21, representing growth of \$2.1 billion or 1.2 percent. Total State Funds spending is projected at \$118.5 billion or 2.6 percent growth over SFY 2019-20. The Executive estimates total General Fund spending at \$81.9 billion for SFY 2020-21, a 3.7 percent increase from SFY 2019-20.

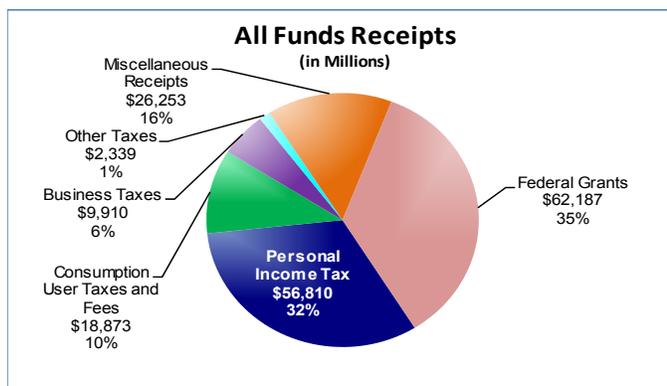
## **Two Percent Spending Benchmark**

In SFY 2011-12, the Executive established its own spending benchmark that limited annual increases in State Operating Funds to two percent. For SFY 2020-21, the Executive proposes a State Operating Funds budget of \$105.8 billion, a growth of 1.9 percent. The remaining growth under the two percent benchmark is estimated at \$148.6 million.

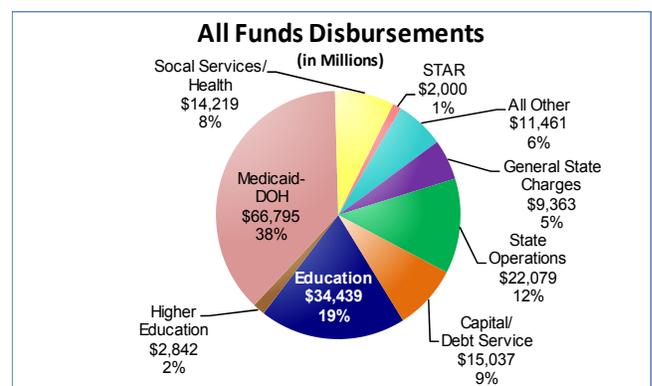
In the SFY 2019-20 Financial Plan Mid-Year Update, the SFY 2020-21 State Operating Funds growth was projected at 6.6 percent over the current fiscal year. The proposed Executive Financial Plan reduced the growth to 1.9 percent through a series of spending revisions.

Actions taken to reduce State Operating Funds growth in the Executive proposal include: appointment of a Medicaid Redesign Team (MRT II) to identify cost containment savings (\$2.5 billion); a reestimate in expense based-aids offset by additional Video Lottery Terminals (VLTs) revenues; prepayment of additional debt expenses due in SFY 2020-21; implement accounting changes to better align CUNY tuition and fees (\$94 million); and provide incentives for homeowners with incomes above \$200,000 to convert to the STAR credit program (\$74 million).

**Sources and Uses of Funds**



**Figure 1**



**Figure 2**

Federal Grants and Personal Income Tax (PIT) receipts make up the largest sources of State revenue at 35 percent and 32 percent, respectively.

Medicaid and education are the most significant categories of state spending; together they account for 57 percent of the All Funds Budget.

**Settlement Funds**

The State has received a total of \$12.8 billion in settlement funds from financial institutions since SFY 2014-15; including \$896 million in SFY 2019-20. The Executive Budget would reserve \$890 million of most recent collections for economic uncertainties and would provide \$6 million to the Department of Law.



Table 2

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

	SFY 2014-15	SFY 2015-16	SFY 2016-17	SFY 2017-18	SFY 2018-19	SFY 2019-20	Total
<b>Monetary Settlements Known/Expected</b>	<b>4,942</b>	<b>3,605</b>	<b>1,317</b>	<b>805</b>	<b>1,186</b>	<b>896</b>	<b>12,751</b>
Agricultural Bank of China	0	0	215	0	0	0	215
Bank Leumi	130	0	0	0	0	0	130
Bank of America	300	0	0	0	0	0	300
Bank of America Merrill Lynch	0	0	0	0	42	0	42
Bank of Tokyo Mitsubishi	315	0	0	0	0	0	315
Barclays	0	670	0	0	15	0	685
BNP Paribas	<u>2,243</u>	<u>1,348</u>	<u>0</u>	<u>350</u>	<u>0</u>	<u>0</u>	<u>3,941</u>
Department of Financial Services (DFS)	2,243	0	0	350	0	0	2,593
Assets Forfeiture (DANY)	0	1,348	0	0	0	0	1,348
Citigroup (State Share)	92	0	0	0	0	0	92
Commerzbank	610	82	0	0	0	0	692
Credit Agricole	0	459	0	0	0	0	459
Credit Suisse AG	715	30	0	135	0	0	880
Deutsche Bank	0	800	444	0	205	0	1,449
FedEx	0	0	0	0	26	0	26
Goldman Sachs	0	50	190	0	55	0	295
Google/YouTube	0	0	0	0	0	34	34
Habib Bank	0	0	0	225	0	0	225
Intesa Sanpaolo	0	0	235	0	0	0	235
Mashreq Bank	0	0	0	0	40	0	40
Mega Bank	0	0	180	0	0	0	180
MetLife Parties	50	0	0	0	20	0	70
Morgan Stanley	0	150	0	0	0	0	150
MUFG Bank	0	0	0	0	0	33	33
Ocwen Financial	100	0	0	0	0	0	100
RBS Financial Products Inc.	0	0	0	0	100	0	100
Societe Generale SA	0	0	0	0	498	0	498
Standard Chartered Bank	300	0	0	0	40	322	662
Unicredit	0	0	0	0	0	507	507
UBS	0	0	0	0	41	0	41
Volkswagen	0	0	32	33	0	0	65
Wells Fargo	0	0	0	0	65	0	65
Western Union	0	0	0	60	0	0	60
Other Settlements	87	16	21	2	39	0	165
<b>Enacted Use of Available Settlements</b>	<b>275</b>	<b>5,665</b>	<b>2,125</b>	<b>1,934</b>	<b>1,368</b>	<b>1,384</b>	<b>12,751</b>
<b>Capital Purposes</b>	<b>0</b>	<b>4,550</b>	<b>1,960</b>	<b>1,205</b>	<b>125</b>	<b>250</b>	<b>8,090</b>
Thruway Stabilization Program	0	1,285	700	0	0	0	1,985
Penn Station Access	0	250	0	0	0	0	250
Infrastructure Improvements	0	115	0	0	0	0	115
Broadband Initiative	0	500	0	0	0	0	500
Hospitals	0	400	0	0	0	0	400
Transit-Oriented Development	0	150	0	0	0	0	150
Resiliency, Mitigation, Security, and Emergency Response	0	150	0	0	0	0	150
Municipal Restructuring	0	150	0	0	0	0	150
Southern Tier/Hudson Valley Farm Initiative	0	50	0	0	0	0	50
Upstate Revitalization	0	1,500	170	0	0	0	1,670
Transportation Capital Plan	0	0	200	0	0	0	200
Municipal Consolidation Competition	0	0	20	0	0	0	20
Housing and Homeless Plan	0	0	640	0	0	0	640
Economic Development	0	0	85	0	0	0	85
Empire State Poverty Reduction Initiative	0	0	25	0	0	0	25
Transfer to Environmental Protection Fund	0	0	120	0	0	0	120
MTA Capital Plan	0	0	0	65	0	0	65
Non MTA Transit	0	0	0	20	0	0	20
Buffalo Billion	0	0	0	400	0	0	400
Downtown Revitalization	0	0	0	100	0	0	100
Security and Emergency Response Preparedness	0	0	0	100	0	0	100
Health Care Capital grants	0	0	0	200	125	0	325
Life Sciences	0	0	0	320	0	0	320
Clean Water infrastructure	0	0	0	0	0	250	250
<b>Other Purposes:</b>							
Audit Disallowance - Federal Settlements	0	850	0	0	0	0	850
Department of law - Litigation Services Operations	0	10	63	27	80	6	186
Settlements Budgeted in Financial Plan	275	250	102	461	719	0	1,807
OASAS Chemical Dependence Programs	0	5	0	0	0	0	5
CSX Payment	0	0	0	76	0	0	76
Mass Transit Operation Aid	0	0	0	10	0	0	10
MTA Operating Aid	0	0	0	0	194	0	194
<b>Reservation of Funds</b>							
Rainy Day Reserve	0	0	0	0	250	238	488
Reserve for Economic Uncertainties	0	0	0	0	0	890	890
Reserve for Retroactive Labor Settlement	0	0	0	155	0	0	155

Table 3

**Executive Budget Financial Plan**  
**SFY 2020-21**  
**(\$ in Millions)**

	Executive General Fund	Executive State Operating Funds	Executive All Funds
<b>OPENING BALANCE</b>	<b>6,527</b>	<b>11,360</b>	<b>12,563</b>
<b>RECEIPTS:</b>			
Personal Income Tax	26,405	56,810	56,810
User Taxes and Fees	8,496	18,228	18,873
Business Taxes	7,228	9,244	9,910
Other Taxes	1,193	2,220	2,339
Total Taxes	43,322	86,502	87,932
Licenses, Fees, etc.	677	677	677
Abandoned Property	450	450	450
ABC License Fees	67	67	67
HCRA	—	5,502	5,502
Lottery	—	3,545	3,545
Medicaid	—	936	936
Motor Vehicle Fees	331	551	551
Reimbursements	124	124	124
State University Income	—	4,960	4,960
Investment Income	79	79	79
Other Transactions	378	1,781	9,362
Total Miscellaneous Receipts	2,106	18,672	26,253
Federal Grants	0	74	62,187
Total Transfers from Other Funds	35,870	—	—
<b>TOTAL RECEIPTS</b>	<b>81,298</b>	<b>105,248</b>	<b>176,372</b>
<b>DISBURSEMENTS:</b>			
School Aid	24,400	28,033	31,199
Higher Education	2,842	2,842	2,842
All Other Education	2,296	2,309	3,240
STAR	0	2,000	2,000
Medicaid - DOH	16,948	22,769	66,795
Public Health	523	1,566	4,348
Mental Hygiene	2,130	2,136	2,412
Children and Families	1,472	1,476	2,394
Temporary & Disability Assistance	1,290	1,290	4,859
Transportation	110	4,075	5,589
Unrestricted Aid	730	730	730
All Other	2,034	1,528	5,142
Total Local Assistance Grants	54,775	70,754	131,550
Personal Service	9,559	14,608	15,269
Non-Personal Service	3,027	5,422	6,810
Total State Operations	12,586	20,030	22,079
General State Charges	7,910	9,015	9,363
Debt Service	570	6,012	6,012
Capital Projects	3,535	0	9,025
SUNY Operations	1,273	—	—
Other Purposes	1,272	—	—
Total Transfers to Other Funds	6,650	—	—
<b>TOTAL DISBURSEMENTS</b>	<b>81,921</b>	<b>105,811</b>	<b>178,029</b>
<b>Other Financing Sources (uses):</b>			
Transfers from Other Funds	—	41,848	45,766
Transfers to Other Funds	—	(42,355)	(45,931)
Bonds and Note proceeds	—	0	850
Net Financing Sources	—	(507)	685
Excess/(Deficiency) of Receipts over Disbursements	(623)	(1,070)	(972)
<b>CLOSING BALANCE</b>	<b>5,904</b>	<b>10,290</b>	<b>11,591</b>



## Closing the SFY 2020-21 Executive Budget Gap

As of the Mid-Year Report, the Executive estimated a \$6.1 billion budget gap for the upcoming fiscal year. The reported gap assumes \$890 million in Medicaid savings actions are achieved. The Executive proposal includes recommendations that are intended to close the General Fund budget gap through \$4.5 billion in spending reductions and reestimates, and \$2.6 billion in revenue revisions.

Table 4

<b>General Fund Gap-Closing Plan</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2021</b>	<b>SFY 2022</b>	<b>SFY 2023</b>	<b>SFY 2024</b>
<b>MID-YEAR BUDGET SURPLUS/GAP</b>	<b>(6,073)</b>	<b>(7,529)</b>	<b>(8,549)</b>	<b>(8,899)</b>
<b>SFY 2020 Savings Plan</b>	<b>(890)</b>	<b>(890)</b>	<b>(890)</b>	<b>(890)</b>
<b>SFY 2021 Savings Plan</b>	<b><u>6,963</u></b>	<b><u>6,480</u></b>	<b><u>6,126</u></b>	<b><u>6,523</u></b>
Tax Receipts Revisions	2,069	1,869	1,440	1,097
Medicaid MRT II Savings	2,500	2,722	3,122	3,522
Local Assistance	<b><u>1,783</u></b>	<b><u>1,778</u></b>	<b><u>1,594</u></b>	<b><u>1,644</u></b>
SFY 2020 Medicaid Savings Plan	851	793	793	793
Other Actions	932	985	801	851
Agency Operations	359	377	461	412
Other Savings/Revisions	252	(266)	(491)	(152)
<b>EXECUTIVE BUDGET SURPLUS/(GAP)</b>	<b><u>0</u></b>	<b><u>(1,939)</u></b>	<b><u>(3,313)</u></b>	<b><u>(3,266)</u></b>

Prior to the recommendations included in the Executive Budget, the forecast for SFY 2020-21 through SFY 2023-24 out-year budget gaps in the current (SFY 2019-20) Mid-Year Update were estimated at a cumulative \$31.1 billion. This assumes \$890 million in Medicaid savings actions are achieved in each year of the plan.

Since the Mid-Year Update, SFY 2020-21 has been revised to a balanced budget; with a gap of \$1.9 billion in SFY 2021-22 and \$3.3 billion in SFY 2022-23 and SFY 2023-24, respectively.

## SFY 2019-20 Savings Plan

In the SFY 2019-20 Mid-Year Update, the current fiscal year General Fund was projected to remain in balance dependent on the successful implementation of a \$1.8 billion Medicaid savings plan; the details of which are yet to have been determined. The SFY 2020-21 Executive Budget assumes a \$1.8 billion gap in the current fiscal year is eliminated through upward revision of receipts and reductions in spending. This includes \$599 million in Medicaid savings attributed to a one percent

across the board reduction in rates paid to providers and health plans, and other reductions in discretionary payments that are estimated to recur in SFY 2020-21 at a value of \$851 million.

### **SFY 2020-21 Savings Plan**

- **Tax Receipts Revisions:** The plan includes \$2.1 billion in upward revisions to tax receipts, of which \$1.5 billion is attributed to Personal Income Tax (PIT) receipts.
- **Local Assistance:** The gap-closing plan also reduces local assistance spending by \$4.3 billion. Local assistance savings include \$2.5 billion in cost-containment measures that are expected to be identified by the MRT II; projected recurring savings of \$851 million from the SFY 2020 Savings Plan; and \$932 million in other actions.
- **Agency Operations:** The Executive gap-closing plan proposes reductions from current-services projections for total savings of \$359 million. This includes holding agency operations flat with limited exceptions such as costs attributable to Raise the Age implementation. It also includes savings of \$40 million from the planned reduction of excess prison capacity.
- **Debt Management/Capital:** General Fund actions related to debt service and capital spending provide a net cost of \$299 million. This is largely attributable to the use of hard dollar resources to fund capital projects of \$400 million annually over three years to reduce the amount of debt issuances over the plan and remain under the statutory debt cap. This is partially offset by spending reductions of \$119 million in debt management savings through the continued use of competitive bond sales and refundings that meet the State's savings criteria. The Executive Budget also reflects an additional \$250 million in prepayments of SFY 2020-21 debt service expenses in the current fiscal year for a total of \$450 million in prepayments.

### **Budget Uncertainties and Managing Risk**

The State receives a substantial amount of federal aid for health care, education, transportation and other purposes as well as extraordinary funding for storm and disaster-related response and recovery. This funding is subject to federal policy changes under the current administration and Congress. The federal government may enact budgetary or other policy changes which may adversely affect the State's Financial Plan.

As such, the Executive Budget proposes to continue authorization of the director of the Division of the Budget (DOB) to prepare a spending reduction plan to submit to the Legislature when (1) federal Medicaid funding is reduced by more than \$850 million or (2) federal aid exclusive of Medicaid is reduced by more than \$850 million. Upon receipt of the plan, the Legislature has 90 days to prepare a

corrective action plan to be adopted by concurrent resolution. If the Legislature does not act, the spending plan submitted by DOB would take effect automatically.

Additionally, the Executive Budget proposes to continue authorization of the director of DOB to submit a plan to the Legislature to reduce certain Aid to Localities appropriations if the General Fund is anticipated to end SFY 2020-21 with an imbalance of \$500 million or more. Upon receipt of the plan, the Legislature would have 30 days to prepare its own corrective action plan to be adopted by concurrent resolution. If the Legislature does not act, the spending plan submitted by DOB would take effect automatically.

**General Fund Reserves**

The Executive Budget projects \$5.9 billion in reserves at the end of SFY 2020-21, representing a \$623 million decrease from SFY 2019-20. This is exclusively attributable to the transfer of settlement funds for capital purposes allocated in previous budgets. Excluding monetary settlements, the General Fund balance is estimated at \$3.9 billion, no change from SFY 2019-20.

**Table 5**

<b>Estimated General Fund Closing Balance (\$ in Millions)</b>			
	<b>SFY 2019-20</b>	<b>SFY 2020-21</b>	<b>Annual Change</b>
Tax Stabilization Reserve Fund	1,258	1,258	0
Statutory Rainy Day Reserve Fund	1,218	1,218	0
Contingency Reserve Fund	21	21	0
Reserved for Economic Uncertainties	890	890	0
Reserved for Debt Management	500	500	0
<b>General Fund Total (Excluding Monetary Settlements)</b>	<b>3,887</b>	<b>3,887</b>	<b>0</b>
Extraordinary Monetary Settlements	2,640	2,017	(623)
<b>Total General Fund Balance</b>	<b>6,527</b>	<b>5,904</b>	<b>(623)</b>



# BUDGET HIGHLIGHTS: EDUCATION



- **General Support for Public Schools (GSPS) (\$826 million):** The Executive proposes an increase in General Support for Public Schools of \$826 million or 2.98 percent, increasing aid from \$27.7 billion to \$28.5 billion for School Year (SY) 2020-21. This increase consists of \$778 million for School Aid and \$50 million for competitive grants, and is offset by a \$2.8 million decrease in spending for other grant programs.
- **School Aid (\$778 million):** The Executive proposes a school aid increase of \$778 million. This allotment is made up of: \$503.8 million for Foundation Aid including a \$50 million set-aside for Community Schools; \$74.7 million for the reimbursement of expense-based aids; and \$200 million for a Fiscal Stabilization fund.
  - The Executive proposes to consolidate ten expense-based aids into Foundation Aid. In addition, the Executive proposal would cap future growth of Transportation Aid and modify the reimbursement of Building Aid for projects approved on or after July 1, 2020.
- **Competitive Grants:** The Executive proposal includes \$50 million for the following initiatives: Prekindergarten (\$15 million); After School Programs (\$10 million); Early College High Schools (\$6 million); Master Teacher Awards (\$1.5 million); Curriculum on Diversity and Tolerance (\$1 million); a STEM Entrepreneur pilot program (\$500,000); and \$16 million intended for student and teacher achievement.
- **Nonpublic Schools:** The Executive proposes a Nonpublic School Aid increase of \$5.8 million, or three percent from SFY 2019-20, for a total funding of \$199 million. Additionally, the Executive provides \$35 million for nonpublic STEM teachers, which is a \$5 million increase from SFY 2019-20. The Executive also provides \$15 million in capital for nonpublic school health and safety.
- **Modify Fiscal Responsibility for Committee on Special Education (CSE) Placements:** The Executive proposes eliminating the existing 18.42 percent State share for CSE placements, and instead would shift these costs to school districts outside New York City.



# 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, higher and professional education, vocational rehabilitation, as well as adult career and continuing education services. SED's primary mission is to raise the knowledge, skills, and opportunities of all the people in New York State.

New York State has approximately three million students enrolled in Prekindergarten through 12th grade, including over 2.6 million children in public school districts, and approximately 383,000 children in nonpublic schools. New York State provides more than \$28 billion in General Support for Public Schools for instructional and operational purposes, allowing school districts to provide educational services to children statewide.

**Table 6**

<b>Appropriations</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
State Education Department	37,408.66	37,823.35	414.69	1.11

**Table 7**

<b>Disbursements</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
State Education Department	36,436.11	36,982.48	546.37	1.50

## State Education Department

The Executive proposes All Funds appropriations of \$37.8 billion, an increase of \$414.7 million or 1.1 percent above the State Fiscal Year (SFY) 2019-20 level. The Executive recommends support for 2,692 full-time equivalent (FTE) positions, which is unchanged from SFY 2019-20 workforce levels.

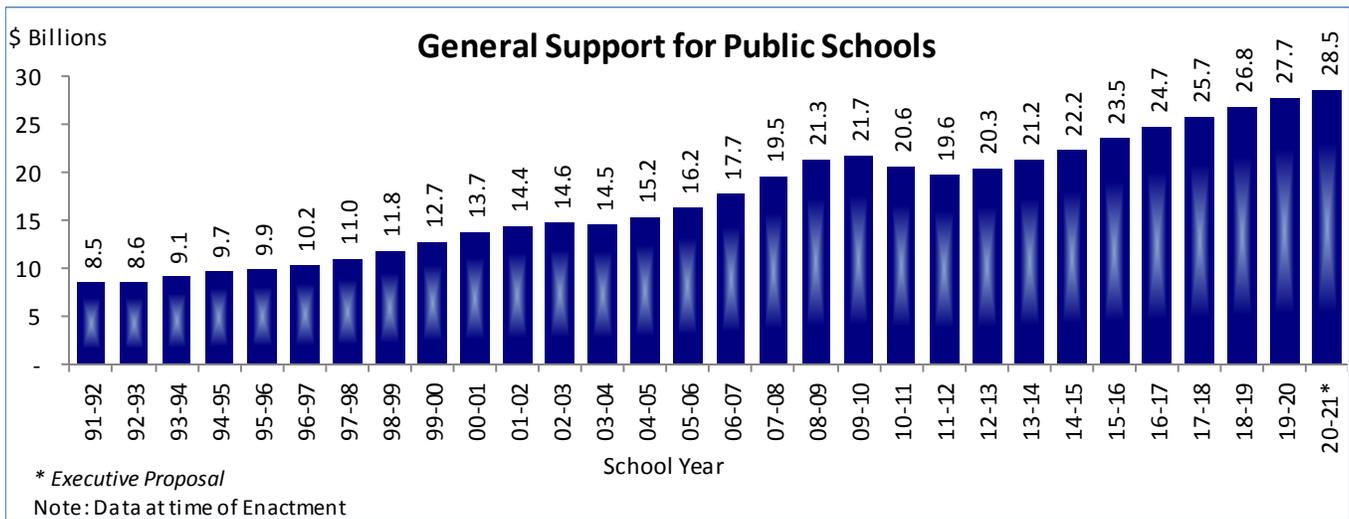


Figure 3

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

Table 8

<b>Proposed School Aid Increase (\$ in Millions)</b>	
	<b>SY 2020-21 Exec. Proposal</b>
Foundation Aid	503.8
Unallocated Fiscal Stabilization Fund	200.0
Reimbursement for Expense-Based Aids	74.7
<b>Subtotal: Formula Based Aids</b>	<b>778.5</b>
<b>Grant Programs and Additional Aid Changes</b>	<b>(2.8)</b>
<b>Major Grant Programs</b>	
Prekindergarten	15.0
Empire State After School Program	10.0
Early College High Schools	6.0
Master Teacher Program	1.5
Curriculum on Diversity and Tolerance	1.0
STEM Entrepreneur	0.5
Other Education Initiatives	16.0
<b>Subtotal: Major Grant Programs</b>	<b>50.0</b>
<b>Year to Year School Aid Increase</b>	<b>825.7</b>

Under the Executive proposal, overall GSPS would be increased by \$826 million to \$28.5 billion for the 2020-21 School Year (SY), reflecting growth of 2.98 percent. This increase consists of \$503.8 million for Foundation Aid; including \$50 million set-aside for Community Schools; \$74.7 million for the reimbursement of expense-based aids, offset by \$2.8 million in decreased spending for other grants; \$200 million for an unallocated fiscal stabilization fund that would be allocated to high need districts; and \$50 million for Performance Grants.

**Foundation Aid (\$504 million):** The Executive proposes an increase of \$503.8 million in Foundation Aid, for a total of \$20.8 billion, which includes a \$50 million increase in the set-aside for Community Schools.

**Foundation Aid Consolidation:** The Executive proposal would consolidate ten expense-based aid categories into Foundation Aid beginning in the 2020-21 School Year. This would have the impact of reducing the amount that is due to school districts by \$1.38 billion. Categorical aids that would be incorporated into Foundation Aid are as follows:

- Textbook Aid
- Computer Software Aid
- BOCES Aid
- Special Services Aid
- High Tax Aid
- Library Materials Aid
- Computer Hardware Aid
- Supplemental Public Excess Cost
- Academic Enhancement Aid
- Charter School Transitional Aid

**Community Schools (\$50 million):** Community schools provide support to both children and parents with services such as before and after school programs, summer learning programs, and health, mental health, and dental care. The Executive Budget includes \$300 million for community schools as a set-aside within Foundation Aid, which is \$50 million above last year's level. The Executive proposal also increases the number of school districts receiving community schools funding to 440 districts, an increase of 200 districts. In addition, the Executive continues \$1.2 million in funding for Community Schools Regional Technical Assistance Centers.

**Expense Based Aids:** The Executive proposal includes a \$74.7 million increase in the reimbursement for expense based aids. However, aid increases for categories such as instructional materials and BOCES Aid are not included in this amount, as under the Executive proposal, these items could become part of Foundation Aid.

The Executive proposal would also modify the calculation of Building Aid for projects approved on or after July 1, 2020, by lowering the minimum Building Aid ratio, modifying how the incidental cost allowance is calculated, replacing the ten percent Building Aid incentive with a wealth adjusted formula, and eliminating the use of a select Building Aid ratio. The minimum Building Aid ratio would be reduced from ten percent to five percent.

The Executive proposal would modify Transportation Aid by capping expenses based on inflation and enrollment growth as well as eliminating an aid ratio option that is currently used by 214 districts. The Executive Budget includes an appropriation of \$7.8 billion to cover remaining school aid obligations for SY 2019-20 and prior school years.



**Competitive Grants (\$50 million):** The Executive proposes the following grant programs:

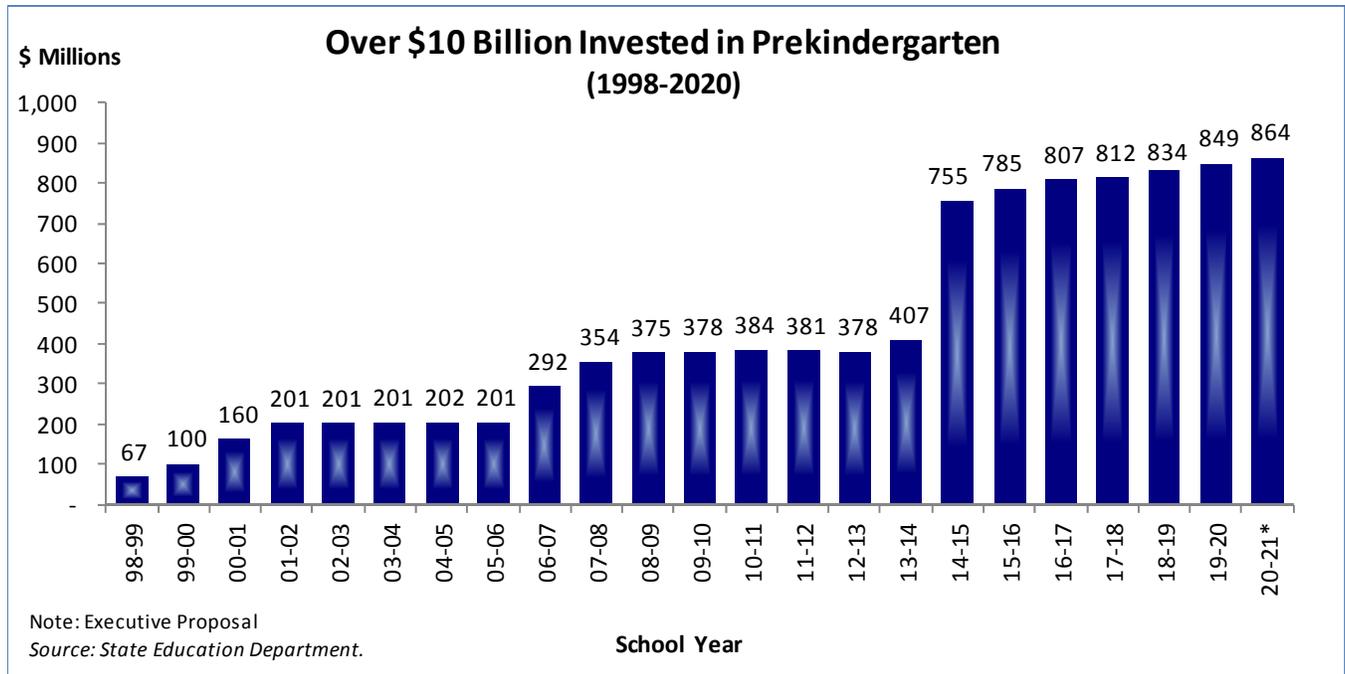
- **Prekindergarten (\$15 million):** The Executive proposes \$15 million in additional funding for Prekindergarten programs for three- and four-year-olds. Priority will be given to the remaining high-need school districts without prekindergarten programs, and will focus on including students of all learning and physical abilities in integrated settings;
- **Empire State After-School (\$10 million):** The Executive proposes an additional \$10 million for after school programs in high poverty areas. Funding will be targeted towards school districts with high rates of childhood homelessness and communities vulnerable to gang activity;
- **Early College High Schools (\$6 million):** The Executive proposes an additional \$6 million to expand Early College High School programs. This continued funding would create at least ten new early college high school programs and would target communities with low graduation and/or college access rates;
- **Master Teacher Program (\$1.5 million):** The Executive proposes an additional \$1.5 million to fund an additional cohort of master teachers, with a focus on schools with high rates of teacher turnover or inexperience. Award eligibility would be expanded to high-performing school counselors. Each master teacher would be awarded \$15,000 per year for four years;
- **Curriculum on Diversity and Tolerance (\$1 million):** The Executive proposes \$1 million for the development of a statewide curriculum on diversity and tolerance;
- **STEM Entrepreneur (\$500,000):** The Executive proposes \$500,000 to support a STEM Entrepreneur in Residence pilot program for high-need middle schools. School districts would partner with STEM companies to expose students to STEM careers and role models in their communities; and
- **Other Education Initiatives (\$16 million):** The Executive allocates \$16 million for initiatives to support students and teachers to improve educational outcomes, pursuant to a plan developed by the Director of the Budget.

Table 9

## General Support for Public Schools

AID CATEGORY	2019-20 School Year (\$ in Millions)	2020-21 School Year (\$ in Millions)	\$ Change (\$ in Millions)	% Change
<b>Formula-Based Aids</b>				
Foundation Aid	20,255.51	20,759.31	503.80	2.49
Community Schools Allocation	250.00	300.00	50.00	20.00
Excess Cost - High Cost	659.81	612.60	(47.21)	(7.16)
Excess Cost - Private	394.79	422.47	27.68	7.01
Reorganization Operating Aid	6.25	5.37	(0.88)	(14.08)
Transportation (Including Summer)	1,992.64	2,094.52	101.88	5.11
Universal Prekindergarten	846.10	848.61	2.51	0.30
Full-Day Kindergarten Conversion Aid	4.34	2.48	(1.85)	(42.77)
Building Aid/Reorganization Building	3,056.07	3,048.65	(7.42)	(0.24)
<b>Total Formula-Based Aids</b>	<b>27,215.51</b>	<b>27,794.01</b>	<b>578.50</b>	<b>2.13</b>
<b>Grant Programs</b>				
Teachers of Tomorrow	25.00	25.00	0.00	0.00
Teacher-Mentor Intern	2.00	2.00	0.00	0.00
School Health Services	13.84	13.84	0.00	0.00
Roosevelt	12.00	12.00	0.00	0.00
Urban-Suburban Transfer	8.13	8.13	0.00	0.00
Employment Preparation Education	96.00	96.00	0.00	0.00
Homeless Pupils	31.23	31.98	0.75	2.40
Incarcerated Youth	12.00	10.50	(1.50)	(12.50)
Bilingual Education	18.50	18.50	0.00	0.00
Education of OMH / OPWDD Pupils	52.75	52.75	0.00	0.00
Special Act School Districts	2.70	2.70	0.00	0.00
Chargebacks	(48.75)	(45.25)	3.50	7.18
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	10.57	5.00	(5.57)	(52.70)
Native American Education	48.83	48.83	0.00	0.00
Bus Driver Safety	0.40	0.40	0.00	0.00
<b>Total Grant Programs</b>	<b>289.18</b>	<b>286.36</b>	<b>(2.82)</b>	<b>(0.98)</b>
<b>Total Formula-Based Aids and Grant Program</b>	<b>27,504.69</b>	<b>28,080.37</b>	<b>575.68</b>	<b>2.09</b>
Competitive Grants	219.11	269.11	50.00	22.82
Fiscal Stabilization Fund	0.00	200.00	200.00	-
<b>School Year Total</b>	<b>27,723.81</b>	<b>28,549.49</b>	<b>825.68</b>	<b>2.98</b>

**Prekindergarten Programs (\$864 million):** The Executive Budget continues the statutory consolidation of various Prekindergarten programs into Universal Prekindergarten (UPK) and provides \$848.6 million for UPK. An additional \$15 million is to be awarded competitively for new Prekindergarten programs for three- and four-year-olds.



**Figure 4**

**My Brother’s Keeper:** The Executive maintains funding of \$18 million for grant initiatives under the My Brother’s Keeper program and \$800,000 for the Office of Family and Community Engagement within SED.

**Nonpublic Schools:** The Executive proposes a Nonpublic School Aid increase of \$5.8 million or 3 percent from SFY 2019-20, for a total \$199 million. Additionally, the Executive provides \$35 million for nonpublic STEM teachers, which is a \$5 million increase from SFY 2019-20. The Executive also provides \$15 million in capital for nonpublic school health and safety. The Executive proposal discontinues \$1 million in increased reimbursement for immunization document checks.

The Executive maintains funding for the Office of Religious and Independent Schools at \$800,000.

**Teacher Resource and Computer Training Centers:** The Executive proposal discontinues \$14.3 million in support for Teacher Resource and Computer Training Centers.



## Charter Schools

**Direct State Funding for New York City Charter Schools (\$24.9 million):** The Executive proposal continues to provide direct funding to charter schools in New York City.

**New York City Charter Facilities Aid:** The Executive continues \$50 million in Charter Facilities Aid reimbursement to New York City.

**Charter School Reissuance:** The Executive proposal includes language to stipulate that a charter that has been surrendered, revoked, or terminated at any time may be reissued and that such reissuance would not be counted toward the statewide charter cap or the regional charter cap.

## Adult Career and Continuing Education Services Program

The Executive proposal reduces funding for Independent Living Centers by \$500,000 for a total of \$13.36 million and maintains SFY 2019-20 Enacted Budget funding levels for case services at \$54 million. Furthermore, the Executive proposes to continue funding College Readers Aid at \$294,000 and Supported Employment at \$15.16 million.

The Executive decreases funding for Adult Literacy Education by \$1.5 million, for a total of \$6.3 million. Additionally, the Executive maintains funding for Adult Basic Education at \$1.84 million.

## SED Office of the Professions and E-Licensing

The Executive proposal includes \$25.4 million in capital funding to support the SED e-licensure program.

## Special Education

The Executive continues funding for Preschool Special Education Programs (referred to as 4410 schools) at \$1.04 billion.

The Executive Budget maintains funding for Private Schools for the Blind and Deaf (referred to as 4201 schools) at \$103.9 million. However the Executive discontinues funding for individual schools:

- \$903,000 for the Henry Viscardi School;
- \$903,000 for the New York School for the Deaf; and
- \$500,000 for the Mill Neck Manor School for the Deaf.

The Executive continues to provide \$17.2 million in funding to support direct salary and related fringe benefit costs associated with minimum wage increases.

### Cultural Education Program

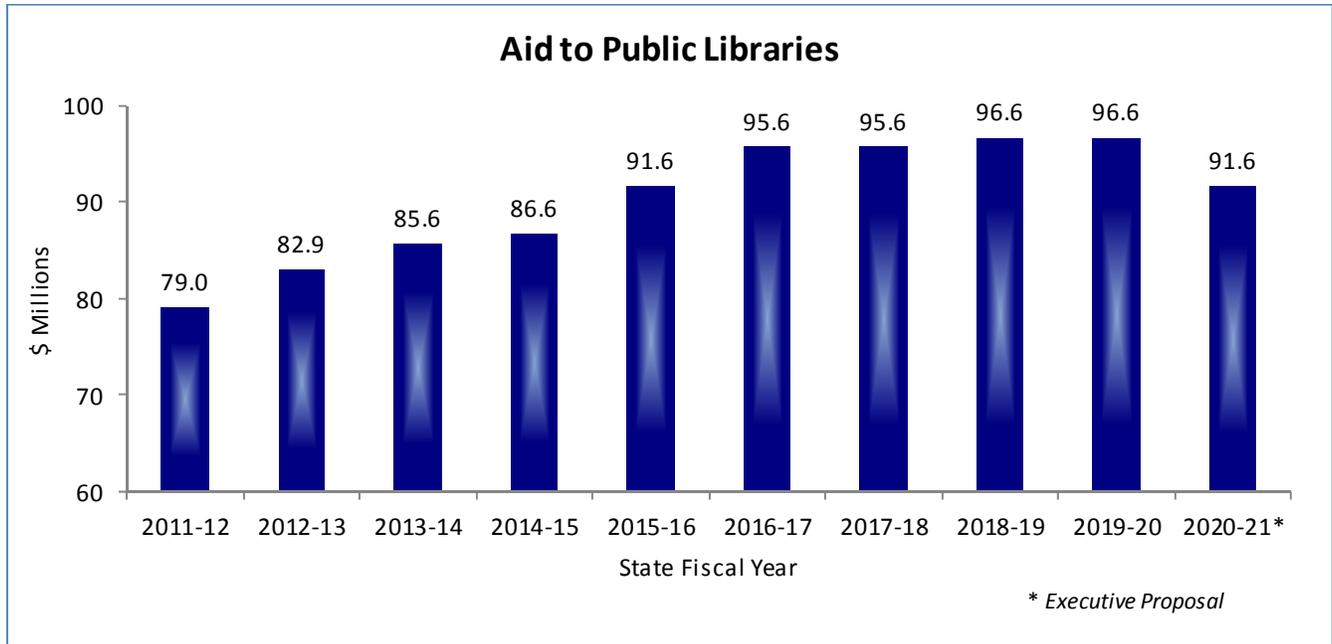


Figure 5

The Executive proposes to decrease funding for Aid to Public Libraries by \$5 million, providing a total of \$91.6 million. Additionally, the Executive proposes to decrease funding for library construction by \$20 million, for a total of \$14 million. Funding of \$250,000 for the Schomburg Center for Research in Black Culture and \$75,000 for the Langston Hughes Community Library is eliminated in the Executive Budget.

The Executive proposal decreases funding for Educational Television and Radio by \$250,000 for a total of \$14 million.

### Other Programmatic Support

The Executive maintains support for the administration of the high school equivalency diploma exam at \$5.16 million and the Smart Scholars Early College High School program at \$1.47 million.

The Executive proposal would maintain \$2.3 million to subsidize the cost of reduced-price meals, making such meals free for students.



The Executive proposal would reduce the carve-out for the Consortium for Worker Education by \$1.5 million to \$11.5 million.

The Executive Budget discontinues funding for the following programs:

- \$2 million for the Supportive Schools Grant Program;
- \$1.2 million for Rochester School Health Services;
- \$1.2 million for Buffalo School Health Services;
- \$1 million for foreign language translation of state exams;
- \$770,000 for training programs to increase the number of teachers providing bilingual or multi-lingual education;
- \$500,000 for the Teacher Diversity Pipeline Pilot in Buffalo;
- \$500,000 for the Consortium for Worker Education Enhanced Credentialing Initiative;
- \$500,000 for the Center for Autism and Related Disabilities at SUNY Albany;
- \$475,000 for the Executive Leadership Institute;
- \$461,000 for Bard High School Early College Queens;
- \$250,000 for the Long Island Prekindergarten Initiative operated by Nassau BOCES; and
- \$25,000 for the Long Island Latino Teachers Association.



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

**Table 10**

<b>Other Public Elementary and Secondary Education Programs</b>				
	<b>SFY 2019-20</b>	<b>SFY 20-21</b>	<b>\$ Change</b>	<b>% Change</b>
	<b>Enacted</b>	<b>Exec. Request</b>	<b>(\$ in Millions)</b>	
	<b>(\$ in Millions)</b>	<b>(\$ in Millions)</b>		
Buffalo School Health Services Grants	1.20	0.00	(1.20)	(100.00)
Rochester School Health Services Grants	1.20	0.00	(1.20)	(100.00)
Supplemental Basic Charter School Tuition Payments	151.00	161.00	10.00	6.62
Charter Schools Facilities Aid	31.50	50.00	18.50	58.73
Grants to Certain School Districts and Other Programs	24.90	24.90	0.00	0.00
Competitive Grants	234.11	269.11	35.00	14.95
East Ramapo Central School District	3.00	0.00	(3.00)	(100.00)
Yonkers City School District	12.00	0.00	(12.00)	(100.00)
Community Schools Regional Technical Assistance Centers	1.20	1.20	0.00	0.00
My Brother's Keeper Initiative	18.00	18.00	0.00	0.00
Targeted Prekindergarten	1.30	1.30	0.00	0.00
Teacher Resource Centers	14.26	4.28	(9.98)	(70.00)
Children of Migrant Workers	0.89	0.89	0.00	0.00
Lunch/Breakfast Programs	36.70	34.40	(2.30)	(6.27)
Locally Sourced Food Reimbursement	10.00	10.00	0.00	0.00
Nonpublic School Aid	193.13	198.92	5.79	3.00
Academic Intervention Services for nonpublic Schools	0.92	0.92	0.00	0.00
Nonpublic STEM	30.00	35.00	5.00	16.67
Nonpublic Immunization	1.00	0.00	(1.00)	(100.00)
Teen Health Education Account	0.12	0.12	0.00	0.00
Private Schools for the Blind & Deaf (General Fund)	103.90	103.90	0.00	0.00
Private Schools for the Blind & Deaf (Lottery)	0.02	0.02	0.00	0.00
Henry Viscardi School	0.90	0.00	(0.90)	(100.00)
New York School for the Deaf	0.90	0.00	(0.90)	(100.00)
Mill Neck Add	0.50	0.00	(0.50)	(100.00)
Summer School Special Education	364.50	364.50	0.00	0.00
Preschool Special Education	1035.00	1035.00	0.00	0.00
Costs Associated with Section 652 of the Labor Law	17.18	17.18	0.00	0.00
Prior Year Claims/Fiscal Stabilization Grants	45.07	45.07	0.00	0.00
Safe and Supportive Schools	2.00	0.00	(2.00)	(100.00)
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
Extended School Day/School Violence Prevention	24.34	24.34	0.00	0.00
County Vocational Education and Extension Boards	0.93	0.93	0.00	0.00
Primary Mental Health Project	0.89	0.89	0.00	0.00
Math and Science High Schools	1.38	1.38	0.00	0.00
Bard High School	0.46	0.00	(0.46)	(100.00)
Say Yes to Education Program	0.35	0.35	0.00	0.00
Center for Autism and Related Disabilities - SUNY Albany	1.24	0.74	(0.50)	(40.32)

## Other Public Elementary and Secondary Education Programs (Continued)

	SFY 2019-20	SFY 20-21	\$ Change (\$ in Millions)	% Change
	Enacted (\$ in Millions)	Exec. Request (\$ in Millions)		
Postsecondary Aid to Native Americans	1.00	0.80	(0.20)	(20.00)
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 High School Program	1.47	1.47	0.00	0.00
Student Mentoring and Tutoring Program	0.49	0.49	0.00	0.00
Small Government Assistance to School Districts	1.87	1.87	0.00	0.00
Supplemental Valuation Impact Grants	0.40	0.00	(0.40)	(100.00)
New York City Community Learning Schools Initiative	0.45	0.00	(0.45)	(100.00)
Executive Leadership Institute	0.48	0.00	(0.48)	(100.00)
Magellan Foundation, Inc.	0.48	0.00	(0.48)	(100.00)
CWE Credential Initiative	0.50	0.00	(0.50)	(100.00)
Teacher Diversity Pipeline Pilot	0.50	0.00	(0.50)	(100.00)
Bilingual Teacher Institute	0.77	0.00	(0.77)	(100.00)
Long Island Latino Teachers Association	0.03	0.00	(0.03)	(100.00)
Abbott Closedown	0.25	0.00	(0.25)	(100.00)
Just for Kids - SUNY Albany	0.24	0.24	0.00	0.00
National Association of Social Workers - NYC Chapter	0.15	0.00	(0.15)	(100.00)
Regional Technical Centers - Long Island	0.25	0.00	(0.25)	(100.00)
Deferred Action for Childhood Arrivals	1.00	1.00	0.00	0.00
Less: Consortium for Worker Education Offset	(13.00)	(11.50)	1.50	(11.54)
<b>Total</b>	<b>2,385.36</b>	<b>2,419.26</b>	<b>33.90</b>	<b>1.42</b>

### Article VII

The Executive recommends Article VII legislation that would:

- Require curriculum for students over the age of eight to include instruction on civic education and values, New York’s shared history of diversity, and the role of religious freedom in this country;
- Require the Chancellor of the New York City Department of Education to ensure that all public, nonpublic, and charter school students located in New York City visit sites which educate about the Holocaust as part of instruction in the Holocaust;
- Provide that a charter that has been surrendered, revoked, or terminated at any time may be reissued and that such reissuance would not be counted toward the statewide charter cap and regional charter cap;
- Freeze reimbursable aids to the lesser of the Executive proposal or a calculation based on updated data from school districts;
- Require the Commissioner of Education and the Mayor of Rochester to jointly appoint a monitor to provide oversight, guidance, and technical assistance related to the academic and

fiscal policies, practices, programs, and decisions of the Rochester City School District board of education and superintendent for one year;

- Authorize the Board of Education of the Syracuse City School District to establish the Syracuse Comprehensive Education and Workforce Training Center for students in grades nine through 12. This school would focus on science, technology, engineering, arts and math (STEAM) education and would be required to partner with SUNY Empire State College and other institutions of higher education to offer an early college high school, apprenticeship training and workforce preparation programs;
- Continue the Contract for Excellence Program by requiring all school districts that submitted a contract for the 2019-20 school year to submit a contract for the 2020-21 school year unless all schools within the district are identified as being in “good standing” academically;
- Authorize a school district, private school, or board of cooperative educational services (BOCES) to apply to SED for a waiver from certain special education requirements provided that federal compliance is maintained and the waiver will enhance student achievement and opportunities through an innovative program;
- Adjust the payment schedule for commercial gaming revenue;
- Eliminates the existing 18.42 percent State share for the room and board for children with severe disabilities placed by the Council of Special Education, shifting these costs to school districts; and
- Extend various provisions of law.

# 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 \$23.09 billion in State Fiscal Year (SFY) 2020-21.
- **Medicaid Redesign Team (MRT) II:** The Executive proposes to reconstitute the MRT to enact a plan to deliver \$2.5 billion in recurring Medicaid savings.
- **State Takeover of Local Medicaid Costs:** The Executive proposal would limit the State takeover of local Medicaid spending growth to three percent for those local governments that adhere to the two percent property tax cap. All growth above three percent would be paid by the local governments.
- **Women's Agenda:** The Executive proposes several initiatives related to women's health, including \$14.2 million to support reproductive health services, the expansion of the Sexual Assault Forensic Examiner (SAFE) program and the legalization of gestational surrogacy.
- **Discontinuation of Public Health Programs:** The Executive proposal would discontinue various state and local programs, for a total savings of \$20.5 million.
- **Drug Accountability Board:** The Executive proposes to establish a drug accountability board and to provide the Department of Financial Services with additional authority over increases of prescription drug prices.
- **Tobacco Control:** The Executive proposes to address youth nicotine vaping and smoking by banning the sale of flavored nicotine products and increasing penalties for illegal cigarette sales.
- **Physician Accountability:** The Executive proposes to expand the role of the Office of Professional Medical Conduct to respond to consumer concerns and to provide consumers with additional information about physicians licensed in New York State.



# BUDGET REVIEW AND ANALYSIS: HEALTH



The State of New York spends approximately \$78 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, pursues efforts to reduce infectious diseases, directs a variety of emergency preparedness initiatives, and oversees all health care facilities in the State.

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

The State Office for the Aging (SOFA) provides programs and services for New Yorkers 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			
	2019-20 Adjusted (\$ in Millions)	2020-21 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Health*	160,247.83	88,507.73	(71,740.10)	(44.77)
State Office for the Aging	273.19	271.64	(1.55)	(0.57)
Office of Medicaid Inspector General	50.02	50.02	0.00	0.00

Note: \*The amounts above include a 2-year Medical Assistance (Medicaid) appropriation for SFY 2019-20.

**Table 12**

<b>Disbursements</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Department of Health	72,774.12	72,795.65	21.53	0.03
State Office for the Aging	253.70	252.42	(1.28)	(0.50)
Office of Medicaid Inspector General	46.07	48.11	2.04	4.43

**Department of Health**

The Executive proposes an All Funds appropriation of \$88.51 billion, a decrease of \$71.74 billion or 44.77 percent from the SFY 2019-20 level. The Executive recommends funding support for 5,637 full time equivalent (FTE) positions, an increase of 22 positions, predominantly associated with the State’s continued assumption of local Medicaid administration and for purposes of testing and regulating hemp and cannabidiol products.

Additionally, the Executive Budget proposes to shift Medicaid appropriations from two-year totals to one-year totals. The large decreases in All Funds appropriation from SFY 2019-20 levels are attributable to this proposed change.

**Table 13**

<b>All State Agency Medicaid Expenditure Projections</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2019-20</b>	<b>SFY 2020-21</b>	<b>Year-to-Year Change</b>	
			<b>Amount</b>	<b>Percent</b>
State Share	26,236	25,978	(258)	(0.98)
Federal Share	45,117	44,437	(680)	(1.51)
Local Share	7,328	7,036	(292)	(3.98)
MSA Payment	315	371	56	17.78
Local Cap Contribution	0	150	150	100.00
<b>All Funds</b>	<b>78,996</b>	<b>77,972</b>	<b>(1,024)</b>	<b>(1.30)</b>

**Medicaid and Health Care Reform Act**

**Medicaid Program:** The Executive Budget includes total Medicaid spending of \$77.97 billion, a decrease of \$1.02 billion or 1.3 percent from SFY 2019-20. The Executive proposes a State share decrease of \$258 million or one percent, for a total of \$25.98 billion.



**Health Care Reform Act (HCRA) Financing:** In SFY 2020-21, HCRA receipts and disbursements are projected to total \$6.18 billion, a decrease of \$56 million from SFY 2019-20.

**Medicaid Global Cap:** The Executive proposes the continuation of a Medicaid spending cap which limits growth in the DOH State Funds Medicaid spending to a 10-year rolling average of the medical component of the Consumer Price Index, currently estimated at 3 percent. The Executive proposes to extend the global cap for one additional year, and to cap SFY 2020-21 DOH Medicaid expenditures at \$23.09 billion.

**State Assumption of Local Medicaid Expenditure Growth:** Effective January 1, 2015, the State fully assumed the growth in local Medicaid expenditures which, when combined with existing limits on local Medicaid spending, would provide counties with \$4.47 billion in savings in SFY 2020-21. To support the State cost of this takeover, the Executive utilizes \$371 million from the Master Settlement Agreement payments from tobacco manufacturers to offset Medicaid expenditures.

The Executive Budget includes a proposal that would limit the State takeover of local Medicaid spending growth to 3.0 percent only for those local governments that adhere to the present law property tax cap. The requirement to adhere to the property tax cap growth limits would also apply to New York City, which is currently not subject to the present law property tax cap. If a local government does not comply with the property tax cap, then they would be required to pay for all local Medicaid spending growth above the prior year’s level. Under this proposal, all growth above 3.0 percent would be paid by local governments. The proposal would establish criteria by which DOB may determine changes in State or Federal aid payments due to financial hardship. The Executive proposal assumes a \$150 million in State savings related to this initiative.

**Table 14**

<b>Medicaid Takeover - Local Savings</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2018-19</b>	<b>SFY 2019-20</b>	<b>SFY 2020-21</b>	<b>SFY 2021-22</b>
Medicaid 3% Cap	2,855	3,015	3,184	3,353
Local Growth Takeover	917	1,100	1,283	1,465
<b>Total</b>	<b>3,772</b>	<b>4,115</b>	<b>4,467</b>	<b>4,818</b>

**Table 15**

Local Government Savings State Takeover of Local Medicaid Costs (in Dollars)			
County	SFY 2019-20	SFY 2020-21	Change
Albany	42,689,168	45,924,447	3,235,279
Allegany	6,772,552	7,282,837	510,285
Broome	45,031,526	47,571,195	2,539,669
Cattaraugus	15,132,371	16,107,474	975,103
Cayuga	15,561,190	16,470,059	908,869
Chautauqua	30,536,154	32,422,534	1,886,380
Chemung	16,488,992	17,606,113	1,117,121
Chenango	8,645,524	9,211,451	565,927
Clinton	13,123,058	14,054,886	931,828
Columbia	12,839,564	13,567,329	727,765
Cortland	8,805,834	9,380,674	574,840
Delaware	8,898,054	9,433,363	535,309
Dutchess	56,414,674	59,419,628	3,004,954
Erie	177,505,131	189,303,042	11,797,911
Essex	5,624,785	6,001,647	376,862
Franklin	8,587,732	9,155,077	567,345
Fulton	10,673,940	11,419,990	746,050
Genesee	9,025,263	9,592,429	567,166
Greene	9,557,304	10,145,907	588,603
Hamilton	687,021	727,545	40,524
Herkimer	12,250,594	13,037,477	786,883
Jefferson	18,285,842	19,451,308	1,165,466
Lewis	4,243,589	4,527,009	283,420
Livingston	9,545,038	10,117,564	572,526
Madison	10,611,590	11,274,217	662,627
Monroe	162,292,163	172,706,043	10,413,880
Montgomery	13,283,037	14,050,740	767,703
Nassau	236,493,602	250,812,829	14,319,227
Niagara	39,497,776	42,088,881	2,591,105
Oneida	50,086,271	53,309,028	3,222,757
Onondaga	100,968,739	107,166,225	6,197,486
Ontario	16,280,759	17,271,271	990,512
Orange	90,379,187	95,303,291	4,924,104
Orleans	8,078,898	8,577,544	498,646
Oswego	25,520,345	27,054,376	1,534,031
Otsego	8,536,571	9,117,002	580,431
Putnam	11,406,609	12,045,986	639,377
Rensselaer	24,542,662	26,323,971	1,781,309
Rockland	83,821,671	88,391,821	4,570,150
St. Lawrence	18,202,037	19,484,562	1,282,525
Saratoga	26,933,877	28,503,780	1,569,903
Schenectady	37,450,843	39,623,716	2,172,873
Schoharie	5,166,051	5,498,147	332,096
Schuyler	3,033,781	3,240,753	206,972
Seneca	5,619,596	5,972,765	353,169
Steuben	17,261,543	18,381,710	1,120,167
Suffolk	284,306,151	300,519,369	16,213,218
Sullivan	22,057,621	23,346,278	1,288,657
Tioga	6,304,446	6,744,480	440,034
Tompkins	11,104,669	11,806,747	702,078
Ulster	41,646,568	44,016,950	2,370,382
Warren	9,939,189	10,615,110	675,921
Washington	11,939,872	12,646,329	706,457
Wayne	18,840,889	19,842,160	1,001,271
Westchester	175,865,126	187,832,130	11,967,004
Wyoming	5,528,109	5,861,491	333,382
Yates	3,731,585	3,975,272	243,687
<b>Rest of State</b>	<b>2,133,656,735</b>	<b>2,265,335,960</b>	<b>131,679,225</b>
<b>New York City</b>	<b>1,981,151,384</b>	<b>2,201,926,595</b>	<b>220,775,211</b>
<b>Statewide</b>	<b>4,114,808,119</b>	<b>4,467,262,556</b>	<b>352,454,437</b>

Source: NYS Division of the Budget



**Federal Medicaid Waiver and Essential Plan:** The Executive Budget includes \$2 billion in appropriation authority to allow the State federal funding through the Delivery System Reform Incentive Payment (DSRIP) Program. Implementation of the DSRIP Program began on April 1, 2015 and these funds 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. DOH has applied to the federal government for a second iteration of the DSRIP Program to reinvest \$8 billion in federal savings. Of the \$8 billion requested, \$5 billion will be invested in “Value Driving Entities;” \$1 billion for workforce development; \$1.5 billion for Developing Social Determinants of Health Networks; and \$500 million in the Interim Access Assurance Fund, which supports distressed hospitals.

**Medicaid Redesign Team (MRT):** The Executive Budget proposal continues the savings actions enacted as part of the previous eight years, including: cost containment initiatives recommended by the MRT in Phase I; additional recommendations that developed through the MRT Workgroup process (MRT Phases II through VIII); and the elimination of scheduled Medicaid inflationary rate increases.

In addition to these initiatives, the Executive proposes to reconstitute the MRT to enact a plan to deliver \$2.5 billion in recurring Medicaid savings. The Executive has stated that this plan should not rely on local governments as a funding source and will not impact beneficiaries. The Executive Budget includes language requiring the Legislature to achieve \$2.5 billion in aggregate savings. Without such savings, a uniform across-the-board reduction of \$2.5 billion would be applied.

Additionally, the Executive proposes a Medicaid savings plan that would result in a savings of \$599 million in SFY 2019-20 and \$851 million in SFY 2020-21. This would include a one percent across-the-board reduction, which was advanced to CMS immediately prior to the start of 2020. This reduction would achieve \$62 million in State share savings in SFY 2019-20 and \$248 million in SFY 2020-21. Proposed savings actions for SFY 2019-20 can be found in the following chart.

**Table 16**

<b>SFY 2019-20 Proposed Medicaid Savings Actions (\$ in Millions)</b>	
<b>Savings Action</b>	<b>SFY 2019-20 Savings</b>
Enhanced Safety Net Hospital Payments Discontinuation	\$126
eFMAP Reconciliation with Counties Delay	\$112
DSRIP Equity Pool Discontinuation	\$95
Managed Long Term Care Quality Pool Payments Elimination	\$69
1% Across-the-Board Rate Reduction	\$62
Managed Care Quality Pool Payments Elimination	\$59
Value Based Payment Stimulus Fund Discontinuation	\$43
Managed Care Rate Range Reduction	\$24
Managed Long Term Care Rate Range Reduction	\$5
Supportive Housing Payment Reduction	\$3
<b>Total</b>	<b>\$599</b>

Source: NYS Division of Budget

**Public Health**

**Reproductive Health Rights:** The Executive proposes a \$14.2 million increase to support the loss of Federal Title X funding that will ensure access to a full array of reproductive health services.

**Early Intervention (EI):** The Executive proposes reforms to the EI program to ensure reimbursement for services by health insurance policies, including streamlined billing codes and provider approval criteria to maintain network adequacy. The Executive estimates savings of \$1.5 million in SFY 2021-22.

**Child Health Plus Health Services Initiative:** The Executive proposes a reduction of \$73.4 million in State spending by supplanting State spending on public health programs that improve the health of children with federal funds by drawing enhanced Federal Matching Assistance Percentage (eFMAP) under Child Health Plus.

**Roswell Park Cancer Institute:** The Executive proposes a \$13.3 million reduction in the state subsidy for the support for Roswell Park Cancer Institute.

**Public Health Program Discontinuation:** The Executive proposes a \$20.5 million reduction for various public health programs.



Table 17

<b>SFY 2020-21 Executive Budget DOH Public Health Program Discontinuation (\$ in Millions)</b>	
<b>Program</b>	<b>SFY 2020-21 State Savings</b>
Health Workforce Retraining Program	(\$9.16)
Empire Clinical Research Program (ECRIP)	(\$3.45)
Graduate Medical Education - Ambulatory Care Training	(\$1.80)
Area Health Education Centers (AHEC) Program	(\$1.66)
Graduate Medical Education - Diversity in Medicine Program	(\$1.24)
Adult Cystic Fibrosis Assistance Program	(\$0.38)
Alephi University Breast Cancer Support	(\$0.28)
Workforce Studies	(\$0.15)
Falls Prevention Program	(\$0.11)
Gateway Institute (CUNY)	(\$0.08)
Long Term Care Community Coalition	(\$0.03)
Upstate Medical (SUNY)	(\$0.02)
Health Occupation Development & Workplace Demonstration	(\$1.28)
Section 405.4 Hospital Audits	(\$0.85)
<b>Total Savings</b>	<b>(\$20.49)</b>

**Enhancing the Quality of Adult Living (EQUAL) Program:** The Executive Budget proposes to limit 50 percent of the funding for the EQUAL program, or \$3.27 million, to support independent skill training and mental hygiene training in adult care facilities with high populations of individuals with serious mental illness. The remaining \$3.27 million would be shifted to the Capital projects fund to provide General Fund spending relief while continuing to support quality of life improvements in adult care facilities with high populations of individuals receiving Supplemental Security Income (SSI) payments.

**Certificate of Need Surcharge:** The Executive proposes a \$70 million increase in revenue by creating a three percent surcharge on construction projects for hospitals, including nursing homes, based on the total capital costs of the project and authorizes the Commissioner of Health, with the approval of the director of Budget, to exempt certain projects.

**Environmental Fee Schedules:** The Executive proposes a \$4.9 million increase in revenue by increasing fees for: filing realty subdivisions; permitting children's overnight, summer day or traveling summer day camps; licensing of tanning facilities; inspection of ultraviolet devices in tanning facilities; and asbestos safety program completion certificates.

**Maternal Mortality:** The Executive proposes to continue the \$8 million investment in the improvement of maternal mortality in New York and to develop implicit bias training and incentivize an expansion of community health workers across the State.

**Rural Health Consolidation:** The Executive proposes a reduction of \$3.3 million by consolidating the Rural Health Care Access Development and the Rural Health Care Network Development into one program and reducing expenditures by 25 percent.

**Medical Indemnity Fund (MIF):** The Executive proposes a reduction of \$52 million by suspending HCRA contributions to the MIF.

**New York State of Health (NYSOH):** The Executive proposes to continue funding \$519 million in support of the NYSOH.

### Capital Projects

**Capital Financing for Essential Health Care Providers:** The Executive proposes to continue \$3.8 billion in capital investments for health care providers to transition into fiscally sustainable systems and to support capital projects, debt retirement, working capital and other non-capital projects.

### Article VII

The Executive Budget proposes to:

- eliminate the requirement for annual hospital resident working hour audits;
- restrict the use of Enhanced Quality of Adult Living grant funding to only support independent skills training, mental hygiene staff training and capital improvement projects;
- eliminate the Health Occupation Development and Workplace Demonstration Program; eliminate the Adult Cystic Fibrosis Assistance Program. Transfer the administration of the Autism Awareness and Research Fund from DOH to OPWDD. Transfer the jurisdiction of the Eating Disorder and Comprehensive Care Centers for Eating Disorders from to DOH to OMH;
- extend various provisions of Public Health Law including: electronic prescribing requirements; limitations on generic drug price increases; and certain activities of the Office of Professional Misconduct;

- require additional information to be reported by physicians for the NYS Physician Profile and combine the reporting process with the licensure/registration process;
- increase oversight of physicians, physician assistants and special assistants licensed in the State; eliminate the indefinite licensure of physicians; and require criminal history background checks and fingerprints prior to licensure. Expand the definition of professional misconduct and authorize the immediate publication of charges against physicians. Increase DOH discretion as it relates to disclosure of Office of Professional Misconduct investigations;
- add a number of opioid compounds to the schedule of controlled substances and authorize the Commissioner of Health to automatically schedule additional controlled substances that are also scheduled by the federal government;
- require every general hospital and nursing home to establish an antimicrobial stewardship program that meets or exceeds adopted federal standards and require these entities to appropriately train their staff licensed or certified under Title 8 of the Education Law;
- require all hospitals with an emergency department to maintain evidence of a sexual offense; coordinate services with a rape crisis or victim assistance organization; provide HIV post-exposure treatment; ensure that victims are not billed for sexual assault forensic exams; and provide sexual assault forensic examiner services; and
- enact multiple tobacco and vape control policies including: prohibiting flavoring for nicotine vapor products; prohibiting sale of tobacco and vapor products in pharmacies; expanding areas protected under the clean indoor air act; prohibiting direct to consumer shipping of vapor products; prohibiting coupons or price discounts for tobacco or vapor products; authorizing DOH to ban or restrict carrier oils; prohibiting the display of tobacco and vapor products in stores; prohibiting advertisement of vapor products that may be targeted to youth; requiring vapor product manufacturers to report ingredients to the commissioner of Health for publication; and increasing penalties for the unlawful sale of tobacco and vapor products.

### **State Office for the Aging**

The Executive proposes an All Funds appropriation of \$271.64 million, which is a decrease of \$1.56 million or 0.57 percent from the SFY 2019-20 level. The Executive recommends funding support of 95 FTE positions, unchanged from the SFY 2019-20 level.

**Cost of Living Adjustment (COLA):** The Executive’s proposal would eliminate the statutory SFY 2020-21 cost of living adjustment increase to generate a savings of \$3.6 million.

**Address Service Capacity Needs:** The Executive proposal continues a \$15 million investment to fund community-based (non-medical) supports for aging New Yorkers.

**Office of the Medicaid Inspector General (OMIG)**

The Executive proposes an All Funds appropriation of \$50.02 million, unchanged from the SFY 2019-20 level. The Executive recommends funding support of 495 FTE positions, an increase of 69 FTE positions from the SFY 2019-20 level.

**Medicaid Program Integrity Initiatives:** The Executive proposes to increase the funding and workforce target to allow OMIG to better identify efficiencies and cost avoidance in the State’s Medicaid program through applying data analytics and improved system information. Funding for these initiatives will be financed through increased audit recoveries and cost avoidance.

# BUDGET HIGHLIGHTS: HIGHER EDUCATION



- **Excelsior Scholarship:** The Executive proposal would increase the income eligibility threshold for the Excelsior Scholarship program and the Enhanced Tuition Assistance Program from \$125,000 to \$150,000. Under this proposal, the income threshold would increase to \$135,000 in Academic Year (AY) 2020-21 and to \$150,000 in AY 2021-22.
- **SUNY/CUNY Tuition:** The Executive proposal would authorize a tuition rate increase of no more than \$200 per year through AY 2024-25.
- **SUNY and CUNY Capital Funding:** The Executive proposal includes \$1.9 billion in capital funding to support capital projects on the SUNY and CUNY campuses.
  - **Expansion Capital Matching Program:** The Executive proposal includes a total \$400 million for a 2:1 strategic needs capital matching program at SUNY and CUNY that would require that campuses contribute \$1 for every \$2 invested by the State.
- **Opportunity Programs:** The Executive proposal maintains prior year funding for various opportunity programs.



# 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 424,000 students, and the City University of New York (CUNY), which is composed of 25 campuses educating 275,000 students. Both systems include community colleges, four-year institutions, and graduate and professional schools, providing a wide range of academic opportunities. 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 some 263,000 students attending undergraduate institutions in the State.

**Table 18**

<b>Appropriations</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
State University of New York	11,158.77	11,883.74	724.97	6.50
City University of New York	4,770.11	5,287.01	516.90	10.84
Higher Education Services Corporation	1,220.10	1,155.47	(64.63)	(5.30)

**Table 19**

<b>Disbursements</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
State University of New York	8,540.81	8,887.91	347.10	4.06
City University of New York	1,677.72	1,607.20	(70.52)	(4.20)
Higher Education Services Corporation	960.84	877.39	(83.45)	(8.69)

## **State University of New York (SUNY)**

The Executive proposes All Funds appropriations of \$11.9 billion, an increase of \$724.97 million or 6.5 percent from SFY 2019-20. The Executive recommends funding support of 46,836 full-time equivalent positions, which is unchanged from SFY 2019-20.

**SUNY State Operated Colleges:** The Executive proposal would provide \$1 billion in funding for SUNY State Operated Colleges, a decrease of \$2.9 million in General Fund support from SFY 2019-20.

State-funded fringe benefits would increase by \$96.28 million to a total \$1.86 billion. Additionally, the Executive proposal would continue \$4 million in funding for open educational resources.

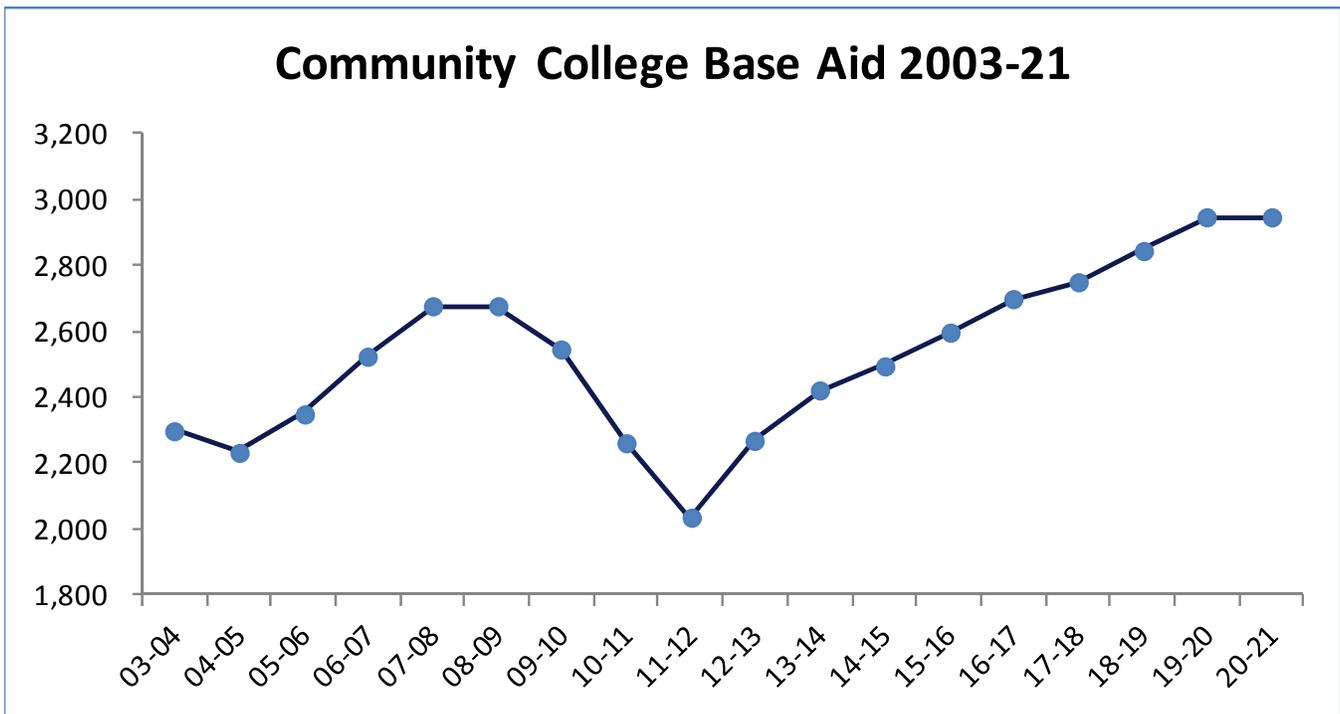
**Tuition:** The Executive proposal would allow a tuition rate increase of up to \$200 a year through Academic Year (AY) 2024-25. Current law authorizes SUNY to increase tuition by up to \$200 a year through AY 2020-21.

**SUNY Environmental Science and Forestry (ESF) Non-Resident Tuition:** The Executive proposal includes legislation that provides SUNY ESF with authority to increase non-resident tuition rates by 10 percent annually for the next four years.

**SUNY Hospitals:** The Executive proposal would increase SUNY Hospitals' spending authority by \$136.2 million.

**Community College Base Aid:** The Executive proposal would continue funding Community College Base Aid at \$2,947 per full-time equivalent (FTE) student, maintaining the same level of FTE support as AY 2019-20. However, the Executive eliminates the 98 percent funding floor that was instituted for AY 2019-20. The Executive Budget includes \$431.2 million to support Base Aid, which is a decrease of \$22.7 million from AY 2019-20, due to enrollment decreases and the elimination of the 98 percent save-harmless. Funding of \$3 million for the Next Generation NY Job Linkage Program is continued, as well as \$3 million for the SUNY Apprenticeship Program.





**Figure 6**

**University-Wide Programs:** The Executive funds SUNY University-Wide programs at \$154.84 million, and maintains funding for the Education Opportunity Program, for a total \$32.2 million, and for Education Opportunity Centers and ATTAIN labs, for total of \$62.04 million. University-wide programs are reduced by a total \$2.9 million, reflecting the following:

- a \$700,000 decrease to small business development centers, for a total of \$1.97 million of net support;
- a \$600,000 decrease to Graduate Diversity Fellowships, for a total \$6.04 million of net support;
- elimination of \$500,000 in funding for increased access to mental health services;
- a \$250,000 decrease for the Veterinary College at Cornell, for a total \$250,000 of net support;
- elimination of \$200,000 for the SUNY Hispanic Leadership Institute;
- elimination of \$200,000 for the SUNY Institute for Leadership and Diversity and Inclusion;
- elimination of \$150,000 in funding for the Cornell Center in Buffalo;
- elimination of \$100,000 in funding for the American Chestnut Research and Restoration Project;
- elimination of \$100,000 in funding for the Benjamin Center;
- elimination of \$100,000 for the Center for Women in Government; and
- elimination of \$50,000 in funding for the Stony Brook Algonquian language revitalization project.

**Other Programs:** The Executive decreases funding for community college child care centers to \$1.1 million, a reduction of \$1.01 million from the prior year. Additionally, the Executive eliminates \$100,000 in funding for the Orange County Bridge Program and does not provide new funding for the Community College Family Empowerment program, which was funded at \$3 million last year.

**SUNY Capital:** The Executive provides \$1.43 billion in capital appropriations to support the following:

- \$550 million for preservation of various SUNY facilities, which is the same as SFY 2019-20 funding levels;
- \$200 million for a new capital expansion program that would require campuses to contribute \$1 for every \$2 invested by the state;
- \$100 million for campus financed projects;
- \$150 million in total funding to the three SUNY Hospitals: Upstate University, Stony Brook University, and Downstate University;
- \$187.3 million for the costs of certain maintenance and operations personnel;
- \$46.04 million to provide the State's 50 percent share of projects at SUNY Community Colleges, however no projects have been specified;
- \$75 million to support dormitory rehabilitation projects; and
- \$25.1 million to support the SUNY Construction Fund.

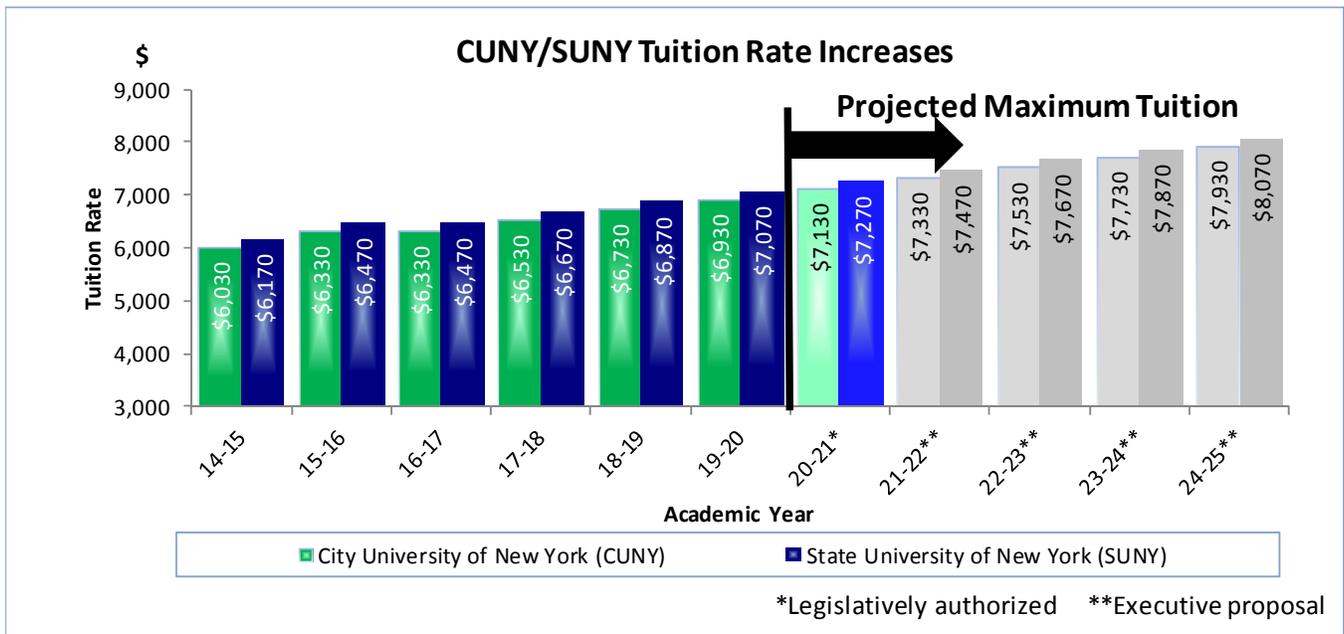
### **City University of New York (CUNY)**

The Executive proposes an All Funds appropriation of \$5.29 billion, an increase of \$516.9 million or 10.8 percent above SFY 2019-20 levels. The Executive recommends funding support of 13,730 full-time equivalent positions, which is unchanged from SFY 2019-20.

**CUNY Senior Colleges:** The Executive would provide \$552.24 million in funding for CUNY Senior Colleges, a decrease of \$1.75 million or 0.31 percent from SFY 2019-20.

State funded fringe benefit payments would increase by \$24.3 million for a total of \$841.75 million. Additionally, the Executive proposal would continue \$4 million in funding for open educational resources.





**Figure 7**

**Tuition:** The Executive proposal would allow a tuition rate increase of up to \$200 a year through Academic Year (AY) 2024-25. Current law authorizes CUNY to increase its tuition by up to \$200 a year through AY 2020-21.

The Executive would maintain funding for the Search for Education, Evaluation, and Knowledge (SEEK) program for a total of \$28.1 million and maintain \$1.5 million for CUNY LEADS. Additionally, the Executive decreases state support by \$1.5 million for the CUNY School of Labor and Urban Studies. The Executive proposes to eliminate \$50,000 for the CUNY Legal Resource Network at CUNY Law and \$200,000 for the Brooklyn Small Business Center.

**Community College Base Aid:** The Executive proposal would continue funding Community College Base Aid at \$2,947 per full-time equivalent (FTE) student, maintaining the same level of FTE support as AY 2019-20. However, the Executive eliminates a 98 percent funding floor that was instituted for AY 2019-20. The Executive Budget includes \$225.21 million to support Base Aid, which is a decrease of \$3.7 million from AY 2019-20, due to enrollment decreases and the elimination of the 98 percent save-harmless. Funding for the Next Generation NY Job Linkage Program (\$2 million) and the CUNY Apprenticeship Program (\$2 million) are maintained.

The Executive Budget maintains funding for the College Discovery program for a total of \$1.35 million, while eliminating \$2.5 million in funding for the Accelerated Study in Associates Program (ASAP). The Executive proposal decreases funding for community college child care centers to \$813,000, which is a reduction of \$902,000 from the prior year. Additionally, the Executive eliminates funding for the Community College Family Empowerment program, which was funded at \$2 million last year.

**CUNY Capital:** The Executive Budget appropriates \$685.46 million in capital funding to support the following initiatives:

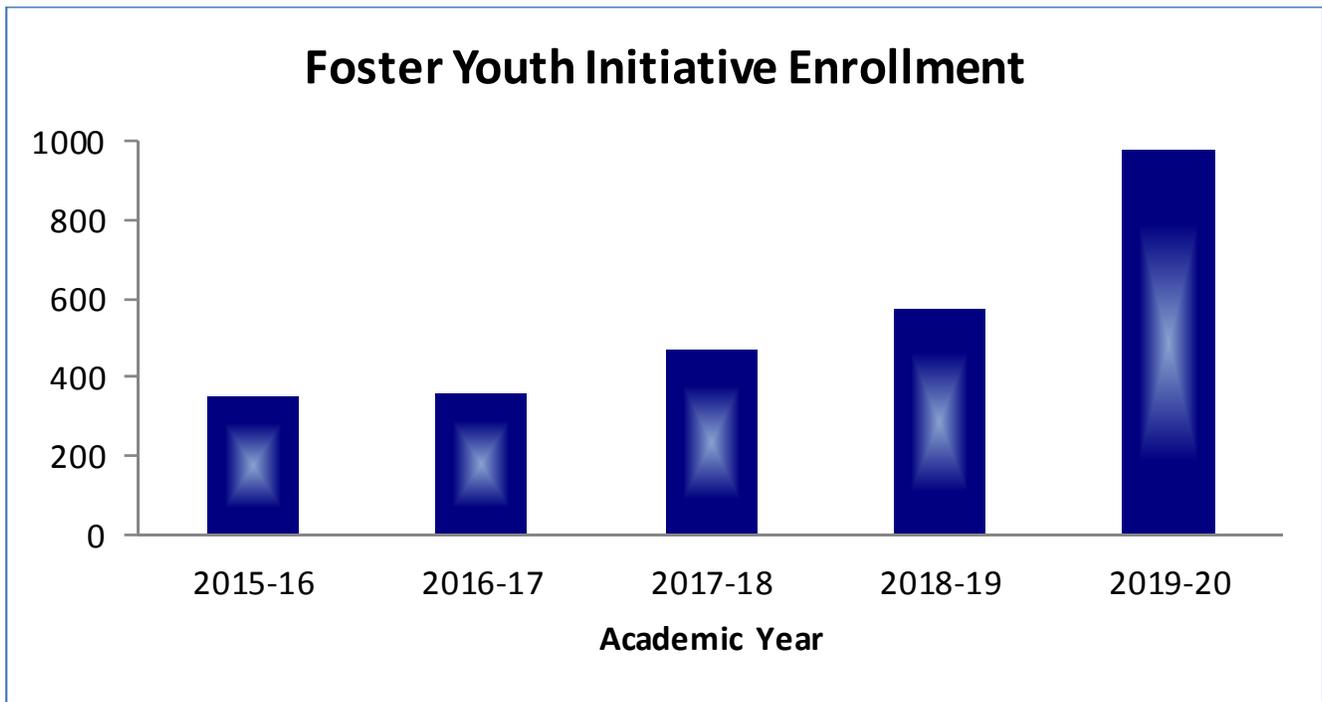
- \$284 million for critical maintenance projects at various CUNY campuses;
- \$200 million for a new capital expansion program that would require campuses to contribute \$1 for every \$2 invested by the state;
- \$64.25 million to provide for the State's 50 percent share of projects at CUNY Community Colleges, however no projects have been specified;
- \$21 million to fund Dormitory Authority services on behalf of CUNY; and
- \$15.98 million to support the CUNY Construction Fund.

#### **Other Opportunity Programs Appropriated in the State Education Department (SED)**

The Executive Budget maintains funding for opportunity programs within SED for a total of \$87.67 million:

- \$35.52 million for the Higher Education Opportunity Program (HEOP). The Executive includes appropriation language to allow funding to be used for currently enrolled students in programs that are phasing out;
- \$18.36 million for the Liberty Partnership Program;
- \$15.81 million for the Science and Technology Entry Program (STEP);
- \$11.98 million for the Collegiate Science and Technology Entry Program (CSTEP); and
- \$6 million for the Foster Youth Initiative.





**Figure 8**

The Executive Budget maintains funding for the following programs for AY 2020-21:

- \$35.13 million for Bundy Aid;
- \$941,000 for the High Needs Nursing Program;
- \$450,000 for the Teacher Opportunity Corps Program; and
- \$368,000 for the National Board for the Professional Teaching Standards Certification Grant Program.

#### **Higher Education Services Corporation (HESC)**

The Executive proposes an All Funds appropriation of \$1.15 billion, which is a decrease of \$64.6 million or 5.3 percent below SFY 2019-20 levels. The Executive recommends funding support of 176 (FTE) positions, which is unchanged from SFY 2019-20.

**Tuition Assistance Program (TAP):** The Executive Budget appropriates \$859.7 million for TAP, a decrease of \$88 million from SFY 2019-20. The decrease is due to enrollment declines and prior year over-estimates. TAP continues to provide funding for the DREAM Act.

**Excelsior Scholarship:** The Executive’s proposal would increase the income eligibility threshold for the Excelsior Scholarship program from \$125,000 to \$150,000. The income threshold would increase to \$135,000 in AY 2020-21 (\$15 million) and to \$150,000 in AY 2021-22 (\$20 million), for a total increase

of \$35 million. The Executive increases overall funding for the Excelsior Scholarship by \$27.6 million to \$146.17 million.

**Enhanced Tuition Assistance Program (ETAP):** The Executive provides \$7.6 million for the ETAP program for students attending independent colleges and universities, which is a \$389,000 increase from AY 2019-20. The income threshold for ETAP would increase in line with Excelsior to \$135,000 in AY 2020-21 and \$150,000 in AY 2021-22.

**Scholarships and Programs:** The Executive Budget provides a \$491,000 net increase in appropriations for a total of \$70.21 million for various scholarships. The proposal maintains funding for the Patricia McGee nursing scholarship, the social worker loan forgiveness program, and a loan forgiveness program for farmers.

### Other Higher Education Initiatives

**Higher Education Capital Matching Grant Program (HeCap):** The Executive proposal does not include support for HeCap for SFY 2020-21.

**College Choice Tuition Savings Program:** The Executive proposes \$675,000 in funding to support program administration.

### Article VII

The Executive includes the following Article VII proposals that would:

- increase the Excelsior Scholarship and Enhanced Tuition Awards program eligibility threshold from \$125,000 to \$150,000 over two years;
- extend the authorization for SUNY and CUNY to annually increase undergraduate tuition up to \$200 through the 2024-25 Academic Year;
- authorize annual non-resident undergraduate tuition increases of up to 10 percent through the 2023-24 Academic Year at SUNY ESF;
- allow public accountancy firms to have ownership of up to 49 percent by individuals who are not licensed as certified public accountants or public accountants and require non-licensee owners to pay an annual \$300 fee to SED. These fees are estimated to raise \$1.5 million in SFY 2020-21;



- authorize pharmacy technicians to perform certain services in non-Article 28 facilities, expand the duties of pharmacy technicians in Article 28 and non-Article 28 facilities, and increase the ratio of pharmacy technicians and unlicensed persons under a pharmacist's supervision from 2:1 to 4:1 and the ratio of unlicensed persons under a pharmacist's supervision from 4:1 to 6:1;
- expand collaborative drug therapy management (CDTM) to include physician assistants and nurse practitioners, create new eligibility requirements for pharmacists to engage in CDTM, and make such program permanent;
- expand the list of immunizations that pharmacists and nurse practitioners may administer. This part would also modify the CDTM program to: include physician assistants and nurse practitioners, create new eligibility requirements for pharmacists, expand allowable clinical services, expand the eligible facilities, and make such program permanent; and
- exempt the Division of Criminal Justice Services from an SED waiver requirement related to professional services provided by mental health practitioners, psychologists, and social workers.



# BUDGET HIGHLIGHTS: HUMAN SERVICES



- **Raise the Age:** The Executive provides \$250 million for the continued implementation of state laws that raise the age of criminal responsibility. The funding would continue to support and expand comprehensive diversion, supervision, probation, programming, and placement services for 16- and 17-year old justice system-involved youth.
- **Homeless Housing and Assistance Program:** The Executive proposal doubles funding for the Homeless Housing and Assistance Program (HHAP), from \$64 million in SFY 2019-20, to \$128 million for SFY 2020-21. Additionally, \$5 million would be made available for supportive housing for homeless veterans.
- **Family Assistance Cost Shift to New York City:** The Executive proposal would require New York City to pay 15 percent of all costs associated with Family Assistance and Emergency Assistance for Needy Families.
- **Code Blue:** The Executive proposal would provide \$13 million for local social service districts, working with state and local law enforcement and community-based organizations, to protect homeless individuals from the effects of inclement weather.
- **Family First Prevention Services Act:** The Executive includes \$75 million in new federal funding to assist with the statewide implementation of and compliance with the Federal Family First Prevention Services Act.
- **Elimination of State Share for Committee on Special Education:** The Executive eliminates the existing 18.42 percent state share for the room and board of children who are placed by Committees on Special Education outside of New York City.
- **Establishment of Domestic Violence Pilot Program.** The Executive includes \$5 million for the creation of a pilot program to provide flexible, survivor-centered services to individuals and families who have experienced domestic violence.
- **Paid Sick Leave:** The Executive proposal includes legislation that would require all employers to provide their employees with sick leave.



# BUDGET REVIEW AND ANALYSIS: HUMAN SERVICES



Human services agencies in New York State provide for the needs of vulnerable populations and seek to 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' Services 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 to promote various services including assistance to individuals with disabilities and disaster preparedness. Pay for Success initiatives seek to encourage community nonprofit service providers and philanthropic and private sector organizations to perform services usually associated with government institutions.

The State of New York Mortgage Agency (SONYMA) provides affordable financing for homeownership for low to moderate income residents and promotes the stabilization of neighborhoods throughout the State.

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

**Table 20**

<b>Appropriations</b>				
<b>Agency/Program</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Office of Temporary and Disability Assistance	5,826.59	5,867.30	40.71	0.70
Office of Children and Family Services	3,820.27	3,820.91	0.64	0.02
Department of Labor	3,631.18	3,618.16	(13.02)	(0.36)
Division of Housing and Community Renewal	522.14	308.89	(213.25)	(40.84)
State of New York Mortgage Agency	215.20	216.27	1.07	0.50
Raise the Age	200.00	250.00	50.00	25.00
Office of National and Community Service	30.77	30.77	0.00	0.00
Pay for Success	69.00	69.00	0.00	0.00
Division of Human Rights	18.15	18.15	0.00	0.00
Division of Veterans' Services	21.25	19.61	(1.64)	(7.72)
Office of Welfare Inspector General	1.31	1.31	0.00	0.00

**Table 21**

<b>Disbursements</b>				
<b>Agency/Program</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Office of Temporary and Disability Assistance	5,150.84	5,190.64	39.80	0.77
Office of Children and Family Services	2,834.65	2,921.25	86.60	3.06
Department of Labor	577.91	570.32	(7.59)	(1.31)
Division of Housing and Community Renewal	901.84	926.67	24.83	2.75
State of New York Mortgage Agency	0.00	0.00	0.00	0.00
Raise the Age	137.00	188.00	51.00	37.23
Office of National and Community Service	16.42	16.99	0.57	3.47
Pay for Success	13.40	5.00	(8.40)	(62.69)
Division of Human Rights	14.34	15.26	0.91	6.37
Division of Veterans' Services	17.67	16.33	(1.34)	(7.58)
Office of Welfare Inspector General	0.70	0.73	0.03	4.28



**Office of Temporary and Disability Assistance**

The Executive proposes an All Funds appropriation of \$5.87 billion, an increase of \$40.7 million or 0.7 percent over the SFY 2019-20 level. The Executive recommends funding support for 1,987 full-time equivalent (FTE) employees, unchanged from SFY 2019-20.

**Public Assistance Benefits:** The Executive Budget estimates a public assistance caseload of 469,185 recipients for SFY 2020-21, a decrease of 5,293 recipients from SFY 2019-20.

State spending on Safety Net is anticipated at \$501.3 million, an increase of \$5.1 million from the SFY 2019-20 level. The increased expenditure is partially due to out-year costs of settlement payments and increased spending on homeless services. The Executive estimates federal TANF support for benefits at \$1.07 billion, a decrease of \$34.1 million from the SFY 2019-20 level.

**Temporary Assistance for Needy Families (TANF) Commitments:** The Executive proposes an appropriation of \$1.47 billion for TANF initiatives, a decrease of \$22.2 million from SFY 2019-20, primarily due to the elimination of \$23.96 million in TANF initiatives that were enacted in SFY 2019-20. The Executive proposal also includes \$45 million for Summer Youth Employment, which is 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 2019-20.

**Table 22**

<b>TANF Initiatives</b>		
<b>(\$ in Thousands)</b>		
	<b>SFY 2019-20</b>	<b>SFY 2020-21</b>
<b>Category/Item</b>	<b>Enacted</b>	<b>Proposed</b>
Flexible Fund for Family Services	964,000	964,000
Child Care Subsidies	427,937	428,693
<b>TANF Initiatives</b>		
Access - Welfare to Careers	800	0
Advantage After Schools	33,041	28,041
ATTAIN	4,000	0
Career Pathways	2,850	0
Centro of Oneida	25	0
Facilitated Enrollment	8,488	0
Fatherhood Initiative	200	0
Non-Residential DV	3,000	3,000
Preventive Services Initiative	1,570	0
Rochester-Genesee Regional TA	82	0
Summer Youth Employment	44,000	45,000
SUNY/CUNY Child Care	334	0
Wage Subsidy Program	475	0
Wheels for Work	144	0
Subtotal of TANF Initiatives	99,009	76,041
<b>TANF Funding Total</b>	<b>1,490,946</b>	<b>1,468,734</b>

The Executive proposal provides funding for Emergency Assistance to Needy Families (EAF) at \$233.3 million, an increase of \$20.1 million from SFY 2019-20. This includes savings of \$29.9 million associated with the imposition of a 15 percent local share of EAF for New York City.

**Family Assistance Cost Shift to New York City:** The 2020-21 Executive proposal would establish an additional five percentage-point cost shift for both Family Assistance (FA) and EAF. This is in addition to the 10 percent local share for EAF implemented in SFY 2015-16 and the 10 percent local share for FA implemented in SFY 2019-20. The Executive proposal would limit reimbursement to New York City to 85 percent of all costs associated with both FA and EAF, resulting in an additional cost shift of \$41.4 million to New York City for FA and \$9.96 million for EAF.

**Increase TANF Flex Fund for Family Services (FFFS) Threshold for Child Welfare:** The Executive increases the minimum threshold spent on child welfare services by \$40 million to \$382 million for the TANF FFFS. The Executive proposal reduces the child welfare appropriation in the Office of Children and Family Services by \$25 million as a result of the lower reimbursement rate for the program.

**Additional Public Service Programs:** The Executive proposes \$700 million for the Supplemental Security Income (SSI) program, unchanged from SFY 2019-20.

**Homeless Programs:** The Executive proposal includes \$42.6 million for the New York State Supportive Housing Program, Solutions to End Homelessness Program, and Operational Support for AIDS Housing, an increase of \$2.8 million from SFY 2019-20. The proposal also includes \$15 million for the New York City Rental Assistance Program and \$1 million for the Emergency Homeless Services Program.

**Homeless Housing and Assistance Program:** The Executive proposal doubles funding for the Homeless Housing and Assistance Program (HHAP), from \$64 million in SFY 2019-20 to \$128 million for SFY 2020-21. Additionally, \$5 million would be made available for supportive housing for homeless veterans.

**Code Blue:** The Executive proposal includes \$13 million for local social service districts, working with State and local law enforcement and community based organizations, to protect homeless individuals from the effects of inclement weather.

**Community Initiatives:** The Executive eliminates \$3.87 million in legislative initiatives, including funding for refugee resettlement agencies (\$2 million), Disability Advocacy Program (\$1.5 million), funds to resettle people from Puerto Rico and the U.S. Virgin Islands (\$350,000), and Bethany House (\$20,000).



## Article VII

The Executive proposes Article VII language that would:

- authorize an increase to the Federal Supplemental Security Income (SSI) Cost of Living (COLA) in 2019, providing an increase of \$2 to \$18 depending on living arrangement; and
- authorize paid gestational surrogacy and legally establish a child's relationship to his or her parents when the child is conceived using assisted reproduction technology.

## Office of Children and Family Services

The Executive proposes an All Funds appropriation of \$3.82 billion, a net increase of \$647,000 or 0.02 percent. The Executive recommends funding support for 2,856 FTEs, a decrease of 63 FTEs from SFY 2019-20 levels, as a result of the proposed closure of Youth Leadership Academy in Delaware County.

**Child Care:** The Executive proposes \$946.1 million for child care, a net decrease of \$1.6 million from SFY 2019-20 levels. The Executive provides \$832 million for child care subsidies and \$109.8 million for various other child care purposes including administration of child care funds and child care resource and referral agencies. The Executive provides \$4.3 million for professional development for child care employees, a decrease of \$4.3 million from SFY 2019-20, for State support to union professional development and quality enhancement activities. The Executive also eliminates funding for Facilitated Enrollment in OCFS (\$1.5 million) and OTDA (\$8.5 million) as well as TANF funding for SUNY/CUNY child care (\$334,000).

**Child Care Development Block Grant (CCDBG):** The Executive proposes \$105.9 million in appropriations for implementing the health and safety requirements of the federal CCDBG Act of 2014. This funding would also support an additional \$10 million for child care subsidies.

**Family First Prevention Services Act (FFPSA):** The Executive proposes \$75 million in federal appropriations to assist with implementation of the federal Family First Prevention Services Act. Of this amount, \$25 million will assist with statewide FFPSA compliance, and \$50 million will provide temporary grants to New York City, which has an expired demonstration project. The Executive also proposes \$3 million, unchanged from SFY 2019-20, for the Family First Transition Fund, to help local social services districts support, recruit, and retain current and prospective foster families and kinship providers.

**Elimination of Committee on Special Education State Share:** The Executive Budget eliminates the existing 18.42 percent state share for the room and board of children with severe disabilities placed by Committees on Special Education outside of New York City. This will result in \$25.9 million in additional costs to school districts in SFY 2020-21.

**Eligibility for the Community Optional Preventive Services Program (COPS):** The Executive includes \$12.5 million, unchanged from SFY 2019-20, to New York City and certain counties to service youth who are at a general risk of entering the foster care system. The Executive also proposes expanding eligibility for additional counties and programs for these at-risk youth.

**Establishment of Flexible Domestic Violence Pilot Program:** The Executive proposes \$5 million for the creation of a pilot program to provide flexible, survivor-centered services to individuals and families who have experienced domestic violence.

**Closure of Youth Leadership Academy:** The Executive proposes the closure of the Youth Leadership Academy in Delaware County in early 2021 due to low capacity, resulting in \$1.2 million in savings for SFY 2020-21 and \$4.9 million annual savings thereafter.

**Community Initiatives:** The Executive proposes a decrease of \$30.9 million for various children and families' initiatives funding in SFY 2019-20, including funding for the Public/Private Partnership Pilot Program (\$3.6 million), Safe Harbour (\$3 million), Settlement Houses (\$2.45 million), and the Kinship Program (\$2 million).

## **Article VII**

The Executive proposes Article VII legislation that would:

- enact various provisions of law necessary to comply with federal Family First Prevention Services Act relating to requiring certain notifications to interested parties when a child is placed in a qualified residential treatment program (QRTP); require certain assessments and reviews by a qualified individual and the Family Court of all children placed in a QRTP to determine the placement's appropriateness; require removal of a child placed in a QRTP if the placement is determined inappropriate; and amend permanency hearing requirements for children placed in a QRTP by requiring certain evidence that supports such continued placement; and
- eliminate state reimbursement for residential Committee on Special Education placements made by school districts outside of New York City.



## Department of Labor

The Executive proposes All Funds appropriations of \$3.62 billion, a decrease of \$13 million or 0.4 percent from the SFY 2019-20 level, primarily due to the elimination of legislative adds, offset by an increase in the Unemployment Insurance Benefit Fund. The Executive recommends support for 2,987 FTEs, unchanged from SFY 2019-20.

**Unemployment Insurance (UI) Benefits:** The Executive proposes \$2.81 billion, an increase of \$9.3 million from the SFY 2019-20 level. This increase is due to a higher maximum benefit.

**Workforce Innovation and Opportunity Act (WIOA):** The Executive proposes a decrease of \$14.6 million in federal appropriations for WIOA. Of this, there is a decrease of \$2 million related to administration and operation of employment and training programs, as well as a decrease of \$12.5 million for Workforce Investment Act boards for adult, youth, and dislocated worker employment and training.

**Community Initiatives:** The Executive proposes a decrease of \$13 million, reflecting the elimination of various labor programs funded in SFY 2019-20, including support for the Displaced Homemaker Program (\$1.62 million), New York Committee on Occupational Safety and Health (\$350,000), Rochester Building Trades Pre-Apprenticeship Program (\$200,000). The Sexual Harassment Prevention Program at Cornell's School of Industrial Labor Relations (\$150,000), the Melting Pot Foundation (\$120,000), and the Criminal Records Discrimination Program at Cornell's School of Industrial Labor Relations (\$50,000).

## Article VII

The Executive proposes Article VII legislation that would:

- require employers to provide sick leave to their employees each calendar year;
- define an employer's immediate family as "family related to the third degree of consanguinity or affinity".
- require prevailing wage to be paid on construction projects that are paid for in whole or in part out of public funds when funding is at least 30 percent of total construction costs and such costs are over \$5 million; and
- establish the New York Digital Marketplace Worker Classification Task Force to provide legislative recommendations for addressing the conditions of employment of workers in the

on-demand “gig” economy; and, authorize the commissioner of labor to promulgate regulations determining the appropriate classification of these individuals.

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

The Executive proposes All Funds appropriations of \$308.9 million, a decrease of \$213.25 million or 40.84 percent from SFY 2019-20. This decrease is due to the elimination or reduction of support for certain programs, a shift of support for some programs to the Mortgage Insurance Fund (MIF), and the elimination of one-time capital appropriations. The Executive recommends support for 776 FTE positions, which is unchanged from SFY 2019-20.

**Housing Programs:** The Executive proposal includes funding for affordable housing, supportive housing, and capital improvements to housing stock, rental subsidies, and rental assistance. For these purposes the Executive proposal recommends \$184 million from several sources, including the off-budget MIF. These funds are committed as follows:

**Table 23**

Program	SFY 2020-21		
	SFY 2019-20 (\$ millions)	Executive (\$ millions)	Change (\$ millions)
Affordable Housing Corporation	26.0	26.0	0.0
Access to Home	1.0	1.0	0.0
Public Housing Modernization Program	6.4	6.4	0.0
Low Income Housing Trust Fund	44.2	44.2	0.0
Homes for Working Families Program	14.0	14.0	0.0
Housing Opportunities for the Elderly	1.4	1.4	0.0
Rural Rental Assistance Program	21.0	21.0	0.0
Main Street Program	4.2	4.2	0.0
Neighborhood Preservation Program/Rural Preservation Program	18.2	18.2	0.0
Homeless Housing: NYSSH/STEHP/AIDS Housing	39.8	42.6	2.8
Manufactured Home Advantage Program	5.0	5.0	0.0
<b>Total</b>	<b>181.2</b>	<b>184.0</b>	<b>2.8</b>

**Mortgage Insurance Fund (MIF):** The Executive proposal allocates \$81.8 million from the MIF, an increase of \$64 million. This increase will support the Rural Rental Assistance Program, and the Neighborhood Preservation and Rural Preservation Programs (NPP/RPP), as well as \$42.6 million to support the New York State Supportive Housing program, the Solution to End Homelessness program, and operational support for the AIDS housing program administered by the Office of Temporary and Disability Assistance.



**State Operations Appropriations:** The Executive proposes State Operations appropriations of \$116.2 million, which is unchanged from State Fiscal Year (SFY) 2019-20. The Executive continues funding to support the enforcement and administration of the rent laws by the Office of Rent Administration (ORA), including \$5.5 million for the Tenant Protection Unit (TPU). The Executive proposal includes legislation that would modify the billing process between the State and City of New York for payments to the ORA.

The Executive proposal also continues funding of \$21.9 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 maintains funding to the Office of Administration for a total of \$13.48 million.

**Aid to Localities Appropriations:** The Executive proposes Aid to Localities appropriations of \$90.48 million, a decrease of \$21.25 million or 19.02 percent from SFY 2019-20. This decrease is due to the discontinuation of funding for various initiatives, partly offset by a \$6.77 million increase in appropriation authority for the Housing Development Fund program. This growth is due to an increase in support for farmworker housing. 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 2019-20 levels.

**Capital Appropriation Funding:** The Executive proposal continues funding for the fourth year of a five-year, \$20 billion affordable housing plan. Additionally, \$5 million is included for the Manufactured Homes Program, which supports the acquisition, demolition, replacement, and repair of mobile or manufactured homes.

**New York City Housing Authority (NYCHA):** The Executive does not provide additional capital support for NYCHA.

The Executive also includes an Article VII proposal that would authorize the State to reduce local assistance payments to New York City in the amount equal to what the State spends on rent administration, rather than billing the City for costs already incurred.

### **State of New York Mortgage Agency (SONYMA)**

The Executive proposes an All Funds appropriation of \$216.2 million, an increase of \$1.07 million or 0.50 percent, from the SFY 2019-20 levels 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.

### **Raise the Age**

The SFY 2017-18 Budget raised the age of criminal responsibility to age 17 on October 1, 2018, and to age 18 on October 1, 2019. The SFY 2020-21 Budget appropriates \$250 million, an increase of \$50 million over SFY 2019-20, for the continuation of state and local costs related to Raise the Age. This funding will continue to support reforms such as comprehensive diversion, probation, and programming services for 16- and 17-year-old youth in the juvenile justice system.

### **Office of National and Community Service**

The Executive proposes an All Funds appropriation of \$30.8 million, unchanged from SFY 2019-20. The Executive recommends support for 10 FTEs, unchanged from SFY 2019-20.

### **Pay for Success Contingency Reserve**

The Executive proposes All Funds appropriations of \$69 million, unchanged from SFY 2019-20.

### **Division of Human Rights**

The Executive proposes an All Funds appropriation of \$18.15 million, unchanged from SFY 2019-20. The Executive recommends support for 164 FTEs, also unchanged from the SFY 2019-20.

### **Division of Veterans' Services**

The Executive proposes an All Funds appropriation of \$19.6 million, a decrease of \$1.6 million or 7.7 percent from SFY 2019-20. The Executive recommends support for 98 FTEs, unchanged from SFY 2019-20.

**Community Initiatives:** The Executive eliminates \$1.6 million for various veterans programs funded in SFY 2019-20, including support for NYS Defenders Association Veterans Defense Program (\$500,000), Helmets to Hardhats (\$200,000), Clear Path for Veterans (\$200,000), North Country Veterans Association (\$100,000), and the SAGE Veterans Project (\$100,000).



## **Article VII**

The Executive proposes Article VII language that would remove existing statutory provisions related to selection and financial criteria to facilitate the development of a State cemetery for veterans.

## **Office of Welfare Inspector General**

The Executive proposes an All Funds appropriation of \$1.31 million, unchanged from SFY 2019-20. The Executive recommends support for 7 FTEs, unchanged from SFY 2019-20.



# BUDGET HIGHLIGHTS: MENTAL HYGIENE



- **Direct Care Worker Wages:** The Executive Budget includes \$96.4 million to support a cumulative 4.0 percent wage increase for direct care professionals and a 2.0 percent increase for clinical staff funded through the Office for People with Developmental Disabilities (OPWDD), the Office of Mental Hygiene (OMH), and the Office of Addiction Services and Supports (OASAS).
- **Minimum Wage:** The Executive includes funding to support direct care provider costs associated with the increase in the State's minimum wage, including \$23.7 million in Office for People with Developmental Disabilities, \$1.4 million in OASAS and \$4 million in OMH.
- **Office for People with Developmental Disabilities Service Expansions:** The Executive proposes an increase of \$45 million for service slots for individuals with disabilities, including an expansion of certified housing supports, rental subsidies to individuals living in an apartment, day programs, employment options, and respite services.
- **Residential Programs:** The Executive provides an additional \$20 million to support existing community-based residential programs.
- **Adult Home Transition:** The Executive provides \$12.5 million to establish up to 500 new supported housing beds for individuals transitioning out of adult homes and into the community.
- **Behavioral Health Parity:** The Executive proposal would create a new fund to collect penalties from insurers that violate State or federal parity laws. Up to \$1.5 million of these funds would be used to increase support for the Substance Use Disorder and Mental Health Ombudsman Program, which helps individuals and their families navigate the behavioral healthcare system.
- **Suicide Prevention Program for Veterans and First Responders:** The Executive proposes \$1 million to create a program for suicide prevention services for veterans, first responders, law enforcement, and correction officers.



# BUDGET REVIEW AND ANALYSIS: MENTAL HYGIENE



The State of New York spends approximately \$10.94 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 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 (SED).

**Table 24**

<b>Appropriations</b>					
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>	
Office for People with Developmental Disabilities	4,830.73	5,002.03	171.30	3.55	
Office of Mental Health	4,403.78	4,454.32	50.54	1.15	
Office of Addiction Services and Supports	808.49	821.09	12.60	1.56	
Department of Mental Hygiene	599.95	600.00	0.05	0.01	
Justice Center for the Protection of People with Special Needs	58.02	58.57	0.55	0.95	
Developmental Disabilities Planning Council	4.76	4.76	0.00	0.00	

Table 25

<b>Disbursements</b>				
Agency	2019-20 Adjusted (\$ in Millions)	2020-21 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office for People with Developmental Disabilities	3,141.11	1,979.24	(1,161.87)	(36.99)
Office of Mental Health	3,049.29	2,901.67	(147.62)	(4.84)
Office of Alcoholism and Substance Abuse	638.36	662.15	23.79	3.73
Department of Mental Hygiene	0.00	0.00	0.00	0.00
Justice Center for the Protection of People with Special Needs	43.72	45.16	1.44	3.29
Developmental Disabilities Planning Council	4.20	4.20	0.00	0.00

**Minimum Wage:** The Executive includes funding to support direct provider costs associated with the increase in the State’s minimum wage, including \$23.7 million for OPWDD, \$1.4 million for OASAS, and \$4 million for OMH.

**Direct Care Worker Wages:** The Executive Budget includes \$96.4 million to support a 4.0 percent wage increase for direct care professionals and a 2.0 percent increase for clinical staff funded through OPWDD, OMH, and OASAS.

**Cost of Living Adjustment (COLA):** The Executive would defer the human services COLA for one year.

**Office for People with Developmental Disabilities (OPWDD)**

The Executive proposes an All Funds appropriation of \$5 billion, an increase of \$171.30 million or 3.55 percent from SFY 2019-20. The Executive recommends support for 18,572 full-time equivalent (FTE) positions, which is unchanged from SFY 2019-20.

**Community Based Service Expansions:** The Executive includes an increase of \$30 million to support the creation of new service slots for individuals with developmental disabilities, including an expansion of certified housing supports and rental subsidies to individuals living in an apartment, as well as an expansion of day programs, employment options, and respite services. The Executive proposal continues \$30 million for new services that were established as a part of the SFY 2019-20 budget.



**Independent Living Opportunities:** The Executive provides \$15 million in capital funding to develop supported housing units.

**State Operations:** The Executive's proposal shifts funds for the Autism Awareness and Research Program (\$22,000) and the Down Syndrome Research Program (\$100,000) from DOH to OPWDD.

**Capital Projects:** The Executive proposes a new \$11 million in capital funding to replace aging vehicles for client transportation.

**Program Eliminations:** The Executive proposes the elimination of \$590,000 in targeted grants to community based providers.

### **Article VII**

The Executive proposes Article VII language that would:

- require the OPWDD to issue an operating certificate for developmental disability service providers approved under the Medicaid state plan;
- remove the responsibility of DOH to conduct background checks of health homes authorized to provide services to individuals with developmental disabilities; and
- disallow health homes providing services to individuals with developmental disabilities from claiming reimbursement for the cost of the criminal history record check process.

### **Office of Mental Health (OMH)**

The Executive proposes an All Funds appropriation of \$4.5 billion, an increase of \$50.5 million or one percent from SFY 2019-20. The Executive recommends support for 13,652 FTEs, a decrease of 105 FTEs from SFY 2019-20 level. This decrease is related to the establishment of jail-based restoration, facility transformation and restructuring staffing efficiencies, and changes related to the Sex Offender Management and Treatment Act (SOMTA).

**OMH Housing Programs:** The Executive proposes a \$20 million increase for existing supported housing and single residency programs. This investment would help preserve and maintain current housing capacity as the State brings new housing units online through the Empire State Supported Housing Initiative.

**Adult Home Transitions:** The Executive provides \$12.5 million to support the establishment of up to 500 new supported housing beds for individuals transitioning out of adult homes and into the community.

**Veterans and First Responders:** The Executive provides \$1 million to establish a program for suicide prevention services for veterans, first responders, law enforcement, and correction officers.

**Sex Offender Management and Treatment Act (SOMTA):** The Executive proposes the creation of a new program for the care and treatment of civilly-confined sex offenders and would transfer those OMH employees who are currently engaged in the care and treatment of such sex offenders. This would result in a savings of \$2.5 million.

**Kingsboro Psychiatric Center:** The Executive proposes to develop a “Recovery Hub Facility” that is a voluntarily operated, step down transition to community residence program at the Kingsboro Psychiatric Center campus in Brooklyn. This service model would be supported by revenue generated through a federal Institution for Mental Diseases (IMD) Medicaid waiver.

**Jail-Based Restoration Programs for Felony Defendants:** The Executive proposal includes \$1.7 million in net savings related to the development of specialized beds in local jails to restore felony-level defendants to competency.

**Eating Disorders Program:** The Executive proposal would shift the Eating Disorders Program (\$118,000) from DOH to OMH.

**Local Government Administration:** The Executive reduces funding for local government administration by \$2.3 million.

**Capital:** The Executive continues \$100 million to support the replacement of the Mid-Hudson Forensic Psychiatric Center in Orange County. The Executive also continues \$60 million for community-based residential facilities.

**Program Eliminations:** The Executive proposes the elimination of \$6.2 million in targeted grants to community based providers.



## Article VII

The Executive proposes Article VII language that would:

- remove the pre-admission certification committee (PACC) to determine a child's need for Residential Treatment Facility services; require that the OMH commissioner develop Residential Treatment Facility (RTF) standards; establish an advisory board within the Council for Children and Families; and shift the authority to determine a child's involuntary admission into RTF from PACC to OMH;
- authorize a mental health unit operating within a local correctional facility, except those located in a city with a population of one million or more, to operate a restoration to competency program for felony level defendants awaiting trial; and
- extend the authority for the Commissioner of OMH to establish comprehensive psychiatric emergency programs (CPEP); increase the time a CPEP can hold a person for emergency care and observation from 72 to 96 hours; authorize a CPEP to provide triage and referral services; and establish CPEP satellite facilities.

## Office of Addiction Services and Supports (OASAS)

The Executive proposes All Funds appropriations of \$821.08 million, a decrease of \$12.6 million or 2 percent from SFY 2019-20. The Executive recommends the support for 737 FTEs, which is unchanged from the SFY 2019-20 level.

**Substance Use Disorder and Mental Health Ombudsman:** The Executive creates a new appropriation of \$1.5 million for the ombudsman program for a total of \$3 million. This additional funding would be derived from penalties collected from insurers that violate federal or State behavior health parity requirements, and would support the ombudsman's mission to assist individuals and their families navigate the behavioral health care system.

**Opioid Treatment Programs (OTPs):** The Executive proposal would decrease rates for OTPs, resulting in a decrease of \$5 million. The projected decrease is the result of administration efficiencies related to billing.

**Provider Performance Reviews:** The Executive would achieve savings of \$4 million through adjustments made through in-depth Provider Performance Reviews.

**Program Administration Funding for New York City:** The Executive would reduce Program Administration Funding for New York City by \$2.15 million. This would reduce the amount of funding that New York City would receive for central administration activities associated with the administration of certain OASAS grants.

**Jail Based Substance Use Disorder Services:** The Executive proposal reduces funding to support medication-assisted treatment (MAT) in local correctional facilities by \$1 million for total of \$3.75 million. These county jail-based programs link persons in recovery to community-based services prior to their release, reducing recidivism.

**Local Government Administration:** The Executive reduces funding for local government administration by \$366,000.

**Program Eliminations:** The Executive proposes the elimination of \$1.97 million in grants to community based providers.

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

The Executive proposes All Funds appropriations of \$58.6 million, an increase of \$552,000 or 0.95 percent from SFY 2019-20. The Executive recommends support for 428 FTEs, a decrease of one FTE from the SFY 2019-20 level.

### **Article VII**

The Executive proposes Article VII language that would discontinue the requirement that every Justice Center investigation of abuse and neglect must also include a state central registry check, unless it is deemed that the check may lead to the discovery of relevant evidence.

### **Developmental Disabilities Planning Council (DDPC)**

The Executive proposes All Funds appropriations of \$4.76 million, unchanged from SFY 2019-20. The Executive recommends support for 18 FTEs, unchanged from the SFY 2019-20 level.



# BUDGET HIGHLIGHTS: ENVIRONMENT, AGRICULTURE AND ENERGY



- **Environmental Bond Act of 2020:** The Executive proposes a \$3 billion Environmental Bond Act, to be submitted for voter approval in November 2020, for projects to restore habitat and reduce flood risk, improve water quality by reducing stormwater impacts, protect open space and invest in associated recreational infrastructure, and expand the use of renewable energy.
- **Environmental Protection Fund (EPF):** The Executive proposal maintains funding for the EPF at \$300 million comprised of: \$39 million for solid waste programs; \$89.2 million for parks and recreation; \$152.1 million for open space programs; and \$19.7 million for climate change programs. The Executive proposal would divert a portion of these funds to personal service expenses.
- **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.
- **Clean Water Infrastructure:** The Executive proposes \$500 million for water infrastructure programs for a total of \$3.5 billion in appropriations. This appropriation is part of a \$5 billion commitment over five years.
- **Polystyrene Ban:** The Executive proposes to prohibit the sale, use, or distribution of disposable Styrofoam food containers and loose fill packaging (packing peanuts) by food service providers, manufacturers, and stores to take effect by January 1, 2022.
- **State Parks:** The Executive proposal maintains capital funding of \$110 million in New York Works funding for state parks in SFY 2020-21.
- **Olympic Regional Development Authority:** The Executive proposal includes \$147 million in capital funding for the Olympic Regional Development Authority, an increase of \$64.5 million from SFY 2019-20. This funding includes \$110 million for projects in preparation of hosting the 2023 World University Games, \$14 million to replace the new mid-station lodge at Whiteface Mountain, and ongoing funding for a strategic upgrade and modernization plan.



# 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.

The mission of the Department of Environmental Conservation (DEC) is to conserve and improve the State's natural resources and environment and to prevent, abate, and control water, land, and air pollution. DEC's responsibilities include the administration of a portion of the State's Environmental Protection Fund (EPF) and protecting the State's land and resources. The DEC also manages State forests, including the Adirondack Park and the Catskill 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, preserving agricultural resources and fostering agricultural environmental stewardship, and operating the annual State Fair.

The Public Service Commission (PSC) and the Department of Public Service are 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 New York State.

The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation responsible for the administration of energy efficiency programs and for the management of energy research, development, and demonstration programs funded by assessments on gas and electric utilities.

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 216 parks and historic sites across the State.

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, and manage state operated ski areas.

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 20 generating facilities, including the Niagara Falls Power Plant.

**Table 26**

<b>Appropriations</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Department of Environmental Conservation	1,759.01	7,769.07	6,010.05	341.67
Office of Parks, Recreation, and Historic Preservation	481.80	488.93	7.13	1.48
Department of Agriculture and Markets	189.85	190.15	0.30	0.16
New York Power Authority	172.00	129.00	(43.00)	(25.00)
Olympic Regional Development Authority	107.09	158.59	51.50	48.09
Department of Public Service	104.68	106.23	1.55	1.48
Hudson River Park Trust	23.00	0.00	(23.00)	(100.00)
Energy Research and Development Authority	17.70	18.20	0.50	2.82
Adirondack Park Agency	4.68	6.03	1.35	28.82
Hudson River Valley Greenway Communities Council	0.32	0.32	0.00	0.00
Greenway Heritage Conservancy	0.16	0.20	0.04	25.00

Table 27

<b>Disbursements</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Department of Environmental Conservation	1,318.70	1,459.52	140.82	10.68
Office of Parks, Recreation, and Historic Preservation	375.09	350.00	(25.09)	(6.69)
Department of Agriculture and Markets	103.21	98.96	(4.26)	(4.13)
New York Power Authority	36.25	30.50	(5.75)	(15.85)
Olympic Regional Development Authority	78.68	142.68	64.00	81.35
Department of Public Service	82.70	86.73	4.03	4.87
Hudson River Park Trust	5.00	15.00	10.00	200.00
Energy Research and Development Authority	20.45	21.57	1.12	5.47
Adirondack Park Agency	5.08	6.37	1.29	25.40
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

**Department of Environmental Conservation**

The Executive proposes an All Funds appropriation of \$7.77 billion, an increase of \$6.01 billion from the State Fiscal Year (SFY) 2019-20 level. This increase primarily reflects two appropriations required to implement the proposed \$3 billion Environmental Bond Act of 2020: a \$3 billion appropriation to receive bond proceeds and a separate \$3 billion appropriation to spend the bond proceeds. The Executive recommends support of 3,162 full time equivalent (FTE) positions, an increase of 47 FTEs from SFY 2019-20 levels. These new positions are associated with the implementation of the Climate Leadership and Community Protection Act (CLCPA) and the Lake Ontario Resiliency and Economic Development Initiative (REDI).

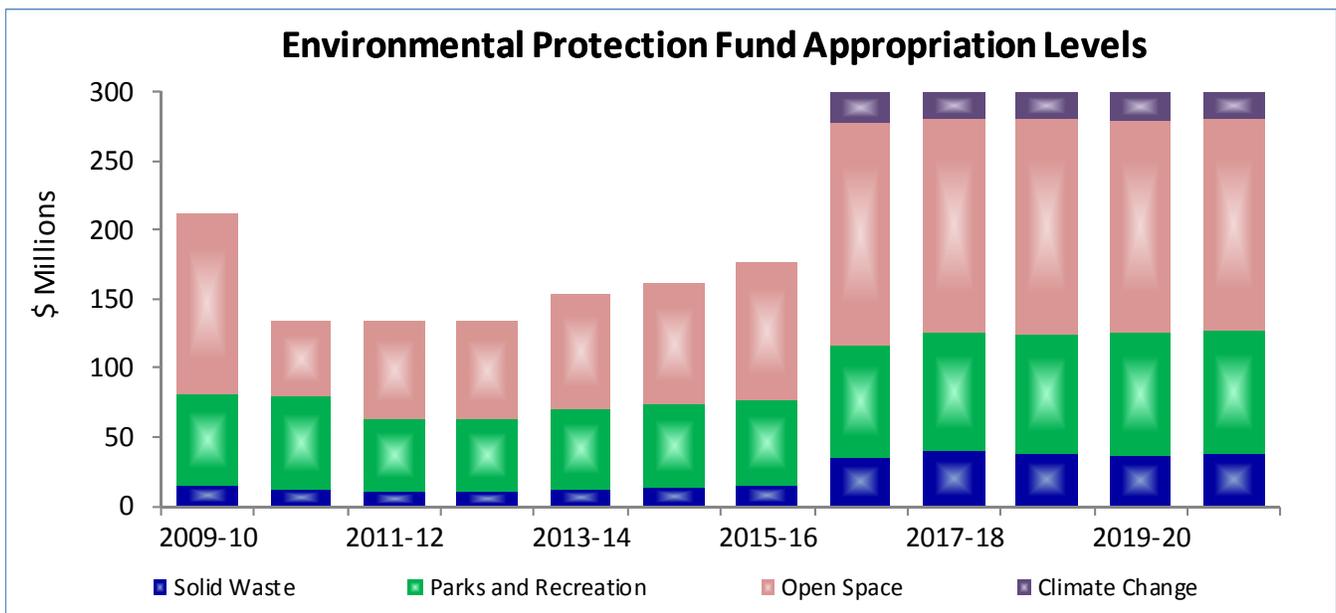
Of the \$7.77 billion in All Funds appropriations, \$6 billion is related the Environmental Bond Act of 2020. Of the \$1.77 billion remaining, the Executive proposes \$464.7 million for DEC State Operations and \$1.3 billion in capital appropriations. Of the capital appropriations, approximately \$1 billion would be provided as grants to municipalities, not-for-profit organizations and universities through the Environmental Protection Fund (EPF), the Clean Water State Revolving Fund, and water infrastructure projects. The balance of capital appropriations are for state projects such as State Superfund cleanups, flood control projects, and improvements to DEC lands or facilities.

**Environmental Bond Act of 2020:** The Executive proposes a \$3 billion bond act for projects including fish and wildlife habitat restoration, land acquisition, flood risk mitigation, upgrading and/or decommissioning dams, improving fish hatcheries, reducing stormwater and agricultural runoff, protecting open space, conserving forest lands, increasing recreational opportunities, and expanding the use of renewable energy.

**Water Infrastructure:** The Executive proposal continues an annual \$500 million appropriation toward a total commitment of \$5 billion for the Clean Water Infrastructure Act of 2017. This additional funding would be used for the Water Infrastructure Improvement Act (WIIA), Water Quality Improvement Projects, the Intermunicipal Water Infrastructure Grant Program, land acquisition for source water protection, municipal water quality infrastructure programs, water quality projects located within the New York City watershed' mitigation and remediation of contaminated drinking water, upgrades and replacements of septic systems and cesspools, green infrastructure projects, Concentrated Animal Feeding Operations (CAFOs), solid waste site monitoring and mitigation, road salt management projects, replacement of lead drinking water service lines, a water infrastructure emergency loan fund, and IT system upgrades.

The Executive proposal continues annual appropriations of \$175 million in federal funding and \$35 million in State funding for the Clean Water State Revolving Fund, which allows municipalities to apply for zero or low-interest loans for wastewater infrastructure and other clean water projects. WIIA funds can be used for the required local match to loans from the State Revolving Fund. Since 2015, WIIA has awarded grants to municipalities worth \$1.19 billion.

**Environmental Protection Fund (EPF):** The Executive proposes \$300 million for the EPF, unchanged from SFY 2019-20 levels.



**Figure 9**

The EPF was created in 1993 to protect and preserve the State’s environment. There are currently four categories in the EPF:

- The Climate Change Mitigation and Adaptation category provides funding to limit the impact of climate change, and funding of \$19.7 million is proposed for SFY 2020-21.
- The Open Space category provides funding for open space land conservation projects, biodiversity stewardship and research, agricultural and farmland protection activities, as well as non-point source abatement and control projects. The Executive proposes \$152.1 million for the Open Space category for SFY 2020-21.
- The Parks and Recreation category provides public access to open space and economic development support for areas surrounding the open space, and funding of \$89.2 million is proposed for SFY 2020-21.
- The Solid Waste category provides funding for recycling and waste reduction, and \$39 million in funds are proposed for SFY 2020-21.

Table 28

## SFY 2020-21 Environmental Protection Fund (\$ in Thousands)

	SFY 2019-20 Enacted Budget	SFY 2020-21 Executive Proposal	Change (\$)	Change (%)
<b>CLIMATE CHANGE MITIGATION &amp; ADAPTATION</b>				
Greenhouse Gas Management	1,500	1,500	-	-
<i>Regenerate NY*</i>	500	500	-	-
<i>Cornell Working Lands Ag Inventory*</i>	500	500	-	-
State Climate Adaptation Projects	2,000	1,000	(1,000)	(50.0)
<i>Wood Products Council (shift from Ag)*</i>	200	200	-	-
Smart Growth	2,000	2,000	-	-
Climate Resilient Farms Program	4,500	4,500	-	-
Climate Smart Community Projects	10,650	10,650	-	-
<i>Community Forests Grant Program**</i>	-	500	500	100.0
<b>Subtotal, Climate Change</b>	<b>20,650</b>	<b>19,650</b>	<b>(1,000)</b>	<b>(4.8)</b>
<b>OPEN SPACE</b>				
Land Acquisition	33,087	30,000	(3,087)	(9.3)
<i>Land Trust Conservation Easements**</i>	-	3,000	3,000	100.0
Albany Pine Bush Commission	2,675	2,675	-	-
LI Pine Barrens Commission	2,000	2,000	-	-
Environmental Commissions	1,063	1,085	22	2.1
<i>Center for Native Peoples &amp; the Envmt</i>	350	373	23	6.6
LI South Shore Estuary Reserve	900	900	-	-
Ag. Non-Point Source Pollution Control	18,000	18,000	-	-
Non-Ag Non-Point Source Pollution Control	7,000	6,000	(1,000)	(14.3)
Farmland Protection	18,000	17,000	(1,000)	(5.6)
Biodiversity Stewardship	1,350	1,350	-	-
Hudson River Estuary Plan	6,500	6,500	-	-
Finger Lake; Lake Ontario Watershed	2,300	2,300	-	-
Lake Erie Watershed Protection	250	250	-	-
Water Quality Improvement Program	17,750	19,000	1,250	7.0
<i>Firefighting Foam Disposal</i>	100	-	(100)	(100.0)
<i>Chautauqua Lake Association**</i>	-	150	150	100.0
<i>Chautauqua Lake Partnership**</i>	-	95	95	100.0
Oceans & Great Lakes Initiative	17,250	19,750	2,500	14.5
Invasive Species	13,300	13,300	-	-
<i>Golden Nematode (moved from Ag)**</i>	-	62	62	100.0
Soil & Water Conservation Districts	10,500	10,500	-	-
Agricultural Waste Management	1,500	1,500	-	-
<b>Subtotal, Open Space</b>	<b>153,425</b>	<b>152,110</b>	<b>(1,315)</b>	<b>(0.9)</b>
<b>PARKS &amp; REC</b>				
Waterfront Revitalization	14,500	14,500	-	-
Municipal Parks	19,500	19,500	-	-
<i>Catskill Visitors Center**</i>	-	150	150	100.0
Public Access & Stewardship	33,000	36,000	3,000	9.1
<i>Camp Santanoni Historic Area Restoration**</i>	-	250	250	100.0
<i>NY Protected Areas Database**</i>	-	55	55	100.0
<i>Essex County Shuttle Service**</i>	-	1,200	1,200	100.0
Hudson River Park (HRP)	3,200	3,200	-	-
ZBGA	16,000	14,000	(2,000)	(12.5)
Waterway Law Enforcement	2,000	2,000	-	-
<b>Subtotal, Parks &amp; Rec</b>	<b>88,200</b>	<b>89,200</b>	<b>1,000</b>	<b>1.1</b>
<b>SOLID WASTE</b>				
Landfill Closure/ Gas Management	700	765	65	9.3
<i>Essex County</i>	300	-	(300)	(100.0)
<i>Hamilton County</i>	150	-	(150)	(100.0)
Municipal Recycling	14,000	14,750	750	5.4
Secondary Marketing	200	200	-	-
Pesticide Database	1,800	1,800	-	-
Environmental Justice	7,000	7,000	-	-
<i>Connect Kids</i>	1,000	2,000	1,000	100.0
<i>Adirondack Diversity Initiative*</i>	250	250	-	-
Natural Resources Damages	2,025	2,025	-	-
Pollution Prevention Institute	4,000	4,000	-	-
Environmental Health	6,500	6,500	-	-
Brownfield Opportunity Area Grants	1,500	2,000	500	33.3
<b>Subtotal, Solid Waste</b>	<b>37,725</b>	<b>39,040</b>	<b>1,315</b>	<b>3.5</b>
<b>TOTAL EPF</b>	<b>300,000</b>	<b>300,000</b>	<b>-</b>	<b>-</b>

\*\*20-21 New Categories \*19-20 New Categories



The Executive proposes several new programs within the EPF, the largest of which include: \$3 million for Land Trust Conservation Easements; \$1.2 million for an Essex County Shuttle Service to alleviate tourism congestion in the Adirondack Park; \$500,000 for the Community Forests Grant Program; \$250,000 for Camp Santanoni Historic Area Restoration; and \$150,000 for the Catskill Center for Conservation and Development.

The Executive proposal also makes several funding reductions within the EPF, the largest of which include: Land Acquisition; Zoos, Botanical Gardens and Aquariums (ZGBA); and Farmland Protection.

### ***Other DEC Capital***

**New York Works:** The Executive proposes \$55.25 million for New York Works, unchanged from the SFY 2019-20 level. Funds are used for capital projects on State lands and buildings, such as constructing or renovating campgrounds, dams, fish hatcheries, and air monitoring equipment.

**State Superfund Program:** The Executive proposal continues to fully fund the State's Superfund Program with a \$100 million appropriation, of which 10 percent is allocated to the Environmental Restoration Program (ERP).

### ***DEC State Operations***

The Executive proposes State Operations appropriations of \$464.7 million, an increase of \$4.98 million or 1 percent from the SFY 2019-20 level. This increase in personal service would support an increase of 47 FTEs. Of these new positions, 27 are associated with the implementation of the Climate Leadership and Community Protection Act (CLCPA) and would be funded with a \$3 million increase to a utility assessment charged to ratepayers. The balance of the FTEs are associated with the Lake Ontario Resiliency and Economic Development Initiative (REDI) for which there was a \$100 million capital appropriation in SFY 2019-20.

### ***DEC Aid to Localities***

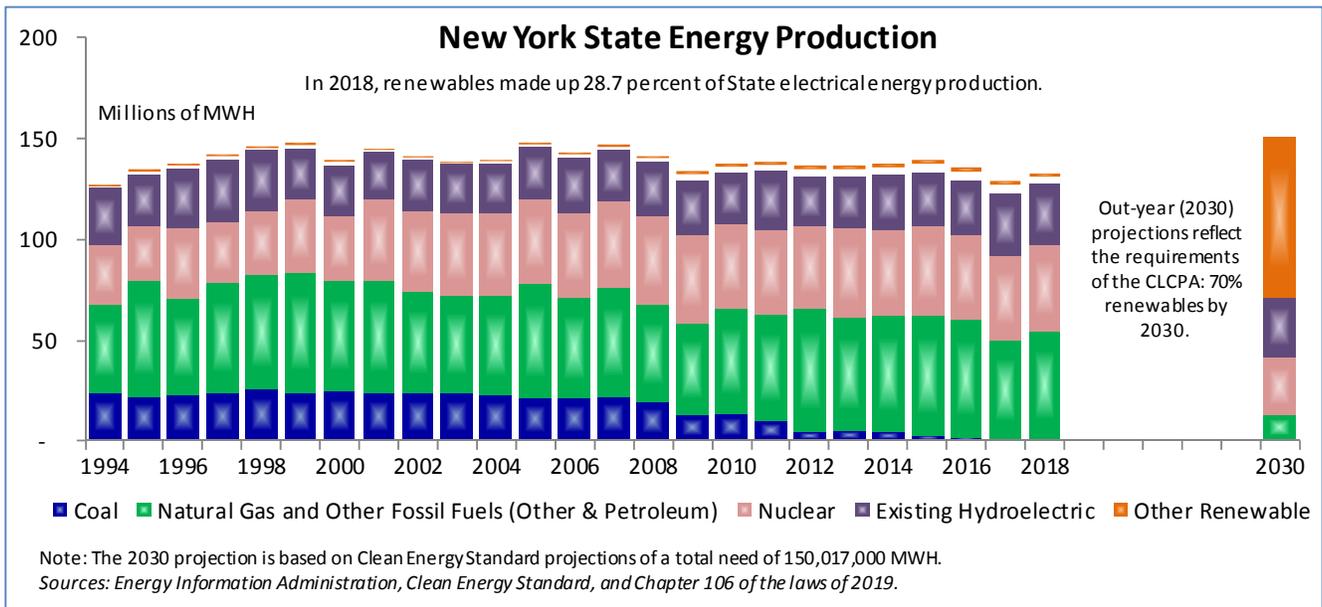
The Executive proposal eliminates appropriations from SFY 2019-20 totaling \$825,000, including \$20,000 for water quality monitoring in Setauket Harbor and \$210,000 in support of Sustainable South Bronx.

## Article VII

The Executive includes the following Article VII proposals that would:

- authorize the creation of \$3 billion of State debt for the Environmental Bond Act of 2020 upon approval by the voters at the November 2020 general election;
- implement the \$3 billion Environmental Bond Act of 2020 for capital projects that preserve, enhance, and restore the quality of the State's environment;
- prohibit the sale, use, or distribution of disposable polystyrene food containers and loose-fill packaging beginning January 1, 2022;
- establish a manufacturer take-back program for carpets and mattresses;
- make wetland maps educational, rather than regulatory, and provide new penalties for coastal erosion hazard area violations;
- authorize the alienation of certain municipal parklands to facilitate the construction of the Bay Park Conveyance Project, which relates to the construction of certain wastewater infrastructure in Nassau County;
- expand the authority of the DEC to regulate the abandonment and plugging of oil, natural gas, injection, monitoring, and solution mining wells;
- prohibit high-volume hydraulic fracturing for natural gas wells effective immediately;
- authorize bond maturities of up to 40 years for certain water infrastructure improvement projects; and
- require the City of New York to transfer Pier 76 to the Hudson River Park Trust by December 31, 2020.





**Figure 10**

### Department of Public Service (DPS)

The Executive proposes an All Funds appropriation of \$106.2 million, an increase of \$1.6 million or 1.5 percent from SFY 2019-20 levels. The Executive recommends support of 528 FTEs, unchanged from the SFY 2019-20 levels. DPS is primarily funded from an assessment on public utility companies rather than the General Fund.

### Article VII

The Executive includes the following Article VII proposals that would:

- continue the authorization for the Public Service Account to fund the regulatory expenses of various agencies through a utility assessment (\$3.33 million) and for the Department of Health to finance public health education programs with revenues generated from an assessment on cable television companies (\$454,000);
- authorize DPS to initiate investigations and enforcement of all regulated public utility corporations without first obtaining Public Service Commission approval;
- establish net neutrality provisions for all internet service providers and require all state entities to contract exclusively with internet service providers that adhere to such provisions; and

- establish a uniform municipal process for the siting of small wireless facilities by placing limitations and requirements on municipalities, including on municipal permitting processes, zoning, and fees.

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

The Executive proposes an All Funds appropriation of \$18.2 million, an increase of \$500,000 or 2.7 percent from SFY 2019-20. This \$18.2 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 U.S. Department of Energy.

Table 29

<b>NYSERDA Revenues &amp; Expenses</b>				
<b>(\$ in Thousands)</b>				
<b>Revenue Source</b>	<b>SFY 2018-19</b>	<b>SFY 2019-20</b>	<b>SFY 2020-21</b>	<b>Percent</b>
Zero Emissions Credits (ZECs)	451,560	541,037	541,037	42.3%
Renewable Energy Credits (RECs)	1,138	5,262	9,096	0.7%
Utility Surcharge Assessments	556,603	739,056	499,731	39.1%
Regional Greenhouse Gas Initiative (RGGI)	100,839	108,598	104,454	8.2%
State Appropriation for West Valley	13,599	17,700	18,200	1.4%
State Funding - Other	11,591	16,873	15,683	1.2%
Federal Grants	16,351	7,339	8,400	0.7%
Miscellaneous	85,836	82,473	82,920	6.5%
<b>Total NYSERDA Revenues</b>	<b>1,237,517</b>	<b>1,518,338</b>	<b>1,279,521</b>	<b>100%</b>
<b>Expenses</b>				
Zero Emissions Credits (ZECs)	462,372	541,774	541,188	40.6%
Renewable Energy Credits (RECs)	2,078	8,817	14,414	1.1%
Market Development, Innovation and	162,902	270,494	289,226	21.7%
Regional Greenhouse Gas Initiative (RGGI)	97,244	100,207	121,156	9.1%
West Valley	12,312	15,976	16,636	1.2%
NY-Sun	83,953	244,533	107,017	8.0%
Other Programs	199,409	276,608	145,583	10.9%
Salaries and Benefits	52,041	55,971	60,219	4.5%
Administration	32,748	35,114	36,383	2.7%
<b>Total NYSERDA Expenses</b>	<b>1,105,059</b>	<b>1,549,494</b>	<b>1,331,822</b>	<b>100.0%</b>

*Source: NYSERDA 2020-21 Budget and Financial Plan*  
*Note: Totals may not add due to rounding.*

NYSERDA revenues are primarily derived from assessments on utilities, including through the Zero Emissions Credit (ZEC) program. Most programs are therefore not appropriated in the Executive Budget, with the exception of the State share for West Valley. These off-budget programs include energy efficiency and energy research, development, and demonstration projects.

**Regional Greenhouse Gas Initiative (RGGI) Transfer:** The Executive Budget proposes a new \$5 million transfer of RGGI proceeds to the EPF. The Executive Budget continues annual transfers of \$23 million



of RGGI proceeds from NYSERDA to the General Fund to support existing green energy tax credits, as well as \$913,000 to offset New York State's debt service requirements for West Valley.

### **Article VII**

The Executive proposes Article VII legislation to increase, from \$19.7 million to \$22.7 million, the annual authorization for an assessment on gas and electric corporations to support various NYSERDA programs, including \$150,000 for the Department of Agriculture and Markets Fuel NY program. The \$3 million increase would be transferred to DEC to support 27 FTEs associated with the implementation of the Climate Leadership and Community Protection Act (CLCPA) enacted in 2019.

### **New York Power Authority (NYPA)**

The Executive proposes an All Funds appropriation of \$129 million, a decrease of \$43 million or 25 percent from SFY 2019-20 levels. The decrease reflects a structured repayment plan between the State and NYPA for a previous fund transfer. The final payment is scheduled for SFY 2022-23.

NYPA revenues are self-generated from selling energy. NYPA's 2020 operating budget is \$2.1 billion and supports 2,048 FTEs. Major components of NYPA's budget include \$612 million for purchased power, \$644.1 million for power transmission, and \$497 million for operations and maintenance. Additionally, the Canal Corporation has an operating budget of \$94 million and supports 482 FTEs. NYPA's capital plan totals \$3.45 billion over four years and focuses on transmission line and customer services projects, and also includes \$230 million for the Canal Corporation.

The Executive proposal includes a \$20 million transfer from NYPA to the General Fund.

### **Article VII**

The Executive proposes Article VII legislation that would authorize NYPA to establish a captive insurance company.

### **Department of Agriculture and Markets**

The Executive proposes an All Funds appropriation of \$190.1 million, an increase of \$297,000 or 0.16 percent from the SFY 2019-20 levels. This change reflects the discontinuation of capital and legislative initiatives, offset primarily by increased funding for the State Fair. The Executive recommends support of 552 FTEs, an increase of 40 FTEs from the SFY 2019-20 level. Of these positions, 19 are dairy and plant industry inspectors, including the hemp industry, and 21 are associated with the State Fair.

**State Operations:** The Executive includes \$123.3 million for State Operations, an increase of \$6.13 million or five percent from SFY 2019-20. The increase primarily reflects \$4.85 million to lengthen the State Fair by five days, with the balance of the increase supporting additional FTEs.

**Agricultural Programs:** The Executive proposes \$27.4 million in aid to localities funding, a decrease of \$5.8 million from SFY 2019-20 related to the elimination of prior year restorations and the consolidation of Taste NY at Empire State Development.

**Capital:** The Executive recommends \$19.42 million in capital funding, unchanged from SFY 2019-20. This is the result of the Executive's proposal to discontinue capital funding for local fairs (\$5 million) and for animal shelters (\$5 million), while increasing capital funding for the State Fair by \$10 million.

### **Article VII**

The Executive proposes Article VII legislation that would authorize school districts to use their own procurement guidelines, based on federal standards, instead of state guidelines when purchasing goods and services for school meal programs.



Table 30

<b>SFY 2020-21 Aid to Localities Appropriations (Agriculture)</b> (\$ in Thousands)			
	<b>Enacted</b>	<b>Executive</b>	<b>Year to Year</b>
	<b>SFY 2019-20</b>	<b>SFY 2020-21</b>	<b>Change (\$)</b>
<b>Cornell Diagnostic Lab</b>			
"Core" Diagnostic Lab	4,839,000	4,425,000	(414,000)
NYS Cattle Health Assurance Program	360,000	360,000	-
Quality Milk Production Services Program	1,174,000	1,174,000	-
Cornell University Johne's Disease Program	480,000	480,000	-
Cornell University Rabies Program	350,000	50,000	(300,000)
Cornell University Avian Disease Program	252,000	252,000	-
Cornell University Salmonella Dublin Program	200,000	-	(200,000)
<b>Cornell Research and Development</b>			
Cornell University Berry Research	260,000	260,000	-
Cornell University Honeybee Research	150,000	150,000	-
Cornell University Maple Research	125,000	75,000	(50,000)
Cornell University Onion Research	70,000	50,000	(20,000)
Cornell University Vegetable Research	100,000	50,000	(50,000)
Cornell University Hard Cider Research	200,000	200,000	-
Cornell University Concord Grape Research	250,000	200,000	(50,000)
Hop Evaluation and Field Testing Program	400,000	300,000	(100,000)
Cornell Golden Nematode Program (shifted to EPF)	62,000	-	(62,000)
<b>Cornell Education &amp; Outreach Programs</b>			
Cornell University Agriculture in the Classroom	380,000	380,000	-
Cornell University Future Farmers of America	842,000	842,000	-
Association of Agricultural Educators	416,000	416,000	-
Cornell University Farm Family Assistance	872,000	664,000	(208,000)
Cornell University Pro-dairy Program	1,201,000	1,201,000	-
Cornell University Veterans to Farm	115,000	115,000	-
Cornell Farm Labor Specialist	200,000	200,000	-
<b>New York Farm Viability Institute</b>			
New York Farm Viability Institute	1,900,000	800,000	(1,100,000)
New York State Berry Growers	60,000	60,000	-
NY Corn and Soybean Growers Association	75,000	75,000	-
<b>Ag Development</b>			
Taste NY (shifted to Empire State Development)	1,100,000	-	(1,100,000)
Grow NY	1,000,000	2,000,000	1,000,000
NYS Brewers	75,000	75,000	-
NYS Cider Association	75,000	75,000	-
NYS Distillers Guild	75,000	75,000	-
New York Wine and Grape Foundation	1,079,000	1,073,000	(6,000)
NY Christmas Tree Farmers	125,000	125,000	-
New York State Apple Growers Association	750,000	478,000	(272,000)
Maple Producers Association	288,000	150,000	(138,000)
Apple Research and Development Program	500,000	500,000	-
Turfgrass Environmental Stewardship	150,000	-	(150,000)
Northern NY Agricultural Development	300,000	-	(300,000)
Dairy Profit Teams	370,000	370,000	-
<b>Other Programs</b>			
Electronic Benefits Transfer	138,000	138,000	-
Farm-To-School	750,000	750,000	-
Ag Child Care (Migrant)	9,275,000	8,275,000	(1,000,000)
Local Fairs	500,000	420,000	(80,000)
Tractor Rollover Protection Program	250,000	125,000	(125,000)
Farmland for a New Generation Resource Center	200,000	-	(200,000)
Farmland for a New Generation Regional Navigator	200,000	-	(200,000)
Harvest NY	600,000	-	(600,000)
Teens for Food Justice Youth Training	20,000	-	(20,000)
Red Hook Farms Initiative	40,000	-	(40,000)
Met Council Kosher Food Network	50,000	-	(50,000)
<b>TOTAL</b>	<b>33,243,000</b>	<b>27,408,000</b>	<b>(5,835,000)</b>

## **Office of Parks, Recreation, and Historic Preservation**

The Executive proposes an All Funds appropriation of \$489 million, an increase of \$7.13 million or 1.5 percent from SFY 2019-20 levels. The Executive recommends support of 2,063 FTE positions, an increase of 22 FTEs from SFY 2019-20 levels.

**Capital Funding:** The Executive recommends \$226.9 million in capital funding, an increase of \$4.2 million or 1.9 percent from SFY 2019-20. The Executive proposes:

- \$110 million in New York Works capital funding, reflecting no change from SFY 2019-20;
- \$27.5 million for the State Park Infrastructure Fund (SPIF) preservation of facilities program, an increase of \$3 million to accommodate 11 new positions for Trades Generalists; and
- \$5.2 million for the State Park Infrastructure Fund (SPIF) preventive maintenance program, an increase of \$1.2 million to accommodate 11 new positions for cliff scalers to stabilize dangerous rocks.

**State Operations:** The Executive recommends \$252.7 million in state operations, a \$3.3 million increase from SFY 2019-20, primarily reflecting an increase of \$3 million for golf and retail sales enterprise funds to accommodate increased revenues.

## **Adirondack Park Agency**

The Executive proposes an All Funds appropriation of \$6 million, an increase of \$1.35 million or 29 percent from SFY 2019-20 levels. This increase primarily reflects a capital appropriation of \$1 million to renovate the Adirondack Park Agency's headquarters in Ray Brook, Essex County. The balance of the increase is for increased personal service costs and the procurement of a building management system. The Executive recommends support of 54 FTE positions, unchanged from the SFY 2019-20 levels.

## **Olympic Regional Development Authority**

The Executive proposes an All Funds appropriation of \$158.6 million, an increase of \$51.5 million or 48 percent from SFY 2019-20 levels. This increase primarily reflects a \$64.5 million increase in capital, which is partially offset by the elimination of a one-time, \$16 million indemnity contingency appropriation associated with the 2023 World University Games in Lake Placid, New York.



The Executive recommends \$144.5 million in capital funding, an increase of \$64.5 million or 81 percent from SFY 2019-20. These funds include \$110 million to implement a plan to modernize ORDA facilities and venues in preparation to host the 2023 World University Games; \$14 million to replace the new mid-station lodge at Whiteface Mountain; and \$10 million for energy efficiency and renovation projects. These investments are made in addition to appropriations totaling \$148 million over the previous three years.



# BUDGET HIGHLIGHTS: TRANSPORTATION



- **DOT Capital Plan:** The Executive proposes a two year, \$11.9 billion capital plan. This is a \$2.95 billion, or 33.1 percent increase in spending over the final two years of the 2015-19 capital plan. The DOT Capital Plan proposal includes a second round of the Airport Economic Development and Revitalization Competition, a \$100 million grant program.
- **Non-MTA Transit System Bus Fleet Electrification:** The DOT Capital Plan proposal includes \$20 million as part of a five-year \$100 million capital plan for non-MTA transit systems to electrify 25 percent of their fleets by 2025 and 100 percent by 2035.
- **Continued Funding of Local Capital Construction Programs:** The DOT Capital Plan proposal would continue appropriation levels of \$438.1 million for the Consolidated Highway Improvement Program (CHIPs) and \$39.7 million for the Marchiselli program. The Executive continues funding of \$100 million for the Bridge NY program and \$100 million for PAVE NY, distributed through the CHIPs formula.
- **MTA Capital Plan Funding:** The Executive proposal would appropriate \$3 billion in State funding to support the \$54.8 billion 2020-24 MTA Capital Plan.
- **Transit Operating Assistance:** The Executive recommends \$6.3 billion in annual support for transit systems, including the MTA, reflecting an increase of \$476.3 million or 8.1 percent from SFY 2019-20.



# 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. The Department of Transportation (DOT) maintains and improves the State’s more than 43,000 highway lane miles and 7,800 bridges and supports local government highway and bridge construction, Consolidated Highway Improvement Program (CHIPs), rail, and aviation projects. DOT also supports over 130 locally operated transit systems, including the MTA.

The Metropolitan Transportation Authority (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 increased 54 percent between 1995 and 2016 reaching an all-time high of 2.7 billion people riding on its subways, buses, and railroads, a number that subsequently declined amid ongoing service issues. Additionally, the MTA’s nine bridges and tunnels carry over 300 million vehicles annually.

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

The Thruway Authority is responsible for operating a 570-mile toll highway system, including the construction of the Governor Mario M. Cuomo Bridge.

**Table 31**

Agency	Appropriations			
	2019-20 Adjusted (\$ in Millions)	2020-21 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Transportation	9,573.11	11,777.60	2,204.49	23.03
Metropolitan Transportation Authority	2,537.14	3,928.66	1,391.52	54.85
Department of Motor Vehicles	395.89	428.36	32.47	8.20

Table 32

Agency	Disbursements			
	2019-20 Adjusted (\$ in Millions)	2020-21 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Transportation	8,549,520.00	9,731,289.00	1,181,769.00	13.82
Metropolitan Transportation Authority	644,487.00	385,856.00	(258,631.00)	(40.13)
Department of Motor Vehicles	365,697.00	398,066.00	32,369.00	8.85

**Department of Transportation (DOT)**

The Executive proposes All Funds appropriations of \$11.78 billion, an increase of \$2.2 billion or 23 percent from SFY 2019-20. The increase includes \$1.7 billion of additional capital appropriations to support the first year of a proposed two-year DOT capital program. The Executive recommends funding support of 8,520 full-time equivalent (FTE) positions, which is unchanged from SFY 2019-20.

The DOT budget has two main components: transit assistance and capital expenditures. Transit assistance is primarily funded by dedicated transportation tax revenue and distributed to over 130 mass transit authorities around the State, including the MTA. Transit assistance to the MTA supports operations and is distinct from State support for the MTA Capital Plan. The DOT Capital Plan funds the maintenance of State highways and bridges as well as CHIPs, rail, and aviation projects and is primarily funded through the Dedicated Highway and Bridge Trust Fund.

**DOT Capital Plan:** The Executive proposes a new two-year DOT capital plan of \$11.9 billion on an obligations basis, an increase of \$2.95 billion or 33.1 percent above the final two years of the 2015-19 capital program. The increase would primarily be attributable to the core Road and Bridge capital program, with other plan components maintained at current funding levels. Assuming federal funding remains flat at \$3.6 billion over two years, State funding for the new two-year capital plan would be \$8.3 billion.

Approximately 62 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 funding to municipalities for local road and bridge construction including the CHIPs and Marchiselli programs, DOT’s in-house engineering costs (14.6 percent), Pave NY and Bridge NY (11.4 percent), and summer road maintenance (6.7 percent). The Capital Plan also allocates 4.48 percent of funding to all other modes of transportation, including rail, aviation, and non-MTA transit systems, virtually unchanged from 4.33 percent in the previous capital plan.



Table 33

<b>Department of Transportation Two-Year Capital Plan</b>				
\$ in Thousands				
	SFY 2018-20	SFY 2020-22	\$ Change	% Change
Road and Bridge Program	5,220,835	7,383,000	2,162,165	41.4
Local Pave NY / Bridge NY	400,000	400,000	-	-
Engineering	988,700	1,739,000	750,300	75.9
Preventive Maintenance	780,500	800,000	19,500	2.5
Aviation	33,000	133,000	100,000	303.0
Rail	143,600	143,600	-	-
Non-MTA Capital	209,000	255,000	46,000	22.0
CHIPs and Marchiselli	1,085,600	955,600	(130,000)	(12.0)
Other Federal	50,600	50,600	-	-
<b>Total</b>	<b>8,911,835</b>	<b>11,859,800</b>	<b>2,947,965</b>	<b>33.1%</b>

Major plan-to-plan changes include a \$100 million increase for aviation and a \$130 million decrease for CHIPs (\$65 million per plan year), which reflects an Executive proposal to discontinue the Extreme Winter Recovery funding distributed through the CHIPs formula.

The first year commitment of the new two-year capital plan would provide:

- \$3.41 billion in general support for the core Road and Bridge capital program;
- \$438.1 million to improve State and local bridges through CHIPs and \$39.7 million for the Marchiselli program;
- \$110.5 million to support non-MTA mass transit, including funding for the Niagara Frontier Transportation Authority (NFTA) passenger rail system;
- \$100 million for local Pave NY and \$100 million for local Bridge NY;
- \$100 million for the upstate airport revitalization competition and \$16.5 million in traditional aviation funding;
- \$71.8 million for rail; and
- \$20 million for non-MTA transit systems to electrify their fleets by 2035 growing to \$100 million over five years.

**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, as well as through bond proceeds, federal funds and a General Fund transfer. The largest sources of dedicated tax revenue are the Petroleum Business Tax (PBT) and fees collected by the DMV, which contribute approximately \$500 million annually toward the DOT capital program net of DMV operating costs. All dedicated taxes and fee revenues in the fund are projected to remain flat. As a result, increasing spending for the DOT capital plan creates a funding shortfall in the DHBTF, which would be met in SFY 2020-21 by a \$424.5 million transfer from the General Fund.

Table 34

<b>Dedicated Highway and Bridge Trust Fund</b>				
(\$ in Millions)				
	SFY 2019-20	SFY 2020-21		
<u>Receipts</u>	Estimate	Projection	\$ Change	% Change
Dedicated Taxes (including Motor Vehicle Fees, Petroleum Business Tax, Motor Fuel Tax, Highway Use Tax, Auto Rental Tax, Corporation & Utility Tax)	2,116.2	2,117.5	1.4	0.1
Miscellaneous Receipts (primarily bond proceeds)	610.7	609.0	(1.8)	(0.3)
Transfers from Federal Funds	394.9	401.7	6.7	1.7
Transfers from General Fund	390.7	424.5	33.8	8.7
Transfers from Other Funds	0.3	0.9	0.6	195.2
<b>Total Receipts</b>	<b>3,512.8</b>	<b>3,553.6</b>	<b>40.7</b>	<b>1.2</b>
<b><u>Disbursements</u></b>				
Road and Bridge Capital Construction Program	573.6	587.0	13.4	2.3
Administration	86.8	92.0	5.2	6.0
State Forces Engineering	496.6	533.3	36.7	7.4
Consultant Engineering	196.6	206.0	9.4	4.8
DOT Operations	352.0	365.7	13.6	3.9
DMV Operations	254.0	283.2	29.3	11.5
Transfers for ITS	57.6	57.6	0.0	0.0
Transfer for State Debt Service	1,018.9	897.2	(121.7)	(11.9)
Transfer for Local Debt Service (CHIPS)	439.3	530.8	91.5	20.8
<b>Total Disbursements</b>	<b>3,475.4</b>	<b>3,552.9</b>	<b>77.4</b>	<b>2.2</b>

**Transit Assistance:** The Executive proposes \$6.33 billion in support for transit systems statewide, which is an increase of 8.1 percent or \$476.3 million from SFY 2019-20. Of the total transit operating assistance, \$236.1 million is provided for upstate transit systems, an increase of \$9.6 million or 4.2 percent from SFY 2019-20. This increase reflects the fully annualized revenue from a 6 percent surcharge on car rentals outside of the Metropolitan Commuter Transportation District (MCTD) enacted in the SFY 2019-20 budget, which will continue to provide dedicated funding for upstate transit systems.

Non-MTA downstate transit systems are provided \$393.7 million in operating assistance, an increase of \$55.2 million or 16.3 percent from SFY 2019-20. The Executive proposal maintains \$11 million in funding for the Lower Hudson Transit Link which provides express bus service across the Mario M. Cuomo Bridge.

Table 35

<b>Executive Proposal: Transit Operating Assistance</b>				
<b>Cash Disbursements</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2019-20 Enacted Budget</b>	<b>SFY 2020-21 Proposal</b>	<b>\$ Change</b>	<b>% Change</b>
<b>MTA</b>				
NYC Transit Authority	1,964.2	2,190.1	225.9	11.5
Commuter Rail (MNR & LIRR)	713.1	804.7	91.6	12.8
Verrazzano Bridge Rebate Program	13.8	13.8	0.0	0.0
MTA (Payroll Mobility Tax and MTA Aid)	2,165.0	2,244.1	79.0	3.6
MTA (FHV Surcharge Revenue)	420.0	435.0	15.0	3.6
<b>MTA Subtotal</b>	<b>5,276.2</b>	<b>5,687.7</b>	<b>411.5</b>	<b>7.8</b>
<b>Non-MTA Downstate Systems</b>				
Nassau	74.4	86.5	12.1	16.3
NYC DOT	97.9	113.8	16.0	16.3
Rockland	3.8	4.4	0.6	16.3
Staten Island Ferry	36.6	42.6	6.0	16.3
Suffolk	28.9	33.6	4.7	16.3
Westchester	61.5	71.5	10.0	16.3
FORMULAS	35.5	41.3	5.8	16.3
<b>Non-MTA Downstate Systems Subtotal</b>	<b>338.5</b>	<b>393.7</b>	<b>55.2</b>	<b>16.3</b>
Lower Hudson Transit Link	11.0	11.0	0.0	0.0
South Fork Commuter Bus Service	0.5	0.5	0.0	0.0
<b>Upstate Systems</b>				
Capital District Transportation Authority (CDTA)	40.7	42.4	1.7	4.2
Central New York Regional Transportation Authority (CNYRTA)	37.2	38.7	1.6	4.2
Niagara Frontier Transportation Authority (NFTA)	58.6	61.1	2.5	4.2
Rochester Genesee Regional Transportation Authority (RGRTA)	45.1	47.0	1.9	4.2
FORMULAS	44.8	46.7	1.9	4.2
<b>Upstate Systems Subtotal</b>	<b>226.5</b>	<b>236.1</b>	<b>9.6</b>	<b>4.2</b>
<b>Transit Operating Assistance Total:</b>	<b>5,852.6</b>	<b>6,328.9</b>	<b>476.3</b>	<b>8.1</b>

Transit assistance for the MTA in SFY 2020-21 is projected at \$5.69 billion, an increase of \$411.5 million or 7.8 percent from SFY 2019-20, reflecting revenue growth from the dedicated taxes collected in the MTA service area. Transit operating assistance comprises 33.4 percent of the MTA's 2020 annual budget of \$17 billion.

**MTA Resident Rebate Programs:** The Executive proposal includes appropriations totaling \$13.8 million to support the Verrazzano Narrows Bridge Staten Island Resident Rebate Program and its companion Commercial Rebate Program, continuing a legislative increase of \$3.5 million in SFY 2018-19 and maintaining the current toll rate for program participants.

The Executive includes the following Article VII proposals that would:

- increase the threshold under which CHIPs projects may be performed either by a municipality's own forces or by competitively-bid contracts from \$250,000 to \$750,000;
- increase penalties imposed for violations of laws or regulations prohibiting the operation of certain motor vehicles on highways or parkways, and for violations relating to vehicle height;
- authorize the use of rear-facing blue lights on DOT-designated "safety service patrol vehicles" providing highway incident management and motorist assistance;
- expand crimes committed against highway workers, motor vehicle inspectors and motor carrier inspectors; create a work zone safety and outreach program; modify laws relating to the moving of vehicles, cargo, and debris following crashes; and increase penalties for persons convicted of failing to exercise due care to avoid hitting a pedestrian or bicyclist and causing physical injury or serious physical injury;
- authorize the operation of semi-trucks with tandem trailers over specified routes located off various Thruway exits across the State; and
- increase penalties for unlawfully soliciting ground transportation services at airports and authorize the seizure and forfeiture of vehicles used in repeat offenses. This part also would authorize Port Authority police officers to enforce any local law, rule or regulation related to ground transportation service at Port Authority airports.

### **Metropolitan Transportation Authority**

**MTA 2020-24 Capital Plan:** On January 1, 2020, the Capital Program Review Board (CPRB) approved the new 2020-24 MTA Capital Plan totaling \$54.8 billion, an increase of \$20.9 billion or 62 percent over the previous plan. Major highlights of the capital plan include:

- \$9.2 billion for subway stations and accessibility;
- \$7.3 billion for subway signal modernization;
- \$6 billion for subway car procurements;
- \$5.7 billion for the Long Island Rail Road;
- \$4.7 billion for the Metro-North Railroad;
- \$2.5 billion for bus procurements; and
- \$1.1 billion for improvements to the Verrazzano-Narrows Bridge.



The plan includes \$7.8 billion or 14 percent of the overall plan, for the completion of major network expansion projects, including East Side Access, Penn Station Access, the LIRR Third Track and Phase II of the Second Avenue Subway, although this latter project relies on a \$2.9 billion federal New Starts grant.

The Executive proposal includes a \$3 billion appropriation to support the 2020-24 MTA Capital Plan. The MTA Capital Plan assumes that New York City will also contribute \$3 billion. The MTA, through revenues derived from its ridership, regional taxpayers and drivers, will provide \$38.1 billion or 69.5 percent of total funding for the Capital Plan, including:

- \$15 billion in capital from revenues generated within New York City as part of Central Business District Tolling;
- \$10 billion in capital from real estate transfer taxes imposed in New York City and revenue from internet sales tax collections generated in New York City;
- \$9.8 billion in MTA Bonds and PAYGO, which are supported by farebox revenues; and
- \$3.3 billion in toll revenue from MTA Bridges and Tunnels.

**Table 36**

<b>2020-2024 MTA CAPITAL PLAN</b>			
<b>(\$ in millions)</b>			
<b>AGENCY</b>		<b>FUNDING SOURCES</b>	
Subways - New York City Transit Authority	37,303	Capital from Central Business District Tolling	15,000
Buses - NYCTA and MTA Bus	3,512	Capital from RETT and Internet Sales Tax	10,000
Long Island Rail Road	5,714	MTA Bonds and PAYGO	9,792
Metro-North Railroad	4,689	Federal Formula	7,775
Interagency/Miscellaneous	254	State of New York	3,000
Bridges and Tunnels	3,327	City of New York	3,000
		Federal New Starts (2nd Ave Subway Phase II)	2,905
		Bridges and Tunnels (self-funded)	3,327
<b>Total</b>	<b>54,799</b>	<b>Total</b>	<b>54,799</b>

**MTA 2015-19 Capital Plan:** The State has made commitments to the 2015-19 Capital Plan totaling \$8.6 billion, and New York City has made \$2.6 billion in capital commitments to the same plan. The Executive budget proposal includes a \$31 million appropriation for debt service payments associated with the State commitment. These debt service payments are expected to grow to \$251 million in 2023.

**MTA Contingency Appropriation:** The Executive Budget proposes contingency appropriations of \$928.7 million for SFY 2021-22, a decrease of \$41 million or 4.2 percent. This contingency

appropriation can be used to support operating costs as well as debt service payments for the MTA in SFY 2021-22 in the event that the state budget for that fiscal year is not enacted by April 1, 2021.

**Executive Order 168:** On June 29, 2017, the Governor declared a disaster emergency in the Metropolitan Commuter Transportation District (MCTD) and issued an Executive Order in response to derailments and delays throughout the subway system. The Executive Order suspends a series of laws governing the MTA's contracts and procurements. The Executive has renewed the Executive Order every 30 days since its declaration, continuing to exempt the MTA from procurement laws.

The Executive includes the following Article VII proposals that would:

- amend Public Authorities Law to increase the Metropolitan Transportation Authority's statutory bonding capacity from \$55.497 billion to \$90.1 billion and would extend their bonding authority an additional five years to 2024;
- modify the MTA's bidding and procurement processes by raising bidding thresholds to \$1 million, allow for an informal competitive bidding process for MWBE and disabled veteran-owned businesses for contracts up to \$1 million, and other procurement reform provisions;
- extend, from April 1, 2021, to December 31, 2024, the authority for municipalities in the MCTD to share property tax revenues with the MTA through the use of tax increment financing;
- authorize the LIRR and Metro North to enter private property abutting their rights of way to remove or trim vegetation to preserve the safety and efficiency of rail operations;
- amend the penal law to make the intentional use of a toll facility without payment a class-A misdemeanor and would make it a violation with a fine of \$100-\$500 to drive on a toll road with an obscured license plate;
- increase penalties associated with a person intentionally causing physical injury to certain MTA transit employees;
- increase penalties associated with harassment of certain MTA transit employees; and
- provide for certain persons designated as repeat offenders or with an open criminal case for unlawful sexual conduct to be banned permanently or temporarily from MTA facilities.



**Department of Motor Vehicles**

The Executive proposes All Funds appropriations of \$428.4 million, an increase of \$32.5 million or 8.2 percent above the SFY 2019-20 level. This reflects an increase in DMV operations, which over two years would total \$65.6 million above SFY 2018-19 levels. These increases would support an additional 471 FTEs to implement the REAL-ID Act, a cyclical increase in license renewals and the implementation of the Driver's License Access and Privacy Act of 2019 (the Green Light Law).

The DMV State Operations Budget is composed of specific programs which are self-supported by fees.

**Table 37**

<b>Department of Motor Vehicles Appropriations</b>					
(\$ in Thousands)					
	SFY 2018-19	SFY 2019-20	SFY 2020-21		
	Enacted	Enacted	Executive	\$ Change	% Change
<b>Administration Program</b>					
DMV Seized Asset Account	400	400	400	0.0	0.0
Federal Seized Asset Account	1,000	1,000	1,000	0.0	0.0
Banking Service Account	5,300	5,300	5,300	0.0	0.0
DMV Equitable Sharing Agreement (Justice)	1,000	1,000	1,000	0.0	0.0
DMV Equitable Sharing Agreement (Treasury)	1,000	1,000	1,000	0.0	0.0
<b>Administrative Adjudication Program</b>					
Administration Adjudication Account	44,103	44,103	44,103	0.0	0.0
<b>Clean Air Program</b>					
Mobile Source Account	20,623	20,623	20,623	0.0	0.0
<b>Compulsory Insurance Program</b>					
Compulsory Insurance Account	9,807	9,807	9,807	0.0	0.0
<b>Distinctive Plate Development Program</b>					
	24	24	24	0.0	0.0
<b>Governor's Traffic Safety Committee</b>					
Highway Safety Research and Operating Grants	14,493	14,493	14,493	0.0	0.0
Highway Safety Programs	22,000	22,200	22,200	0.0	0.0
Highway Safety Research & Development	6,000	6,000	6,000	0.0	0.0
STOP DWI Program	375	375	375	0.0	0.0
<b>Transportation Safety Program</b>					
Motorcycle Safety Account	1,610	1,610	1,610	0.0	0.0
Internet Point Insurance Reduction Program	425	425	425	0.0	0.0
<b>Capital (Transportation Support)</b>	<b>234,414</b>	<b>267,525</b>	<b>300,002</b>	<b>32,477</b>	<b>12.1</b>
<b>Total</b>	<b>362,574</b>	<b>395,885</b>	<b>428,362</b>	<b>32,477</b>	<b>8.2</b>

The Executive includes the following Article VII proposals that would:

- authorize the operation of bicycles with electric assist (“e-bikes”) and establish operating and equipment requirements for e-bikes and their operators;
- make permanent provisions related to the increase and disposition of certain DMV fees into and payment of DMV costs from the Dedicated Highway and Bridge Trust Fund;

- extend for two years the Internet Point Insurance Reduction Program (I-PIRP); and
- authorize the operation of electric scooters (“e-scooters”) and establish operating and equipment requirements for e-scooters and their operators.

### **Thruway Authority**

The Thruway Authority is funded primarily through various off-budget revenues, consisting of mostly tolls. The 2020 Thruway Authority Budget is \$1.34 billion which includes: \$533.7 million in core capital program funding; \$72.39 million in capital funding for the Governor Mario M. Cuomo Bridge; \$438 million for operating expenses including a \$66.5 million reimbursement to the State Police for the cost of patrolling the system; and \$296 million for debt service. The Thruway Authority is expected to implement cashless tolling throughout its entire system by October 2020.

Earlier this year, the Thruway Authority proposed a toll increase on the Governor Mario M. Cuomo Bridge of \$0.50 beginning in January 2021 and an additional \$0.50 beginning in January 2022 for passenger vehicles with a standard NY E-ZPass. The proposal would also:

- establish a discount plan for Westchester and Rockland County residents that would maintain the current toll price of \$4.75;
- increase the current Commuter Discount Plan toll for daily commuters from \$3.00 to \$3.45 in 2022;
- increase the rate paid by non E-ZPass users using the Tolls by Mail system from \$5.00 to \$6.83 in 2021 and \$7.48 in 2022; and
- increase tolls for commercial vehicles by 31 percent in January 2021 and an additional 30 percent in January 2022.

For the rest of the Thruway system, toll rates for E-ZPass users will remain the same, however customers who do not have an E-ZPass and use the Tolls by Mail system will pay 30 percent above the toll rate and an additional \$2.00 administrative surcharge per billing statement.

The Thruway Authority forecasts that the proposed toll increases would generate an additional \$56.3 million in revenue in 2021 and an additional \$81.1 million in revenue in 2022. The Thruway Authority will hold public hearings prior to the adoption of the proposed toll increases.



The Executive includes the following Article VII proposals that would:

- allow the Thruway Authority to enter into agreements for use of its fiber optic system without requiring a public auction of the asset; and
- create a single toll-collection and financing agency and transfer all assets, liabilities and responsibilities of the NYS Bridge Authority to the Thruway Authority.



# BUDGET HIGHLIGHTS: ECONOMIC DEVELOPMENT



- **Consolidation of the Centers of Excellence and Centers of Advance Technology Programs:** The Executive proposal would consolidate funding for the Centers of Excellence (CoE) and Centers of Advance Technology (CAT) programs into a \$19.5 million competitive program. In addition, a new \$1.5 million Statewide Innovation Hub Center would be established to facilitate competitive grants for CoEs and CATs that work on specific State designated initiatives.
- **New York Works Economic Development Fund:** The Executive provides \$220 million to support projects that create, expand, retain or attract new jobs and businesses.
- **Support for Economic Development Initiatives:** The Executive proposes \$42.5 million to support various efforts to promote New York State as a tourism destination.
- **Enhanced Support for 2020 Census:** The Executive provides an additional \$10 million for various efforts to obtain a complete count during the 2020 census. This amount would supplement the \$20 million that was contained within the SFY 2019-20 Enacted Budget for these efforts.
- **Empire State Entertainment Diversity Job Training Development Fund:** The Executive proposes to create a new \$2 million Entertainment Diversity Job Training Development Fund, which would support diversity efforts within New York State's motion picture and television industry.



# 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, gaming (including Indian gaming, video lottery gaming, charitable 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 38**

Agency	Appropriations			
	2019-20 Adjusted (\$ in Millions)	2020-21 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Urban Development Corporation	1,434.58	477.94	(956.64)	(66.68)
New York State Gaming Commission	408.51	432.51	24.00	5.87
Department of Economic Development	93.01	87.60	(5.40)	(5.81)
Council on the Arts	46.98	46.88	(0.10)	(0.21)

Table 39

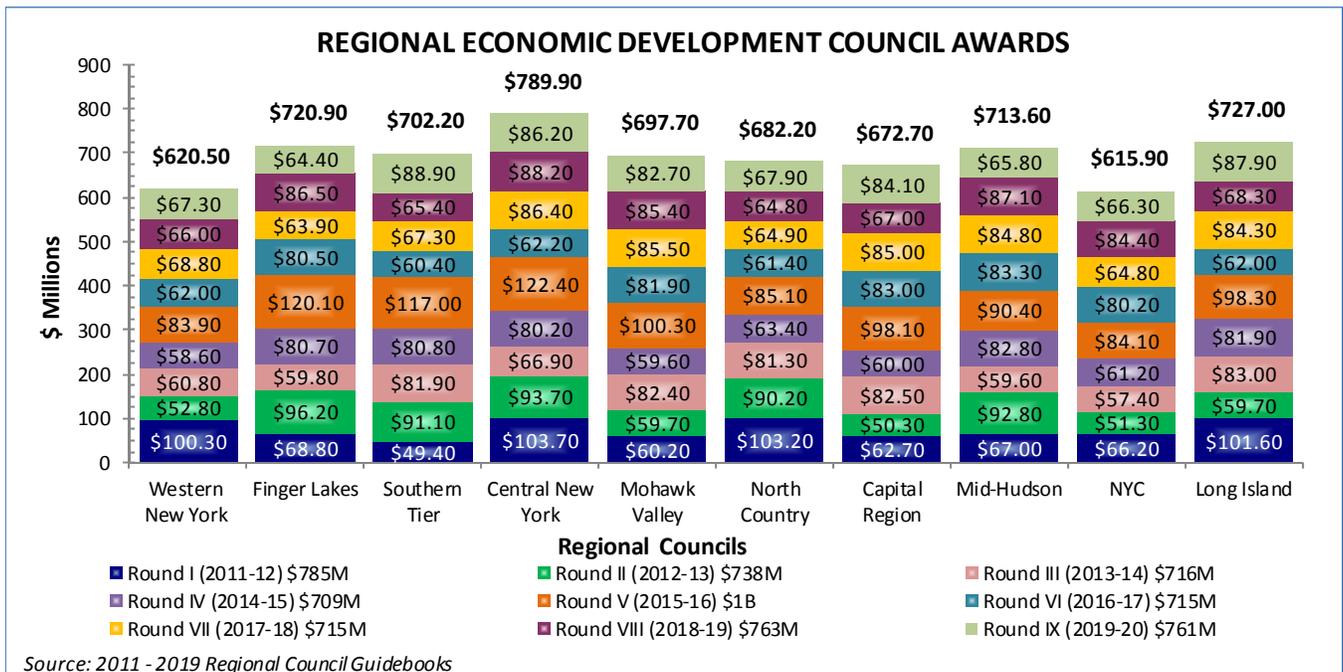
<b>Disbursements</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Urban Development Corporation	1,383.06	1,944.43	561.37	40.59
New York State Gaming Commission	278.89	210.61	(68.27)	(24.48)
Department of Economic Development	86.15	88.35	2.20	2.55
Council on the Arts	46.05	46.05	(0.00)	(0.01)

**Urban Development Corporation (UDC)/Empire State Development Corporation**

The Executive proposes All Funds appropriations of \$447.94 million, a decrease of \$956.64 million or 66.7 percent below the SFY 2019-20 level.

**Capital:** The Executives proposal includes \$380.36 million in new Capital Projects appropriations under the Urban Development Corporation, a decrease of \$939.97 million or 71.2 percent below the SFY 2019-20 level.

**Regional Economic Development Councils (REDC):** The Executive provides \$150 million in capital for a 10th round of REDC competitive awards. To date, the Executive has announced nine rounds of REDC awards totaling approximately \$6.9 billion.



**Figure 11**

**Downtown Revitalization Initiative (DRI):** The Executive provides \$100 million for a fifth round of DRI competitive awards. The initiative will target 10 downtown areas, one in each economic development region that is either suffering from population loss or economic distress to help increase the property tax base. To date, the Executive has announced four rounds of DRI awards totaling \$400 million. The program is administered through the Department of State.

**Table 40**

Downtown Revitalization Initiative Awardees				
Region	Round 1 SFY 2016-17	Round 2 SFY 2017-18	Round 3 SFY 2018-19	Round 4 SFY 2019-20
Western New York	Jamestown	Olean	Lockport	Niagara Falls Bridge District
Finger Lakes	Geneva	Batavia	Penn Yan	Seneca Falls
Southern Tier	Elmira	Watkins Glen	Owego	Hornell
Central New York	Oswego	Cortland	Auburn	Fulton
Mohawk Valley	Oneonta	Rome	Amsterdam	Utica
North Country	Plattsburgh	Watertown	Saranac Lake	Potsdam
Capital Region	Glens Falls	Hudson	Albany	Schenectady
Mid Hudson	Middletown	Kingston	New Rochelle	Peekskill
New York City	Jamaica	Bronx	Downtown Brooklyn	Staten Island
Long Island	Westbury	Hicksville (Oyster Bay)	Central Islip	Baldwin

Note: Each selected municipality received a \$10m award.  
Source: Urban Development Corporation (UDC); Department of State (DOS).

**Enhanced Support for 2020 Census Efforts:** The Executive provides an additional \$10 million for various efforts to obtain a complete count during the 2020 Census. This amount would supplement the \$20 million that was contained within the SFY 2019-20 Enacted Budget for these efforts.

**Western New York Football:** The Executive provides a total of \$6.96 million to cover contractual obligations for the retention of the Buffalo Bills in Western New York.

**Economic Development Funds:** The Executive proposes \$220 million in capital funding through the New York Works Economic Development Fund and provides \$26.18 million in operating support for the Empire State Economic Development Fund. In addition, \$42.5 million is provided to finance certain economic development efforts, including the Open for Business Program, Global NY initiatives and trade missions, and advertising for the START-UP NY Program.

## Article VII

The Executive proposes Article VII language that would:

- extend the authorization of UDC to administer the Empire State Economic Development Fund from July 1, 2020 to July 1, 2021;
- extend the general loan powers of UDC from July 1, 2020 to July 1, 2021; and
- amend eligibility for the Economic Transformation Program by removing the March 31, 2012 cut-off date related to the closure of a state prison to permit inclusion in a program to provide economic development assistance.

## Department of Economic Development

The Executive proposes All Funds appropriations of \$87.6 million, a decrease of \$5.4 million or 5.8 percent below the SFY 2019-20 level. The Executive recommends support for 153 fulltime equivalent (FTE) positions, which is unchanged from SFY 2019-20.

**Consolidation of the Centers of Advanced Technology (CATs) and the Centers of Excellence Programs (CoEs):** The Executive proposes to combine CATs and CoEs into a \$19.5 million competitive program. The proposal also provides \$1.5 million for the establishment of a new Statewide Innovation Hub that will hold competitive funding opportunities for CATs and CoEs for specific projects in emerging industries that the State believes will lead to additional investment and industry development.

**New York State Tourism:** The Executive proposes to maintain \$15 million in total support for the continuation of the Market NY Program. In addition, \$3.82 million is allocated to provide Local Tourism Matching Grants.



**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.

**Agritourism:** The Executive proposes \$3.97 million to promote local agritourism, as well as New York produced food and beverage products, unchanged from the prior year.

**Empire State Entertainment Diversity Job Training Development Fund:** The Executive proposes to create a new \$2 million Entertainment Diversity Job Training Development Fund, which would support diversity efforts within New York State's motion picture and television industry.

**Gateway Information Centers:** The Executive proposes to eliminate \$196,000 each for two Gateway Information Centers located in Beekmantown and Binghamton.

### **Article VII**

The Executive proposes Article VII language that would allow Centers of Excellence to apply for designation as Centers for Advanced Technology to allow for a revamped Innovation Centers program, which will combine the Centers of Advanced Technology (CATs) and Centers of Excellence (CoEs) into one program.

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

The Executive proposes an All Funds appropriation of \$432.51 million, an increase of \$24 million or 5.9 percent above the SFY 2019-20 level. The Executive proposes a workforce of 430 FTEs, a net increase of 19 FTEs from SFY 2019-20.

**Agency Operations:** The Executive proposes \$113.51 million for agency operations, which is unchanged from SFY 2019-20. The Executive offsets increases for the Gaming Program (\$2.9 million), Horse Racing and Pari-Mutuel Wagering (\$2.47 million), and Charitable Gaming (\$665,000) through decreases in support for the Administration of the Lottery (\$5.39 million), and Interactive Fantasy Sports (\$641,000).

**Commercial Gaming Revenue:** The Executive proposes \$62 million in aid to host governments and non-host counties within a gaming region, which is unchanged from SFY 2019-20.

**Tribal State Compacts:** The Executive proposal appropriates \$257 million for payments made pursuant to Tribal-State Compacts, an increase of \$24 million from SFY 2019-20.

## **Article VII**

The Executive proposes Article VII language that would:

- authorize the New York Racing Association (NYRA) to fund the construction and furnishing of an equine drug testing and research lab for the use of the Gaming Commission;
- allow for the creation of a multi-state compact for the creation of a uniform set of rules and regulations of drug use in racehorses;
- authorize sports pools within the casino beyond the currently authorized sports wagering lounges, additional locations to be approved by the Gaming Commission;
- remove certain restrictions for eligible vendors who sell tickets for the Quick Draw game; and
- extend the current pari-mutuel tax rates and out-of-state simulcasting provisions for one year.

## **New York State Council on the Arts (NYSCA)**

The Executive proposes an All Funds appropriation of \$46.88 million, a decrease of \$100,000 or 0.2 percent below the SFY 2019-20 level. The Executive recommends funding support of 30 full-time equivalent positions, which is unchanged from SFY 2019-20.

# BUDGET HIGHLIGHTS: PUBLIC PROTECTION



- **Indigent Legal Services Expansion:** The SFY 2017-18 Budget established a multi-year plan to improve the quality of public defense services statewide. The Executive Budget includes \$150 million to support the third year of the Statewide Hurrell-Harring initiative, which is an increase of \$50 million over SFY 2019-20.
- **Civil Legal Services:** The Executive budget provides \$4.2 million for civil and criminal legal services, including legal services for domestic violence victims.
- **Securing Communities Against Hate Crimes:** The Executive Budget provides \$25 million in new capital funding to support safety and security needs at vulnerable nonprofit organizations.
- **District Attorney Discovery Compensation Fund:** The Executive Budget provides \$2 million for digital evidence transmission technology used to share information between law enforcement, district attorneys and criminal defense attorneys.
- **New York State Police Hate Crimes Task Force:** The Executive Budget provides \$2 million to address the increase in reports of bias-motivated threats, harassment, and violence throughout New York State.
- **Jamaica Armory:** The Executive Budget includes \$121 million in State and Federal appropriations for a multi-year renovation and reprogramming project at the Jamaica Armory in Queens.
- **Prison Closures:** The Executive proposes legislation to expedite the prison closure process by authorizing the Governor to close prisons upon 90 days' notice instead of the one year notice requirement.



# BUDGET REVIEW AND ANALYSIS: PUBLIC PROTECTION



The State of New York spends approximately \$7.39 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 Naval 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. These agencies also advocate for victims of crime, and promote fair representation and the protection of legal interests within the state's court system.

Table 41

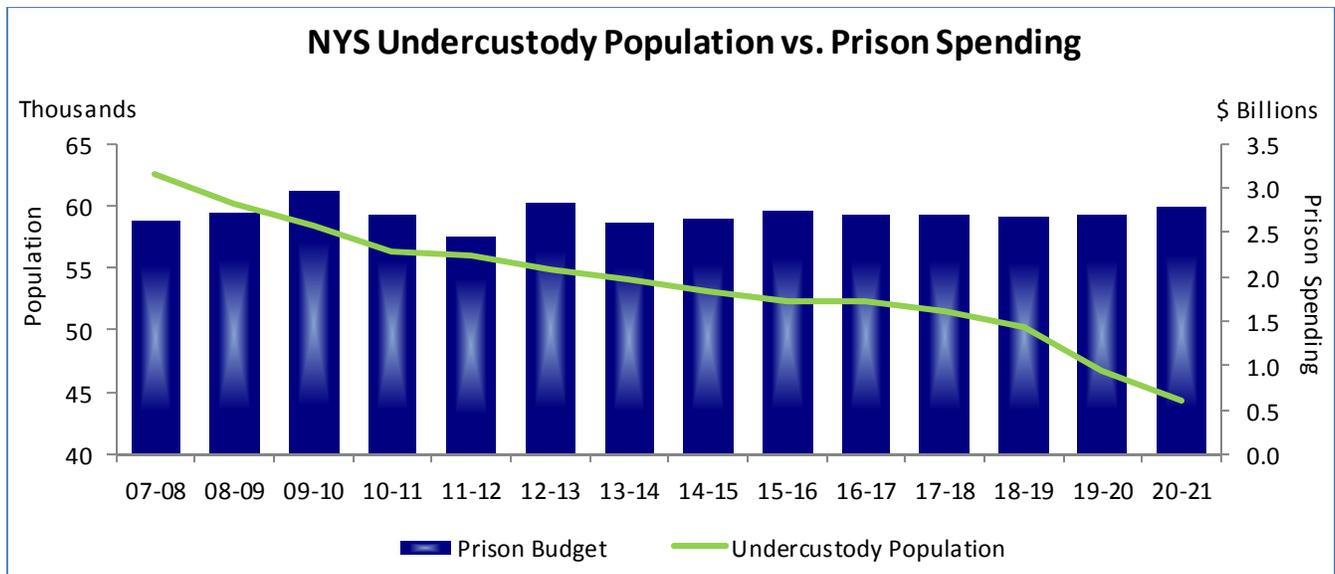
<b>Appropriations</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Department of Corrections and Community Supervision	3,623.06	3,389.74	(233.32)	(6.44)
Division of Homeland Security and Emergency Services	1,568.91	1,563.31	(5.60)	(0.36)
Division of State Police	1,018.67	1,014.28	(4.39)	(0.43)
Division of Criminal Justice Services	295.37	309.86	14.49	4.91
Department of Law	263.63	272.45	8.82	3.35
Division of Military and Naval Affairs	157.61	306.11	148.50	94.22
Office of Victim Services	171.80	211.99	40.19	23.40
Office of Indigent Legal Services	210.90	261.27	50.37	23.88
Interest on Lawyer Account	47.04	47.10	0.06	0.14
Judicial Commissions	6.09	6.09	0.00	0.00
Office for the Prevention of Domestic Violence	5.68	5.73	0.05	0.88
State Commission of Correction	2.96	2.96	0.00	0.00

Table 42

<b>Disbursements</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Department of Corrections and Community Supervision	3251.37	3,069.85	(181.52)	(5.58)
Division of Homeland Security and Emergency Services	1314.79	1,224.40	(90.39)	(6.87)
Division of State Police	892.44	922.14	29.70	3.33
Division of Criminal Justice Services	238.93	250.59	11.66	4.88
Department of Law	249.19	259.23	10.04	4.03
Division of Military and Naval Affairs	194.00	167.09	(26.91)	(13.87)
Office of Victim Services	107.75	131.06	23.32	21.64
Office of Indigent Legal Services	91.53	166.46	74.94	81.87
Interest on Lawyer Account	22.04	22.05	0.01	0.05
Judicial Commissions	6.11	6.33	0.23	3.73
Office for the Prevention of Domestic Violence	3.13	3.26	0.12	3.96
State Commission of Correction	2.65	2.77	0.12	4.53

## Department of Corrections and Community Supervision

The Executive proposes All Funds appropriations of \$3.39 billion, a decrease of \$233.32 million or 6.44 percent from the SFY 2019-20 level. This decrease includes a \$72 million reduction related to one-time solitary confinement projects that are now under construction, and a \$161 million decrease in state operations funding related to a retroactive payment to NYSCOPBA disbursed in SFY 2019-20. The Executive recommends support for 27,556 FTE positions, a decrease of 1,247 FTEs from the SFY 2019-20 level related to closing excess capacity within the prison system.



**Figure 12**

**Downsizing the Prison System:** The Executive proposal would authorize the Governor to close an unspecified number of State correctional facilities, provided at least 90 days' notice is given to the Speaker of the Assembly and Temporary President of the Senate. The planned reduction of excess prison capacity is estimated to produce savings of \$40 million in SFY 2020-21.

**Adolescent Offenders:** The Executive proposal would authorize the transfer of certain adolescent offenders from DOCCS custody to the custody of the Office of Children and Family Services.

**Shared Jails:** The Executive would authorize counties to jointly maintain a county jail pursuant to a shared services agreement.

**Preferred Source Procurements:** The Executive proposal would allow the correctional industries program in the DOCCS to provide certain services as a preferred source.

## **Division of Criminal Justice Services**

The Executive proposes All Funds appropriations of \$309.86 million, a decrease of \$14.49 million or 4.91 percent from the SFY 2019-20 level. The Executive recommends support for 435 FTE positions, unchanged from the SFY 2019-20 level.

**Operation SNUG:** The Executive Budget provides \$4.86 million, an increase of \$50,000 from the previous year, which would be allocated to the SNUG program in the City of Albany.

**Rape Crisis Centers:** The Executive Budget shifts \$2.78 million in Criminal Justice Improvement Account funding from OVS to DCJS. The Executive Budget continues DCJS General Fund appropriations of \$3.55 billion for the centers.

**Securing Communities Against Hate Crime:** The Executive Budget provides \$25 million in new capital funding to support safety and security needs at vulnerable nonprofit organizations.

**Local Assistance Reductions and Eliminations:** The Executive proposes the elimination of \$15.35 million in various General Fund programs that provide grants to localities and not-for-profits for criminal justice-related activities.



Table 43

## DCJS General Fund Project Eliminations

Program	SFY 2019-20	SFY 2020-21	Change (\$)	Change (%)
	Enacted Budget (\$)	Executive Proposal		
Albany Law School - Immigration Clinic	150,000	0	(150,000)	100.00%
Bailey House - Project FIRST	100,000	0	(100,000)	100.00%
Bergen Basin Community Development Corporation	26,000	0	(26,000)	100.00%
Brooklyn Conflicts Office	250,000	0	(250,000)	100.00%
Brooklyn Defender	175,000	0	(175,000)	100.00%
Brooklyn Legal Services Corp A	125,000	0	(125,000)	100.00%
Capital District Women's Bar Association Legal Project Inc.	160,000	0	(160,000)	100.00%
Center for Court Innovation - Crown Heights Youth SOS	100,000	0	(100,000)	100.00%
Center for Court Innovation-Red Hook Justice Center	100,000	0	(100,000)	100.00%
Center for Employment Opportunities	75,000	0	(75,000)	100.00%
Center for Family Representation	125,000	0	(125,000)	100.00%
Child Care Center of New York	250,000	0	(250,000)	100.00%
Common Justice Inc.	200,000	0	(200,000)	100.00%
Community Service Society - Record Repair Counseling Corps	250,000	0	(250,000)	100.00%
Cornell University-Criminal Justice and Employment Initiative	100,000	0	(100,000)	100.00%
Correctional Association -ATI	127,000	0	(127,000)	100.00%
District Attorney's Office - Richmond County	100,000	0	(100,000)	100.00%
Elmcot Youth and Adult Activities Program	44,000	0	(44,000)	100.00%
Exodus Transitional Community	50,000	0	(50,000)	100.00%
Fireman's Association of New York	250,000	0	(250,000)	100.00%
Fortune Society	200,000	0	(200,000)	100.00%
Fortune Society Inc. - Senior Services	125,000	0	(125,000)	100.00%
Friends Of the Island Academy	250,000	0	(250,000)	100.00%
Girl Vow Inc.	150,000	0	(150,000)	100.00%
Glendale Civilian Patrol	25,000	0	(25,000)	100.00%
Goddard Riverside Community Center	125,000	0	(125,000)	100.00%
Greenburger Center for Criminal Justice	200,000	0	(200,000)	100.00%
Greenpoint Outreach Domestic and Family Intervention Programs	150,000	0	(150,000)	100.00%
Groundswell	75,000	0	(75,000)	100.00%
Gun Research Violence Institute	250,000	0	(250,000)	100.00%
Haitian-Americans United For Progress Inc.	150,000	0	(150,000)	100.00%
Her Justice Inc.	100,000	0	(100,000)	100.00%
Housing Court Answers Inc.	135,000	0	(135,000)	100.00%
Huntington Youth Bureau Youth Development Research Institute Inc.	135,000	0	(135,000)	100.00%
Jacob Riis Settlement House	70,000	0	(70,000)	100.00%
Jewish Federation of Greater Buffalo Inc.	100,000	0	(100,000)	100.00%
John Jay College Prison to College Pipeline	100,000	0	(100,000)	100.00%
Korean-American Family Service Center Inc.	10,000	0	(10,000)	100.00%
Legal Action Center - AT	180,000	0	(180,000)	100.00%
Legal Aid Society - Immigration Law Unit	150,000	0	(150,000)	100.00%
Legal Services NYC - DREAM Clinics	150,000	0	(150,000)	100.00%
Legal Services of the Hudson Valley-Domestic Violence Legal Services	90,000	0	(90,000)	100.00%
Lenox Hill Neighborhood House Inc.	115,000	0	(115,000)	100.00%
Make the Road NY	90,000	0	(90,000)	100.00%
Mobilization for Justice	160,000	0	(160,000)	100.00%
Neighborhood Legal Services	400,000	0	(400,000)	100.00%
New York County Defender Services	350,000	0	(350,000)	100.00%
New Yorkers Against Gun Violence Inc.	70,000	0	(70,000)	100.00%
Northern Manhattan Improvement Corp	100,000	0	(100,000)	100.00%
NY Judicial Institute: Legal Education Opportunity	225,000	0	(225,000)	100.00%
NY Legal Assistance Group INC.	100,000	0	(100,000)	100.00%
NYPD Law Enforcement Explorers-Bronx	80,000	0	(80,000)	100.00%
NYSDA - Additional (\$1 M Base)	1,059,000	0	(1,059,000)	100.00%
NYU Veteran's Entrepreneurship Program	30,000	0	(30,000)	100.00%
Opportunities For A Better Tomorrow Inc.	100,000	0	(100,000)	100.00%
Osborne Association - ATI	31,000	0	(31,000)	100.00%
Prisoners' Legal Services	900,000	0	(900,000)	100.00%
Prisoners' Legal Services- Newburgh Office	200,000	0	(200,000)	100.00%
Rape Crisis Centers	147,000	0	(147,000)	100.00%
Regional Economic Community Action Program Inc.	200,000	0	(200,000)	100.00%
Shalom Task Force Inc.	175,000	0	(175,000)	100.00%
SNUG - Wyandanch	100,000	0	(100,000)	100.00%
SNUG- Brooklyn- Jewish Community Council Greater Coney Island	250,000	0	(250,000)	100.00%
SNUG- Kings County	200,000	0	(200,000)	100.00%
SNUG- Queens County	470,000	0	(470,000)	100.00%
SNUG-Staten Island	350,000	0	(350,000)	100.00%
Southside HDFC	250,000	0	(250,000)	100.00%
The Mohawk Consortium	165,000	0	(165,000)	100.00%
The Safe Center LI Inc.	160,000	0	(160,000)	100.00%
DV Legal Services Restoration (CJIA)	609,000	0	(609,000)	100.00%
Treatment Alternatives for Safer Communities of the Capital District	200,000	0	(200,000)	100.00%
Westchester Policing Program	2,235,000	0	(2,235,000)	100.00%
Yeshiva University, Benjamin N. Cardozo School of Law	150,000	0	(150,000)	100.00%
<b>Grand Total</b>	<b>\$15,348,000</b>	<b>\$0</b>	<b>(\$15,348,000)</b>	<b>100.00%</b>

**Legal Services Assistance Fund (LSAF) Allocations:** The Executive proposes the elimination of LSAF support for specific programs, but included a lump appropriation of \$4.2 million as noted below:

**Table 44**

<b>Legal Services Assistance Fund Allocations</b>			
<b>Program</b>	<b>SFY 2019-20</b>	<b>SFY 2020-21</b>	<b>Change (\$)</b>
Aid to Prosecution*	\$3,592,000	\$12,549,000	\$8,957,000
Aid to Defense*	\$2,592,000	\$0	(\$2,592,000)
HESC Loan Forgiveness Program	\$2,430,000	\$2,430,000	\$0
Prisoners' Legal Services*	\$2,200,000	\$0	(\$2,200,000)
Civil Legal Service Grants	\$2,830,000	\$0	(\$2,830,000)
Civil Legal Service Grants	\$0	\$4,200,000	\$4,200,000
Domestic Violence and Veterans Legal Services	\$950,000	\$0	(\$950,000)
Indigent Parolee Program	\$600,000	\$0	(\$600,000)
Legal Action Center	\$0	\$180,000	\$180,000
<b>Grand Total</b>	<b>\$15,194,000</b>	<b>\$19,359,000</b>	<b>\$4,165,000</b>

Note:\*Funding for Aid to Defense and Prisoner's Legal Services was shifted to the Indigent Legal Services Account and the \$8.96 million increase in Aid to Prosecution was shifted from the General Fund.

- **Aid to Prosecution:** The Executive proposal offloads \$8.96 million in General Fund support to the LSAF for county district attorney offices.
- **Prisoners' Legal Services:** The Executive proposal shifts a \$2.2 million grant for PLS from the LSAF account into the Indigent Legal Services (ILS) account.
- **Aid to Defense:** The Executive proposal shifts \$2.59 million in grants in aid to defense from the LSAF account to the ILS account.
- **Legal Action Center:** The Executive proposal provides \$180,000 in General Fund support under the LSAF account.

**District Attorney Discovery Compensation Fund:** The Executive proposal would require the New York County District Attorney to provide the State with \$2 million per year from pre-prosecution settlement funds for distribution of expenses related to digital evidence transmission technology used to share information between law enforcement, district attorney offices and defense attorneys. These funds would be distributed pursuant to a plan submitted by the Commissioner of DCJS and approved by DOB.

**Create Two New Crimes of Domestic Terrorism:** The Executive proposal would create two new crimes of mass violence motivated by hate, each a Class A-1 felony; the second degree crime would involve attempting to cause or causing serious physical injury to five or more persons, acting while motivated

by hatred against a protected class of persons; the first degree crime would involve such conduct that causes the death of one or more persons.

**Ghost Guns:** The Executive would prohibit individuals who may not legally possess a firearm from possessing an unfinished frame or receiver or a major component part that could be used to build an unregistered firearm; require that sales of unfinished frames, receivers and major component parts of a firearm be made in person through a licensed dealer in firearms; and require serial numbers for all such component parts.

**Domestic Abuse and Firearms:** The Executive would allow a police officer responding to a family offense to take temporary custody of firearms in plain sight, discovered through a lawful search, or in possession of the alleged offender; set forth criteria when such a weapon may be declared a nuisance and disposed of, transferred, or retained for up to one year by law enforcement; and add additional authority for law enforcement officers to seize weapons from the home of an individual who is the subject of an order of protection arising out of a domestic abuse dispute.

**Disqualification of Gun Ownership:** The Executive would expand the definition of disqualifying “serious offense” for the purposes of the gun licensing statutes to include an offense, committed in another jurisdiction, which includes all the elements of a disqualifying misdemeanor or felony offense in New York.

**Submission of Gun Crime Data to Centralized Databases:** The Executive would specify when a gun must be reported to the criminal gun clearinghouse and require all state and local law enforcement agencies in the State to opt-in to Bureau of Alcohol, Tobacco, Firearms, and Explosives firearms training program; require the test firing of certain guns, or submission of information regarding certain ammunition cartridges, for entry into the National Integrated Ballistic Information Network; and require each gun seized or recovered by law enforcement to be run through the National Crime Information Center System to determine if it has been reported stolen.

**Share Flags from Mental Health Professionals with Other States:** The Executive would allow certain information from mental health providers provided to DCJS to be shared with law enforcement entities in other states for the purpose of determining eligibility to purchase, possess or carry a firearm.

**Establish a Domestic Violence Misdemeanor:** The Executive would create a new misdemeanor crime of domestic violence when a person commits Assault in the Third Degree, or one of a series of other specified offenses, against a family or household member, a current or former spouse, parent or guardian, a person who shares a child in common, a person who is cohabiting with or has cohabited as a spouse, parent or guardian, or a person similarly situated to a spouse, parent, or guardian of the victim.

**Computer Use by Certain Sex Offenders:** The Executive proposal would require certain sex offenders to report to DCJS screen names used for certain social media accounts.

**Alcohol or Drug Use in Sex Offense Prosecutions:** The Executive proposal would allow for the prosecution of certain rape or sexual offenses in circumstances where the victim was under the influence of drugs or other substances.

**Criminal Justice and Public Safety Programs:** The Executive would extend various criminal justice and public safety programs and would extend for two years the general formula for the distribution of certain monies recovered by county district attorneys.

### **Division of Homeland Security and Emergency Services**

The Executive proposes All Funds appropriations of \$1.56 billion, a decrease of \$5.6 million or 0.36 percent from the SFY 2019-20 level. The Executive recommends support for 614 FTE positions, unchanged from the SFY 2019-20 level.

**Interoperable Emergency Communications:** The Executive proposes to continue to provide \$25 million for interoperable program capital grants as well as \$75 million in grants to improve emergency communications between local, county, state and federal first responders.

**Preventative Maintenance:** The Executive proposal would provide \$3 million for maintenance projects at various training facilities around the state.

### **Division of State Police**

The Executive proposes All Funds appropriations of \$1.02 billion, a decrease of \$4.39 million or 0.43 percent from the SFY 2019-20 level. The Executive recommends support for 5,741 FTE positions, unchanged from the SFY 2019-20 level.

**New York State Police Hate Crime Task Force:** The Executive Budget provides \$2 million to address an increase in reports of bias-motivated threats, harassment and violence throughout New York State, a \$1 million increase from the SFY 2019-20 level.

**Administrative Subpoena Authority:** The Executive proposal would provide the Superintendent of State Police with administrative subpoena power related to certain online sexual offenses involving children.



## Office of Indigent Legal Services

The Executive proposes All Funds appropriations of \$261.27 million, an increase of \$50.37 million or 23.88 percent from the SFY 2019-20 level. The Executive recommends support for 38 FTE positions, an increase of two FTEs from the SFY 2019-20 level.

**Indigent Legal Services Expansion:** The SFY 2017-18 Budget established a multi-year plan to improve the quality of public defense services statewide, with the State supporting 100 percent of the incremental local costs. The Executive Budget includes \$150 million to support the third year of the statewide *Hurrell-Harring* Initiative, an increase of \$50 million, with full implementation costs projected at approximately \$250 million.

**State Operations Funding:** The Executive provides an additional \$373,000 in State Operations Funds to address the increased workload associated with the statewide implementation of criminal defense reforms. This includes two FTEs.

## Department of Law

The Executive proposes All Funds appropriations of \$272.45 million, an increase of \$8.82 million or 3.35 percent from the SFY 2019-20 level. The Executive recommends support for 1,839 FTE positions, unchanged from the SFY 2019-20 level.

**IT Initiative Program:** The Executive provides \$6 million in new capital appropriations for IT equipment and systems upgrades. These funds would be used for IT equipment projects, case management improvements and a website redesign for the Department of Law.

## Division of Military and Naval Affairs

The Executive proposes All Funds appropriations of \$306.11 million, an increase of \$148.5 million or 94.22 percent from the SFY 2019-20 level. The Executive recommends support for 405 FTE positions, unchanged from the SFY 2019-20 level.

**Jamaica Armory:** The Executive Budget includes \$121 million in State and Federal appropriations for a multi-year renovation and reprogramming project at the Jamaica Armory in Queens.

**New York State Military Museum and Veterans Research Center:** The Executive Budget provides a capital appropriation of \$10 million for improvements to the museum, to be funded through donations.

## **Office for the Prevention of Domestic Violence**

The Executive proposes All Funds appropriations of \$5.73 million, which is an increase of \$50,000 or 0.88 percent from the SFY 2019-20 level. The Executive recommends support for 28 FTE positions, unchanged from the SFY 2019-20 level. The increase is related to personal service costs of \$100,000 for Office of Campus Safety, which was transferred from DCJS to OPDV in SFY 2019-20, as well as one FTE, partially offset by the elimination of \$50,000 in funding for the Family Violence and Women's Rights Clinic at SUNY Buffalo's Law School.

**Allow Courts to Consider Domestic Violence When Distributing Marital Assets:** The Executive includes language to allow the court to take into account the impact domestic violence has on a party's earning capacity when distributing marital assets.

**Expansion of Access to Civil Orders of Protection in Family Courts:** The Executive includes language to allow Family Court to issue certain orders of protection without requiring proof that a family offense has occurred.

## **Office of Victim Services**

The Executive proposes All Funds appropriations of \$211.99 million, an increase of \$40.19 million or 23.4 percent from the SFY 2019-20 level, related to an increase in the Federal Victims of Crime Act awards. The Executive recommends support for 102 FTE positions, unchanged from the SFY 2019-20 level.

**Rape Crisis Centers:** The Executive Budget shifts \$2.78 million in funding from the Criminal Justice Improvement Account in OVS to DCJS.

## **New York Interest on Lawyer Account**

The Executive proposes All Funds appropriations of \$47.10 million, an increase of \$64,000 related to personal service costs, or 0.14 percent from the SFY 2019-20 level. The Executive recommends support for nine FTE positions, unchanged from the SFY 2019-20 level.



### **Commission of Correction**

The Executive proposes All Funds appropriations of \$2.96 million, unchanged from the SFY 2019-20 level. The Executive recommends support for 32 FTE positions, unchanged from the SFY 2019-20 level.

### **Judicial Commissions**

The Executive proposes All Funds appropriations of \$6.09 million, unchanged from the SFY 2019-20 level. The Executive recommends support for 43 FTE positions, unchanged from the SFY 2019-20 level.



# BUDGET HIGHLIGHTS: LOCAL GOVERNMENTS



- **Aid and Incentives for Municipalities (AIM):** The Executive proposal would continue the AIM program support of \$695 million for cities, towns and villages in New York State.
- **AIM-Related Sales Tax Payments:** The Executive proposal would clarify the administration of AIM-related sales tax payments for any municipal entity that is subject to a control board, such as the City of Buffalo and Nassau County, in order to more accurately reflect the statutory intent of changes adopted in the FY 2019-20 Enacted Budget.
- **Elimination of Video Lottery Terminal (VLT) Aid:** The Executive proposal would eliminate \$9.3 million in Video Lottery Terminal Aid for all local governments with the exception of Yonkers.





# BUDGET REVIEW AND ANALYSIS: LOCAL GOVERNMENTS



The Executive Budget provides aid to local governments through various programs including AIM, which is an unrestricted aid program, as well as other efficiency programs to promote and assist the efforts of local governments to merge, consolidate, and share services.

**Table 45**

<b>Appropriations</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Aid and Incentives for Municipalities	695.00	695.00	0.00	0.00
Municipalities with VLT Facilities	28.89	19.60	(9.29)	(32.15)
Miscellaneous Financial Assistance	12.00	3.75	(8.25)	(68.74)
Small Government Assistance	0.22	0.22	0.00	0.00

**Table 46**

<b>Disbursements</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Aid and Incentives for Municipalities	663.68	671.17	7.49	1.13
Municipalities with VLT Facilities	28.89	19.60	(9.29)	(32.14)
Miscellaneous Financial Assistance	12.00	3.75	(8.25)	(68.74)
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) 2020-21 provides \$656 million in unrestricted AIM for cities (excluding New York City), towns, and villages, which remains unchanged from the prior year.

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. Of

the \$656 million proposed, cities would receive \$647.1 million, towns would receive \$5.2 million, and villages would receive \$3.3 million.

In SFY 2019-20, direct AIM funding for towns and villages, where AIM funds support is less than two percent of municipal expenditures, was eliminated and replaced with an equivalent payment of county sales tax revenue. The local sales tax revenue owed to these municipalities is intercepted by the State and distributed to the appropriate towns and villages as AIM-related payments totaling, \$59 million.

**Table 47**

**2020-21 Executive Budget: Aid and Incentives for Municipalities Proposal**

<b>City</b>	<b>Amount</b>	<b>City</b>	<b>Amount</b>
BUFFALO	\$161,285,233	ITHACA	\$2,610,398
YONKERS	108,215,479	TONAWANDA	2,602,104
ROCHESTER	88,234,464	OSWEGO	2,451,698
SYRACUSE	71,758,584	GLOVERSVILLE	2,302,592
NIAGARA FALLS	17,794,424	PEEKSKILL	2,219,384
UTICA	16,110,473	OLEAN	2,239,826
ALBANY	12,607,823	ONEONTA	2,231,857
TROY	12,279,463	CORTLAND	2,018,330
SCHENECTADY	11,205,994	GENEVA	1,942,613
BINGHAMTON	9,249,457	BATAVIA	1,750,975
ROME	9,083,340	OGDENSBURG	1,708,659
MOUNT VERNON	7,155,691	SARATOGA SPRINGS	1,649,701
NEW ROCHELLE	6,162,927	ONEIDA	1,700,877
LACKAWANNA	6,309,821	FULTON	1,626,822
WHITE PLAINS	5,463,256	GLENS FALLS	1,607,009
AUBURN	4,982,093	DUNKIRK	1,575,527
WATERTOWN	4,703,208	BEACON	1,537,478
JAMESTOWN	4,572,280	CORNING	1,499,556
NEWBURGH	4,464,656	HORNELL	1,497,788
ELMIRA	4,578,801	HUDSON	1,456,991
POUGHKEEPSIE	4,248,021	PORT JERVIS	1,406,263
NORTH TONAWANDA	4,335,111	JOHNSTOWN	1,388,910
LONG BEACH	3,152,704	WATERVLIET	1,210,193
KINGSTON	3,069,151	RYE	1,208,024
GLEN COVE	2,837,667	RENSSELAER	1,137,317
AMSTERDAM	2,866,670	CANANDAIGUA	1,119,304
MIDDLETOWN	2,705,826	NORWICH	1,089,279
COHOES	2,742,886	SALAMANCA	928,131
LOCKPORT	2,650,525	LITTLE FALLS	866,034
PLATTSBURGH	2,648,880	MECHANICVILLE	662,392
		SHERRILL	372,689
		<b>Cities Total</b>	<b>\$647,093,629</b>
		<b>Towns*</b>	<b>\$5,173,925</b>
		<b>Villages*</b>	<b>\$3,309,175</b>
		<b>Total</b>	<b>\$655,576,729</b>

Note\*: (1) The Village of Harrisville, Lewis County, dissolved effective December 31, 2018. The Village's AIM will henceforth be paid to the Town of Diana.  
(2) The Village of Van Etten, Chemung County, dissolved effective December 31, 2018. The Village's AIM will henceforth be paid to the Town of Van Etten.  
Source: NYS Division of the Budget.

**Consolidation, Dissolution, and Restructuring**

**Citizens Re-organization Empowerment Grants (CREG) and Citizen Empowerment Tax Credits (CETC):** Citizens Re-organization Empowerment Grants provide local governments up to \$100,000 to cover costs associated with planning and implementing, reorganization, and consolidation efforts. Citizen Empowerment Tax Credits provide additional funding for cities (excluding New York City), towns, and



villages that consolidate or dissolve. The tax credits provide an annual aid bonus of 15 percent of the newly combined tax levy with the stipulation that 70 percent of the amount be used for direct property tax relief to taxpayers. These initiatives are supported by a \$35 million appropriation.

**Local Government Efficiency Grant Program (LGEG):** This program provides competitive grants to local governments to help cover costs associated with efficiency projects, including planning and implementation of function consolidations, as well as shared or cooperative services. The maximum implementation award is \$200,000 per municipality and \$1 million per consortium. These grants are supported by a \$4 million appropriation.

**Financial Restructuring Board (FRB):** The Financial Restructuring Board is authorized to make loans or grant awards of up to \$5 million under the Local Government Performance and Efficiency Program (LGPEP) to fiscally eligible municipalities that accept the Board's recommendations. The FRB has undertaken comprehensive reviews for the cities of Albany, Dunkirk, Elmira, Fulton, Jamestown, Lockport, Long Beach, Niagara Falls, Ogdensburg, Plattsburgh, Poughkeepsie, Rochester, Syracuse, Troy, Utica, Watervliet, and Yonkers; the villages of Alfred, Amityville, Herkimer, Hoosick Falls, Owego, Potsdam, and Wilson, and the Town of Fishkill.

**Municipal Restructuring Fund (MRF):** The Municipal Restructuring Fund supports local governments in implementing projects that contribute to lower operating costs and reduced property tax burdens. Funding is available in project stages and is based on the completed projects' estimated long-term savings (20 percent of savings).

### County-Wide Shared Services Initiative

The Executive proposal anticipates a disbursement of \$35 million for a one-time savings match for 34 shared services plans implemented by municipalities in fiscal year 2018. A savings match for plans implemented in fiscal year 2020 will be determined once actualized savings are certified. Funds for this State match are supported by a \$225 million reappropriation from SFY 2018-19.

### Miscellaneous Financial Assistance

The Executive proposal provides an additional \$1.5 million in Miscellaneous Financial Assistance (for a total \$3.75 million) to Madison County to reflect the opening of the Oneida Nation's Point Place Casino. Madison County does not currently receive a share of the negotiated percentage of the net drop from gaming devices the State currently receives pursuant to tribal compacts.

## Video Lottery Terminal (VLT) Aid

The Executive proposal provides \$19.6 million in VLT aid for eligible municipalities in which a video lottery gaming facility is located, a \$9.3 million reduction. The Executive proposal eliminates assistance to all municipalities that host VLT facilities, with the exception of the City of Yonkers, which maintains \$19.6 million in aid, unchanged from the prior year.

Table 48

<b>Aid to Municipalities with Video Lottery Terminal (VLT) Facilities (\$ in Thousands)</b>			
	<b>SFY 2019-20 Enacted</b>	<b>SFY 2020-21 Executive Proposed</b>	<b>Change</b>
Yonkers	19,600	19,600	-
Batavia Downs	802	-	(802)
Fairgrounds (Buffalo)	1,154	-	(1,154)
Finger Lakes	2,369	-	(2,369)
Monticello	1,234	-	(1,234)
Saratoga Springs	3,101	-	(3,101)
Vernon Downs	626	-	(626)
<b>Total</b>	<b>28,886</b>	<b>19,600</b>	<b>(9,286)</b>

*Source: New York State Division of Budget.*

## Article VII

The Executive proposes Article VII language that would:

- eliminate Video Lottery Terminal Aid to all municipalities outside of the City of Yonkers;
- modify funding flexibility for the County-Wide Shared Services Initiative Program;
- modify voting requirements for the Financial Restructuring Board for Local Governments;
- provide technical corrections to the AIM-related sales tax payments for towns and villages in Nassau and Erie Counties;
- clarify the process by which counties may enter into shared services agreements relating to county jails;

- extend, from April 1, 2021 to December 31, 2024, the authority for municipalities in the metropolitan commuter transportation district to share property tax revenues with the Metropolitan Transportation Authority (MTA) through the use of tax increment financing;
- establish a uniform municipal process for the siting of small wireless facilities, including limits on municipal fees, a permitting timeline for such facilities, and the exemption of small wireless facilities and associated utility poles from local zoning review;
- allow for the alienation of certain municipal parkland in relation to the Bay Park Conveyance Project in Nassau County; and
- require New York City to vacate and transfer Pier 76 to the Hudson River Park Trust by December 31, 2020.



# BUDGET HIGHLIGHTS: GENERAL GOVERNMENT



- **State Insurance Fund (SIF):** The Executive proposal includes language to change how SIF can invest surplus reserves; authorize SIF to cancel workers' compensation insurance policies due to failure of an employer to cooperate with payroll audits; and allow SIF to contract with insurers to cover policyholders who perform work outside of New York State.
- **Audit and Control Capital Investments:** The Executive proposal includes \$10.1 million in capital to support projects for technology infrastructure upgrades, system modifications for unclaimed funds, and replacement of the current human resources systems.
- **License Debt Collection Entities:** The Executive proposes to authorize the Department of Financial Services (DFS) to license debt collection entities and investigate suspected abuses.
- **Student Debt Consultants:** The Executive proposal would authorize DFS to create uniform minimum standards for student debt consultants, a sector that is currently unregulated.
- **Election Security Funding:** The Executive proposal includes \$21.8 million in appropriation authority in anticipation of federal Help America Vote Act grant funding for enhanced election technology and election security improvements.
- **Online Voter Registration Funding:** The Executive proposal includes \$16 million for the acquisition and development of technology, including equipment, software, and services that support an electronic voter registration system for the implementation of the Voter Enfranchisement Modernization Act of 2019.





# BUDGET REVIEW AND ANALYSIS: GENERAL GOVERNMENT



General Government agencies play an essential role in the daily operation of state government and provide service to people and businesses throughout the State. Overall, these agencies have two goals: to provide oversight, regulation, and enforcement of State laws 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 industry; 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 the 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. The Department of Taxation and Finance (DTF) is responsible for the administration and collection of State taxes.

Table 49

<b>Appropriations</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Office of General Services	1,236.54	1,251.22	14.68	1.19
Office of Information Technology Services	861.36	1,011.36	150.00	17.41
Department of Taxation and Finance	468.56	468.56	0.00	0.00
Department of Financial Services	437.83	439.16	1.33	0.30
Department of Audit and Control	366.73	384.79	18.06	4.92
Workers' Compensation Board	196.44	196.44	0.00	0.00
Department of State	265.64	255.04	(10.60)	(3.99)
Division of Budget	49.72	49.18	(0.54)	(1.08)
Statewide Financial System	30.51	31.16	0.66	2.15
Executive Chamber	17.85	17.85	0.00	0.00
Division of Alcoholic Beverage Control	13.31	48.68	35.37	265.74
State Board of Elections	36.26	46.40	10.14	27.96
Office of the Inspector General	7.24	7.24	0.00	0.00
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

<b>Disbursements</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Office of General Services	345.95	397.46	51.51	14.89
Office of Information Technology Services	652.76	710.21	57.45	8.80
Department of Taxation and Finance	330.14	382.31	52.17	15.80
Department of Financial Services	370.53	390.75	20.22	5.46
Department of Audit and Control	195.19	201.03	5.84	2.99
Workers' Compensation Board	201.79	228.31	26.52	13.14
Department of State	166.93	151.80	(15.13)	(9.06)
Division of Budget	30.13	30.60	0.47	1.56
Statewide Financial System	30.51	30.95	0.44	1.45
Executive Chamber	13.58	14.03	0.45	3.31
Division of Alcoholic Beverage Control	12.48	11.24	(1.24)	(9.94)
State Board of Elections	19.93	31.36	11.43	57.37
Office of the Inspector General	7.49	7.83	0.34	4.53
Joint Commission on Public Ethics	5.63	5.84	0.21	3.73
Division of Tax Appeals	3.04	3.15	0.11	3.62

### Office of General Services

The Executive proposes an All Funds appropriation of \$1.25 billion, an increase of \$14.7 million or 1.19 percent from SFY 2019-20 related to additional funding for special events, parking services, asset preservation, and design and construction contracts. The Executive recommends support for 1,935 full-time equivalents (FTEs), an increase of four FTEs from SFY 2019-20.

## **Article VII**

The Executive recommends Article VII legislation that would:

- permanently allow the Commissioner of General Services to enter into 15-year leases on behalf of State agencies; and
- require businesses bidding on State contracts to disclose certain information about sexual harassment complaints in order to qualify for certain State contracts.

## **Office of Information Technology Services (ITS)**

The Executive proposes an All Funds appropriation of \$1.01 billion, a net increase of \$150 million or 17 percent over SFY 2019-20. The increase of \$150 million in capital support would be utilized for technology equipment, software and related services. The Executive recommends total support for 3,451 FTEs, unchanged from SFY 2019-20.

## **Article VII**

The Executive recommends Article VII legislation that would:

- authorize the Director of ITS to issue certain technology service contracts; and
- standardize the definition of the term “technology” in certain procurement laws and the State Technology Law.

## **Department of Taxation and Finance**

The Executive proposes an All Funds appropriation of \$468.56 million, which is unchanged from the SFY 2019-20 level. The Executive recommends support for 4,085 FTEs, which is unchanged from SFY 2019-20 levels.

## **Article VII**

The Executive recommends Article VII legislation that would:

- eliminate the State Board of Real Property Tax Services and transfer its powers and duties to the Tax Commissioner;



- combine the property transfer form and the real estate transfer tax form into a consolidated real property transfer form and create an online system for e-filing and paying the associated taxes and fees;
- extend the oil and gas fee, which supports the cost of setting unit of production values for the gas and oil industry, from March 31, 2021 to March 31, 2024;
- make technical amendments to telecommunication and railroad ceiling programs;
- give municipalities that have separate tax rates for homestead and non-homestead properties the option to place converted condos assessed at full value using the sales-based method into the homestead class, which would align taxation of these units with other residential properties; and
- make various changes to the State’s tax fraud statutes, including changes that would clarify the applicability of the existing fraud provisions, authorize the aggregation of certain tax fraud counts, and create new criminal tax fraud statutes related to tax return preparers that attempt to file 10 or more fraudulent tax returns in a given year.

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

The Executive proposes an All Funds appropriation of \$439.16 million, which is an increase of \$1.33 million or 0.3 percent from the SFY 2019-20 level. The Executive recommends continued funding support for 1,391 FTE positions, which is the same as the SFY 2019-20 level.

**Program Eliminations:** The Executive reduces funding for the Entertainment Worker Demonstration Program by \$75,000 and proposes to transition these enrollees to new coverage options through the New York Health Benefit Exchange.

**Healthy NY Program:** The Executive includes a \$1.4 million increase in funding for the Healthy NY Program, related to an increase in claim costs.

### **Article VII**

The Executive recommends Article VII legislation that would:

- require insurers to pay Early Intervention (EI) claims when a provider is included in the insurer’s provider network; including instances when services provided were not considered to be medically necessary;

- create the Drug Accountability Board to evaluate drugs based on their accessibility, cost, and benefit to the customer. Furthermore, DFS would obtain the ability to prosecute bad actors;
- extend the Physician’s Excess Medical Malpractice Pool;
- outline the qualifications and requirements for pharmacy benefit managers (PBM), including registration, licensing, revocation, and the obligation of PBMs;
- establish the mental health and substance use disorder parity compliance program guidelines for education and training prior to October 1, 2020, by the Superintendent of DFS and the Commissioner of Health. Any insurance law penalties that accrue would go to the General Fund. The creation of the Behavioral Health Parity Compliance (BHPC) Fund would result in penalties accrued after October 1, 2021, being deposited into the BHPC fund;
- limit instances when insurers may deny payment for medically necessary inpatient and emergency services would require insurers to pay out-of-network providers directly for emergency services instead of consumers;
- protect “vulnerable adults” by empowering state chartered banks to apply temporary holds on accounts in the event that such individuals are being financially exploited;
- increase DFS’ oversight and enforcement over financial products and expand the definition of “financial products or services”;
- establish a licensing system for consumer debt collectors attempting to collect debts from New York residents. Bonding, licensing regulations, including suspension and removal, prohibited practices, and DFS examinations would be established; and
- empower DFS to establish and disseminate regulations, including mandatory contract language, penalties for violations, prohibited practices disclosure requirements for the student debt consulting industry.

### **Department of Audit and Control**

The Executive proposes All Funds appropriations of \$384.8 million, an overall increase of \$18.1 million or 4.9 percent, from the SFY 2019-20 funding level. The Executive Budget recommends support for 2,663 FTE positions, unchanged from SFY 2019-20.



The Executive would appropriate \$342.7 million for agency operations, an increase of \$8.0 million or 2.4 percent over SFY 2019-20, and consolidate General Fund appropriations into a new Audit and Control program. The Executive also includes \$10.1 million in capital to support IT upgrades, system modernization of the Office of Unclaimed Funds, and improvements to the human resources department.

### **Workers' Compensation Board**

The Executive proposes All Funds appropriations of \$196.4 million, unchanged from SFY 2019-20. The Executive recommends support for 1,109 FTE positions, unchanged from the SFY 2019-20 level.

### **Article VII**

The Executive proposes Article VII language that would:

- provide SIF greater flexibility with regard to its investments of surplus funds and reserves;
- authorize SIF to cancel a workers' compensation insurance policy and collect unpaid premiums due to the failure of a covered employer to cooperate with payroll audits and require a covered employer to keep accurate information regarding classification of employees, employee accidents, and persons performing work under a subcontract; and
- authorize the SIF to enter into agreements with out-of-state workers' compensation insurers to issue policies to SIF policyholders for their obligations under the laws of other states.

### **Department of State (DOS)**

The Executive proposes All Funds appropriations of \$255 million, a net decrease of \$10.59 million or four percent below the SFY 2019-20 level. The Executive recommends support for 577 FTE positions, which is 12 FTEs more than the SFY 2019-20 level. These positions correspond to increased code enforcement needs.

**Consumer Protection Program:** The Executive proposes \$4.8 million for the Consumer Protection Program, which is unchanged from SFY 2019-20.

**Community Initiatives:** The Executive proposes to eliminate a total of \$12.8 million in legislative initiatives, which include:

- \$11 million for legal defense and other services for immigrants in the Office for New Americans; and

- \$900,000 in total support for the Public Utility Law Project; \$250,000 for the Student Loan Consumer Assistance Program; \$250,000 for the Independent Redistricting Commission; \$150,000 in total support for the NY Immigration Coalition; \$200,000 for the Doe Fund; and \$20,000 for the Commission on Uniform State Laws.

**Downtown Revitalization:** The Executive proposes \$100 million in new Capital Projects funding for a fifth round of the Downtown Revitalization program for the purposes of building transformative housing, economic development, transportation, and community projects.

## Article VII

The Executive proposes Article VII language that would:

- require persons or entities suing corporations to serve legal papers directly on the party instead of serving the Secretary of State as agent; and would also require condominium boards to file a certificate with the Secretary of State designating the Secretary of State as agent, and a \$60 filing fee would be imposed;
- extend for one year the authority of the Secretary of State to charge increased fees from the expedited handling of certain documents issued by or requested from the Department of State's Division of Corporations;
- prohibit businesses from charging a price for goods on the basis of gender and require certain service providers to post price lists for standard services and provide notice that gender-based price discrimination is prohibited under state law;
- regulate the activity of telemarketers and establish the statewide Do Not Call registry, requiring implementation of certain technologies and call blocking services be offered by telephone providers, and the registration and bonding of telemarketers and increases penalties for "Do Not Call" Law Violations;
- add the phrase "E Pluribus Unum" to the State's Arms;
- eliminate the requirement that certain occupational licensees be either a United States citizen or hold a green card;



- expand the entities that may utilize the alternative project delivery method known as design-build for certain public works projects, and would extend the current program for another three years until July 1, 2023;
- provide an option for individuals to become licensed as a home inspector through New York State testing standards; and
- eliminate the biennial fee associated with filing business statements with the Department of State, as well as provide greater transparency of the members and managers of LLCs.

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

The Executive proposes an All Funds appropriation of \$49.2 million, a decrease of \$537,000 or one percent under SFY 2019-20. The Executive recommends support for 261 FTEs, unchanged from SFY 2019-20.

The Executive eliminates \$537,000 related to membership dues for the Council of State Governments, the National Conference of Insurance Legislators, and the National Conference of State Legislators.

The Executive proposal continues to authorize interchange and transfer of appropriations among multiple state agencies and adds additional interchange and transfer language that allows for the unlimited transfer of funds from any department.

### **Statewide Financial System (SFS)**

The Executive proposes an All Funds appropriation of \$31.2 million to support the ongoing maintenance and operation costs of SFS, an increase of \$655,000 from SFY 2019-20. The Executive recommends support for 142 FTEs, unchanged from SFY 2019-20.

### **Article VII**

The Executive proposes Article VII legislation that would authorize SFS to issue and award procurements and contracts to support its business operations.

### **Executive Chamber**

The Executive proposes All Funds appropriations of \$18.48 million for the support of the Office of the Governor (\$17.85 million) and the Office of the Lieutenant Governor (\$630,000), which is unchanged

from the SFY 2019-20 level. The Executive recommends support for 136 FTEs for the Office of the Governor and 7 FTEs assigned to the Office of the Lieutenant Governor.

### **Division of Alcoholic Beverage Control (ABC)**

The Executive proposes an All Funds appropriation of \$47.62 million, a net increase of \$34.9 million or 257.7 percent above the SFY 2019-20 level. The Executive recommends support for 311 FTE positions, which is 191 FTEs above the SFY 2019-20 level.

The budget proposal includes a \$34.3 million increase to support the creation of the Office of Cannabis Management within the Division of Alcoholic Beverage Control, which would provide for the regulation and enforcement of the adult use cannabis, medical marihuana, and industrial hemp industries.

### **Article VII**

The Executive proposes legislation that would:

- create a new miscellaneous license, which would permit higher educational institutions to have manufacturing, wholesale and retail privileges;
- allow movie theatres to sell alcoholic beverages for motion pictures that are rated PG-13, R, or NC-17, with certain conditions and requirements;
- allow a manufacturer or wholesaler who does not directly or indirectly exercise control over a retail business, to hold either directly or indirectly an interest in a licensed retail premises; and
- change the hours during which alcoholic beverages can be served on premises located within an international airport owned and operated within New York by the Port Authority of New York and New Jersey.

### **State Board of Elections (SBOE)**

The Executive proposes an All Funds appropriation of \$46.4 million, an increase of \$10.1 million above the SFY 2019-20 level. The Executive proposal maintains 85 FTEs, which is unchanged from SFY 2019-20.

The Executive proposal includes two new appropriations:

- **Election Security:** \$21.8 million is provided in anticipation of federal Help America Vote Act (HAVA) grant funding for enhanced election technology and election security improvements. This funding is in addition to a \$19.5 million HAVA grant received in SFY 2018-19.
- **Online Voter Registration:** \$16 million is provided for expenses related to the acquisition and development of technology, including equipment, software, and services that support an electronic voter registration system for the implementation of the Voter Enfranchisement Modernization Act of 2019. This funding is also meant to serve as the State's 20 percent required match for federal HAVA funds.

The Executive proposal includes Article VII language that would:

- automatically require a manual recount in all statewide elections in which the margin of victory for a candidate or ballot proposition is 0.2 percent or less and would also require a recount for all other elections in which the margin of victory for a candidate or ballot proposition is 0.5 percent or less;
- prohibit and establish penalties for receiving political campaign contributions from any foreign-influenced corporations; and
- require certain charitable nonprofit entities to disclose donations to the Department of Taxation and Finance in addition to the Department of Law.

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

The Executive proposes an All Funds appropriation of \$7.24 million, unchanged from SFY 2019-20. The Executive recommends support for 92 FTEs, which is unchanged from SFY 2019-20 level.

### **Joint Commission on Public Ethics**

The Executive proposes an All Funds appropriation of \$5.58 million, unchanged from SFY 2019-20. The Executive recommends support for 52 FTEs, also unchanged from SFY 2019-20.

### **Article VII**

The Executive proposes Article VII legislation that would require statewide elected officials, members of the Legislature, appointed state commissioners, and certain elected local officials who receive

annual compensation exceeding \$100,000 to file an annual copy of their tax return with the Joint Commission on Public Ethics.

### **Division of Tax Appeals**

The Executive proposes an All Funds appropriation of \$3.04 million, which is unchanged from the SFY 2019-20 level. The Executive recommends support for 27 FTEs, which is also unchanged from SFY 2019-20 levels.



# BUDGET HIGHLIGHTS: STATE OPERATIONS AND WORKFORCE



- **Establish a Floor for State Reimbursement for the Medicare Part B Premium:** The Executive proposes language to maintain reimbursement of the standard Medicare Part B premium at current levels of \$144.60 per month for new and existing retirees. Any future increases in reimbursement above this level would become subject to the annual budget process.
- **Eliminate the Income Related Monthly Adjustment Amount (IRMAA) Reimbursement:** The Executive Budget proposes language to eliminate state funding to support the IRMAA premium for the retirees with an income above \$87,000 for individuals and \$174,000 for couples.
- **Implement Differential Premiums for Future State Retirees:** The Executive proposes language that would tie the amount of health care payments received by retirees to the number of years of state service for new employees.
- **Provide a Market-Based Interest Rate on Court Judgements and Accrued Claims:** The Executive proposes language that would change the interest rate paid by the state and other governmental jurisdictions in court judgments from a fixed rate to a variable rate.
- **Expand and Amend Public Sector Union Provisions:** The Executive proposes language that expands protections for public sector unions.
- **Pay Equity for State and Local Public Authorities:** The Executive proposes language that extends pay equity protections to protected class employees within state and local public authorities.





# 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 185,171 State employees in Executive agencies.

General State Charges provide 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 Governor’s 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**

Agency	Appropriations			
	2019-20 Adjusted (\$ in Millions)	2020-21 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
General State Charges	6,038.33	6,266.88	228.55	3.78
Department of Civil Service	58.74	58.74	0.00	0.00
Office of Employee Relations	8.68	8.68	0.00	0.00
Public Employment Relations Board	4.06	4.06	0.00	0.00

Table 52

<b>Disbursements</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
General State Charges	6,844.18	7,086.25	242.07	3.54
Department of Civil Service	16.35	14.85	(1.50)	(9.17)
Office of Employee Relations	6.44	6.54	0.10	1.55
Public Employment Relations Board	3.63	3.76	0.13	3.58

### General State Charges

The Executive proposes All Funds appropriations of \$6.27 billion, an increase of \$228.5 million, or 3.8 percent over the SFY 2019-20 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 \$178.8 million increase over the SFY 2019-20 for health insurance benefits contributions, which reflects a 4.5 percent increase in the New York State Health Insurance Plan costs. The increase is partially primarily attributable to medical inflation and current enrollment levels. The increase is offset by savings associated with Article VII proposals that would use a market-based interest rate for judgements paid by the State (\$6 million), cease Income Related Monthly Adjustment Amount for high income retirees (\$3.7 million), and freeze Medicare Part B reimbursement (\$2.2 million).

**Pensions:** The Executive Budget proposes a \$26.7 million increase in pension obligations, an increase of 1.2 percent, resulting from higher salary costs due to collective bargaining and an increase in weekly wages. The Executive Budget assumes \$51.1 million in savings associated with full payment to the retirement systems in April 2020 instead of monthly installments.

**Differential Retiree Benefits Premiums:** The Executive proposes language that would require new State employees hired after October 1, 2020, to pay premiums in retirement based on years of service, with differential rates beginning at 10 years of service and full benefits reached at 30 years of service. This part would exclude employees who retire with an ordinary, accidental or performance of duty disability retirement benefit as well as certain members in the uniformed force.

**Workers' Compensation Benefits:** The Executive proposes a net \$68.6 million increase in Workers' Compensation benefits for injured State employees, representing a 13.3 percent increase from

SFY 2019-20. This increase is reflective of higher medical costs and growth in the average weekly wage, which results in higher Workers' Compensation benefits.

**Fixed Costs:** The Executive Budget proposes to change the interest rate paid by the State and other governmental jurisdictions in court judgments from a fixed 9 percent rate to a variable market-based index, resulting in a decrease of \$6 million.

## Article VII

The Executive recommends Article VII legislation that would:

- terminate reimbursements of IRMAA premiums, incurred on or after January 1st, 2020, made by the State to active or retired employees and their dependents effective January 1st, 2021;
- limit the reimbursement amount for the Standard Medicare Part B premium charges at \$144.60 per month for all eligible employees, commencing on or after April 1, 2020;
- establish a tiered contribution system of the State's payments of premiums or subscription charges for State retirees who are enrolled in the statewide and supplementary health benefit plans, and who are hired on or after October 1, 2020;
- allow the disclosure of the private information of newly hired employees and of employees promoted or transferred to a new bargaining unit to the employee organization certified to represent such unit, and direct public employers to provide employee organizations mandatory access to new employee orientations. Notice shall be given to the employee organization not less than 10 days in advance of an orientation;
- direct public authorities to ensure a fair and non-biased compensation structure for all employees, regardless of status in one or more protected class or classes, for similar or substantially similar work; and
- authorize the Superintendent of the Division of State Police (DSP) to waive the maximum age requirement for appointment for any police officer of the NYS Office of Parks, Recreation, and Historic Preservation (OPRHP) who is appointed to the State Police due to a consolidation of OPRHP to DSP and authorize any applicants at or above the age of twenty-nine to apply up to seven years of military service to meet the age qualification.

### **Department of Civil Service**

The Executive proposes All Funds appropriations of \$58.7 million, unchanged from SFY 2019-20 levels. The Executive recommends support for 362 FTE positions, unchanged from SFY 2019-20 levels.

### **Office of Employee Relations**

The Executive provides an All Funds appropriation of \$8.68 million, unchanged from SFY 2019-20 funding levels. The Executive recommends support for 77 FTEs, unchanged from SFY 2019-20 levels.

### **Public Employment Relations Board**

The Executive proposes an All Funds appropriation of \$4.06 million, unchanged from SFY 2019-20 levels. The Executive recommends support for 33 FTE positions, unchanged from SFY 2019-20 levels.

Table 53

## Workforce Impact Summary

All Funds

FY 2019 Through FY 2021

	FY 2019 Actuals (3/31/19)	Starting Estimate (03/31/20)	Attritions	New Fills	Net Change	Ending Estimate (03/31/21)
Addiction Services and Supports, Office of	728	737	(92)	92	0	737
Adirondack Park Agency	49	54	(1)	1	0	54
Aging, Office for the	89	95	(16)	16	0	95
Agriculture and Markets, Department of	461	512	(26)	66	40	552
Alcoholic Beverage Control, Division of	108	120	(18)	193	191	311
Arts, Council on the	28	30	(3)	3	0	30
Audit and Control, Department of	2,610	2,663	(134)	134	0	2,663
Budget, Division of the	252	261	(55)	55	0	261
Children and Family Services, Office of	3,008	2,919	(541)	478	(63)	2,856
City University of New York	13,806	13,730	0	0	0	13,730
Civil Service, Department of	346	362	(66)	66	0	362
Correction, Commission of	30	32	(2)	2	0	32
Corrections and Community Supervision, Department of	29,117	28,803	(2,027)	780	(1,247)	27,556
Criminal Justice Services, Division of	413	435	(32)	32	0	435
Deferred Compensation Board	4	4	0	0	0	4
Economic Development, Department of	139	153	(35)	35	0	153
Education Department, State	2,606	2,692	(269)	269	0	2,692
Elections, State Board of	74	85	(7)	7	0	85
Employee Relations, Office of	75	77	(6)	6	0	77
Environmental Conservation, Department of	2,996	3,115	(234)	281	47	3,162
Executive Chamber	112	136	(42)	42	0	136
Financial Control Board, New York State	10	13	0	0	0	13
Financial Services, Department of	1,342	1,391	(145)	145	0	1,391
Gaming Commission, New York State	397	430	(19)	19	0	430
General Services, Office of	1,803	1,971	(145)	149	4	1,975
Health, Department of	4,715	5,615	(467)	505	22	5,637
Higher Education Services Corporation, New York State	156	176	(19)	19	0	176
Homeland Security and Emergency Services, Division of	559	614	(35)	35	0	614
Housing and Community Renewal, Division of	584	776	(69)	69	0	776
Hudson River Valley Greenway Communities Council	0	1	0	0	0	1
Human Rights, Division of	159	164	(33)	33	0	164
Indigent Legal Services, Office of	31	36	(3)	5	2	38
Information Technology Services, Office of	3,566	3,451	(140)	140	0	3,451
Inspector General, Office of the	81	92	(5)	5	0	92
Interest on Lawyer Account	9	9	0	0	0	9
Judicial Conduct, Commission on	38	43	(2)	2	0	43
Justice Center for the Protection of People with Special Needs	425	429	(68)	67	(1)	428
Labor Management Committees	68	77	(10)	10	0	77
Labor, Department of	2,838	2,987	(324)	324	0	2,987
Law, Department of	1,826	1,839	(89)	89	0	1,839
Lieutenant Governor, Office of the	5	7	(1)	1	0	7
Medicaid Inspector General, Office of the	405	426	(42)	111	69	495
Mental Health, Office of	13,856	13,757	(2,037)	1,932	(105)	13,652
Military and Naval Affairs, Division of	382	405	(44)	44	0	405
Motor Vehicles, Department of	2,363	2,815	(571)	571	0	2,815
Parks, Recreation and Historic Preservation, Office of	2,010	2,041	(152)	174	22	2,063
People with Developmental Disabilities, Office for	19,037	18,590	(2,430)	2,430	0	18,590
Prevention of Domestic Violence, Office for	23	28	(2)	2	0	28
Public Employment Relations Board	30	33	(2)	2	0	33
Public Ethics, Joint Commission on	51	52	(2)	2	0	52
Public Service Department	489	528	(42)	42	0	528
State Police, Division of	5,784	5,741	(260)	260	0	5,741
State University Construction Fund	142	141	0	0	0	141
State University of New York	46,448	46,836	0	0	0	46,836
State, Department of	491	565	(80)	92	12	577
Statewide Financial System	134	142	(10)	10	0	142
Tax Appeals, Division of	22	27	(1)	1	0	27
Taxation and Finance, Department of	3,806	4,085	(86)	86	0	4,085
Temporary and Disability Assistance, Office of	1,995	1,987	(224)	224	0	1,987
Transportation, Department of	8,442	8,520	(383)	383	0	8,520
Veterans' Services, Division of	87	98	(5)	5	0	98
Victim Services, Office of	88	102	(16)	16	0	102
Welfare Inspector General, Office of	7	7	(1)	1	0	7
Workers' Compensation Board	1,044	1,109	(56)	56	0	1,109
<b>Total</b>	<b>182,799</b>	<b>185,171</b>	<b>(11,626)</b>	<b>10,619</b>	<b>(1,007)</b>	<b>184,164</b>



# BUDGET REVIEW AND ANALYSIS: JUDICIARY



The New York State courts are established and administered as an independent branch of government pursuant to Article VI of the State Constitution. The cost of operating the courts (excluding town and village courts) is borne by the State pursuant to the Unified Court Budget Act. The mission of the Unified Court System is to promote the rule of law and to serve the public by providing just and timely resolutions of all matters before the courts. The New York State Judiciary carries out its mission through eleven (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 All Funds appropriations of \$3.27 billion, which is an increase of \$96.96 million or 3.06 percent from the SFY 2019-20 level.

**Table 54**

<b>Appropriations</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Office of Court Administration	3,168.16	3,265.12	96.96	3.06

**Table 55**

<b>Disbursements</b>				
<b>Agency</b>	<b>2019-20 Adjusted (\$ in Millions)</b>	<b>2020-21 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Office of Court Administration	3,129.70	3,300.99	171.29	5.47

**Civil Legal Services:** The proposed budget includes a total of \$100 million to support the recommendations of an Office of Court Administration Taskforce to expand civil legal services, unchanged from the SFY 2019-20 level.

**Sub-allocation of Criminal Defense Assistance:** The Judiciary’s proposed budget includes a sub-allocation of \$47 million to the Office of Indigent Legal Services (ILS) in continued support of criminal defense providers in the City of New York.



**Center for Court Innovation:** The Judiciary's budget provides a new \$9.7 million for the Center for Court Innovation.

**Attorney Bar Examination Fee:** The Judiciary's proposal would dedicate all revenues derived from the attorney bar examination fee to the Attorney Licensing Fund (ALF) for operational support.

**Capital Projects:** The Judiciary's budget includes \$25 million to support improvements to court technology infrastructure, including modernization of the Judiciary's secure high-speed area network, security equipment, records management, and facility renovation.

**Court Restructuring:** The Judiciary recommends a concurrent resolution to amend the State Constitution in relation to the consolidation of the Unified Court System into the State Supreme and Municipal Courts.

# BUDGET HIGHLIGHTS: ECONOMY



- According to the Executive Budget, the U.S. economy, as measured by real Gross Domestic Product (GDP), is projected to grow by 2.0 percent in 2020 and 2021.

**Table 56**

<b>U.S. Economic Outlook (Percent Change)</b>			
	<b>2019</b>	<b>2020</b>	<b>2021</b>
Real GDP	2.3	2.0	2.0
Consumption	2.6	2.5	2.2
Residential Investment	(1.6)	1.9	1.1
Nonresidential Investment	2.2	1.5	3.2
Exports	(0.3)	1.4	3.2
Imports	1.3	1.1	3.0
Government	2.2	1.6	0.6
Personal Income	4.5	3.8	4.0
Wages & Salaries	4.9	4.2	3.9
Employment	1.6	1.3	0.8
Unemployment Rate (percent)	3.7	3.6	3.7
CPI-Urban	1.8	2.2	2.2
S&P 500 Stock Price	6.0	7.4	3.0
Federal Fund Rate	2.2	1.6	1.9
Treasury Note Rate (10-year)	2.1	2.0	2.4

Note: Values are as reported in the Executive Budget 2020-21 released on January 21, 2020.  
Source: NYS Division of the Budget.

- The Executive projects state private employment will grow by 1.2 percent in 2019 and 1.1 percent in 2020.

**Table 57**

<b>New York State Economic Outlook (Percent Change)</b>			
	<b>2019</b>	<b>2020</b>	<b>2021</b>
Employment	1.2	1.1	0.8
Private Employment	1.4	1.2	1.1
Personal Income	3.5	3.6	4.1
Total Wages (calendar year basis)	4.3	3.6	4.0
Base Wages	4.4	4.2	3.9
Variable Compensation	3.5	(0.7)	4.2
Total Wages (fiscal year basis)	3.9	4.0	4.0
New York Area CPI	1.7	2.1	2.2

Note: Values are as reported in the Executive Budget 2020-21 released on January 21, 2020.  
Source: NYS Division of the Budget.



# BUDGET REVIEW AND ANALYSIS: ECONOMY



**The National Economy:** The Executive projects that the U.S. economy, as measured by Gross Domestic Product (GDP), will grow by 2.0 percent in 2020 and 2021, following an estimated growth of 2.3 percent in 2019 (see Table 58). According to the Executive, the deceleration in national economic growth is due to relatively weak global growth, trade frictions, labor market capacity constraints, and waning fiscal stimulus from the Tax Cuts and Jobs Act (TCJA) of 2017. The Executive states that December 2019 marked the longest U.S. economic expansion on record, though real GDP growth has been slower than in previous postwar expansions.

Table 58

<b>U.S. Economic Forecast Comparison</b>			
	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Real Gross Domestic Product (GDP)</b> (chained 2012 dollars, percent change)			
Division of the Budget	2.3	2.0	2.0
Blue Chip Consensus	N/A	1.9	1.9
IHS Markit	2.3	2.1	2.1
Moody's Analytics	2.3	1.8	2.0
<b>Consumer Price Index (CPI)</b> (percent change)			
Division of the Budget	1.8	2.2	2.2
Blue Chip Consensus	N/A	2.2	2.0
IHS Markit	1.8	1.8	1.7
Moody's Analytics	1.8	2.3	2.3
<b>Unemployment Rate</b> (percent)			
Division of the Budget	3.7	3.6	3.7
Blue Chip Consensus	N/A	3.6	3.7
IHS Markit	3.7	3.5	3.5
Moody's Analytics	3.7	3.5	4.0

Note: Numbers are as reported in the Executive Budget 2020-21 released on January 21, 2020.  
Source: NYS Division of the Budget.

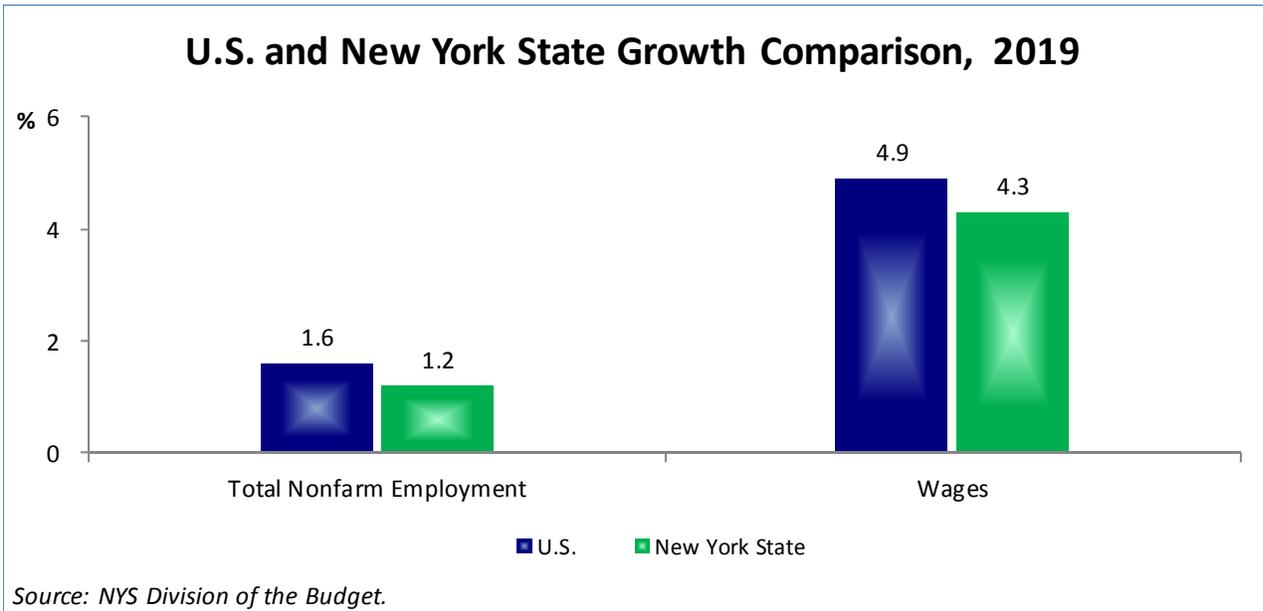
- **Consumption:** The Executive projects a deceleration in real consumption growth to 2.5 percent in 2020 following an estimated increase of 2.6 percent in 2019. According to the Executive, though consumer spending is expected to slow, growth has been supported by elevated levels of confidence, solid job prospects, gains in real wages, rising household net worth, and low interest rates. The Executive posits that the slower pace of growth in consumer spending stems from the waning fiscal stimulus from the TCJA, a slowdown in consumer auto demand, and other headwinds such as high student loan debt and an aging population.
- **Investment:** The Executive projects business investment spending will grow 1.5 percent in 2020, following an estimated increase of 2.2 percent in 2019. According to the Executive, the continuing difficulties associated with the Boeing 737 MAX aircrafts is a major headwind in 2020.
- **Exports and Imports:** The Executive forecasts that growth in exports of U.S. goods and services will rebound to 1.4 percent in 2020, after a slight decline in 2019. The Executive forecast is based on the assumption that deliveries of Boeing 737 MAX aircrafts will resume in the middle of 2020. In addition, global economic growth has shown signs of turning around and the “phase-one” trade agreement between the U.S. and China are positives for U.S. exports. The Executive projects that, as trade tensions ease and the dollar appreciates, U.S. imports will grow 1.1 percent in 2020, following an estimated increase of 1.3 percent in 2019.
- **Government Spending:** The Executive projects that state and local government spending, adjusted for inflation, will grow 0.8 percent in 2020, following an estimated 1.5 percent increase in 2019. The Executive projects that federal government spending will grow 3.0 percent in 2020, following growth of an estimated 3.4 percent in 2019 impacted by both the federal Bipartisan Budget Act of 2018 and the Bipartisan Budget Act of 2019.
- **Inflation:** The Executive forecasts that inflation, as measured by the Consumer Price Index (CPI), is projected to increase to 2.2 percent in 2020, after growing 1.8 percent in 2019. The Executive explains that weak inflation may be a result of the strength of the dollar and the acceleration of online sales, which have helped to keep consumer goods prices down.
- **Employment:** The Executive projects U.S. employment growth will slow to 1.3 percent in 2020 as result of a tight labor market, after an increase of 1.6 percent in 2019. The Executive forecasts the unemployment rate will fall to 3.6 percent in 2020 from an average of 3.7 percent in 2019.
- **Corporate Profits:** The Executive projects that growth in U.S. corporate profits will increase 3.3 percent in 2020, following an estimated decline of 0.3 percent in 2019. The predicted rise in

corporate profits would stem from the stabilization of both global and domestic economies and the low interest rate environment holding.

- **Financial Markets:** The Executive expects growth in equity prices to moderate in 2020 while bond yields are expected to continue to become firm. The Executive projects an increase in equity markets as measured by the S&P 500 index of 7.4 percent in 2020, after growth of 6.0 percent in 2019.

**The New York State Economy:** The Executive projects that the State economy will continue to improve, but State employment growth will slow to 1.1 percent in 2020, after growing an estimated 1.2 percent in 2019. New York State is also on track to experience a business cycle expansion of record length as determined from the New York State Index of Coincident Economic Indicators.

- **Personal Income:** The Executive projects total State personal income will grow 3.6 percent in 2020, slightly better than an estimated 3.5 percent growth in 2019. According to the Executive, growth in State personal income has been mainly due to wage growth, which is the largest component of personal income.
- **Wages:** The Executive forecasts wage growth in the State will slow to 3.6 percent in 2020, following an estimated growth of 4.3 percent in 2019. There has been additional volatility in wage growth in recent years due to federal personal income and corporate tax law changes. The Executive projects that bonuses in the finance and insurance sector will decline 1.3 percent in 2020, after an estimated increase of 1.0 percent in 2019.
- **Employment:** Total nonfarm employment in the State grew an estimated 1.2 percent in 2019, compared to 1.6 percent nationwide. The Executive forecasts that State employment will slow to 1.1 percent in 2020, weaker than the 1.3 percent projected for the rest of the nation (see Figure 13).



**Figure 13**

- **Employment by Sector:** Though the State labor market is slowing, private job growth remains well above historical averages and continues to be led by transportation and warehousing, healthcare and social assistance, education, and management, administrative, and support services industries (see Table 59).

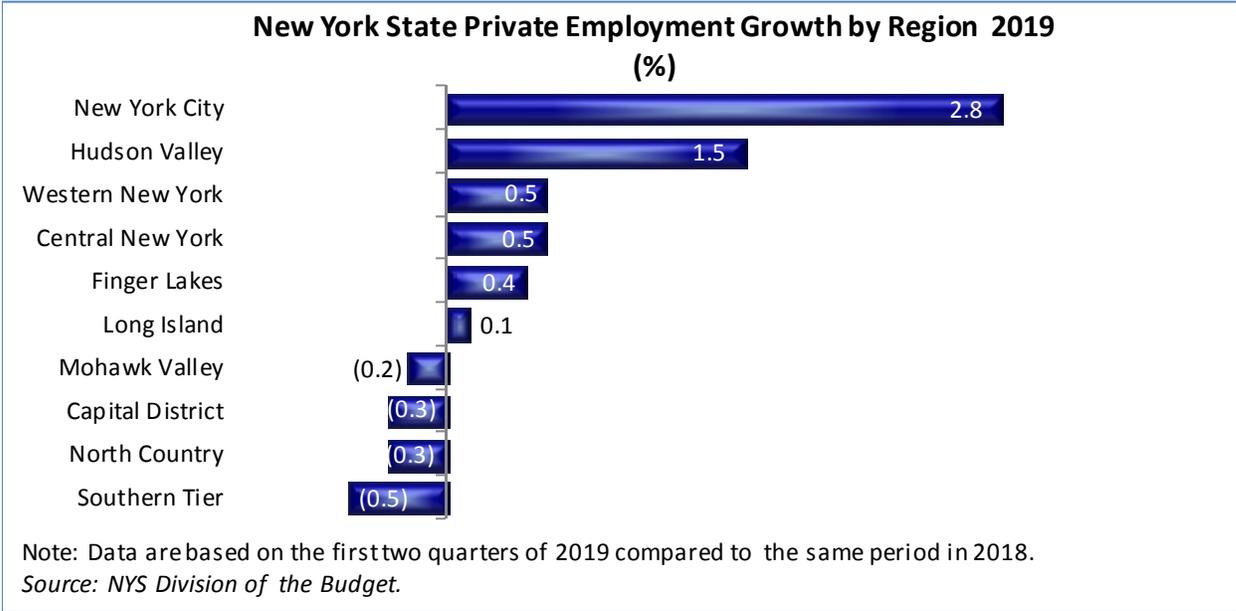
**Table 59**

<b>New York State Employment Trends: NYS vs U.S.</b>		
	<u>NYS</u>	<u>U.S.</u>
<b>Total</b>	<b>1.4</b>	<b>1.7</b>
<b>Total Private</b>	<b>1.6</b>	<b>1.9</b>
Healthcare & Social Assistance Services	4.1	2.5
Transportation and Warehousing	3.8	3.3
Management, Administrative, and Support Services	2.7	1.7
Construction	2.5	3.5
Information	2.1	(0.5)
Educational Services	1.6	1.6
Professional, Scientific, and Technical Services	1.2	3.2
Finance and Insurance	1.2	0.4
Real Estate and Rental and Leasing	0.5	3.4
Government	0.2	0.5
Leisure, Hospitality and Other Services	0.1	2.3
Manufacturing and Mining	(0.4)	1.7
Wholesale Trade	(1.0)	1.7
Utilities	(1.5)	(0.3)
Retail Trade	(1.8)	(0.3)

*Source: NYS Division of the Budget.*



➤ **Employment by Region:** According to the Executive, New York City led the State in private employment growth in the first half of 2019. Employment growth has been weaker in upstate region than in downstate region. Compared to the first half of 2018, the Southern Tier, North Country, Capital District, and Mohawk Valley regions each experienced job losses in the first half of 2019. Outside of New York City, the Hudson Valley region grew the fastest at 1.5 percent, followed by Western New York and Central New York at 0.5 percent (see Figure 14).



**Figure 14**

➤ **Risks:** The Executive states that downside risks to the forecast include an escalation of trade disputes between the U.S., China, and other trading partners, anemic global economic growth, geopolitical instability in the Persian Gulf region and North Korea, commodity and oil price instability, a splintering of the eurozone, a possible stock market correction, unresolved issues in the repo markets, and a possible reemergence of the debt-ceiling crisis. Upside risks include further easing of trade tensions between the U.S. and China, improved global economic conditions, a speedy recovery of the housing market, stronger productivity growth, and rising wages that sustain domestic demand.



# BUDGET HIGHLIGHTS: REVENUE



- **School Tax Relief (STAR) Program Changes:** The Executive proposal would lower the basic STAR exemption income eligibility limit from the current \$250,000 to \$200,000, and require these taxpayers to transfer into the STAR credit program; make exceptions for certain late Enhanced STAR filers to ensure they continue to receive the benefit; deny STAR benefit to property owners who are delinquent on their property taxes; and remove outdated references to the STAR Offset program, which is no longer in effect.
- **Cannabis Regulation and Taxation Act:** The Executive proposes language to regulate and control the manufacture, wholesale, and retail production of cannabis. The bill would establish three taxes on the adult use of marijuana.
- **Extend and Modify the Film Production Tax Credit:** The Executive proposes to extend the film production tax credit for an additional year through 2025; reduce the credit rate from 30 to 25 percent; require minimum project amounts of \$1 million in the downstate region and \$250,000 for the rest of the State; and exclude variety shows from the credit.
- **Reduce Taxes on Small Businesses and Farms:** The Executive proposes to reduce the business tax rate for businesses with under 100 employees; increase the existing deduction for certain small business income from 5 percent to 15 percent; make the investment tax credit refundable for farmers; and repeal the penalty on small businesses for the underpayment of estimated taxes.
- **Expand the Empire State Child Credit:** The Executive proposes to expand the Empire State Child Credit to include children under the age of four for families with incomes up to \$50,000 per year. The existing credit is limited to qualifying children from ages four to 16.
- **Extend Excelsior Tax Credit Program and Enhance Tax Credits for Green Projects:** The Executive proposes to extend the Excelsior Jobs Program for fifteen (15) additional years, from 2024 to 2039, and to provide enhanced tax benefits for the creation of green jobs and green technologies.
- **Other Tax Proposals:** The Executive proposes to modify tobacco products tax reporting and enforcement provisions; authorize the Tax Department to provide unclaimed tax benefits for taxpayers that are eligible but fail to claim them; limit eligibility for the long-term care insurance credit; and make technical amendments related to alcoholic beverage taxes.



# BUDGET REVIEW AND ANALYSIS: REVENUE



## EXECUTIVE ALL FUNDS RECEIPTS 2019-20 ESTIMATES AND 2020-21 FORECAST

Table 60

### Executive Budget - All Funds Receipts (\$ in Millions)

	SFY 2018-19	SFY 2019-20	% Change	SFY 2020-21	% Change
Personal Income Tax	\$48,088	\$53,016	10.2%	\$56,810	7.2%
User Taxes	\$17,357	\$18,148	4.6%	\$18,873	4.0%
Business Taxes	\$7,912	\$8,986	13.6%	\$9,910	10.3%
Other	\$2,221	\$2,240	0.9%	\$2,339	4.4%
<b>Total Taxes</b>	<b>\$75,578</b>	<b>\$82,390</b>	<b>9.0%</b>	<b>\$87,932</b>	<b>6.7%</b>
Miscellaneous Receipts	\$31,184	\$29,701	(4.8%)	\$26,253	(11.6%)
Federal Funds	\$61,344	\$66,162	7.9%	\$62,187	(6.0%)
<b>Total All Funds</b>	<b>\$168,106</b>	<b>\$178,253</b>	<b>6.0%</b>	<b>\$176,372</b>	<b>(1.1%)</b>

#### SFY 2019-20 All Funds Receipts Estimate

- The Executive estimates State Fiscal Year (SFY) 2019-20 All Funds tax receipts to total \$82.43 billion, an increase of \$6.85 billion, or 9.1 percent, from SFY 2018-19 levels. This annual increase is predominantly related to strong growth in personal income tax and business tax collections, as well as changes in taxpayers' behavior related to the federal Tax Cuts and Jobs Act of 2017, which resulted in a shift in the timing of certain estimated payments.
- Including miscellaneous receipts and federal funds, All Funds receipts are estimated to increase by 6.1 percent, to \$178.29 billion, in SFY 2019-20.

#### SFY 2020-21 All Funds Receipts Forecast

- The Executive forecasts SFY 2020-21 All Funds tax receipts to total \$87.93 billion, an increase of 6.7 percent, or \$5.51 billion, over SFY 2019-20 levels. This projected increase reflects a \$3.79 billion increase in personal income tax collections, a \$689 million increase in user tax collections, and a \$924 million increase in business tax collections.

- Including Miscellaneous Receipts and Federal Funds, All Funds receipts are forecast to decrease by 1.1 percent, or \$1.92 billion, to \$176.37 billion. This decrease is related to a \$3.45 billion decrease in miscellaneous receipts and a \$3.98 billion decrease in federal funding, partially offset by the \$5.51 billion increase in tax receipts.

## **Revenue Proposals – Revenue Article VII Bill (Unless Otherwise Noted)**

### **Personal Income Tax Proposals**

- **Enhance the Empire State Child Credit:** The Executive proposes to expand the Empire State Child Tax Credit, to include children under the age of four, residing in families with adjusted gross incomes of up to \$50,000 per year. The existing credit is limited to children ages four to sixteen, and is equal to the larger of 33 percent of the pre-2018 federal child tax credit, or \$100 per qualifying child.
- **Authorize the Department of Taxation and Finance (T&F) to Provide Unclaimed Tax Benefits:** The Executive proposes to authorize T&F to calculate and issue the Earned Income Tax Credit to eligible taxpayers who failed to claim the New York State or New York City credit on their tax returns. In addition, T&F would be authorized to recalculate a taxpayer's personal income tax return using the standard deduction, when the standard deduction would be larger than the itemized deduction.
- **Cap the Long-Term Care Insurance Credit:** The Executive proposes to limit the current long-term care insurance credit to taxpayers with New York adjusted gross income below \$250,000 and to cap the allowable total credit amount to \$1,500 per taxpayer. Current law provides a 20 percent credit with no maximum credit amount and no income limitations.
- **Make Warrantless State Tax Debt Collection Methods Permanent:** The Executive proposes to make permanent the current provisions authorizing T&F to use the financial institution data match system for State collection of past-due fixed and final tax debts; and allow T&F to serve warrantless income executions on individual tax debtors and if necessary, on the employers of such debtors. These present law provisions are otherwise scheduled to expire on April 1, 2020.
- **Update Criminal Tax Fraud Statutes:** The Executive proposes to make various changes to the State's tax fraud statutes, including changes that would clarify the applicability of existing fraud provisions; authorize the aggregation of certain tax fraud counts; and establish new criminal tax fraud statutes related to tax return preparers that attempt to file ten or more fraudulent tax returns in a given year.

## School Tax Relief (STAR) Proposals

- **Lower Basic STAR Exemption income Limit to \$200,000:** The Executive proposes to lower the income eligibility limit for the Basic STAR Exemption Program from the current \$250,000 level to \$200,000, beginning with the 2020-21 school year. Taxpayers in this income range would be shifted into the STAR Credit Program, and the income eligibility limit for the STAR Credit Program would remain unchanged at \$500,000.
- **Allow Retroactive Applications by Late Enhanced STAR Filers:** The Executive proposes to allow retroactive enrollment in the Enhanced STAR Program for certain recipients who were disqualified from the program by failing to enroll in the Income Verification Program (IVP), for the 2019-20 school year.
- **Deny STAR Benefit to Delinquent Property Owners:** The Executive proposes to eliminate STAR benefits for homeowners that are delinquent on their property tax payments. Local assessing jurisdictions would report the delinquent homeowners to T&F, who would then, upon prior notice to the homeowner, disallow STAR Exemption or Credit Program payments until the taxes are paid.
- **Remove References to the STAR Offset Program:** The Executive proposes to remove statutory and appropriation references to the STAR Offset Program, which is no longer active.

## Property Tax Proposals

- **Extend Oil and Gas Fee for Three Years:** The Executive proposes to extend the existing oil and gas fee, which supports the cost of setting unit of production values for the gas and oil industry, from March 31, 2021 to March 31, 2024.
- **Make Technical Amendments to Telecommunications and Railroad Ceiling Programs:** The Executive proposes to clarify the railroad ceiling valuation date to ensure that T&F and localities are using a consistent date, and to clarify the equalization rates to be used in the Telecommunications Ceiling Program.
- **Abolish the State Board of Real Property Tax Services:** The Executive proposes to eliminate the State Board of Real Property Tax Services and to transfer its powers and duties to the Commissioner of Taxation and Finance.

- **Allow for the Appointment of Acting County Directors of Real Property Tax Services:** The Executive proposal would allow counties to appoint an Acting County Director of Real Property Tax Services until a new permanent director is hired.
- **Provide Local Options for Placing Converted Condos into the Homestead Class:** The Executive proposes to authorize municipalities that have separate tax rates for homestead and non-homestead properties the option to place converted condos assessed at full value using the sales-based method into the homestead class, which would align taxation of these units with other residential properties.
- **Modernize and Merge Real Property Tax Forms and Processes:** The Executive proposes to combine the property transfer form and the real estate transfer tax form into a consolidated real property transfer form and to create an online system for e-filing and paying the associated taxes and fees.

### Business Tax Proposals

- **Modify Small Businesses Taxation:** The Executive proposes a variety of changes related to the taxation of small businesses, including proposals to:
  - reduce the Corporate Franchise Tax Rate, from 6.5 percent to 4 percent, for businesses with 100 or fewer employees with a net income of \$390,000 or less;
  - increase the existing sole proprietor and farm business income deduction, from the current 5 percent to 15 percent, for small businesses that are paying taxes through the personal income tax and that have less than \$250,000 of small business income;
  - modify the existing Investment Tax Credit to make it refundable for taxpayers whose primary source of income is from farming operations; and
  - eliminate the estimated tax underpayment penalty for New York S corporations.
- **Extend Excelsior Tax Credit Program:** The Executive proposes to extend the Excelsior Jobs Program to add statutory authorizations for new allocation of \$200 million per year for the years 2025 through 2039. The proposal would also extend the program through 2049, to allow the last ten years to be supported by credits that have been carried forward.

- **Enhance Excelsior Tax Credits for Green Projects:** The Executive proposes to establish enhanced green economy tax credits within the Excelsior Jobs Program, including proposals to:
  - increase the Refundable Jobs Credit from an amount up to 6.85 percent of wages for every new job created up to 7.5 percent of such wages for net new jobs in a qualifying green project;
  - increase the refundable Investment Tax Credit from 2 percent of investment to 5 percent for new capital investment in a qualifying green project; and
  - increase the Research and Development Tax Credit from up to 6 percent of research expenditures to up to 8 percent of research expenses in a qualifying green project.
  
- **Extend and Modify the Film Production Tax Credit:** The Executive proposes a variety of changes to the Empire State Film Production Credit and Empire State Film Post Production Credit, including proposals to:
  - reduce the amount of the Empire State Film Production Credit from 30 percent to 25 percent;
  - reduce the Empire State Post Production Credit from 30 percent to 25 percent for qualified films produced at qualified facilities located within the Metropolitan Commuter Transportation District and from 35 percent to 30 percent for qualified films produced at qualified facilities located elsewhere in the State;
  - exclude single episodes of a television series and require that a qualified film, other than a television pilot, must have a minimum budget of \$1 million if the project is located in the counties of Westchester, Rockland, Nassau, or Suffolk or New York City, and have a minimum budget of \$250,000 if the project is located in the other counties of the State;
  - exclude new variety entertainment, variety sketch, and variety talk programs, other than relocated television productions from the credits;
  - clarify the time period for claiming certain tax credits; and
  - extend the film credit programs for one year from 2024 to 2025.

- **Extend Hire-A-Vet Credit for Two Years:** The Executive proposal would extend the Hire-a-Vet Credit for an additional two years, to taxable years beginning before January 1, 2023, for employment commenced before January 1, 2022.

## Tobacco Proposals

- **Modify the Tobacco Product Tax:** The Executive proposes to close a loophole in the current Tax Law that occurs when tobacco products do not pass directly from the manufacturer to the distributor, allowing tobacco distributors to establish a lower “wholesale price”. The Executive proposes to modify the definition of “wholesale price” of tobacco products to clarify that it is the price for which the tobacco products are sold to a distributor. In addition, the proposal would penalize businesses that fail to maintain records required for cigarette and tobacco products taxes, including invoices, or to make those records available for inspection.
- **Enhance Cigarette Tax Enforcement and Penalties:** The Executive proposes to enhance cigarette tax enforcement and licensing penalties against retail dealers who sell unstamped or unlawfully stamped cigarettes and against persons affiliated with those retail dealers. The proposal would also authorize T&F to suspend or revoke a retail dealer’s sales tax certificate of authority when its registration to sell cigarettes has been suspended or revoked.
- **Enact a Comprehensive Tobacco Control Policy:** The Executive proposes to:
  - prohibit the sale or distribution of e-cigarettes or vapor products that have a characterizing flavor;
  - prohibit the sale of tobacco products, including e-cigarettes, in all pharmacies;
  - expand the definition of “place of employment” to define indoor space and limit second hand smoke exposure;
  - restrict the delivery of e-liquid products only to New York State licensed retailers;
  - restrict the advertising of vapor products in periodicals targeting youth, limit production of audio and video advertising, and restrict claims of safety and efficacy for vaping as a smoking cessation device without Food and Drug Administration approval;
  - require manufacturers of vapor products to disclose to the Department of Health and the public information regarding the ingredients, by-products, or contaminants in vapor products, whether intentional or unintentionally added;

- ban certain carrier oils, if they are determined to be harmful;
- ban coupons and manufacturer discounts and displays in shops; and
- increase penalties for illegally selling tobacco products to minors.

## Gaming Proposals

- **Amend Sports Wagering Lounge Restrictions:** The Executive proposal would end the restriction requiring sports wagering to be operated exclusively in a casino’s designated sports wagering lounge, allowing for sports wagering to occur in approved areas outside the lounge, but still within the casino.
- **Eliminate QuickDraw Minimum Size Restriction:** The Executive proposal would eliminate the current 2,500 square foot size restriction imposed on locations offering Quick Draw.
- **Equine Drug Testing and Research Lab:** The Executive would authorize the New York Racing Association (NYRA) to fund the construction and furnishing of an equine drug testing and research lab for use by the Gaming Commission.
- **Interstate Anti-Doping Compact:** The Executive would authorize the creation of a multi-state compact for the creation of a uniform set of rules and regulations of permitted and prohibited use of drugs in racehorses.
- **Extend Pari-Mutuel Tax Rates and Simulcast Provisions for One Year:** The Executive proposal would extend the current pari-mutuel tax rate structure and other racing-related provisions for one year.
- **PPGG Part KK – Eliminate VLT Aid to All Municipalities Outside of Yonkers:** The Executive proposal would eliminate video lottery terminal aid (VLT) for the 15 municipalities outside the City of Yonkers that currently receive a combined \$9.3 million in VLT distributions.

## Other Tax Proposals

- **Make Technical Amendments Related to Alcohol Beverage Taxes:** The Executive proposes a variety of technical changes to the State’s alcoholic beverage taxes, including proposals to:

- update and conform annual reporting requirement thresholds for small alcohol producers in the Tax Law to the State Liquor Authority's (SLA) annual production caps for farm producer licenses;
  - standardize the tax exemption on inter-distributor sales by extending the exemption to every registered distributor; and
  - repeal the one cent per liter tax levied on liquor containing less than two percent of alcohol by volume.
- **PPGG Part NN – Clarify Aid and Incentives for Municipalities (AIM) Related Sales Tax Payments:** The Executive proposal includes language to clarify the process by which AIM-related sales tax payments are made within Nassau and Erie Counties, to direct the local control boards to remit necessary funds back to the State in order to allow AIM-related payments to be made to affected towns and villages.
  - **PPGG Part TT – Disclosure of Tax Returns:** The Executive proposes to require any statewide elected official, member of the legislature, appointed state commissioner, or elected local official in New York State who receives annual compensation beyond \$100,000 to file an annual copy of their tax return with the Joint Commission on Public Ethics (JCOPE).

## Cannabis Proposals

- **Adult-Use Cannabis Oversight:** The Executive proposes to establish a regulated adult-use cannabis program and create a new Office of Cannabis Management (OCM) within the Division of Alcohol Beverage Control, governed by a five-member Cannabis Control Board overseeing the adult-use, medical and cannabinoid hemp industries. The powers of this new office include but are not limited to: the establishment of cultivation and processing standards; the licensure of all business entities in the production and distribution chain; the inspection and enforcement of program standards and the development and issuance of program regulations.
- **Social Equity Programs:** The Executive proposal would establish a social and economic equity program to actively encourage members of communities who have been disproportionately impacted by the policies of cannabis prohibition to participate in the new industry through the implementation of a social and economic equity plan – providing technical assistance, training, loans, and mentoring to qualified social and economic equity applicants.
- **Criminal Justice Proposals:** The Executive would modify, and in some cases reduce, existing penalties related to cannabis under the Penal Law, amend the Vehicle and Traffic Law to

increase penalties for driving under the influence of drugs and other substances, as well as make conforming changes to the Public Health Law.

- **Medical Cannabis Program:** The Executive proposal would transfer administration of the existing medical marijuana program from the Department of Health to the Office of Cannabis Management.
- **Cannabinoid Hemp Program:** The Executive proposes to establish a regulatory framework to regulate the licensing, cultivation, processing, extracting and distribution of cannabinoid hemp (CBD).
- **Local Option:** The Executive proposal would provide all counties and cities with a population of 100,000 or more the opportunity to opt-out of certain provisions of the law upon the passage of a local law, ordinance or resolution by a majority vote of their governing body. Counties, cities, towns, and villages would be able to dictate the hours of operation and location of licensed adult-use cannabis retail dispensaries within their jurisdiction through local zoning powers.
- **Cannabis Tax:** The Executive proposal establishes a three tier tax structure, including:
  - tax on the cultivation of cannabis at the rate of \$1 per dry weight gram of cannabis flower, \$0.25 per dry weight gram of non-flower cannabis, and \$0.14 per gram of wet cannabis;
  - tax on the sale by any person to a retail dispensary at the rate of 20 percent of the price, which would be deposited in the New York State Cannabis Revenue Fund; and
  - tax on the same sale by any person to a retail dispensary at the rate of 2 percent of the price, which would be remitted to the county in which the retail dispensary is located.
- **New York State Cannabis Revenue Fund:** The Executive proposal would deposit revenues from State cannabis taxes in the New York State Cannabis Revenue Fund which would be expended for the following purposes: administration of the regulated cannabis program, data gathering, monitoring and reporting, the governor's traffic safety committee, initiatives and programs of the social and economic equity plan of the OCM, substance abuse, harm reduction and mental health treatment and prevention, public health education and intervention, research on cannabis uses and applications, program evaluation and improvements, and any other identified purpose recommended by the director of the OCM and approved by the Division of Budget.

Table 61

<b>TAX AND OTHER REVENUE ACTIONS</b> <b>(\$ in Millions)</b>				
Proposals	General Fund		All Funds	
	SFY 2020-21	SFY 2021-22	SFY 2020-21	SFY 2021-22
<b>Tax Cuts and Credits</b>		<b>(33)</b>	-	<b>(39)</b>
Modify Small Businesses Taxation	-	(33)	-	(39)
Enhance Empire State Child Credit	-	-	-	-
Extend Excelsior Tax Credit Program and Enhance Tax Credits for Green Projects	-	-	-	-
Extend Hire-A-Vet Credit for Two Years	-	-	-	-
<b>Reform and Simplification Actions</b>	<b>8</b>	<b>49</b>	<b>8</b>	<b>49</b>
Modify the Tobacco Products Tax	10	23	10	23
Authorize Tax Dept. to Provide Unclaimed Tax Benefits	(2)	(2)	(2)	(2)
Cap the Maximum Amount and Income for the Long-Term Care Insurance Credit	-	28	-	28
Extend and modify the Film Production Tax Credit	-	-	-	-
Make Technical Amendments Related to Alcoholic Beverage Taxes	-	-	-	-
Make Technical Amendments to Telecommunications and Railroad Ceiling Programs	-	-	-	-
Abolish the State Board of Real Property Tax Services	-	-	-	-
Allow for the Appointment of Acting County Directors of Real Property Tax Services	-	-	-	-
Provide Local Options for Placing Converted Condos into the Homestead Class	-	-	-	-
<b>Enforcement Initiatives</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>
Enhance Cigarette Tax Enforcement and Penalties	-	-	-	-
Update Criminal Tax Fraud Statutes	-	-	-	-
Make Warrantless State Tax Debt Collection Methods Permanent	40	40	40	40
<b>Other Actions</b>	-	-	<b>(5)</b>	<b>30</b>
Enact a Comprehensive Tobacco Control Policy	-	-	(25)	(33)
Enact the Cannabis Regulation and Taxation Act	-	-	20	63
<b>School Tax Relief (STAR) Program Actions</b>	<b>(4)</b>	-	<b>(78)</b>	<b>(68)</b>
Shift Basic STAR Exemptions to the Credit Program - Credit Portion	(74)	(68)	(74)	(68)
Shift Basic STAR Exemptions to the Credit Program - STAR Savings	74	68	-	-
Make Exceptions for Late Enhanced STAR Filers	(4)	-	(4)	-
Deny STAR Benefits to Delinquent Property Owners	-	-	-	-
Remove References to the STAR Offset Program	-	-	-	-
<b>Gaming Initiatives</b>	-	-	<b>15</b>	<b>30</b>
Amend Sports Wagering Lounge Restrictions	-	-	-	-
Eliminate QuickDraw Minimum Size Restriction	-	-	15	30
Extend Pari-Mutuel Tax Rates and Simulcast Provisions for One Year	-	-	-	-
Build a New Equine Drug Testing Lab	-	-	-	-
Authorize Entry Into the Mid-Atlantic Drug Compact	-	-	-	-
<b>Fee Actions</b>	-	-	<b>70</b>	<b>70</b>
Extend Oil and Gas Fee for Three Years	-	-	-	-
Establish a Motion Picture Theater Alcohol Permit	-	-	-	-
Impose Certificate of Need Fee	-	-	70	70
<b>TOTAL REVENUE ACTIONS</b>	<b>44</b>	<b>56</b>	<b>51</b>	<b>112</b>

Table 62

**All Funds Receipts SFY 2019-20**  
**(\$ in Millions)**

	2018-19 Actual	2019-20 Estimate	Change	Percent Growth
<b>Personal Income Tax</b>	<b>\$48,088</b>	<b>\$53,016</b>	<b>\$4,928</b>	<b>10.2%</b>
<b>Gross Receipts</b>	<b>\$59,175</b>	<b>\$64,477</b>	<b>\$5,302</b>	9.0%
Withholding	\$41,084	\$42,574	\$1,490	3.6%
Estimated Payments	\$14,010	\$16,982	\$2,972	21.2%
Vouchers	\$10,481	\$10,956	\$475	4.5%
IT 370s	\$3,529	\$6,026	\$2,497	70.8%
Final Payments	\$2,685	\$3,413	\$728	27.1%
Delinquencies	\$1,396	\$1,508	\$112	8.0%
<b>Total Refunds</b>	<b>\$11,087</b>	<b>\$11,461</b>	<b>\$374</b>	3.4%
Prior Year Refunds	\$6,034	\$5,959	(\$75)	(1.2%)
Current Refunds	\$2,249	\$2,250	\$1	0.0%
Advanced Credits	\$1,080	\$1,495	\$415	38.4%
Previous Refunds	\$589	\$608	\$19	3.2%
State/City Offsets	\$1,135	\$1,149	\$14	1.2%
<b>Collections</b>	<b>\$48,088</b>	<b>\$53,016</b>	<b>\$4,928</b>	10.2%
<b>User Taxes and Fees</b>	<b>\$17,357</b>	<b>\$18,148</b>	<b>\$791</b>	<b>4.6%</b>
Sales and Use Tax	\$15,128	\$16,032	\$904	6.0%
Motor Fuel Tax	\$528	\$523	(\$5)	(0.9%)
Cigarette Tax	\$1,108	\$1,013	(\$95)	(8.6%)
Vapor Tax	\$0	\$10	\$10	100.0%
Highway Use	\$145	\$141	(\$4)	(2.8%)
Alcoholic Beverage Tax	\$262	\$265	\$3	1.1%
Opioid Excise Tax	\$0	\$50	\$50	100.0%
Medical Marihuana Excise Tax	\$4	\$6	\$2	50.0%
Auto Rental Tax*	\$130	\$108	(\$22)	-16.9%
Taxi Surcharge*	\$52	\$0	(\$52)	(100.0%)
<b>Business Taxes</b>	<b>\$7,912</b>	<b>\$8,986</b>	<b>\$1,074</b>	<b>13.6%</b>
Corporate Franchise	\$4,297	\$4,877	\$580	13.5%
Utility Tax	\$672	\$686	\$14	2.1%
Insurance Tax	\$1,837	\$2,244	\$407	22.2%
Bank Tax	(\$60)	\$1	\$61	(101.7%)
Petroleum Business Tax	\$1,166	\$1,178	\$12	1.0%
<b>Other</b>	<b>\$2,221</b>	<b>\$2,240</b>	<b>\$19</b>	0.9%
Estate and Gift	\$1,068	\$1,094	\$26	2.4%
Real Estate Transfer	\$1,135	\$1,127	(\$8)	(0.7%)
Employer Compensation Exp.	\$0	\$1	\$1	100.0%
Pari Mutuel	\$15	\$15	\$0	0.0%
Other	\$3	\$3	\$0	0.0%
<b>Total Taxes</b>	<b>\$75,578</b>	<b>\$82,390</b>	<b>\$6,812</b>	9.0%
All Funds Misc. Receipts*	\$31,184	\$29,701	(\$1,483)	(4.8%)
Federal Grants	\$61,344	\$66,162	\$4,818	7.9%
<b>Total All Funds Receipts</b>	<b>\$168,106</b>	<b>\$178,253</b>	<b>\$10,147</b>	<b>6.0%</b>

\*The SFY 2019-20 budget provided a portion of these revenues directly to the MTA.

Table 63

**All Funds Receipts SFY 2020-21**  
**(\$ in Millions)**

	2019-20 Estimate	2020-21 Forecast	Change	Percent Growth
<b>Personal Income Tax</b>	<b>\$53,016</b>	<b>\$56,810</b>	<b>\$3,794</b>	<b>7.2%</b>
<b>Gross Receipts</b>	<b>\$64,477</b>	<b>\$67,552</b>	<b>\$3,075</b>	<b>4.8%</b>
Withholding	\$42,574	\$44,429	\$1,855	4.4%
Estimated Payments	\$16,982	\$17,869	\$887	5.2%
Vouchers	\$10,956	\$11,679	\$723	6.6%
IT 370s	\$6,026	\$6,190	\$164	2.7%
Final Payments	\$3,413	\$3,608	\$195	5.7%
Delinquencies	\$1,508	\$1,646	\$138	9.2%
<b>Total Refunds</b>	<b>\$11,461</b>	<b>\$10,742</b>	<b>(\$719)</b>	<b>(6.3%)</b>
Prior Year Refunds	\$5,959	\$6,342	\$383	6.4%
Current Refunds	\$2,250	\$1,750	(\$500)	(22.2%)
Advanced Credits	\$1,495	\$738	(\$757)	(50.6%)
Previous Refunds	\$608	\$638	\$30	4.9%
State/City Offsets	\$1,149	\$1,274	\$125	10.9%
<b>Collections</b>	<b>\$53,016</b>	<b>\$56,810</b>	<b>\$3,794</b>	<b>7.2%</b>
<b>User Taxes and Fees</b>	<b>\$18,148</b>	<b>\$18,873</b>	<b>\$725</b>	<b>4.0%</b>
Sales and Use Tax	\$16,032	\$16,719	\$687	4.3%
Motor Fuel Tax	\$523	\$524	\$1	0.2%
Cigarette Tax	\$1,013	\$963	(\$50)	(4.9%)
Vapor Excise Tax	\$10	\$14	\$4	100.0%
Highway Use	\$141	\$143	\$2	1.4%
Alcoholic Beverage Tax	\$265	\$269	\$4	1.5%
Opioid Excise Tax	\$50	\$100	\$50	100.0%
Medical Marihuana Excise Tax	\$6	\$6	\$0	0.0%
Adult Use Cannabis	\$0	\$20	\$20	100.0%
Auto Rental Tax*	\$108	\$115	\$7	6.5%
Taxi Surcharge*	\$0	\$0	\$0	0.0%
<b>Business Taxes</b>	<b>\$8,986</b>	<b>\$9,910</b>	<b>\$924</b>	<b>10.3%</b>
Corporate Franchise	\$4,877	\$5,640	\$763	15.6%
Utility Tax	\$686	\$657	(\$29)	(4.2%)
Insurance Tax	\$2,244	\$2,364	\$120	5.3%
Bank Tax	\$1	\$90	\$89	8900.0%
Petroleum Business Tax	\$1,178	\$1,159	(\$19)	(1.6%)
<b>Other</b>	<b>\$2,240</b>	<b>\$2,339</b>	<b>\$99</b>	<b>4.4%</b>
Estate and Gift	\$1,094	\$1,174	\$80	7.3%
Real Estate Transfer	\$1,127	\$1,144	\$17	1.5%
Employer Compensation Exp.	\$1	\$3	\$2	100.0%
Pari Mutuel	\$15	\$15	\$0	0.0%
Other	\$3	\$3	\$0	0.0%
<b>Total Taxes</b>	<b>\$82,390</b>	<b>\$87,932</b>	<b>\$5,542</b>	<b>6.7%</b>
All Funds Misc Receipts*	\$29,701	\$26,253	(\$3,448)	(11.6%)
Federal Grants	\$66,162	\$62,187	(\$3,975)	(6.0%)
<b>Total All Funds Receipts</b>	<b>\$178,253</b>	<b>\$176,372</b>	<b>(\$1,881)</b>	<b>(1.1%)</b>

# BUDGET HIGHLIGHTS: CAPITAL AND DEBT



- **Capital Program and Financing:** The Executive capital program and financing plan totals \$15.0 billion for SFY 2020-21, an increase of \$1.0 billion or 7.5 percent from SFY 2019-20.
- **Debt Issuance:** The Executive proposes to issue \$7.7 billion in debt to finance new and existing capital projects in SFY 2020-21, an increase of \$486 million or 6.7 percent from SFY 2019-20.
- **Debt Outstanding:** State-supported debt outstanding is projected to remain under the statutory debt cap over the plan period. Remaining capacity under the cap declines from \$963 million in SFY 2020-21 to \$28 million in SFY 2024-25.
- **Environmental Bond Act of 2020:** The Executive proposes a new \$3 billion environmental bond act to support habitat restoration, investment in resilient infrastructure, and flood reduction.
- **Statewide Capital Efficiency Plan:** The Executive proposes a Capital Efficiency Plan to reduce capital spending by 5.0 percent over the five year plan: The Capital Efficiency Plan is estimated to reduce bond-financed capital spending by \$1.0 billion and debt service costs by \$1.6 billion over the next five years.
- **State Facilities Equipment Program:** The Executive proposes a new \$100 million appropriation for the centralized acquisition of equipment, including but not limited to information technology systems, health and safety equipment, heavy equipment and machinery, security systems, and laboratory equipment.
- **Design-Build:** The Executive proposes to expand the authority for the use of design-build procurement, which allows design and construction services to be contracted by a single entity, to include projects overseen by DASNY, ESDC, OGS, SUCF, ORDA, and the Battery Park City Authority (BPCA). Under current law, only the Thruway Authority, DOT, OPRHP, NYCHA, DEC, the State Bridge Authority, and other specific projects are authorized to use design-build.



# BUDGET REVIEW AND ANALYSIS: CAPITAL AND DEBT



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

**Table 64**

<b>Capital Spending by Function Capital Program and Financing Plan SFY 2020-21 Through SFY 2024-25 (\$ in Millions)</b>					
<b>Spending</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
Transportation	5,913	6,003	5,671	5,708	5,688
Education	559	492	428	247	112
Higher Education	1,514	1,578	1,648	1,644	1,672
Economic Development & Gov't Oversight	2,149	2,010	1,713	1,448	1,154
Mental Hygiene	608	568	553	539	550
Parks and Environment	1,301	1,404	1,545	1,625	1,675
Health	789	843	870	746	434
Social Welfare	1,009	626	610	560	355
Public Protection	590	532	502	468	452
General Government	530	345	293	243	248
Other	66	(334)	(589)	(631)	(611)
<b>Total</b>	<b>15,029</b>	<b>14,067</b>	<b>13,245</b>	<b>12,596</b>	<b>11,729</b>
Off-Budget Spending <sup>1</sup>	(563)	(590)	(625)	(637)	(654)
<b>Net Cash Spending</b>	<b>14,466</b>	<b>13,477</b>	<b>12,620</b>	<b>11,960</b>	<b>11,076</b>

<sup>1</sup> Represents spending which occurs directly from bond proceeds held by public authorities.

## The Five-Year Capital Plan

The Executive proposes a \$66.7 billion Five-Year Capital Plan that prioritizes transportation, economic development, and higher education initiatives. The Executive's State Fiscal Year (SFY) 2020-21 Capital Plan totals \$15 billion, which reflects an increase of 7.5 percent or \$1.0 billion from SFY 2019-20. Notably, this projection includes downward adjustments of \$1 billion in every year of the Five-Year Capital Plan to better account for the timing of project delivery.

## New Capital Initiatives

The Executive Budget proposes \$20.5 billion in new capital appropriations, all of which are projected to be committed and spent over a multi-year period for various economic development, transportation, health care, higher education, parks and environment, social welfare programs.

**Table 65**

<b>New Capital Appropriations SFY 2020-21 Executive Budget (\$ in Thousands)</b>			
<b><u>Transportation/Transit</u></b>	<b><u>10,156,943</u></b>	<b><u>Health &amp; Mental Hygiene</u></b>	<b><u>925,976</u></b>
DOT Capital Plan (Year 1)	6,679,146	Mental Hygiene Program	733,072
MTA: State Contribution to 2020-2024 Capital Plan	3,000,000	Healthcare Programs	141,600
CHIPs/Local Road and Bridge Funding	477,797	Roswell Park Capital	51,304
<b><u>Education/Higher Education</u></b>	<b><u>1,708,514</u></b>	<b><u>Economic Development</u></b>	<b><u>617,000</u></b>
SUNY/CUNY Systemwide Maintenance	834,222	NYW Economic Development Fund	220,000
SUNY /CUNY Capital Matching Program	600,000	Regional Economic Development Councils (Round 9)	150,000
SUNY Hospitals	150,000	Olympic Regional Development	147,000
Community College Projects	110,292	Downtown Revitalization Initiative (Round 4)	100,000
Library Capital Grants	14,000		
<b><u>Parks &amp; Environment</u></b>	<b><u>4,065,250</u></b>	<b><u>General Government/Public Protection</u></b>	<b><u>1,016,700</u></b>
Environmental Bond Act of 2020	3,000,000	Prison Facilities	425,000
Clean Water Infrastructure	500,000	State Facilities (OGS)	234,000
Environmental Protection Fund	300,000	Jamaica Armory	121,000
Parks NY Works	110,000	Statewide Equipment Program	100,000
State Superfund	100,000	IT Initiative Funding	95,700
DEC NY Works	55,250	Security Infrastructure for NFP Organizations	25,000
		Online Voter Registration	16,000
<b><u>Social Welfare</u></b>	<b><u>273,653</u></b>	<b><u>All Other Capital Appropriations</u></b>	<b><u>1,751,911</u></b>
Homeless Housing Capital	128,000		
Additional Affordable Housing Capital Plan	102,200		
Youth Facilities	43,453	<b><u>Total Capital Appropriations</u></b>	<b><u>20,515,947</u></b>

The Executive proposes \$10.2 billion in capital obligations for transportation purposes, including \$6.7 billion to fund the DOT plan and a new \$3 billion to fund the MTA capital plan. An additional \$4.1 billion is provided for parks and environment capital obligations, a \$3.0 billion, or 274 percent increase from SFY 2019-20. This increase is attributable to the proposed Environmental Bond Act of 2020.

## Settlement Fund Commitments to Capital Projects

Table 66

### Use of Monetary Settlements SFY 2015-16 through SFY 2020-2021 (\$ in Millions)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
<b>Capital Purpose</b>	<b><u>4,550</u></b>	<b><u>1,960</u></b>	<b><u>1,205</u></b>	<b><u>125</u></b>	<b><u>250</u></b>	<b><u>8,090</u></b>
Thruway Stabilization Program	1,285	700	0	0	0	1,985
Upstate Revitalization Initiative	1,500	170	0	0	0	1,670
Affordable and Homeless Housing	0	640	0	0	0	640
Clean Water Infrastructure	0	0	0	0	250	250
Broadband Initiative	500	0	0	0	0	500
Buffalo Billion, Phase II	0	0	400	0	0	400
Health Care	355	0	200	125	0	680
Security and Emergency Response	150	0	100	0	0	250
Life Sciences Initiative	0	0	320	0	0	320
Municipal Restructuring/Downtown Revitalization	150	20	100	0	0	270
MTA Capital Plan (Penn Station Access)	250	0	65	0	0	315
DOT Capital Plan Contribution	0	200	0	0	0	200
Long Island Transformative Projects	150	0	0	0	0	150
Environmental Protection Fund	0	120	0	0	0	120
Upstate Infrastructure and State Fair	115	0	0	0	0	115
Other Economic Development Projects	0	85	0	0	0	85
Southern Tier and Hudson Valley Farmland	50	0	0	0	0	50
Empire State Poverty Reduction Initiative	0	25	0	0	0	25
Non-MTA Transit	0	0	20	0	0	20
Community Health Care Revolving Loans	20	0	0	0	0	20
Roswell Park Cancer Institute	16	0	0	0	0	16
Behavioral Health Care Grants	10	0	0	0	0	10
<b>Non-Capital Purposes</b>	<b><u>1,115</u></b>	<b><u>165</u></b>	<b><u>729</u></b>	<b><u>1,243</u></b>	<b><u>1,134</u></b>	<b><u>4,661</u></b>
Transfer to Audit Disallowance - Federal Settlement	850	0	0	0	0	850
Financial Plan - General Fund Operating Purposes	250	102	461	719	0	1,807
Reserve for Retroactive Labor Settlements	0	0	155	0	0	155
Department of Law - Litigation Services Operations	10	63	27	80	6	186
Transfer to Local Assistance Account - Mass Transit	0	0	10	0	0	10
Transfer to OASAS Chemical Dependence Program	5	0	0	0	0	5
CSX Litigation Payment	0	0	76	0	0	76
MTA Operating Aid - Subway Action Plan	0	0	0	194	0	194
Reserve for Economic Uncertainties	0	0	0	0	890	890
Rainy Day Reserve	0	0	0	250	238	488
<b>Total</b>	<b><u>5,665</u></b>	<b><u>2,125</u></b>	<b><u>1,934</u></b>	<b><u>1,368</u></b>	<b><u>1,384</u></b>	<b><u>12,751</u></b>

*Source: NYS Division of Budget.*

Since SFY 2014-15, the State has received \$12.8 billion in monetary settlements primarily from financial institutions. The Executive has allocated \$8.1 billion for capital initiatives and \$4.7 billion to non-capital or operating purposes. The Executive plans to reserve the full amount of unallocated monetary settlements received in SFY 2019-20 (\$890 million) for economic uncertainties.

The Executive proposal gradually transfers settlement funds to the Dedicated Infrastructure Investment Fund (DIIF) for the use of capital projects over the next several years. The balance of settlement funds will remain in the General Fund allowing the State to maintain a larger cash balance. In previous years, the State has used settlement proceeds to make cash advances for the Javits expansion project in New York City (\$1 billion) and other non-DIIF capital purposes (\$1.8 billion).

The temporary use of funds for the expansion of Javits began in SFY 2017-18 and continues through SFY 2020-21. Bond proceeds will be used to backfill this use of the settlement funds in SFY 2019-20 and SFY 2020-21. Settlement funds were also used to pay for non-DIIF capital expenses totaling \$1.8 billion between SFY 2016-17 and SFY 2017-18. These advances were fully reimbursed in SFY 2018 -19 in order to fund their original purposes. These cash advances allowed the State to delay necessary bond issuances in order to preserve capacity under the State debt cap.

**Financing the Capital Plan for 2020-21**

The Executive proposal would finance the Five-Year Capital Program through a combination of State and Federal Pay-As-You-Go (PAYGO) financing totaling \$6.3 billion and bonded resources totaling \$8.8 billion.

**Table 67**

<b>Capital Program and Financial Plan</b>				
<b>Financing Sources</b>				
<b>SFY 2020-21</b>				
<b>(\$ in Millions)</b>				
<b>Financing Source</b>	<b>2020</b>	<b>2021</b>	<b>\$ Change</b>	<b>Annual % Change</b>
Authority Bonds	7,425	7,919	494	6.7%
Federal Pay-As-You-Go	2,196	2,169	(27)	(1.2%)
State Pay-As-You-Go	3,979	4,094	114	2.9%
General Obligation Bonds	386	848	462	119.5%
<b>Total</b>	<b>13,986</b>	<b>15,029</b>	<b>1,043</b>	<b>7.5%</b>

State Debt Issuances Over Five Years

Table 68

<b>State Debt Issuances Summarized By Financing Program SFY 2020-21 through SFY 2024-25 (\$ in Millions)</b>						
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<b><u>General Obligation Bonds</u></b>	441	848	487	462	362	245
<b><u>Revenue Bonds</u></b>						
Personal Income Tax	5,346	5,441	4,507	4,074	4,388	3,911
Sales Tax	1,424	1,408	1,450	1,493	1,538	1,584
<b>Subtotal Revenue Bonds</b>	<b>6,770</b>	<b>6,849</b>	<b>5,957</b>	<b>5,567</b>	<b>5,926</b>	<b>5,495</b>
<b>Total State-Supported</b>	<b>7,211</b>	<b>7,697</b>	<b>6,444</b>	<b>6,030</b>	<b>6,288</b>	<b>5,739</b>

The Executive estimates \$7.7 billion in new bond issuances in SFY 2020-21, as follows:

- \$5.4 billion through the PIT Revenue Bond Program;
- \$1.4 billion through the Sales Tax Revenue Bond Program; and
- \$848 million in State General Obligation Bonds.

Projected debt issuances for SFY 2020-21 have increased by \$486 million or 6.7 percent over SFY 2019-20.

## State-Supported Debt

Table 69

<b>New York State-Supported Debt Outstanding by Function SFY 2020-21 (\$ in Millions)</b>			
	<b><u>2019-20</u></b>	<b><u>2020-21</u></b>	<b>Share of Total Debt</b>
Education	18,044	18,654	31.0%
Transportation	17,061	17,959	29.8%
Economic Development & Housing	7,460	8,755	14.5%
State Facilities & Equipment	5,653	5,588	9.3%
Health & Mental Hygiene	4,514	5,001	8.3%
Environment	3,227	3,732	6.2%
Local Government Assistance Corp.	822	533	0.9%
<b>Total State-Supported Debt</b>	<b>56,779</b>	<b>60,222</b>	<b>100.0%</b>

State-supported debt includes debt paid by State resources and therefore 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 \$963 million in remaining capacity in SFY 2020-21 to its lowest point of \$28 million in SFY 2023-24. The amount of debt outstanding is limited to four percent of State personal income.

To calculate the debt cap, the State uses personal income estimates published by the federal government, specifically the Bureau of Economic Analysis (BEA). The BEA revises these estimates on a quarterly basis and such revisions impact the debt cap.

Table 70

<b>Debt Outstanding Subject to Cap Remaining Capacity Summary</b> <b>SFY 2019-20 through SFY 2023-24</b> <b>(\$ in Millions)</b>					
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Mid-Year Update to the FY 2020 Financial Plan</b>	<b>3,528</b>	<b>957</b>	<b>655</b>	<b>756</b>	<b>473</b>
Personal Income Forecast Adjustment	31	(56)	(45)	(32)	(35)
Capital Adds	0	(912)	(2,063)	(2,911)	(3,809)
New Hard Dollar	0	400	800	1,200	1,200
Capital Efficiency Plan	0	200	400	600	800
Executive Capital Reestimates/Bond Sale Adjustments	172	374	457	469	1,399
<b>FY 2021 Executive Budget Financial Plan</b>	<b>3,731</b>	<b>963</b>	<b>204</b>	<b>82</b>	<b>28</b>

The Executive proposal assumes the continuation of several capital and debt management initiatives to identify savings by refinancing debt and utilizing competitive bond sales to produce lower borrowing costs. Some of the proposals include:

- adding \$1.2 billion in cash to help fund new capital projects instead of issuing debt. The Executive assumes \$400 million of cash capital annually from FY 2021 through FY 2023 with expected debt service savings of \$2 billion;
- a Statewide Capital Efficiency Plan, similar to FY 2018 and FY 2019; when implemented is expected to reduce bonded capital spending by \$1 billion across five years and produce approximately \$1.6 billion in debt service savings; and
- updating capital spending estimates to better reflect historical and current spending, which is expected to reduce State’s borrowing needs by \$2.1 billion across five years.

These actions are in addition to a scheduled prepayment of \$450 million debt service costs due in SFY 2020-21 in the current fiscal year.

**State-Related Debt**

State-related debt outstanding is projected to total \$60.4 billion in SFY 2020-21, an increase of \$3.4 billion or 5.9 percent from SFY 2019-20. Over the plan, State-related debt outstanding is projected to increase to \$68.4 billion in SFY 2024-25, or an average increase of 4 percent.

Table 71

<b>State-related Debt Outstanding</b> <b>(Other State Debt Obligations in Addition to State-supported)</b> <b>(\$ in Millions)</b>		
	<u>SFY 2019-20</u> <u>Estimated</u>	<u>SFY 2020-21</u> <u>Projected</u>
<b>Contingent Contractual</b>		
DASNY/MCFFA Secured Hospitals Program	135	104
<b>Other State Financing</b>		
MBBA Prior Year School Aid Claims	104	68
<b>Subtotal</b>	<b><u>240</u></b>	<b><u>172</u></b>
<b>State-supported Debt</b>	<b><u>56,779</u></b>	<b><u>60,222</u></b>
<b>Total State-related Debt</b>	<b>57,019</b>	<b>60,395</b>

State-related debt is defined as state-supported debt plus the following debt obligations: Contingent Contractual Obligation (i.e.: DASNY/MCFFA Secured Hospital Program) and other financing structures (i.e.: MBBA Prior Year School Aid Claims).

This debt is paid by non-State resources in the first instance. State appropriations are provided in the event non-state funds are insufficient to pay the debt. These obligations are estimated to total \$172 million in SFY 2020-21, a decrease of \$67 million or 28 percent from SFY 2019-20.

State-related debt outstanding has decreased significantly since the state has not issued debt under these auspices in recent years, focusing instead on the issuance of personal income tax and sales tax revenue bonds, as well as general obligation bonds. State-supported debt outstanding has increased by \$3.4 billion or 6.1 percent from SFY 2019-20 to SFY 2020-21.

### **State Debt Retirements**

Retirement of state-related debt has significantly impacted the State’s ability to finance its capital programs. In SFY 2020-21, state-related debt retirements are projected to be \$4.3 billion, an increase of \$846 million or 25 percent from SFY 2019-20. Over the next five years, retirement of state-related debt are projected to decrease slightly, averaging \$4.1 billion annually.

Table 72

<b>New York State - Principal Retirement</b>	
<b>Period</b>	<b>Cumulative Percentage of Existing Debt Scheduled for Retirement as of 1/01/2020</b>
5 Years	29%
10 Years	54%
15 Years	73%
20 Years	85%
25 Years	94%
30 Years	100%

**State-Supported Debt Service**

- State-supported Debt Service is projected at \$6.0 billion in SFY 2020-21, an increase of \$847 million or 16.4 percent from SFY 2019-20. These estimates also reflect the prepayment of \$1.5 billion of SFY 2019-20 debt service costs in SFY 2018-19 and \$450 million of SFY 2020-21 debt service costs in SFY 2019-20

**Related Article VII**

The Executive proposes language that would:

- extend for an additional four years the authorization of DASNY to create subsidiaries for the purpose of limiting its potential liability;
- make the Infrastructure Investment Act permanent, add other alternative project delivery methods, and expand the entities that may use alternative project delivery methods for certain public works projects, and
- make the New York Buy American Act permanent.



## APPROPRIATION BUDGET BILLS

A. 9500/ S. 7500	State Operations Budget Appropriation Bill
A. 9501/ S. 7501	Legislature and Judiciary Budget Appropriation Bill
A. 9502/ S. 7502	Debt Service Budget Appropriation Bill
A. 9503/ S. 7503	Aid to Localities Budget Appropriation Bill
A. 9504/ S. 7504	Capital Projects Budget Appropriation Bill
A. 9505/ S. 7505	Public Protection and General Government Article VII Bill
A. 9506/ S. 7506	Education, Labor and Family Assistance Article VII Bill
A. 9507/ S. 7507	Health and Mental Hygiene Article VII Bill
A. 9508/ S. 7508	Transportation, Economic Development and Environmental Conservation Article VII Bill
A. 9509/ S. 7509	Revenue Article VII Bill

### Proposed Constitutional Amendments

- Court Consolidation
- State Equal Rights Amendment



## **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. 9505 - PUBLIC PROTECTION AND GENERAL GOVERNMENT**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Criminal Justice and Public Safety Programs	This part would extend various criminal justice and public safety programs and extend for two years the general formula for distribution of certain monies recovered by county district attorneys.
B	Computer Use by Certain Persons Convicted of a Sex Offense	This part would require certain persons convicted of a sex offense to affirmatively report screen names used for certain social media accounts to the Division of Criminal Justice Services and create a new crime, Criminal Personation by a Sex Offender.
C	Evidence of Alcohol or Drug Use in Sex Offense Prosecutions	This part would allow prosecution for higher levels of the crime of Rape or Criminal Sexual Act in certain circumstances where the victim was under the influence of a drug, intoxicant or other substance.
D	Waiver Exemption for Providing Certain Professional Services	This part would exempt the Division of Criminal Justice Services from a waiver requirement related to the services of mental health practitioners, psychologists and social workers.
E	District Attorney Discovery Compensation Fund	This part would require the New York County District Attorney to provide the state with \$2 million per year from its pre-prosecution settlement fund for distribution through the state budget and Division of Budget for local assistance for expenses related to digital evidence transmission technology.
F	Prison Closures	This part would authorize the Governor to close an unspecified number of state correctional facilities, provided the Executive provide at least 90 days' notice to the Speaker of the Assembly and Temporary President of the Senate.
G	Adolescent Offenders	This part would authorize the transfer of certain adolescent offenders serving terms of imprisonment from the Department of Corrections and Community Supervision ("DOCCS") custody to the custody of the Office of Children and Family Services.

H	Preferred Source Procurements	This part would allow the correctional industries program in the Department of Corrections and Community Supervision to provide services as a preferred source.
I	Emergency Services Revolving Loan Fund	This part would extend the existing suspension of the annual transfer of funds from the Public Safety Communications Account to the Emergency Services Revolving Loan Fund for two years.
J	Waive the State Police Maximum Age for Appointment for Individuals Employed as Park Police Officers	This part would authorize the Superintendent of the Division of State Police (“DSP”) to waive the maximum age requirement for appointment for any police officer of the NYS Office of Parks, Recreation, and Historic Preservation (“OPRHP”) who is appointed to the DSP due to a consolidation of OPRHP to DSP; and, authorize any applicants at the age of twenty-nine to apply up to seven years of military service to satisfy the age requirement for appointment to any position with DSP.
K	Ghost Guns	This part would prohibit individuals who may not legally possess a firearm, rifle or shotgun from possessing an unfinished frame or receiver or a major component part that could be used to build an unregistered (“ghost”) firearm, rifle or shotgun; require that sales of unfinished frames, receivers and major component parts of a firearm, rifle or shotgun be made in person through a licensed dealer in firearms; and require serial numbers for all such component parts.
L	Administrative Subpoenas	This part would authorize the State Police to issue administrative subpoenas for testimony and certain records in certain investigations involving possible crimes against minors.
M	Domestic Abuse and Firearms	This part would allow a police officer responding to a family offense to take temporary custody of firearms, rifles and shotguns in plain sight, discovered through a lawful search, or in possession of the alleged offender; set forth criteria when such a weapon may be declared a nuisance and disposed of, transferred, or retained for up to one year by law enforcement; and, add additional authority for law enforcement officers to seize weapons from the home of an individual who is the subject of an order of protection arising out of a domestic abuse dispute.
N	Disqualification of Gun Ownership	This part would expand the New York definition of disqualifying “serious offense” for purposes of the gun licensing statutes to include an offense, committed in another jurisdiction, which includes all the essential elements of a disqualifying misdemeanor or felony offense in New York.

O	Require the Submission of Certain Gun Crime Data to Specified Centralized Databases	This part would clarify in statute when a gun must be reported to the criminal gun clearinghouse and require all state and local law enforcement agencies in the state to opt-in to Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF's) crime gun trace data sharing program; require the test firing of certain guns, or submission of information regarding certain ammunition cartridges, for entry into the National Integrated Ballistic Information Network; and require each gun seized or recovered by law enforcement to be run through the National Crime Information Center (NCIC) system to determine if it has been reported stolen.
P	Share Flags from Mental Health Professionals with Other States	This part would allow certain information from mental health providers provided to the state Division of Criminal Justice Services to be shared with law enforcement entities in other states for the sole purpose of determining eligibility to purchase, possess or carry a firearm if such law enforcement entity obtains any necessary confidentiality waiver.
Q	Establish a Domestic Violence Misdemeanor	This part would create a new, discrete misdemeanor crime of domestic violence when a person commits Assault in the Third Degree, or one of a series of other specified offenses, against a family or household member, a current or former spouse, parent or guardian, a person who shares a child in common, a person who is cohabiting with or has cohabited as a spouse, parent or guardian, or a person similarly situated to a spouse, parent, or guardian of the victim.
R	Create Two New Crimes of Domestic Terrorism	This part would create two new crimes of mass violence motivated by hate, each a class A-1 felony with a maximum sentence of life imprisonment: the second degree crime would involve attempting to cause or causing serious physical injury to five or more persons, acting while motivated by hatred against a protected class of persons; the first degree crime would involve such conduct that causes the death of one or more persons, and would be punishable by mandatory life imprisonment without parole.
S	Cease Reimbursement of the Medicare Income Related Monthly Adjustments Amounts (IRMAA)	This part would terminate reimbursements of IRMAA premiums, incurred on or after January 1st, 2020, made by the state to active or retired employees and their dependents effective January 1st, 2021.
T	Market-based Interest Rate on Court Judgments and Accrued Claims	This part would establish the interest rate on judgment interest and accrued claims as the one year United States treasury bill rate.

U	Limit the Standard Medicare Premium Charge	This part would limit the reimbursement amount for the standard Medicare Part B standard premium charges, so that such amount would not exceed \$144.60 a month for all eligible employees, commencing on or after April 1, 2020.
V	Create a State Contribution System of Premium Costs	This part would establish a tiered contribution system of the State's payments of premiums or subscription charges for state retirees who are enrolled in the statewide and supplementary health benefit plans, and who are hired on or after October 1, 2020.
W	New Public Employee Collective Bargaining	This part would allow disclosure to certified employee organizations of private information of public employees newly hired, promoted or transferred and direct public employers to provide certified employee organizations mandatory access to new public employee orientations.
X	Issuance of Technology Contracts	This part would authorize the Director of the Office of Information and Technology Services to issue certain technology service contracts.
Y	Define Technology in New York State	This part would standardize the definition of the term "technology" in certain procurement laws and the State Technology Law.
Z	Statewide Financial System Project Procurements	This part would authorize the statewide financial system project to issue and award their own procurements and contracts to support their business operations.
AA	Office of General Services Leasing Agreements Permanent Extension	This part would permanently allow the Commissioner of General Services to enter into 15-year leases on behalf of State agencies.
BB	Sexual Harassment Disclosure from State Contractors	This part would require businesses bidding on state contracts to disclose certain information about sexual harassment in order to qualify for certain State contracts.
CC	Create New Alcoholic Beverage License for Higher Educational Institutions	This part would create a new license granting higher educational institutions with alcoholic beverage manufacturing, wholesale and retail privileges.
DD	Alcoholic Beverages in Movie Theatres	This part would authorize movie theatres to sell alcoholic beverages for motion pictures that are rated PG-13, R, or NC-17 with proper identification.
EE	Reform of Manufacturing, Distribution, and Retail Interests or Tied-house Restrictions	This part would authorize an alcohol manufacturer or wholesaler who does not directly or indirectly exercise control over a retail business, to hold either directly or indirectly an interest in a licensed retail premises.
FF	Establish the Hours During Which Alcoholic Beverages	This part would change the hours during which alcoholic beverages can be served on premises located within an

	may be Sold on Certain International Airport Property	international airport owned and operated within New York by the Port Authority of New York and New Jersey, (John F. Kennedy, LaGuardia, New York Stewart).
GG	Diversification of New York State Insurance Fund Investments	This part would provide the New York State Insurance Fund greater flexibility with regard to its investments of surplus funds and reserves.
HH	Cancellation of Policies by the New York State Insurance Fund	This part would authorize the New York State Insurance Fund to cancel a workers' compensation insurance policy due to an employer's failure to cooperate with a payroll audit.
II	Out of State Coverage for New York State Insurance Fund Policyholders	This part would authorize the New York State Insurance Fund to enter into agreements with out-of-state insurers to cover policyholders that are required to secure workers' compensation coverage in other states.
JJ	Manual Recounts	This part would require an automatic manual recount in all statewide elections in which the margin of victory for a candidate or ballot proposition is 0.2% or less and also require a recount for all other elections in which the margin of victory for a candidate or ballot proposition is 0.5% or less.
KK	Video Lottery Terminal (VLT) Aid	This part would eliminate VLT Aid for all municipalities except for Yonkers.
LL	County-Wide Shared Services Initiative Funds	This part would modify funding flexibility for the County-Wide Shared Services Initiative Program.
MM	Financial Restructuring Board for Local Governments	This part would modify voting requirements for the Financial Restructuring Board for Local Governments.
NN	AIM-related Sales Tax Payments	This part would provide technical corrections to the AIM-related sales tax payments for towns and villages in Nassau and Erie counties.
OO	Shared County Jails	This part would clarify the process by which counties may enter into shared services agreements relating to county jails.
PP	Allow Courts to Expressly Consider Domestic Violence When Distributing Marital Assets	This part would allow the court in a divorce action, when distributing marital assets, to take into account the impact domestic violence has on a party's earning capacity.
QQ	Pay Equity at State and Local Public Authorities	This part would direct public authorities to ensure a fair and non-biased compensation structure for all employees, regardless of status in one or more protected class or classes, for similar or substantially similar work.
RR	Civil Orders of Protection: Family Court	This part would allow the Family Court to issue orders of protection without requiring proof that a family offense has occurred.

SS	Ban on Contributions from Foreign-Influenced Corporations	This part would amend the Election Law to prohibit political campaign contributions from certain “foreign-influenced” corporations, as defined in this part.
TT	Disclosure of Tax Returns	This part would: require statewide elected officials, appointed state commissioners, and certain elected local officials to file a copy of their tax return with the Joint Commission on Public Ethics; require members of the legislature to file a copy of their tax return with the Legislative Ethics Commission which would forward such returns to the Joint Commission on Public Ethics; and also require statewide elected officials, members of the legislature, appointed state commissioners, and certain elected local officials to file with their oath of office a certification that they filed a copy of their tax return with the Joint Commission on Public Ethics.
UU	Disclosure Requirements for Charitable Nonprofit Entities	This part would require certain charitable nonprofit entities to disclose donations to the Department of Taxation and Finance in addition to the Department of Law; clarify the reporting requirements, relevant reporting period and responsibilities of the recipient entities; and provide for the Commissioner of Tax and Finance to receive annual reports and publish reporting schedules on its website.
VV	Transfers, Temporary Loans, and Amendments to Miscellaneous Capital/Debt Provisions, Including Bond Caps	This part would authorize the administration of funds and accounts included in the State Fiscal Year 2020-21 Executive Budget, and propose certain modifications. Specifically, it would authorize temporary loans and accounts, authorize the transfers and deposits of funds to and across various accounts, extend various provisions of laws in relation to capital projects and certain certifications, authorize modifications to various debt provisions, and modify various bond authorizations necessary to implement the budget.

**A. 9506 - EDUCATION, LABOR AND FAMILY ASSISTANCE**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	School Aid	This part would amend various provisions of Education Law related to: school aid; the reissuance of surrendered, revoked, terminated, or non-renewed charter schools; curriculum on civic education, diversity, and religious freedom; Holocaust instruction for New York City public, nonpublic, and charter school students; special education requirement waivers; and aid to public libraries.
B	Syracuse Comprehensive Education and Workforce Training Center	This part would establish a Syracuse Comprehensive Education and Workforce Training Center focusing on science, technology, engineering, arts, and math (STEAM).
C	Rochester City School District Monitor	This part would require the Commissioner of Education and the Mayor of Rochester to jointly appoint a monitor to oversee the academic and fiscal policies of the school district for one year until June 30, 2021.
D	Extend Tuition Increases for SUNY and CUNY	This part would authorize SUNY and CUNY to annually increase undergraduate tuition up to \$200 through the 2024-25 academic year; authorize tuition increases of up to 10% until the 2023-24 academic year for non-resident undergraduate SUNY College of Environmental Science and Forestry students; and extend the current maintenance of effort for SUNY and CUNY.
E	Expand Excelsior Scholarship Expansion	This part would raise the Excelsior Scholarship eligibility threshold from \$125,000 to \$150,000.
F	Expand Enhanced Tuition Awards Expansion	This part would raise the Enhanced Tuition Awards program eligibility threshold from \$125,000 to \$150,000.
G	Allow Ownership in Public Accountancy Firms	This part would allow public accountancy firms to have up to 49% ownership by individuals who are not certified public accountants, and require non-licensee owners to pay an annual \$300 fee to SED.
H	Authorize Mortgage Insurance Fund (MIF) Utilization	This part would transfer \$39.43 million in excess MIF reserves for the Neighborhood and Rural Preservation Programs and Rural Rental Assistance Program, as well as \$42.641 million for the Homeless Housing and Assistance Corporation.
I	Amend Office of Rent Administration Billing Intercept	This part would authorize the State to reduce local assistance payments to New York City in the amount equal to what the State spends on rent administration that the State would otherwise charge New York City.

J	Guarantee Sick Leave for Employees	This part would require every employer to provide its employees with sick leave each calendar year.
K	Authorize Social Security Federal COLA Pass Through	This part would authorize the 2021 Federal Supplemental Security Income Cost of Living Adjustment (COLA) increase and provide for a COLA increase of \$2 to \$18 depending on living arrangement.
L	Legalize Gestational Surrogacy	This part would permit compensated gestational surrogacy and would legally establish a child's relationship to the child's parents where the child is conceived using assisted reproduction technology.
M	Comply with Federal Family First Prevention Services Act (FFPSA)	This part would enact various provisions of law necessary to comply with FFPSA relating to the placement of foster care children in congregate care settings.
N	Realign Committee on Special Education Placements	This part would eliminate state reimbursement for residential Committee on Special Education placements made by school districts outside of NYC.
O	Establish State Veteran's Cemetery	This part would remove existing statutory provisions related to selection and financial criteria, to facilitate the development of a State veteran's cemetery.

**A. 9507 - HEALTH AND MENTAL HYGIENE**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Reauthorize and Modify Health Care Reform Act (HCRA)	This part would reauthorize HCRA for an additional three years including financial collections and distributions. Additionally, this part would eliminate: the Empire Clinical Research Program; the Diversity in Medicine Program; the Ambulatory Training Program; the Area Health Education Center program; and the Home Care and Personal Care Workforce Recruitment and Retention Programs.
B	Discontinue Hospital Resident Compliance Audits	This part would eliminate the requirement for annual hospital resident working hour audits.
C	Early Intervention	This part would require that insurers pay early intervention program service claims to a in-network provider regardless of medical necessity.
D	Redirect Enhanced Quality of Adult Living Funding	This part would restrict the use of Enhanced Quality of Adult Living grant funding to only support independent skills training, mental hygiene staff training, and capital improvement projects.
E	Miscellaneous Public Health Programs	This part would eliminate the Health Occupation Development and Workplace Demonstration program; eliminate the Adult Cystic Fibrosis Assistance Program; transfer the administration of the autism awareness and research fund from DOH to OPWDD; and transfer the jurisdiction of the Eating Disorder and Comprehensive Care Centers for Eating Disorders from to DOH to OMH.
F	Extend Various Provisions of the Public Health and Social Services law	This part would extend various provisions of public health law including: electronic prescribing requirements; limitations on generic drug price increases; and certain activities of the Office of Professional Misconduct.
G	Prescription Drug Pricing and Accountability Board	This part would establish the Drug Accountability Board, appointed by the Superintendent of DFS, to review prescription drugs on affordability, impact on commercial insurance premiums, unjustified price increases, value to consumers, and other factors; and would also authorize the Superintendent of DFS to investigate bad-acting drug manufacturers in the State, giving DFS prosecutorial powers.

H	Expansion of Assistance for Licensed Pharmacists	This part would: authorize pharmacy technicians to perform certain services; expand the duties of pharmacy technicians; and increase the ratio of pharmacy technicians under a pharmacist's supervision from 2:1 to 4:1 and the ratio of unlicensed persons under a pharmacist's supervision from 4:1 to 6:1.
I	Pharmacy Adult Immunization and Collaborative Drug Therapy Management (CDTM) Expansion	This part would expand the list of immunizations that pharmacists and nurse practitioners may administer; and, would modify the CDTM program to include physician assistants and nurse practitioners, create new eligibility requirements for pharmacists, expand allowable clinical services, expand the eligible facilities, and make such program permanent.
J	Health Related Consumer Protections	This part would limit the circumstances when insurers can deny medically necessary inpatient and emergency department claims; establish a workgroup to evaluate mechanisms to reduce health care administrative costs, shorten the timeframe for making prior authorization determinations for certain services, provisionally credential certain physicians, and expand the independent dispute resolution process; and require payers to hold consumers harmless and pay out of network providers directly for emergency services.
K	Physician Profile Enhancements	This part would require additional information to be reported by physicians for the NYS Physician Profile and combine the reporting process with the licensure/registration process.
L	Enhance Physician Integrity and Accountability	This part would increase oversight of physicians, physician assistants and special assistants licensed in NY; eliminate the indefinite licensure of physicians; require criminal history background checks and fingerprints prior to licensure; expand the definition of professional misconduct; authorize immediate publication of charges against physicians; increase Commissioner of Health discretion as it relates to disclosure of Office of Professional Misconduct investigations.
M	Regulate Fentanyl Analogs	This part would add a number of opioid compounds to the schedule of controlled substances and authorize the Commissioner of Health to automatically schedule additional controlled substances that are also scheduled by the federal government.
N	Antimicrobial Stewardship Program	This part would require every general hospital and nursing home to establish an antimicrobial stewardship program that meets or exceeds adopted federal standards and require these entities to appropriately train their staff licensed or certified under title 8 of the education law.

O	Expand the Sexual Assault Forensic Examiner Program	This part would require all hospitals with an emergency department to maintain evidence of a sexual offense; coordinate services with a rape crisis or victim assistance organization; provide HIV post-exposure treatment; ensure that victims are not billed for sexual assault forensic exams; and provide sexual assault forensic examiner services.
P	Health and Environmental Fees	This part would increase fees for: filing realty subdivisions; permitting children's overnight, summer day, or traveling summer day camps; licensing of tanning facilities; inspection of ultraviolet devices in tanning facilities; and asbestos safety program completion certificates.
Q	Tobacco and Vape Control Polices	This part would prohibit flavoring for nicotine vapor products; prohibit sale of tobacco and vapor products in pharmacies; expand areas protected under the clean indoor air act; prohibit direct to consumer shipping of vapor products; prohibit coupons or price discounts for tobacco or vapor products; authorize the Department of Health (DOH) to ban or restrict carrier oils; prohibit the display of tobacco and vapor products in stores; prohibit advertisement of vapor products that may be targeted to youth; require vapor product manufacturers to report ingredients to the (DOH) for publication; and increase penalties for the unlawful sale of tobacco and vapor products.
R	Medicaid Local District Spending Reforms	This part would authorize the Department of Health "(DOH)" to share enhanced Federal Matching Percentage with certain counties; require counties to remain in the 2% property tax cap or face a reduction in Medicaid takeover savings ; require social services districts to provide DOH and DOB with all fiscal and statistical reports to demonstrate their right to receive payment; establish criteria by which DOB may determine changes in State or Federal aid payments due to financial hardship; limit the growth in local Medicaid expenditures to 3% annually and require districts that exceed the 3% cap to remit the difference to the state.
S	Certificate of Need Surcharge	This part would create a 3% surcharge on construction projects for hospitals, including nursing homes, based on the total capital costs of the project and authorize the Commissioner of Health with the approval of the Director of Budget to exempt certain projects.
T	Extend Physicians Excess Medical Malpractice	This part would extend the Physician's Excess Medical Malpractice Program for one year.

U	Authorize the Regulation of Pharmacy Benefit Managers	This part would establish license and registration requirements for pharmacy benefit managers.
V	Residential Mental Health Treatment for Children	This part would remove the pre-admission certification committee “(PACC)” process to determine a child’s need for Residential treatment facility “(RTF)” services; authorize the Office of Mental Health “(OMH)” Commissioner to develop RTF admission standards, in consultation with the Commissioner of Education, the Commissioner of Social Services, and the Commissioner of the Office of Children and Family Services; require the (OMH) Commissioner to establish an advisory board in consultation with the Council for Children and Families; and transfer authority for determining a child’s involuntary admission to a RTF from a PACC to OMH.
W	Jail Based Restoration	This part would authorize a mental health unit operating within a local correctional facility, except those located in a city with a population of one million or more, to operate a restoration to competency program for felony level defendants awaiting trial.
X	Mental Health Treatment for Sex Offenders	This part would establish a separate program for the care and treatment of civilly confined sex offenders and transfer those Office of Mental Health employees who are currently engaged in the care and treatment of such sex offenders to the new program.
Y	Comprehensive Psychiatric Emergency Programs (“CPEP”)	This part would extend the authority for the Commissioner of Office of Mental Health to establish CPEPs until July 1, 2024; increase the time a CPEP can hold a person for emergency care, observation, and treatment from 72 to 96 hours; authorize a CPEP to provide triage and referral services; and expand the use of extended observation beds by establishing CPEP satellite facilities.
Z	Behavioral Health Parity Compliance	This part would require Department of Health and the Department of Financial Services, in consultation with Office of Mental Health, and the Office of Addiction Services and Supports to promulgate regulations regarding compliance by health insurance plans with state and federal parity statutes, including the levying of fines for lack of compliance by such plans; and provide that all fines collected prior to October 1, 2020 be placed into the general fund and after that date, the fines be placed in the Behavioral Health Parity Compliance Fund, established under this part.

AA	Justice Center Statewide Central Register (SCR) Checks	This part would discontinue the requirement that every Justice Center investigation of abuse and neglect must also include a SCR check, unless it is deemed that the check may lead to the discovery of relevant evidence.
BB	Oversight and Certification of Developmental Disability Services	This part would require the Office for People with Developmental Disabilities to issue an operating certificate for developmental disability service providers approved under the Medicaid state plan; remove the responsibility of Department of Health to conduct background checks of health homes authorized to provide services to individuals with developmental disabilities; and disallow such health homes from claiming reimbursement for the cost of the criminal history record check process.

**A. 9508 – TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Consolidated Highway Improvement Program (CHIPs) Bidding Threshold	This part would increase the threshold under which CHIPs projects may be performed either by a municipality’s own forces or by competitively-bid contracts from \$250,000 to \$750,000.
B	Oversized and Unauthorized Vehicle Penalties	This part would increase penalties imposed for violations of laws or regulations prohibiting the operation of certain motor vehicles on highways or parkways, and for violations relating to vehicle height.
C	HELP Trucks Rear Facing Blue Lights	This part would authorize the use of rear-facing blue lights on Department of Transportation-designated “safety service patrol vehicles” providing highway incident management and motorist assistance.
D	Slow Down and Look Out for Highway Workers and Pedestrians Act of 2020	This part would expand crimes committed against highway workers, motor vehicle inspectors and motor carrier inspectors; create a work zone safety and outreach program; modify laws relating to the moving of vehicles, cargo, and debris following crashes; and increase penalties for persons convicted of failing to exercise due care to avoid hitting a pedestrian or bicyclist and causing physical injury or serious physical injury.
E	Tandem Truck Access Routes	This part would authorize the operation of semi-trucks with tandem trailers over specified routes located off various Thruway exits across the State.
F	Thruway Fiber Leases	This part would authorize the Thruway Authority to enter into agreements for the leasing of its fiber optic system, without needing to use a 3 <sup>rd</sup> party to auction off parts of the network.
G	Thruway and Bridge Authority Merger	This part would provide for the merger of the Bridge Authority into the Thruway Authority and label all bridges previously administered under the Bridge Authority as the “Cross-Hudson Bridge System” and transfer its jurisdiction to the Thruway Authority.
H	Unlawful Solicitation of Ground Transportation Services at Airports	This part would increase penalties for unlawfully soliciting ground transportation services at airports; authorize the seizure and forfeiture of vehicles used in repeat offenses; and authorize Port Authority police officers to enforce any local law, rule or regulation related to ground transportation service at Port Authority airports.

I	MTA Bond Act Increase	This part would increase the Metropolitan Transportation Authority's statutory bonding capacity from \$55.5 billion to \$90.1 billion and would extend their bonding authority an additional five years to 2024.
J	Metropolitan Transportation Authority Procurement Reform	This part would reform the Metropolitan Transportation Authority's "(MTA)" bidding and procurement process to make it easier for businesses to learn of MTA contracts and for the MTA to solicit bids; allow the MTA to award contracts to emerging technology companies; and allow the MTA and New York Transit Authority to use existing contracts awarded by governmental agencies.
K	MTA Tax Increment Financing	This part would extend, from April 1, 2021 to December 31, 2024, the authority for municipalities in the metropolitan commuter transportation district to share property tax revenues with the Metropolitan Transportation Authority (MTA) through the use of tax increment financing.
L	Right of Way Clearance	This part would allow Long Island Railroad and Metro-North to enter a private property abutting their rights of way to trim/remove vegetation to preserve commuter rail operation safety and efficiency.
M	Toll Enforcement	This part would add nonpayment of road, bridge, and tunnel tolls to the crime of "theft of services" under the Penal Law and make it unlawful for any person to drive on a toll highway, bridge, or tunnel if their license plate is not easily readable.
N	Transit Worker Assault	This part would add several transit employee titles to Penal Law section 120.05 (11) (Assault in the Second Degree), making it a class D felony for a person to intentionally cause physical injury such a person.
O	Transit Worker Harassment	This part would establish a crime of Aggravated Harassment in the Second Degree making it a class A misdemeanor for a person to subject certain transit employees to physical contact.
P	Restrict MTA Transit Use by Certain Persons	This part would allow certain persons designated as a repeat offender, or with an open criminal case for unlawful sexual conduct against a passenger/ Metropolitan transportation Authority "(MTA)" employee or assault/ harassment of an MTA employee, to be banned from using any subway, train, bus or facility in the MTA system; ban level three sex offenders from these services and facilities; allow such prohibitions to be issued temporarily as a condition of pretrial release; and create a new crime of "Transit Trespass".
Q	Service of Process by Department of State	This part would require persons or entities suing corporations to serve legal papers directly on the party instead of serving the

		Secretary of State as agent as provided under current law; and require condominium boards to file a certificate with the Secretary of State designating the Secretary of State as agent and pay a \$60 filing fee.
R	DOS Expedited Handling Extension	This part would extend for one year the authority the Secretary of State to charge increased fees from the expedited handling of certain documents issued by or requested from the Department of State's Division of Corporations.
S	Gender Price Discrimination	This part would prohibit businesses from charging a price for goods on the basis of gender; and require certain service providers to post price lists for standard services and provide notice that gender-based price discrimination is prohibited under state law.
T	Robocalls	This part would regulate the activity of telemarketers and establish the statewide Do Not Call registry; require implementation of certain technologies and call blocking services to be offered by telephone providers; require the registration and bonding of telemarketers; and increase penalties for "Do Not Call" Law Violations.
U	Change the State's Arms	This part would add the phrase "E Pluribus Unum," to the State's Arms.
V	Occupational Licensing	This part would eliminate the requirement that certain occupational licensees be either a United States citizens or hold a green card.
W	Home Inspector Examination	This part would provide an option for individuals to become licensed as a home inspector through New York State testing standards.
X	Nuisance Fee Repeal	This part would eliminate the biennial fee associated with filing business statements with the Department of State "(DOS)", provide greater transparency of the members and managers of LLCs, eliminate the requirement that DOS reproduce the contents of any informational systems they maintain, and make it easier for businesses to cure defective instrument filings.
Y	Utility Assessment Extension	This part would extend for one year the authorization for certain expenses of the Office of Parks, Recreation and Historic Preservation and the departments of Agriculture & Markets, Health, Environmental Conservation, and State to be reimbursed by utility assessment revenue.
Z	Expand Department of Public Service (DPS) Enforcement	This part would authorize DPS to initiate investigations and enforcement of all regulated public utility corporations without first obtaining Public Service Commission approval.

AA	Establish Internet Neutrality Principles and Incorporate Internet Neutrality Principles into the State's Procurement Process	This part would establish internet neutrality principles for all broadband, fixed and mobile service providers, and would require all state entities to contract only with internet service providers that adhere to net neutrality principles.
BB	Small Wireless Facilities Deployment	This part would establish a uniform municipal process for the siting of small wireless facilities, including limits on municipal fees, a permitting timeline for such facilities, and the exemption of small wireless facilities and associated utility poles from local zoning review.
CC	Authorization of the Dormitory Authority State of New York (DASNY) to Form Subsidiaries Extension	This part would extend for an additional four years the authorization of DASNY to create subsidiaries for the purpose of limiting its potential liability.
DD	Infrastructure Investment Act	This part would expand the entities that may utilize the alternative project delivery method known as design-build for certain public works projects and would extend the current program for another three years until July 1, 2023.
EE	Urban Development Corporation (UDC) Authorization to Administer the Empire State Economic Development Fund Extension	This part would extend the authorization of the New York State UDC to administer the Empire State Economic Development Fund for one year.
FF	General Loan Powers of the New York State Urban Development Corporation (UDC) Extension	This part would extend the general loan powers of the New York State Urban Development Corporation for one year.
GG	Expand Economic Transformation Program Eligibility	This part would remove eligibility restrictions for the Economic Transformation Program.
HH	New York State Energy Research and Development Authority (NYSERDA) Revenue from the Department of Public Service Extension	This part would extend for one year the authorization for NYSERDA to receive funds from an assessment on gas and electric corporations.
II	Expand Definition of "Immediate Family Member" for Farm Labor	This part would expand the definition of "immediate family member" with regard to farm labor protections to include family related to the third degree of consanguinity or affinity.

JJ	School Food Procurement	This part authorizes school districts to use their own procurement guidelines, based on federal standards, instead of state guidelines when purchasing goods and services for school meal programs.
KK	Water Infrastructure Improvement Assistance	This part would modify financing timeframes for certain water infrastructure improvement projects.
LL	Licensing Consumer Debt Collectors	This part would require a license from the Superintendent of the Department of Financial Services for a consumer debt collector seeking to collect a debt from a debtor residing in New York State.
MM	Student Debt Consultants	This part would regulate the student debt consulting industry by prohibiting certain practices, creating disclosure requirements, and mandating certain contract language.
NN	Financial Products Consumer Protections	This part would authorize the Department of Financial Services to regulate more financial products and broaden DFS enforcement powers against unlicensed entities.
OO	Elder Financial Fraud	This part would give state chartered banking institutions the ability to put a hold on accounts of vulnerable adults if there is a reasonable belief that financial exploitation is taking place.
PP	Polystyrene Ban	This part would prohibit the sale, use or distribution of disposable polystyrene food containers and loose-fill polystyrene packaging beginning January 1, 2022.
QQ	Environmental Bond Act Authorization	This part would authorize the issuance of \$3 billion of general obligation bonds to finance environmental improvements.
RR	Environmental Bond Act Implementation	This part would implement a \$3 billion bond act for capital projects that preserve, enhance, and restore the quality of the State's environment.
SS	Carpet and Mattress Product Stewardship	This part would establish a manufacturer take-back program for mattresses and carpets.
TT	Wetlands	This part would make wetland maps educational, rather than regulatory, and provide new penalties for coastal erosion hazard area violations.
UU	Municipal Parkland Alienation	This part would allow for the alienation of certain municipal parkland in relation to the Bay Park Conveyance Project in Nassau County.
VV	Designation of Abandoned Wells	This part would expand the authority of the Department of Environmental Conservation to regulate the abandonment and plugging of oil, natural gas, injection, monitoring, and solution mining wells.

WW	Fracking Ban	This part would permanently prohibit high-volume hydraulic fracturing for natural gas wells effective immediately.
XX	E-Bike Authorization	This part would authorize the operation of bicycles with electric assist (“e-bikes”) and establish operating and equipment requirements for e-bikes and their operators.
YY	Dedicated Highway and Bridge Trust Fund Revenue and Cost Permanent Extension	This part would make permanent provisions related to the increase and disposition of certain Department of Motor Vehicle “(DMV)” fees into, and payment of DMV costs from, the Dedicated Highway and Bridge Trust Fund.
ZZ	Internet Point Insurance Reduction Program (I-PIRP) Extender	This part would extend for two years (I-PIRP).
AAA	E-Scooter Authorization	This part would authorize the operation of electric scooters (“e-scooters”) and establish operating and equipment requirements for e-scooters and their operators.
BBB	Consolidation of the Centers of Excellence into the Centers for Advanced Technology (“CAT”) Program	This part would eliminate the Centers of Excellence program in Economic Development Law, and authorize Centers of Excellence to apply to the CAT program in the Public Authorities Law in order to combine both programs into one program.
CCC	Authorize the New York Power Authority to Form a Pure Captive Insurance Company	This part would authorize the New York Power Authority to create a pure captive insurance company.
DDD	Transfer of Pier 76	This part would require New York City to vacate and transfer Pier 76 to the Hudson River Park Trust by December 31, 2020.
EEE	New York Buy American Act	This part would make the New York Buy American Act permanent.
FFF	Prevailing Wage on Publicly-Funded Construction Projects	This part would require prevailing wage to be paid on construction projects paid for in whole or in part out of public funds and performed under private contract.
GGG	New York Digital Marketplace Worker Classification Task Force	This part would establish the New York Digital Marketplace Worker Classification Task Force to provide recommendations to address the conditions of employment and classification of workers in the on-demand economy.

**A. 9509 - REVENUE**

	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Make Warrantless State Tax Debt Collection Methods Permanent	This part would make permanent: the financial institution data match system for collection of fixed and final tax debts; and income executions on individual tax debtors (only if final) without filing a warrant.
B	Extend Hire-a-Vet Credit	This part would extend the tax credit for hiring a veteran for an additional two years, until 2022.
C	Extend Oil and Gas Fee	This part would extend the oil and gas fee authorization for 3 years, to March 31, 2024.
D	Reduce Tax Burden on Small Businesses	This part would reduce the tax rate on a qualified small business from 6.5 percent to 4 percent; increase the existing sole proprietor and farm business income deduction, from 5 percent to 15 percent for certain small businesses; modify the existing investment tax credit to make it refundable for taxpayers whose primary source of income is from farming operations; and eliminate the estimated tax underpayment penalty for New York S corporations.
E	Cap Maximum Amount and Income Threshold for Long-Term Care Insurance Credit	This part would cap the amount of long-term care insurance credit that a taxpayer can claim at \$1,500 annually per taxpayer and disallow such credit for taxpayers with adjusted gross income of \$250,000 or more.
F	Authorize Tax and Finance to Provide Unclaimed Tax Benefits	This part would authorize Tax and Finance to issue an earned income credit when a taxpayer is eligible for such credit and did not claim it, and to allow the standard deduction in lieu of the itemized deduction when the standard deduction is greater than the itemized deductions.
G	Enhance Empire State Child Credit	This part would expand the Empire State Child Credit to allow families with a New York State adjusted gross income of \$50,000 or less to claim the credit for a child under four years old.
H	Reform the Tobacco Products Tax	This part would amend the definition of wholesale price of tobacco products to clarify such wholesale price would be the price for which the tobacco products are sold to a distributor. The part also would impose penalties for failure to maintain adequate records required for inspection.
I	Enhance Cigarette Tax Enforcement and Penalties	This part would enhance cigarette tax enforcement against retail dealers who sell unstamped cigarettes and persons affiliated with those retail dealers. The part would also authorize to suspend or revoke a retail dealer's sales tax certificate of authority when its registration to sell cigarettes has been suspended or revoked.

J	Make Technical Amendments Related to Alcoholic Beverage Taxes	The part would eliminate the tax on liquor containing less than two percent of alcohol by volume; exempt an entity registered as a distributor from the initial tax; and exempt small wine, cider, distiller and brewery producers from the annual sale tax reporting requirements.
K	Update Criminal Tax Fraud Statutes	This part would make various changes to the State's tax fraud statutes, including changes that would clarify the applicability of the existing fraud provisions; clarify the aggregation of tax fraud counts; and create new criminal tax fraud statutes related to tax return preparers that attempt to file 10 or more fraudulent tax returns in a given year.
L	Extend Excelsior Tax Credit Program and Enhance for Green Projects	This part would amend the Excelsior Jobs Program to extend through 2049 and provide enhanced tax credits for renewable clean energy projects.
M	Reform the Film Tax Credit	The part would reduce the amount of the credit by 5 percent for film and post film production credits; make technical corrections to the program; impose a minimum production cost threshold; and extend the program until 2025.
N	Provide Local Option for Placing Converted Condos into Homestead Class	This proposal would authorize municipalities that have separate tax rates for homestead and non-homestead properties, to assess converted condominiums using the sales approach in the homestead class.
O	Deny STAR Benefits to Delinquent Property Owners	This part would preclude delinquent property owners from receiving STAR credits or exemptions if their property taxes remain unpaid.
P	Allow Appointment of Acting County Directors of Real Property Tax Services	This part would allow for the appointment of an acting director of county real property tax services in the event that the appointed director of county real property tax services is unable to perform the duties of the office or the office becomes vacant.
Q	Modernize and Merge Real Property Tax Forms and Processes	This part would authorize Tax and Finance to combine property transfer form and real estate transfer tax form into a consolidated real property transfer form and to create an online system for e-filing and paying the associated taxes and fees.
R	Abolish the State Board of Real Property Tax Services	This part would abolish the State Board of Real Property Tax Services and transfer its remaining duties to the Commissioner of Taxation and Finance.

S	Remove References to the STAR Offset Program	This part would remove obsolete references to the former STAR offset program, designed to offset income tax liability by STAR benefit.
T	Make Technical Amendments to Telecommunications and Railroad Ceiling Programs	This part would clarify the railroad ceiling valuation date is based on the same date for the Tax Department and localities and would clarify the equalization rates to be used in the telecommunications ceiling program.
U	Make Exceptions for Late Enhanced STAR filers	This part would reopen the enrollment period for the STAR Income Verification Program and allow the Tax Department to send checks to qualified late enrollees.
V	Build a New Equine Drug Testing Lab	This part would permit NYRA to use their capital funds to finance and construct a new state-of-the-art equine drug testing laboratory.
W	Authorize Entry into the Mid-Atlantic Drug Compact	This part would authorize entry into the Mid-Atlantic Drug Compact, to enhance and standardize equine drug testing, and maintain the integrity of the racing industry.
X	Amend Sports Wagering Lounge Restrictions	This part would allow sports wagers to be made from locations within a casino outside a sports wagering lounge.
Y	Eliminate Quick Draw Minimum Size Restrictions	This part would increase Quick Draw earnings by eliminating the 2,500 square foot limitation on locations where Quick Draw may be offered.
Z	Extend Pari-Mutuel Tax Rate and Simulcast Provisions for One Year	This part would extend for one additional year various provisions of the Racing, Pari-Mutuel Wagering and Breeding Law.
AA	Shift Basic STAR Exemptions to the Credit Program	The part would reduce the income limit for the Basic STAR exemption from \$250,000 to \$200,000. Property owners with incomes greater than \$200,000 would be switched automatically to the Basic STAR credit.
BB	Enact the Cannabis Regulation and Taxation Act	This part would establish a Cannabis Control Board overseeing an Office of Cannabis Management that, through its Executive Director, would regulate, license, and tax the legal cultivation, processing, distribution and retail sale of adult-use cannabis, medical cannabis, and cannabinoid hemp and hemp extract. It would impose varying State taxes on the cultivation of adult-use and medical cannabis and the subsequent sale to a retail dispensary. Revenue from licenses and taxation would be deposited in a cannabis revenue fund which would be used for administration of the program, including a social and economic equity plan. Several laws are amended in the proposal to incorporate the new legal status of cannabis, and counties and cities with a population over 100,000 are authorized to hold an opt-out referendum to prohibit adult-use cultivation, processing, distribution or retail sale within their boundaries

## PROPOSED CONSTITUTIONAL AMENDMENTS

PART	DESCRIPTION	SUMMARY
	Court Consolidation	Concurrent resolution would put before the voters a proposal to merge, in phases, eleven of the types of trial courts in the state into a three tier structure within the state Supreme Court.
	State Equal Rights Amendment - Additional Protected Classes	Concurrent resolution would put before the voters a proposal to amend the Equal Protection clause of the New York Constitution to add “sex, sexual orientation, gender identity, ethnicity, national origin, age, and disability” as additional protected classes.

**JOINT FISCAL COMMITTEE HEARINGS ON THE EXECUTIVE BUDGET  
STATE FISCAL YEAR 2020-21**

<b>DATE</b>	<b>TIME</b>	<b>TOPIC</b>
January 27	11:00 AM	Environmental Conservation
January 28	9:30 AM	Transportation
January 29	9:30 AM	Health/Medicaid
January 30	9:30 AM	Human Services
February 3	11:00 AM	Mental Hygiene
February 4	9:30 AM	Higher Education
February 5	9:30 AM	Workforce Development
	1:00 PM	Housing
February 10	11:00 AM	Local Government Officials and General Government
February 11	9:30 AM	Elementary & Secondary Education
February 12	9:30 AM	Public Protection
February 13	9:30 AM	Economic Development
	1:00 PM	Taxes

**FORECAST OF RECEIPTS**

On or before February 29                      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.*



## **Glossary of Commonly Used Acronyms**

AAA	Area Agencies on Aging
ACA	Affordable Care Act
AG	Attorney General
AIG	American International Group, Inc.
AIM	Aid and Incentives for Municipalities
ALICO	American Life Insurance Company
AML	Anti-Money Laundering
AMTAP	Additional Mass Transportation Assistance Program
APCD	All-Payer Claims Databases
ASAP	Accelerated Study in Associate Program
AXA	AXA Equitable Life Insurance Company
AY	Academic Year
BANs	Bond Anticipation Notes
BEA	Bureau of Economic Analysis
BLS	Bureau of Labor Statistics
BNPP	BNP Paribas, S.A., New York Branch
BOCES	Boards of Cooperative Educational Services
BofA	Bank of America
BofAML	Bank of America Corporation and Merrill Lynch, Pierce, Fenner and Smith Incorporated
BSA	Bank Security Act
BTMU	Bank of Tokyo-Mitsubishi UFJ, Ltd.
CBO	Congressional Budget Office
CES	Current Employment Statistics
CFT	Corporate Franchise Tax
CHP	Child Health Plus
CIGNA	Cigna Health and Life Insurance Company
CISO	Chief Information Security Office
CMS	Centers for Medicare & Medicaid Services
COLA	Cost-of-Living Adjustment
CPI	Consumer Price Index
CSEA	Civil Service Employees Association
CSR	Cost Sharing Reduction
CSX	CSX Transportation, Inc.
CUNY	City University of New York
CW/CA	Clean Water/Clean Air
CY	Calendar Year
DA	District Attorney
DANY	New York County District Attorney
DASNY	Dormitory Authority of the State of New York
DC-37	District Council 37
DDPC	Developmental Disabilities Planning Council



## **Glossary of Commonly Used Acronyms**

DEC	Department of Environmental Conservation
DelAm	Delaware American Life Insurance Company
DFS	Department of Financial Services
DHBTf	Dedicated Highway and Bridge Trust Fund
DIIF	Dedicated Infrastructure Investment Fund
DMV	Department of Motor Vehicles
DOB	Division of the Budget
DOCCS	Department of Corrections and Community Supervision
DOH	Department of Health
DOS	Department of State
DOT	Department of Transportation
DS	Debt Service
DSH	Disproportionate Share Hospital
DSRIP	Delivery System Reform Incentive Payment
DTF	Department of Taxation and Finance
EAF	Emergency Assistance to Needy Families
ECB	European Central Bank
ECEP	Employer Compensation Expense Program
EI	Early Intervention
EISEP	Expanded In-Home Services for the Elderly Program
EP	Essential Plan
EPF	Environmental Protection Fund
EPIC	Elderly Pharmaceutical Insurance Coverage
ERS	Employees' Retirement System
ESCO	Energy Service Company
ESD	Empire State Development
ESPRI	Empire State Poverty Reduction Initiative
ESSA	Every Student Succeeds Act
ESSHI	Empire State Supportive Housing Initiative
FA	Family Assistance
FFP	Federal Financial Participation
FFY	Federal Fiscal Year (October 1 through September 30)
FMAP	Federal Medical Assistance Percentage
FPG	Fortis Property Group
FRB	Financial Restructuring Board
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GASBS	Governmental Accounting Standards Board Statement
GDP	Gross Domestic Product



## **Glossary of Commonly Used Acronyms**

GILTI	Global Intangible Low-Taxed Income
GLIP	Group Life Insurance Plan
GPHW	General Public Health Work
GSCs	General State Charges
GSEU	Graduate Student Employees Union
HASA	HIV/AIDS Services Administration
HCRA	Health Care Reform Act
HCTF	Health Care Transformation Fund
HEAP	Home Energy Assistance Program
HESC	Higher Education Services Corporation
HUT	Highway Use Tax
IAAF	Interim Access Assurance Fund
IDEA	Individuals with Disabilities in Education Act
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change of the United Nations
IPO	Initial Public Offering
IRMAA	Income-Related Monthly Adjustment Amount
IRS	Internal Revenue Service
IT	Information Technology
ITS	Information Technology Services
LFY	Local Fiscal Year
LGAC	Local Government Assistance Corporation
LICH	Long Island College Hospital
LLC	Limited Liability Company
M/C	Management/Confidential
MCTD	Metropolitan Commuter Transportation District
MRT	Medicaid Redesign Team
MRT II	Medicaid Redesign Team II
MSA	Master Settlement Agreement
MTA	Metropolitan Transportation Authority
NAIRU	Non-Accelerating-Inflation Rate of Unemployment
NBER	National Bureau of Economic Research
NIPA	National Income and Product Accounts
NMS	New Medical Site
NPS	Non-Personal Service
N-PCL	Not-for Profit Corporation Law
NYC	New York City
NYS	New York State
NYSCOPBA	New York State Correctional Officers and Police Benevolent Association
NYSHIP	New York State Health Insurance Program
NYSLRS	New York State and Local Retirement System

## Glossary of Commonly Used Acronyms

NYSOH	New York State of Health
NYSPIA	New York State Police Investigators Association
NYSTA	New York State Thruway Authority
NYSTPBA	Police Benevolent Association of the New York State Troopers
NYU	New York University
OAG	Office of the Attorney General
OASAS	Office of Addiction Services and Supports
OCA	Office of Court Administration
OCFS	Office of Children and Family Services
OFAC	Office of Foreign Assets Control
OMH	Office of Mental Health
OPEB	Other Post-Employment Benefits
OPWDD	Office for People with Developmental Disabilities
ORP	Optional Retirement Program
OSC	Office of the State Comptroller
OTDA	Office of Temporary and Disability Assistance
PAYGO	Pay-As-You-Go
PBANYS	Police Benevolent Association of New York State
PBM	Pharmacy Benefit Manager
PBT	Petroleum Business Tax
PEF	Public Employees Federation
PFRS	Police and Fire Retirement System
PI	Personal Income
PIGI	Personal Income Growth Index
PILOT	Payments in Lieu of Taxes
PIT	Personal Income Tax
PMT	Payroll Mobility Tax
PS	Personal Service
PwC	PricewaterhouseCoopers LLP
QCEW	Quarterly Census of Employment and Wages
QHP	Qualified Health Plan (NYSOH)
RBS	RBS Financial Products Inc. (f/k/a Greenwich Capital Financial Products, Inc.)
RBTF	Revenue Bond Tax Fund
RFP	Request for Proposals
RGGI	Regional Greenhouse Gas Initiative
RPCI	Roswell Park Cancer Institute
RSSL	Retirement and Social Security Law
SALT	State and Local Tax
SCB	Standard Chartered Bank
SCB	NY Standard Chartered Bank, New York Branch
SED	State Education Department



## **Glossary of Commonly Used Acronyms**

SFY	State Fiscal Year (April 1 Through March 31)
SHIN-NY	Statewide Health Information Network for New York
SNA	Safety Net Assistance
SOF	State Operating Funds
SOFA	State Office for the Aging
SSI	Supplemental Security Income
STAR	School Tax Relief
STIP	Short-Term Investment Pool
SUFPK	Statewide Universal Full-Day Prekindergarten
SUNY	State University of New York
SY	School Year (July 1 Through June 30)
TANF	Temporary Assistance for Needy Families
TAP	Tuition Assistance Program
TCJA	Tax Cuts and Jobs Act of 2017
TRS	Teachers' Retirement System
TY	Tax Year (January 1 Through December 31)
UBS	UBS Securities LLC and UBS Real Estate Securities Inc.
URI	Upstate Revitalization Initiative
U.S.	United States
UUP	United University Professions
VDC	Voluntary Defined Contribution
VLT	Video Lottery Terminal

