

# 2014-15 Executive Budget



## Building on Success





# 2014-15 Executive Budget

# What is it all about?



Providing a government that performs efficiently & effectively for the people, forges community, and lowers taxes to provide relief and restore economic opportunity.



The budget process in any government is a seminal moment.

**It is where the buck stops... or starts!**



Creating Jobs and Cutting Taxes

WELLS

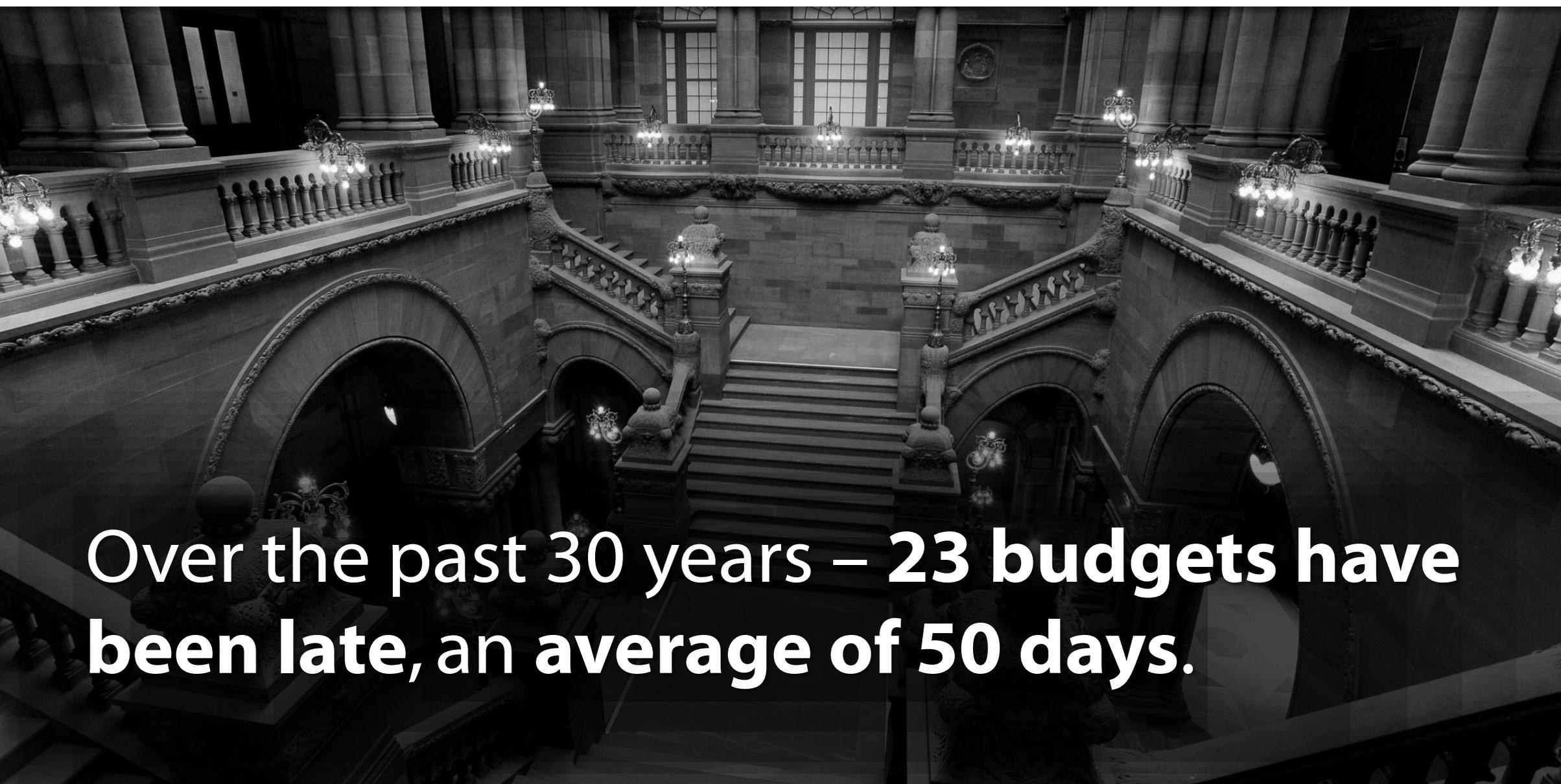


Our budget process is in many ways a metaphor for New York's past problems and the **success** we have had in reforming government.



Creating Jobs and Cutting Taxes

CELSA



**Over the past 30 years – 23 budgets have been late, an average of 50 days.**

## The New York Times

### 125 Days Late, a State Budget With New Taxes

By DANNY HAKIM August 2, 2010

## Los Angeles Times

### New York Takes Legislative Gridlock To Next Level

By M  
t

## DAILY NEWS

NEW YORK'S HOMETOWN NEWSPAPER [www.nydailynews.com](http://www.nydailynews.com)

### State Budget Watch 76 Days Late

Saturday, June 15, 1996

## The New York Times

### Door Is Locked, and Senate Is in Gridlock

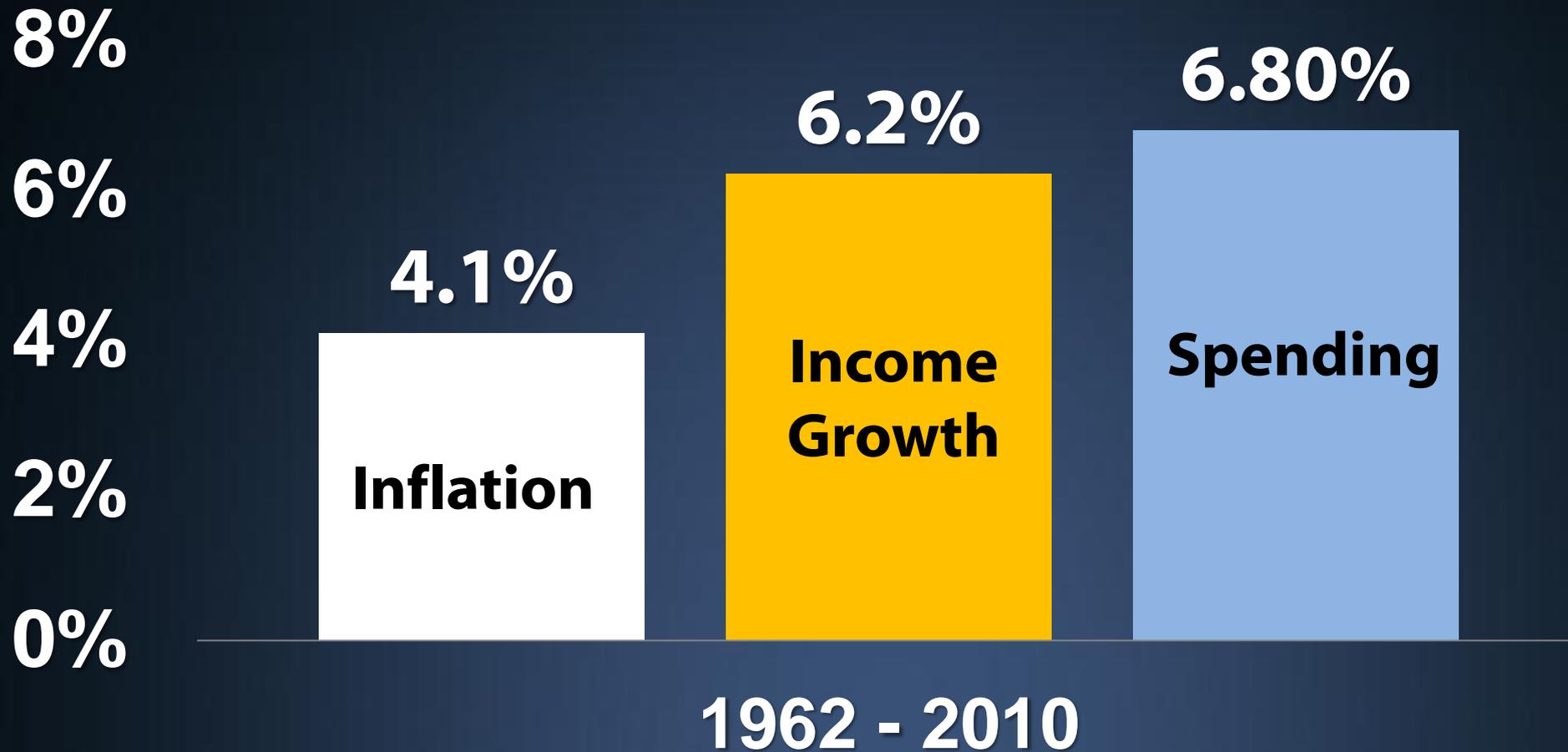
By DANNY HAKIM and  
JEREMY W. PETERS  
June 10, 2009

New York State government was **gridlock**  
**on steroids.**

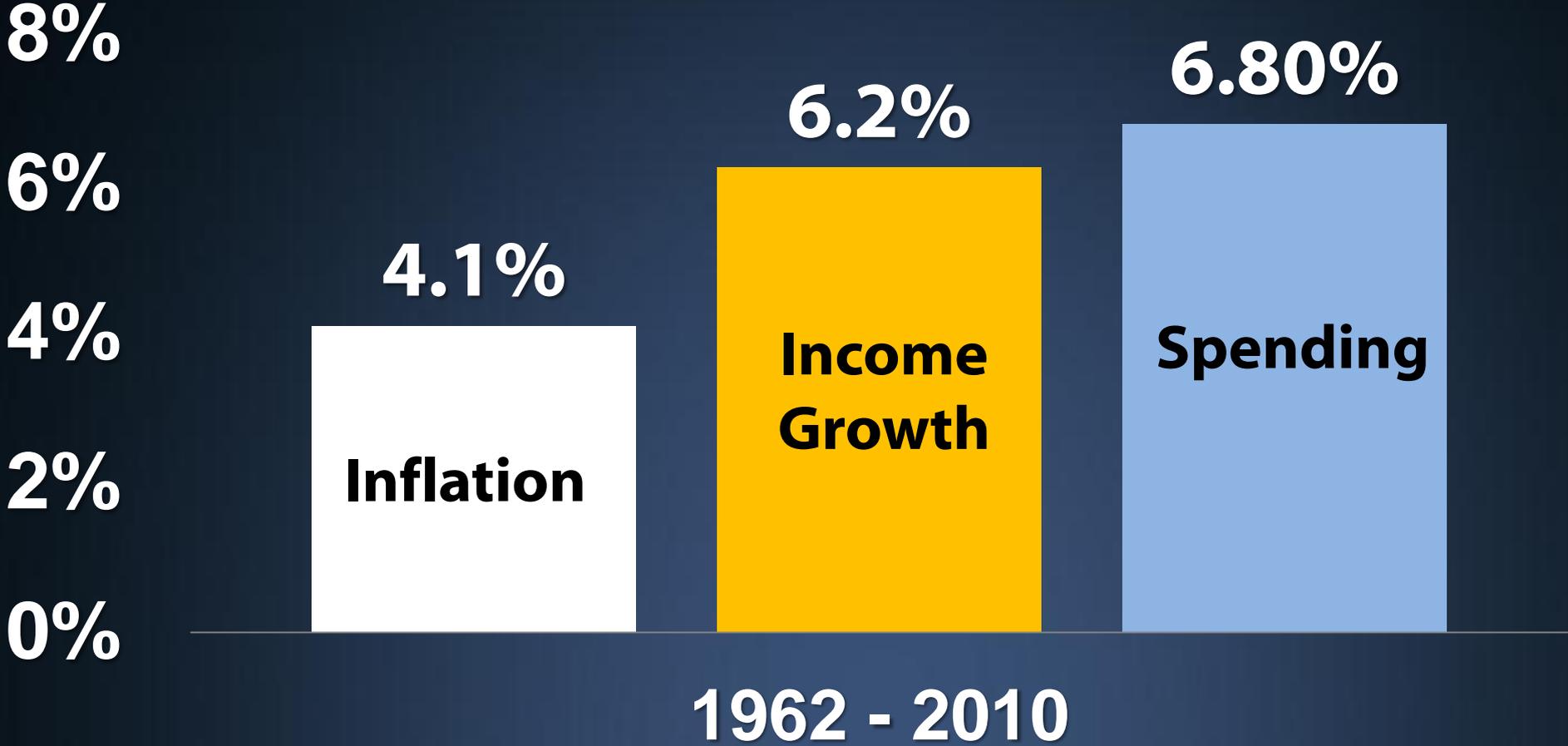


The Budget was manipulated by special interest pressure which drove spending ever higher.

# Spending outpaced income for 50 years.



# Overspending transcended politics.



**Just think about it...** If government spending had grown at the rate of personal income growth for the same period:



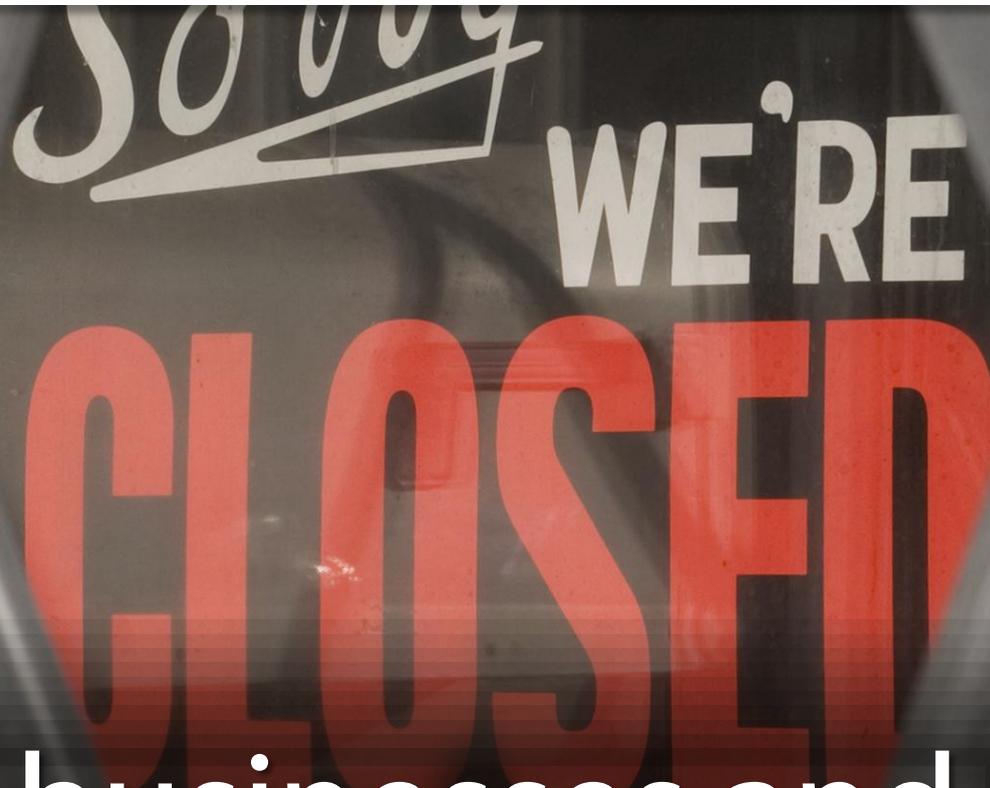
\*state operating funds



Government raised  
**taxes too high.**



At the same time, it  
**accomplished too little.**



And saw businesses and people **leave the State.**

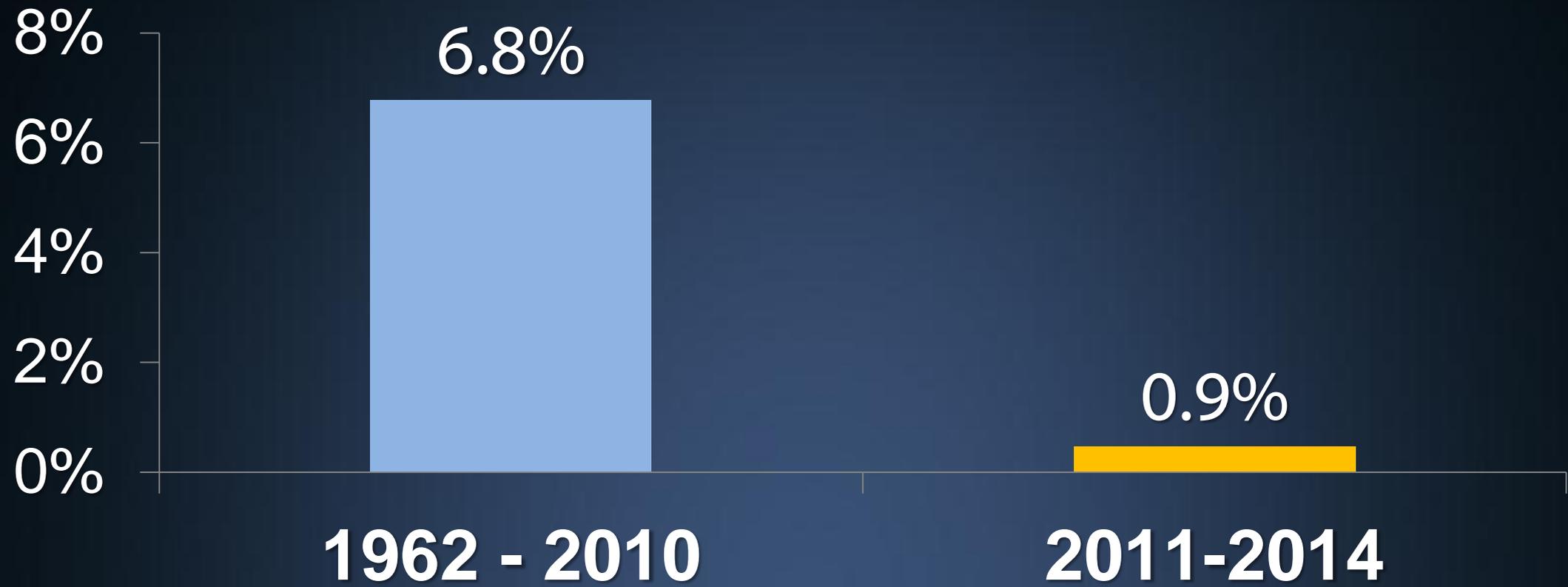


That was **yesterday**.



This is today.

We have held **spending below 2%** for 3 years:



We have brought down the level of **State debt**:



We have gone from a **\$10 billion deficit** to a **\$2 billion surplus**:





And the *New* New York government works for the people and performs.



The *New New* New York creates jobs:  
**380,000** past three years.



**#2 in the nation in job creation since the recession.**

1,500 construction workers + 1,700 tons of steel = Building. Buffalo. 

- **Teacher evaluation** system working
- **Economic development** projects running
- **Road and bridge construction** setting records
- **Emergency management** saving lives

**We have reversed the arrows:**

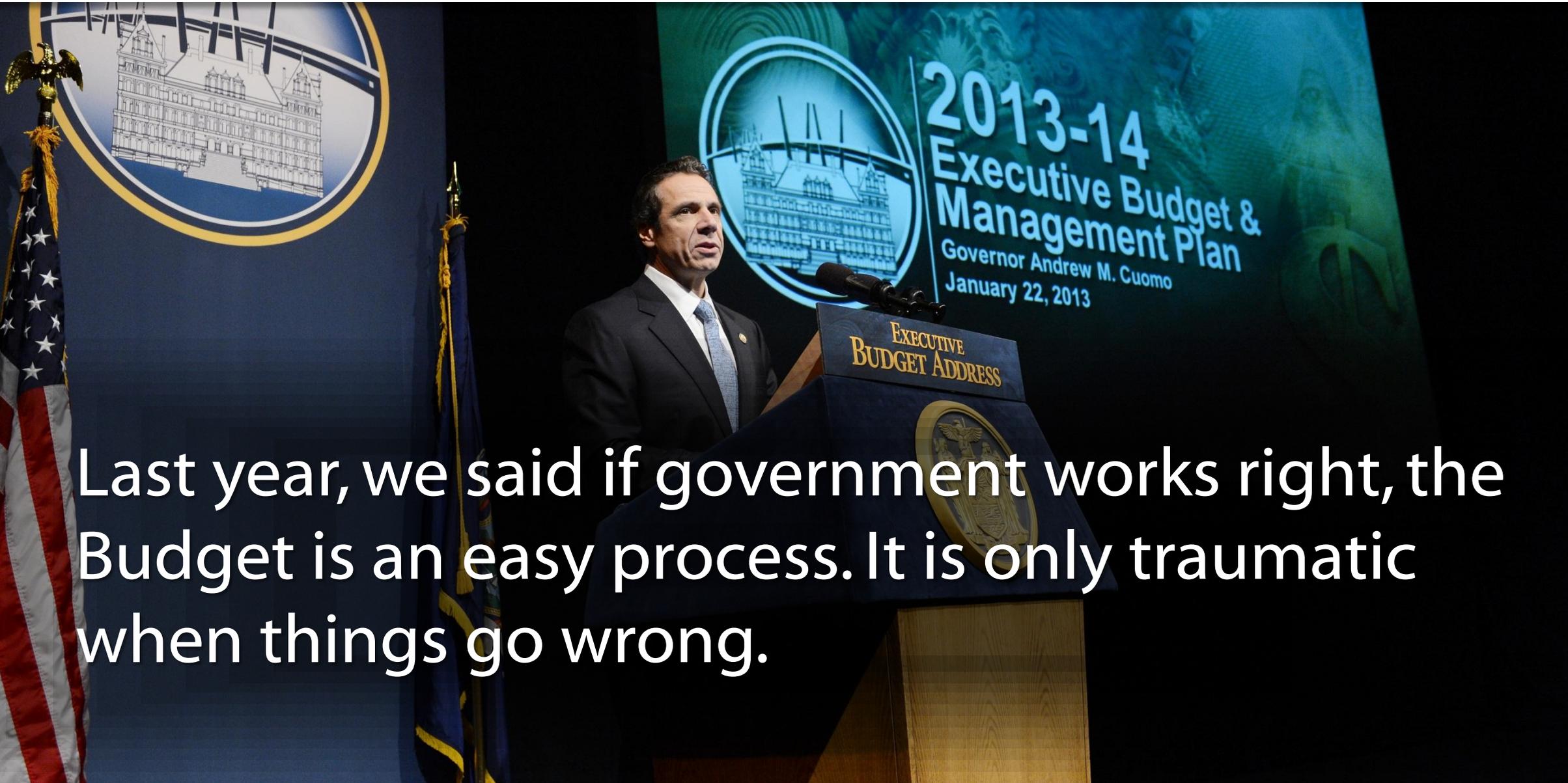
**SPENDING**

**TAXES**

**UNEMPLOYMENT**

**JOBS**





Last year, we said if government works right, the Budget is an easy process. It is only traumatic when things go wrong.

## Summary: State Operating and All Funds

	2013-14	2014-15 Proposed	Change	Percent Change
State Operating	\$90.5B	\$92 B	\$1.5B	1.7%
All Funds (w/o Sandy Aid and Affordable Care Act)	\$135.4 B	\$137.2B	\$1.8B	1.3%

## Summary: Spending

	FY 2014	FY 2015	\$ Change	% Change
<b>Spending</b>	<b>\$90.5B</b>	<b>\$92.0B</b>	<b>\$1.5B</b>	<b>1.7%</b>
Medicaid	\$15.9B	\$16.5B	\$604M	≈ 4%
School Aid	\$21.1B	\$21.9B	\$807M	≈ 4%*
Executive Agencies	\$9.87B	\$9.92B	\$48M	0.5%
All Other	\$43.6B	\$43.7B	\$70M	0.2%
<b>Tax Cuts/Circuit Breaker</b>			<b>Approx. \$500M</b>	

\*Does not take into account \$2 billion Smart Schools initiative



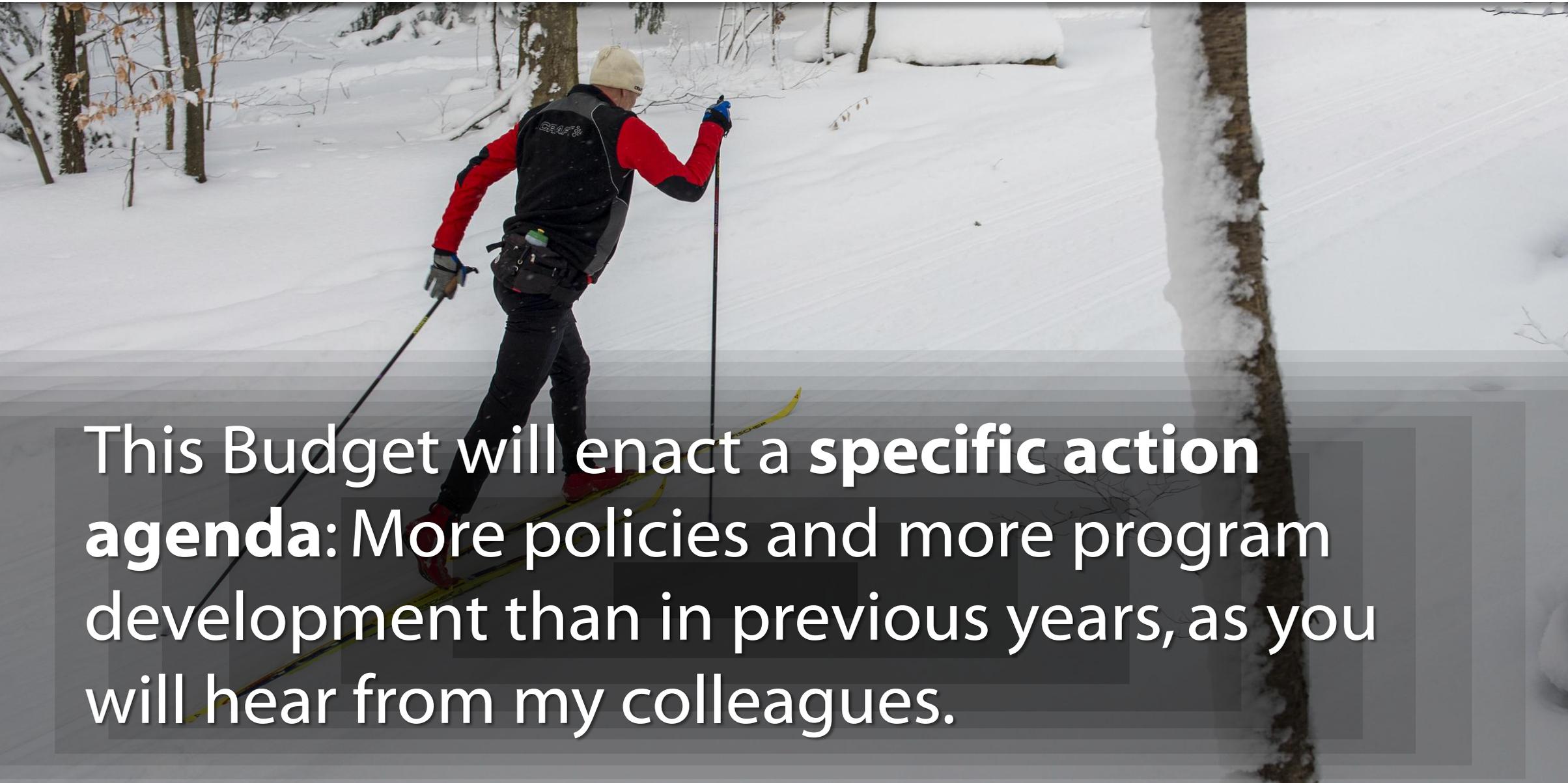
This year, the Budget is  
**more than just a budget.**



It is more than just  
**dollars and cents.**

A close-up photograph of a man with a grey beard and glasses, wearing a dark blue polo shirt, holding a baby. The baby is wearing a light blue shirt and has blue eyes. The man is looking down at the baby with a gentle expression. The background is slightly blurred, showing a brick wall and some indoor plants.

And it is even more than  
the one year birthday of the  
Budget Baby - **Leo Megna.**



This Budget will enact a **specific action agenda**: More policies and more program development than in previous years, as you will hear from my colleagues.

**Bad news:** more work to get  
the Budget passed.

**Good news:** it will make the rest of the session simpler.

## To do: Solve Structural Challenges

- End the out of control spending and cut taxes
- End gridlock and pass on-time budgets
- Redesign State Medicaid program
- Pass pension reform/reach affordable labor contracts
- Cap property taxes
- Enact real economic development
- Put in place teacher evaluation system
- Tackle proliferation & expense of local governments



**The Property Tax Freeze is an opportunity to fundamentally address the structural cause of our high property taxes: The costs of 10,500 local governments.**

## We will use the freeze to:

1. Provide relief to struggling homeowners
2. Incentivize consolidation and shared services.



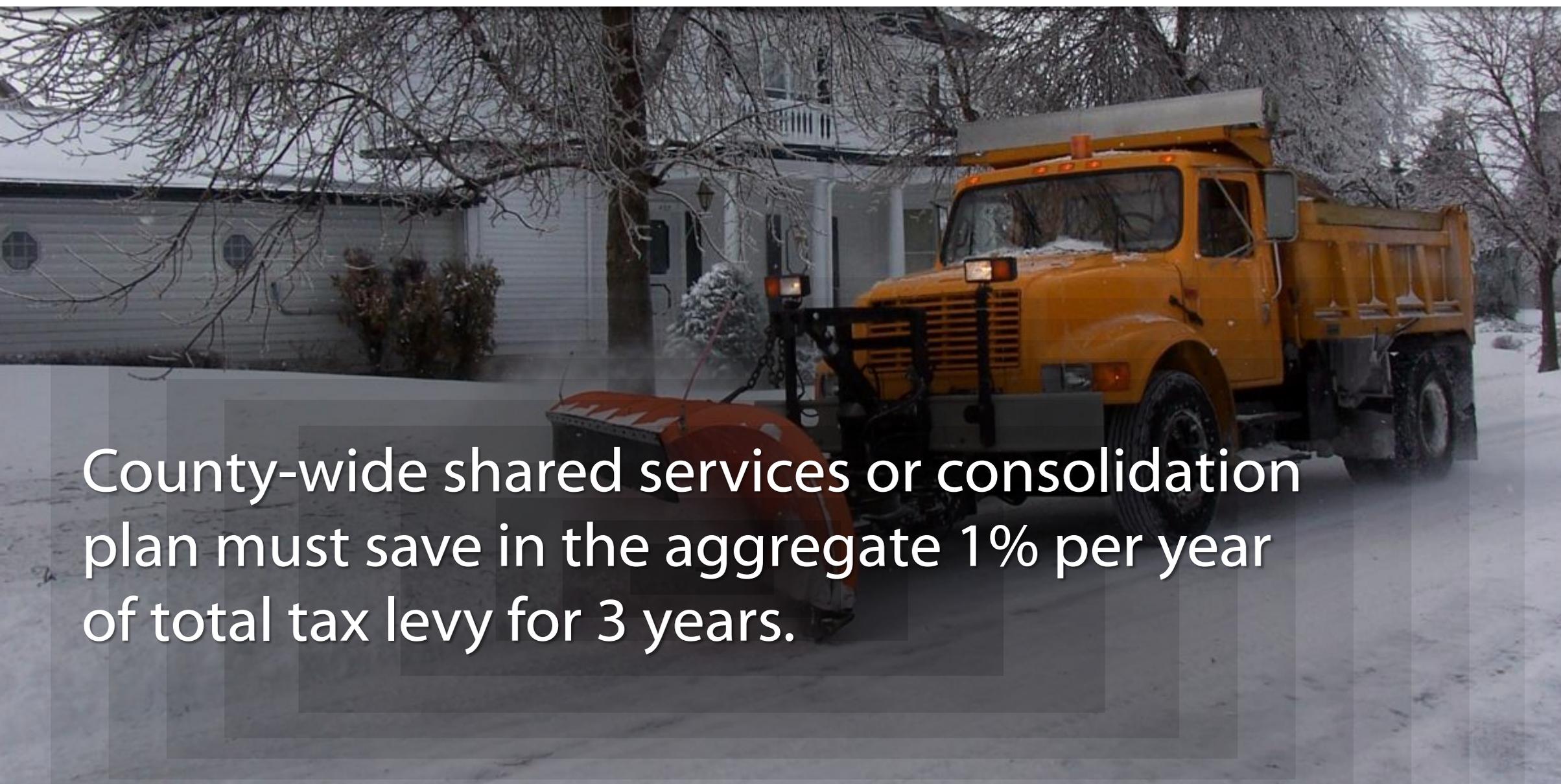


Homeowners will be **eligible for a property tax freeze** only if:

1. Local government stays within 2% property tax cap.

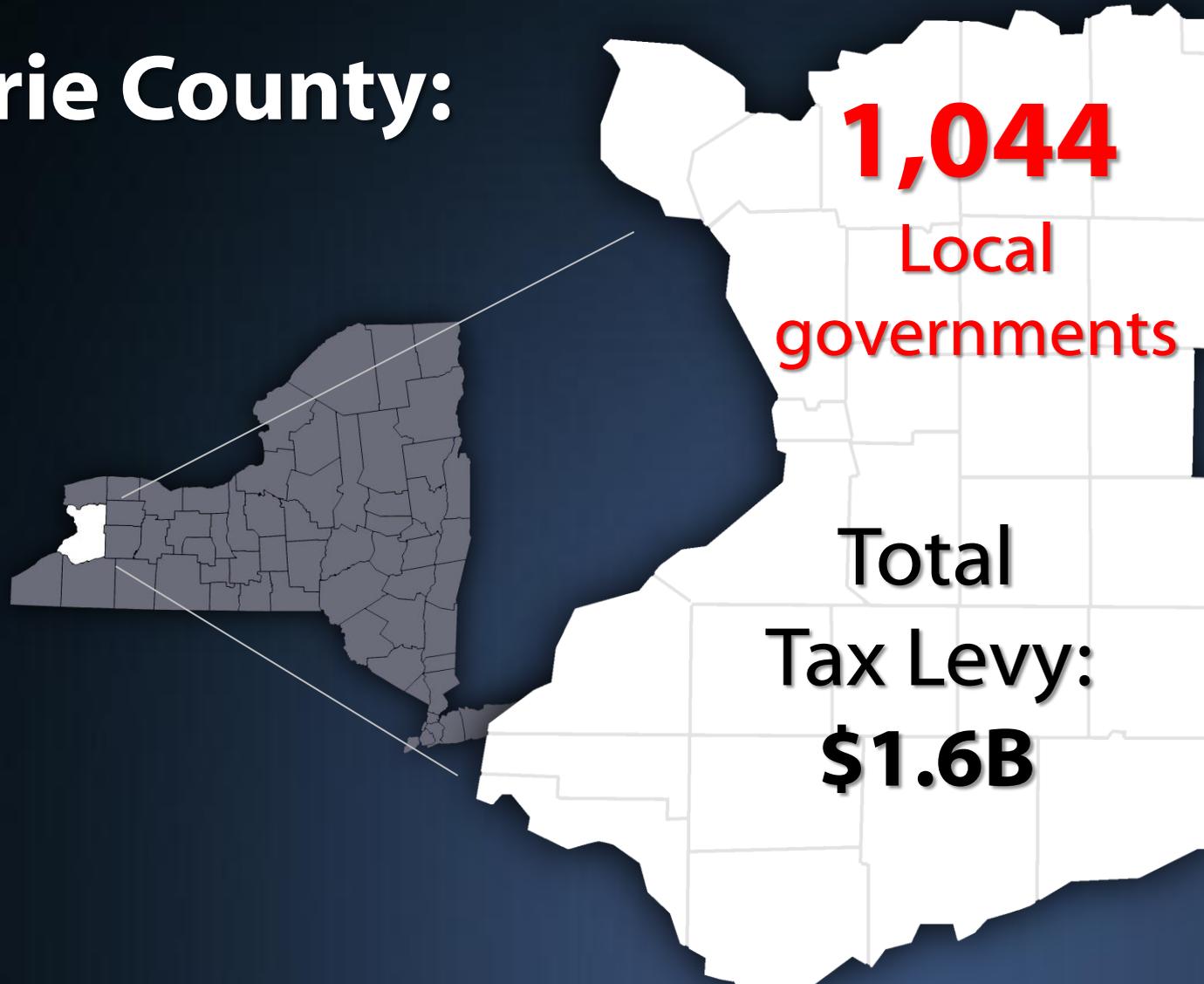
2. Local government implements approved plan to save at least 1% a year for three years – a **total of 3% reduction in costs:**

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Freeze if 2% Tax Cap Compliant	Freeze if Cap & Approve Plan to save 1,2,3%	Save 1%	Save 2%	Save 3%



County-wide shared services or consolidation plan must save in the aggregate 1% per year of total tax levy for 3 years.

## Erie County:

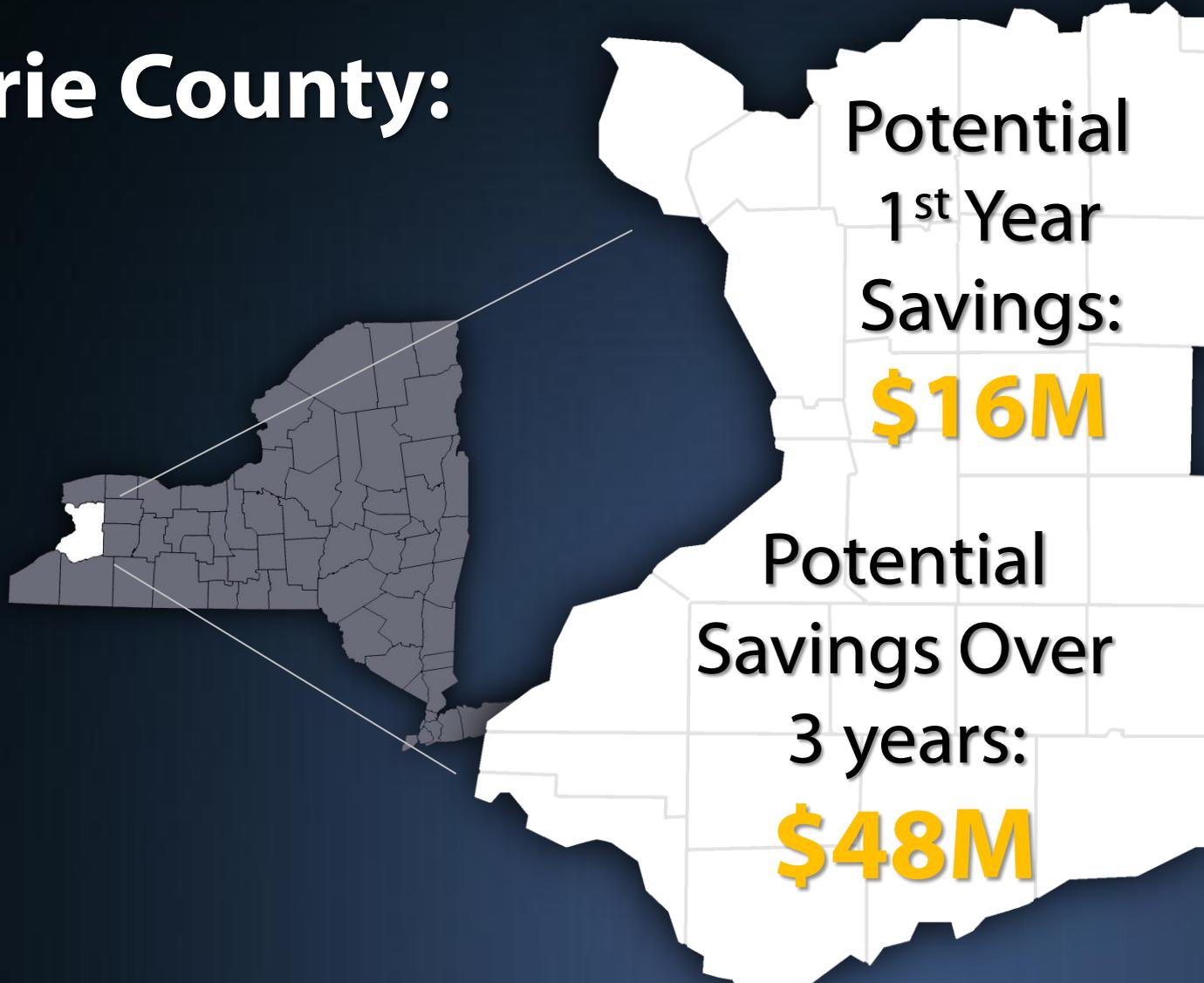


**1,044**  
Local  
governments

Total  
Tax Levy:  
**\$1.6B**

- County: 1
- City: 3
- Town: 25
- Village: 15
- School District: 29
- Fire District: 32
- Drainage: 144
- Fire Protection: 43
- Lighting: 427
- Park: 3
- Refuse & Garbage: 23
- Sewer: 119
- Water: 143
- Other: 37
- Total Special Districts: 939
- Total Governments: 1,044

## Erie County:



County: 1  
City: 3  
Town: 25  
Village: 15  
School District: 29  
Fire District: 32  
Drainage: 144  
Fire Protection: 43  
Lighting: 427  
Park: 3  
Refuse & Garbage: 23  
Sewer: 119  
Water: 143  
Other: 37  
Total Special Districts: 939  
Total Governments: 1,044

## Monroe County:



**624**  
Local  
governments

**Total  
Tax Levy:  
\$1.6B**

County: 1  
City: 1  
Town: 20  
Village: 10  
School District: 18  
Fire District: 23  
Drainage: 102  
Fire Protection: 15  
Lighting: 161  
Park: 45  
Refuse & Garbage: 14  
Sewer: 62  
Water: 98  
Other: 54  
Total Special Districts: 551  
Total Governments: 624

## Monroe County:



Potential 1<sup>st</sup>  
Year Savings:

**\$16M**

Potential Savings  
over 3 years:

**\$47M**

- County: 1
- City: 1
- Town: 20
- Village: 10
- School District: 18
- Fire District: 23
- Drainage: 102
- Fire Protection: 15
- Lighting: 161
- Park: 45
- Refuse & Garbage: 14
- Sewer: 62
- Water: 98
- Other: 54
- Total Special Districts: 551
- Total Governments: 624

## Oneida County:



- County: 1
- City: 3
- Town: 26
- Village: 19
- School District: 15
- Fire District: 18
- Drainage: 14
- Fire Protection: 26
- Lighting: 90
- Refuse & Garbage: 2
- Sewer: 36
- Water: 81
- Other: 19
- Total Special Districts: 268
- Total Governments: 350

## Oneida County:

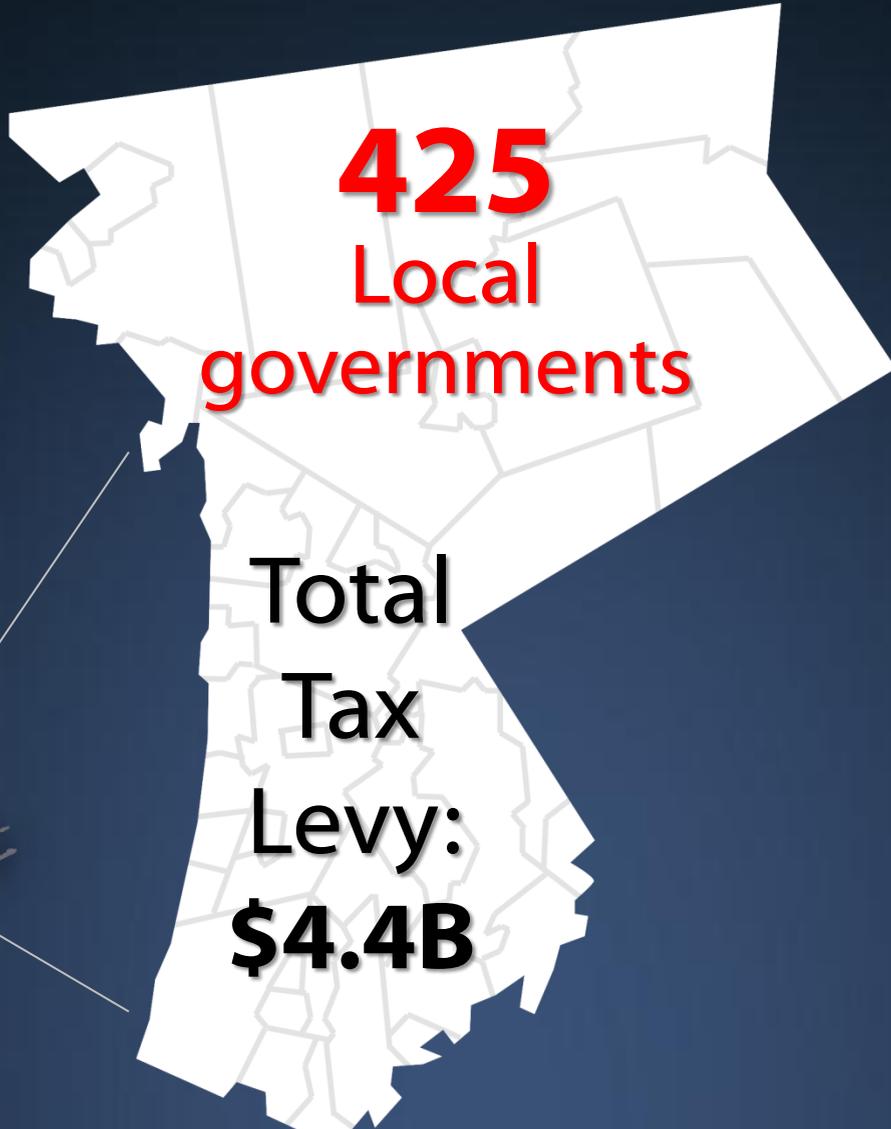


Potential 1<sup>st</sup> Year  
Savings: **\$3.5M**

Potential Savings  
over 3 years:  
**\$10M**

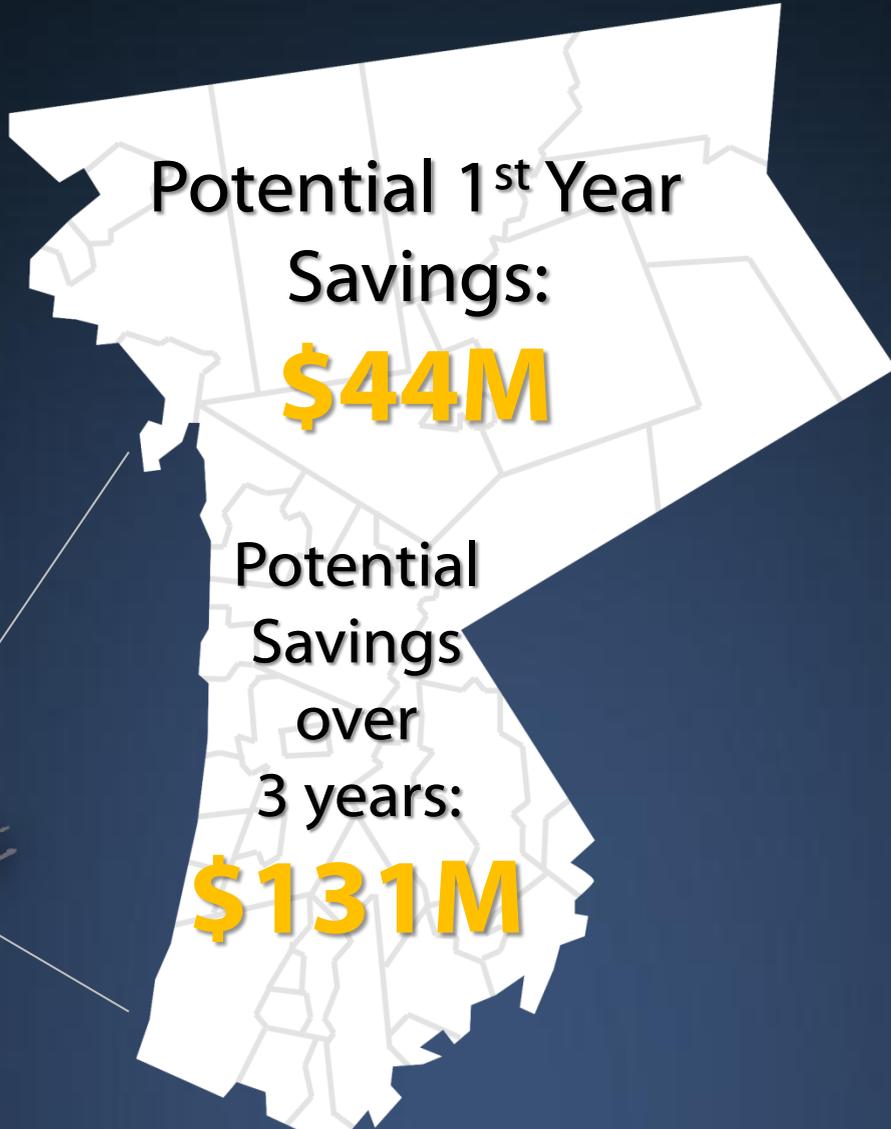
County: 1  
City: 3  
Town: 26  
Village: 19  
School District: 15  
Fire District: 18  
Drainage: 14  
Fire Protection: 26  
Lighting: 90  
Refuse & Garbage: 2  
Sewer: 36  
Water: 81  
Other: 19  
Total Special Districts: 268  
Total Governments: 350

## Westchester County:



- County: 1
- City: 6
- Town: 19
- Village: 23
- School District: 47
- Fire District: 28
- Drainage: 16
- Fire Protection: 28
- Lighting: 21
- Park: 15
- Refuse & Garbage: 5
- Sewer: 141
- Water: 54
- Other: 21
- Total Special Districts: 301
- Total Governments: 425

## Westchester County:



- County: 1
- City: 6
- Town: 19
- Village: 23
- School District: 47
- Fire District: 28
- Drainage: 16
- Fire Protection: 28
- Lighting: 21
- Park: 15
- Refuse & Garbage: 5
- Sewer: 141
- Water: 54
- Other: 21
- Total Special Districts: 301
- Total Governments: 425

## Suffolk County:

**404** Local Gov'ts

Total Tax Levy:  
**\$5.7B**

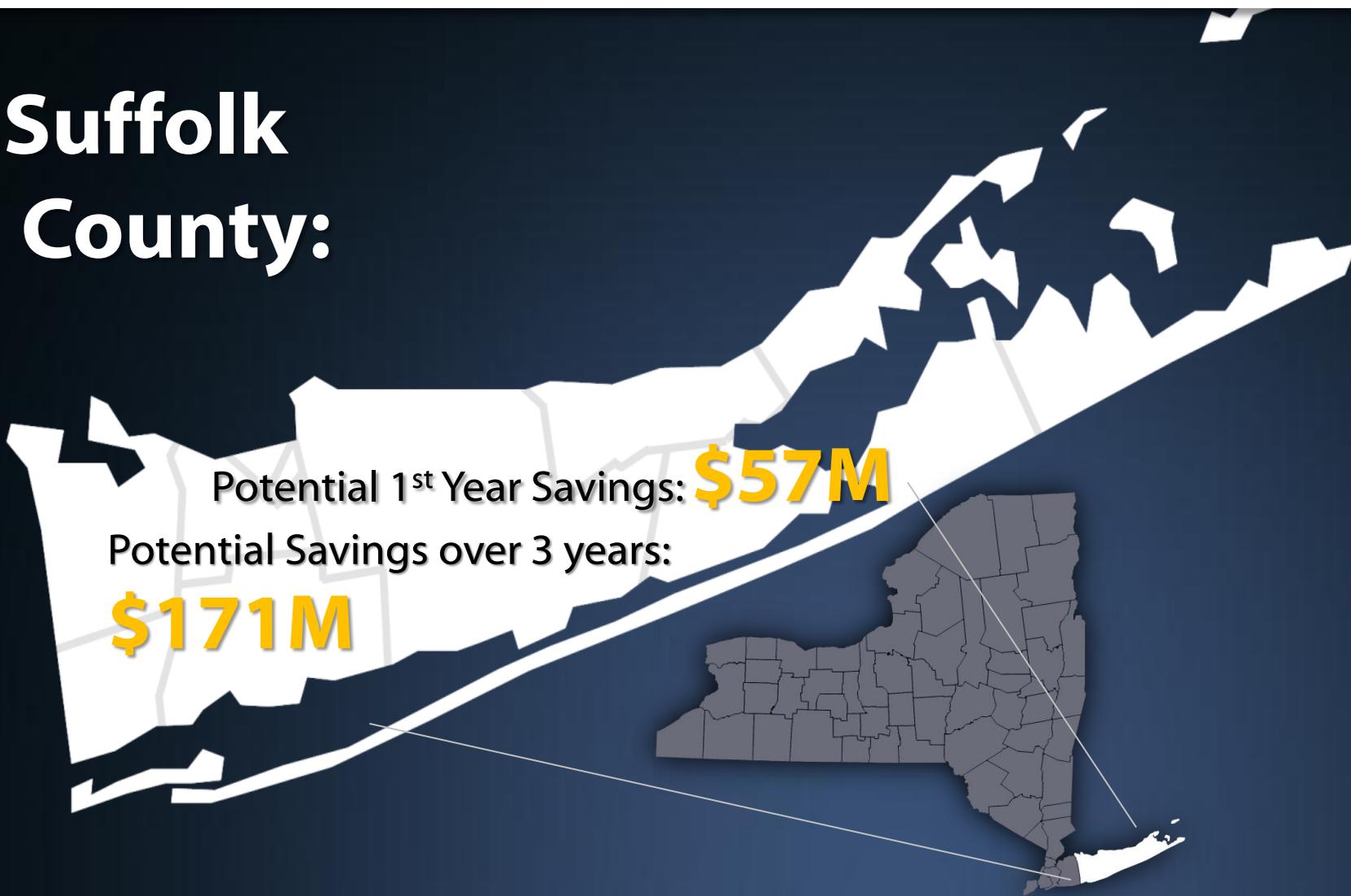
- County: 1
- Town: 10
- Village: 31
- School District: 69
- Fire District: 93
- Drainage: 1
- Fire Protection: 34
- Lighting: 21
- Park: 10
- Refuse & Garbage: 21
- Sewer: 11
- Water: 18
- Other: 84
- Total Special Districts: 200
- Total Governments: 404

## Suffolk County:

Potential 1<sup>st</sup> Year Savings: **\$57M**

Potential Savings over 3 years:

**\$171M**



County: 1  
Town: 10  
Village: 31  
School District: 69  
Fire District: 93  
Drainage: 1  
Fire Protection: 34  
Lighting: 21  
Park: 10  
Refuse & Garbage: 21  
Sewer: 11  
Water: 18  
Other: 84  
Total Special Districts: 200  
Total Governments: 404

This Budget recognizes that tax relief is an economic growth strategy that has been working for our State:

- Reduces **Corporate Income Taxes: 7.1% to 6.5%**
- Provides a **20% Manufacturers' Property Tax Credit**
- Reduces corporate income tax rate for **upstate manufacturers to 0%.**
- Establishes a **Renters Tax Credit**
- Provides a **Circuit Breaker** - property tax relief for low and middle income homeowners.
- **Freezes Property Taxes** for homeowners – with an important condition that localities reduce costs.

# **Our tax package is not an advocacy statement:**



**Senate  
Upstate  
Business  
Homeowners**

**Assembly  
Downstate  
Labor  
Renters**

**Pataki-McCall Commission.**

# **Our tax package is not an advocacy statement:**



**Senate  
Upstate  
Business  
Homeowners**

**Assembly  
Downstate  
Labor  
Renters**

**Works for all New Yorkers.**

# **Our tax package is not an advocacy statement:**



**Senate  
Upstate  
Business  
Homeowners**

**Assembly  
Downstate  
Labor  
Renters**

**Let's make it a reality.**

## Our jobs agenda:

- **Global NY:** promote our START-UP NY communities internationally, including hosting a global business conference at the Javits Center.
- Expand **NY Open for Business**



**Our jobs agenda –**  
**Regional Jump Starts:**

## North Country:

- **\$12 million** for repairs to Whiteface Mountain Veterans' Memorial Highway
- **\$10 million** for biotech partnership at Trudeau Institute
- **\$9.4 million** for capital improvements at Olympic Regional Development Authority (ORDA) facilities



## Mohawk Valley

- **\$180 million** for **Nano Utica**, the state's second major hub of nanotechnology research and development.

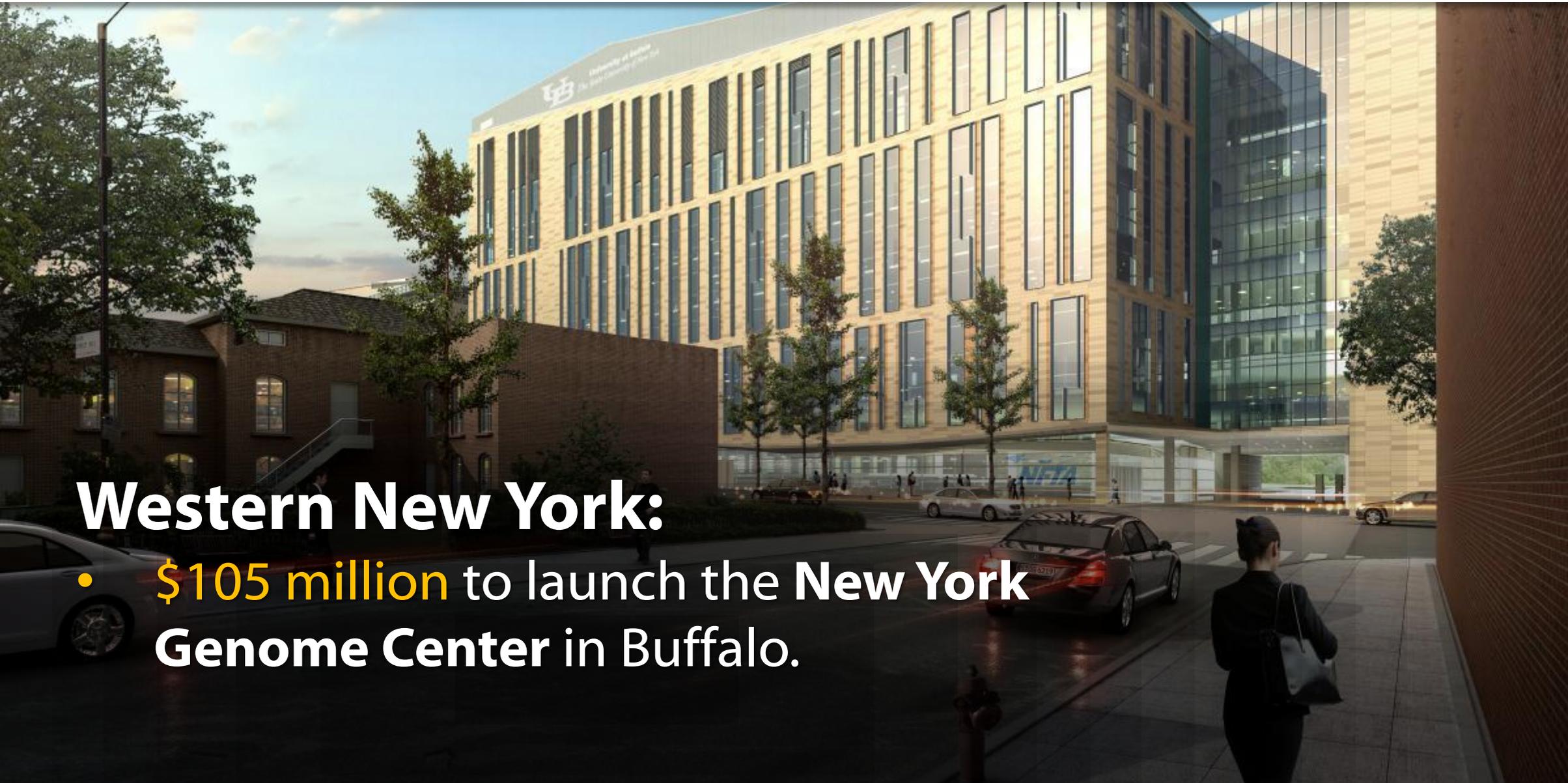


## Capital Region:

- **\$63 million** for the Albany Convention Center to finally become a reality.

## Finger Lakes and Rochester area:

- The State is investing **more than \$40 million** to transform Eastman Business Park into a hub of high tech manufacturing and R&D.



## Western New York:

- **\$105 million** to launch the **New York Genome Center** in Buffalo.

## Southern Tier:

- **\$10 million** initial investment for a new SUNY College of Pharmacology in Binghamton.



## Central New York:

- **\$30 million** for the Onondaga Lake Economic Revitalization Area.

A photograph of several young students sitting at desks in a computer lab, focused on their work. The students are of diverse backgrounds. The foreground shows a young boy in a light blue shirt looking intently at a computer monitor. Other students are visible in the background, also working at their computers. The scene is brightly lit, suggesting a modern classroom environment.

The best long term economic development strategy is to have the **best education system.**

## Common Core:

We need real standards for our students, a meaningful teacher evaluation system and I support the national common core agenda. New York was one of 45 states to adopt Common Core.

## Common Core:

But the way Common Core has been managed by the Board of Regents is flawed. There is too much uncertainty, confusion and anxiety.

## Common Core:

Parents, students, and teachers need the best education reforms – which include Common Core and teacher evaluations – but they also need a rational system that is well administered.

## Common Core:

We will assemble a panel that includes education experts and Members of the Legislature to make recommendations for corrective action by the end of this session on how Common Core should be implemented.



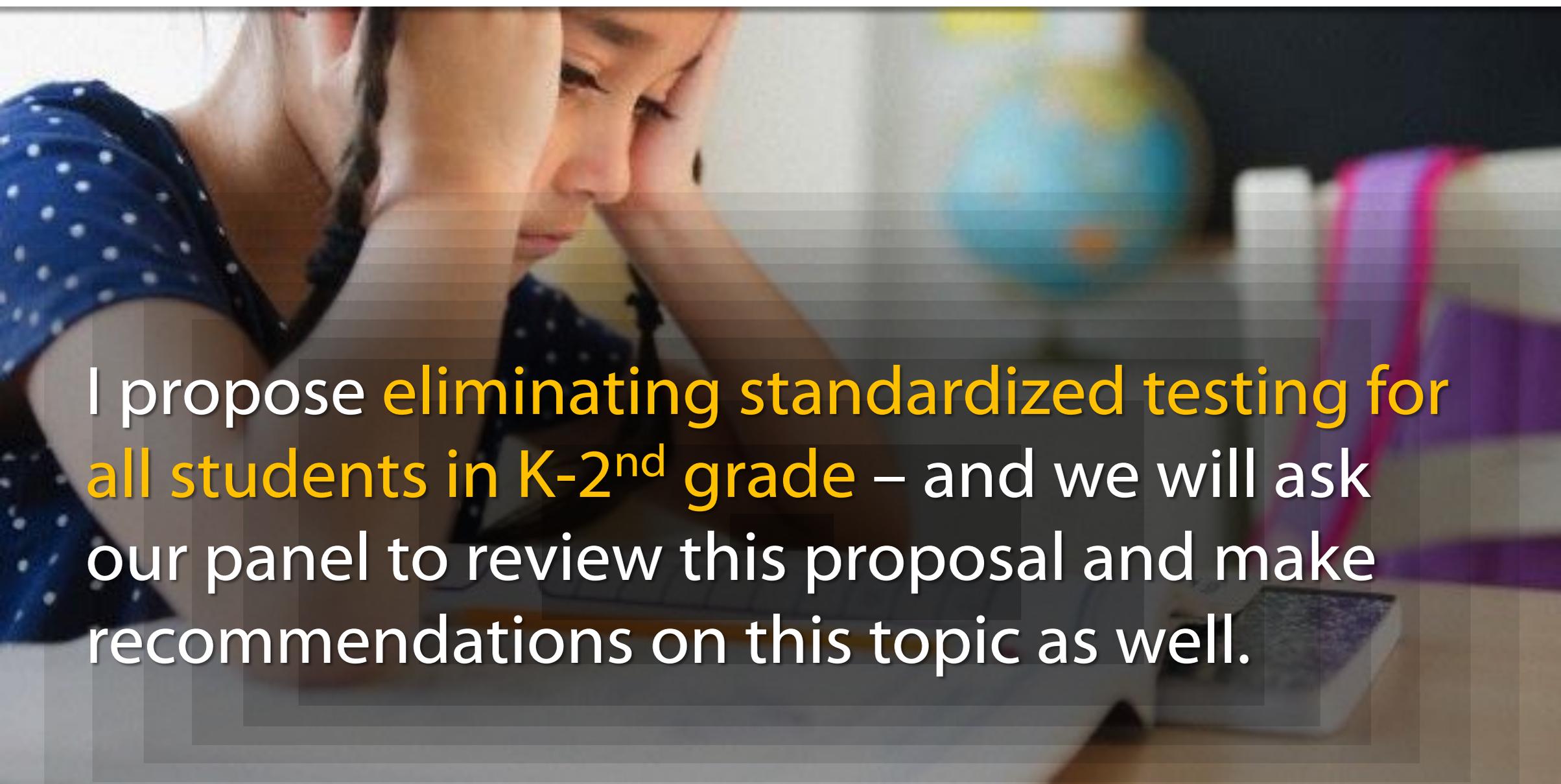
We need testing to measure performance in the classroom - but too much testing can hurt, not help, education.



There is no reason a school district should make a five year old take standardized tests.



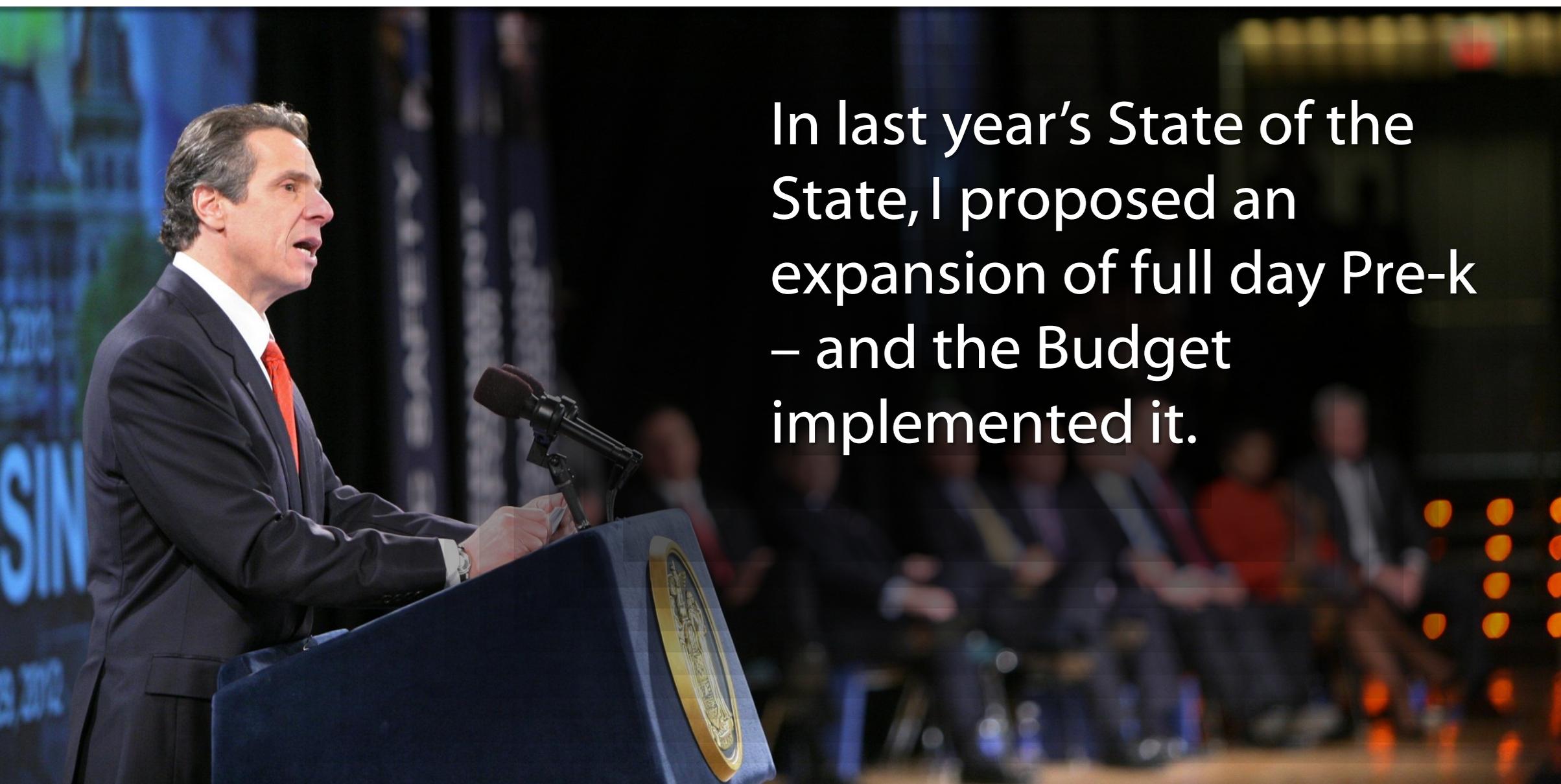
It is not how our young children learn.



I propose **eliminating standardized testing for all students in K-2<sup>nd</sup> grade** – and we will ask our panel to review this proposal and make recommendations on this topic as well.



**The State has long believed in Pre-k.**  
The Assembly championed it – and the Legislature passed it in 1997 and Governor Pataki signed into law.

A photograph of Governor Andrew Cuomo speaking at a podium. He is wearing a dark suit, a white shirt, and a red tie. The podium is blue with a gold seal. The background is dark with some blurred lights and text.

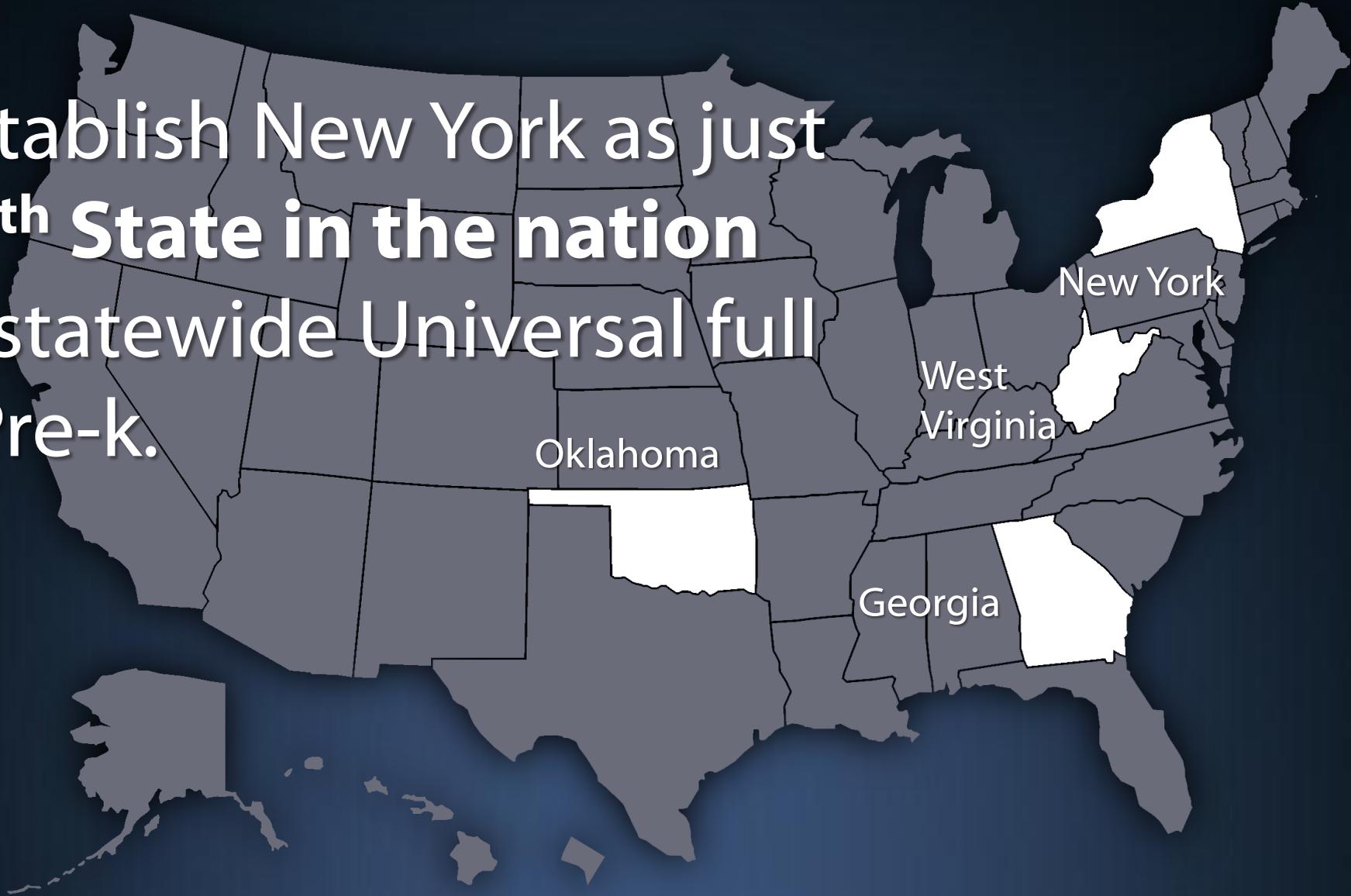
In last year's State of the State, I proposed an expansion of full day Pre-k – and the Budget implemented it.



This year, we propose:

**Universal full day Pre-k, statewide.**

To establish New York as just the **4<sup>th</sup> State in the nation** with statewide Universal full day Pre-k.





**Question 1: What is Universal full day Pre-k?**  
Pre-k varies widely across the state – it's babysitting in some schools, comprehensive learning in others.



Study after study shows that spending the money on Pre-k alone is not enough. Investing in Pre-k only works if we do it right.



First, we will review the current state standards and teacher requirements to ensure we are providing high-quality Pre-k programs.



**Question 2: How do we achieve  
Universal full day Pre-k?  
Answer: **The State will pay.****



This Budget includes a fully funded, five-year plan to cover the additional costs of full day Pre-k across the state.

**\$1.5 billion over five years.**



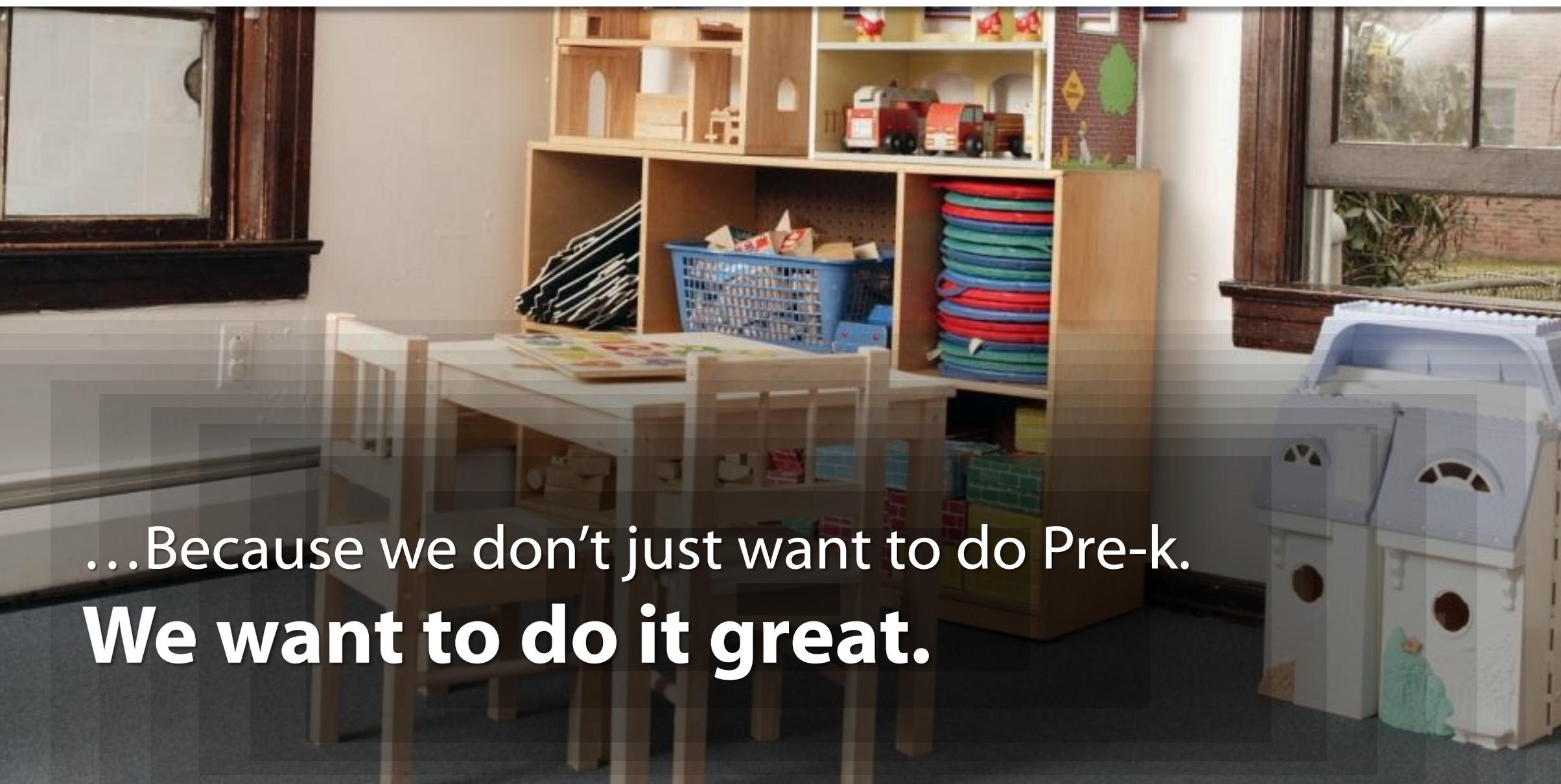
We will work with school districts to develop an implementation schedule. The State will move as fast as the district will move.



**Charter schools will be eligible for Pre-k funding.**



We will also reexamine Pre-k inspections, regulations, construction codes, and facility requirements...



...Because we don't just want to do Pre-k.  
**We want to do it great.**



## After-school:

Studies show that high quality after-school programs can lead to improved attendance, behavior and coursework.

## After-school:

Our Budget proposes a fully funded five year plan to implement a robust **after-school program statewide**. We will negotiate a statewide district by district program.



To transform our classrooms, the Budget puts the **\$2 Billion Smart Schools Initiative** on the ballot before voters this November.



## Eligible uses for technology include:

- high-speed broadband access for schools and communities
- interactive smart boards for classrooms
- tablet computers for students
- construction of new pre-kindergarten classrooms and after school program space as needed.

A photograph of a classroom scene. A teacher in a dark vest over a white shirt stands in the center, pointing towards the students. Several students in the foreground have their hands raised, indicating an interactive lesson. The background features a green chalkboard, a globe, and a world map.

This Budget continues to incentivize teacher performance, by providing **\$20 million** for a **Teacher Excellence Fund**.



This Budget also includes **\$8 million** to provide full tuition scholarships to any SUNY or CUNY college or university for the top ten percent of high school graduates if they pursue a science or technology career and then work in New York for five years.

## Our Education Investment Over Two Years:

Two year projected formula growth = 7% (3.1%+3.9%)

### Our Two Year budget:

\$1.3 billion in general support

\$75 million performance programs (P-tech, teacher bonuses)

\$460 million Pre-k and After-school (\$2.2B over 5 years)

**=\$1.8 billion = 8.6%**

+ \$2 Billion Smart Schools Initiative Bond Act

**=18% increase.**



**Health Care:** New York State has gone from a symbol of waste and inefficiency, to a model of reform and innovation.



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Individuals & Families Employers Brokers Employees Navigators

## NY State of Health: The Official Health Plan Marketplace

It's your place to shop, compare and enroll in a low-cost quality plan that's right for you. And it's the only place you can receive financial assistance based on your income, to lower your

costs even more.  
[Read More »](#)

**Our Health Care Exchange is one of the best in the country – 330,000 New Yorkers have already signed up in 3 short months.**

[Benefit Summaries](#)

[Tax Credit & Premium Estimator](#)



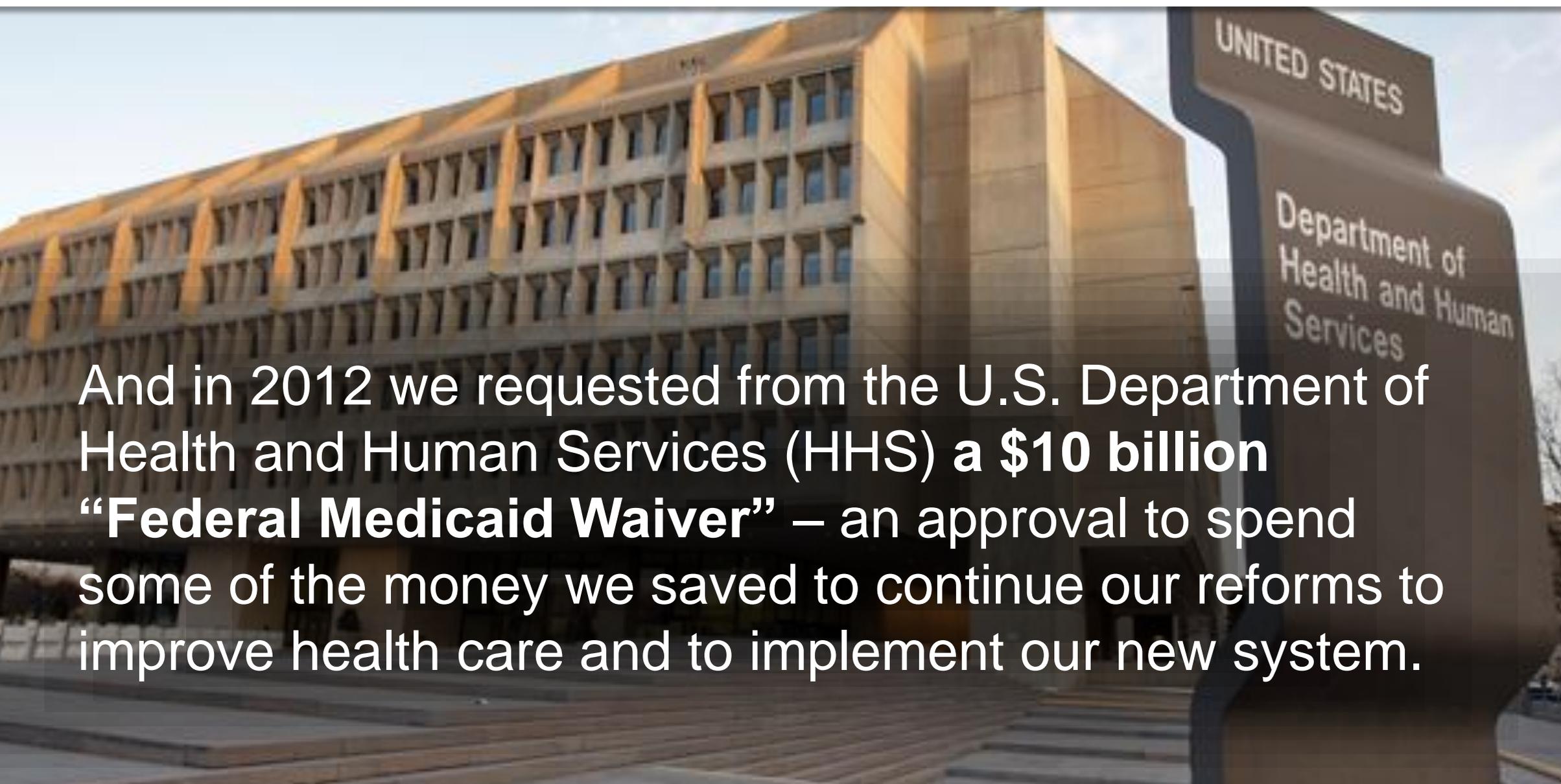


**The Medicaid Redesign Team is a great success – We are providing more and better health care at less cost.**



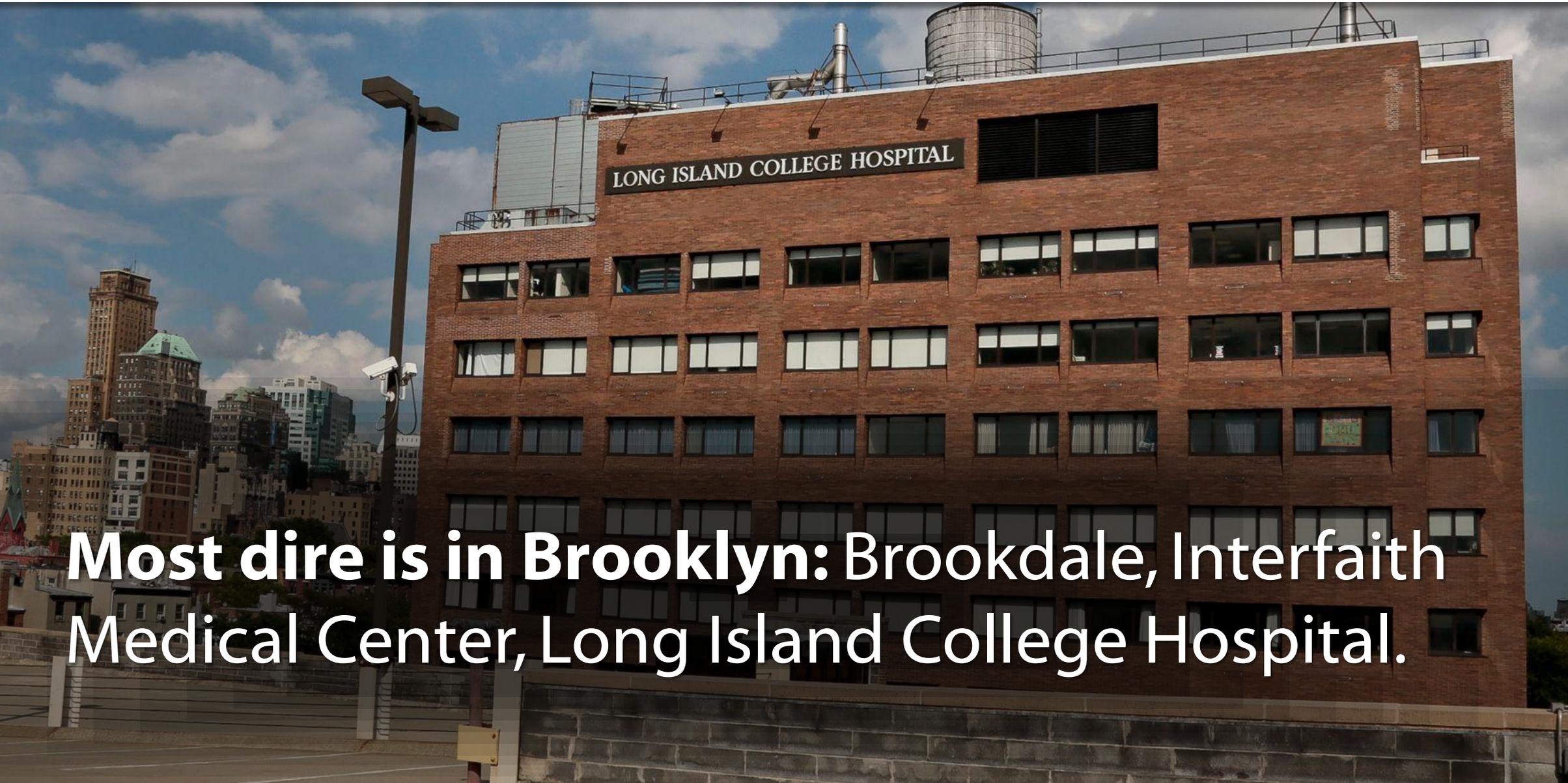
We saved **\$34 Billion:**

- \$17 Billion for the State
- \$17 Billion for the Federal Government.



And in 2012 we requested from the U.S. Department of Health and Human Services (HHS) a **\$10 billion “Federal Medicaid Waiver”** – an approval to spend some of the money we saved to continue our reforms to improve health care and to implement our new system.

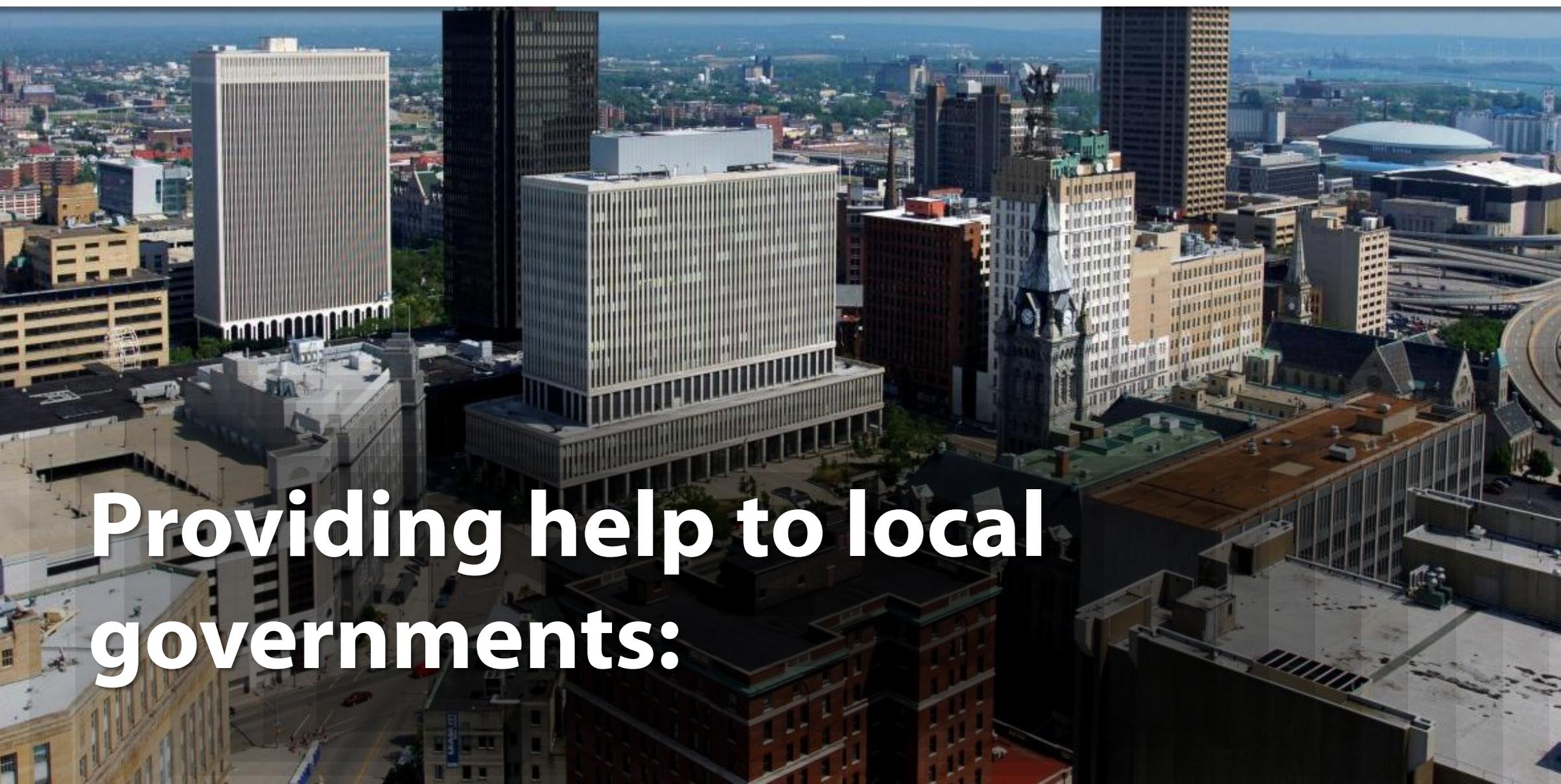
We requested the waiver because  
**we still have challenges.**



**Most dire is in Brooklyn: Brookdale, Interfaith Medical Center, Long Island College Hospital.**

**We need HHS to act on our waiver now – as we have no alternative. The size and scope of the problems defy State solution.**

This is a **crisis in Brooklyn** – which has more people than San Francisco, Boston, and Washington, D.C... combined.



**Providing help to local governments:**

## Reforms over past 3 years to help local governments reduce costs:

	Local Savings in First 5 Years
Affordable Care Act	\$2.4 billion
Local Medicaid Takeover	\$1.2 billion
Tier 6	\$917 million
Early Intervention Reforms	\$54 million
<b>Total</b>	<b>\$4.6 billion</b>

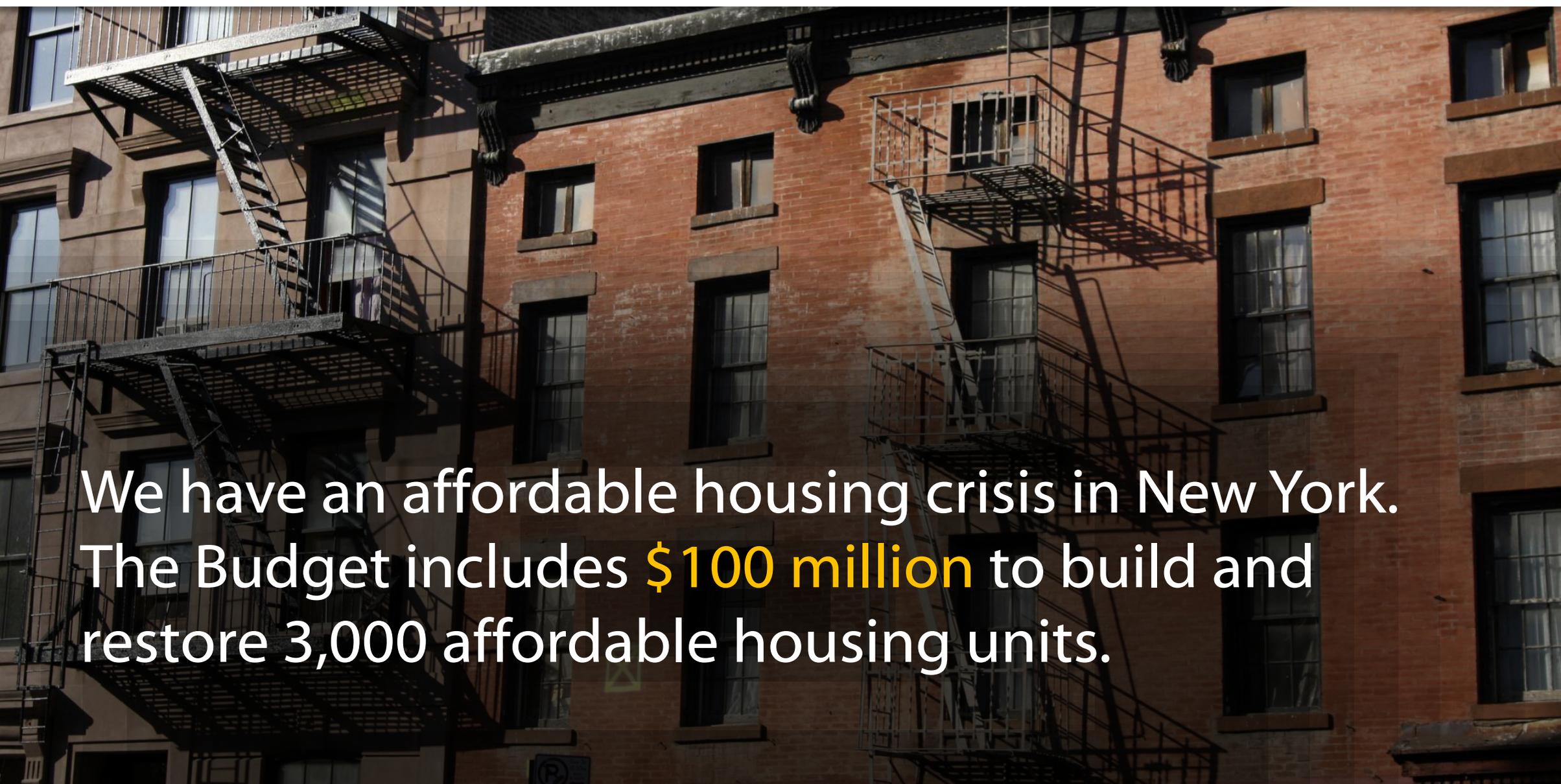
## And this year we will do even more:

- Reforms to Preschool Special Education –

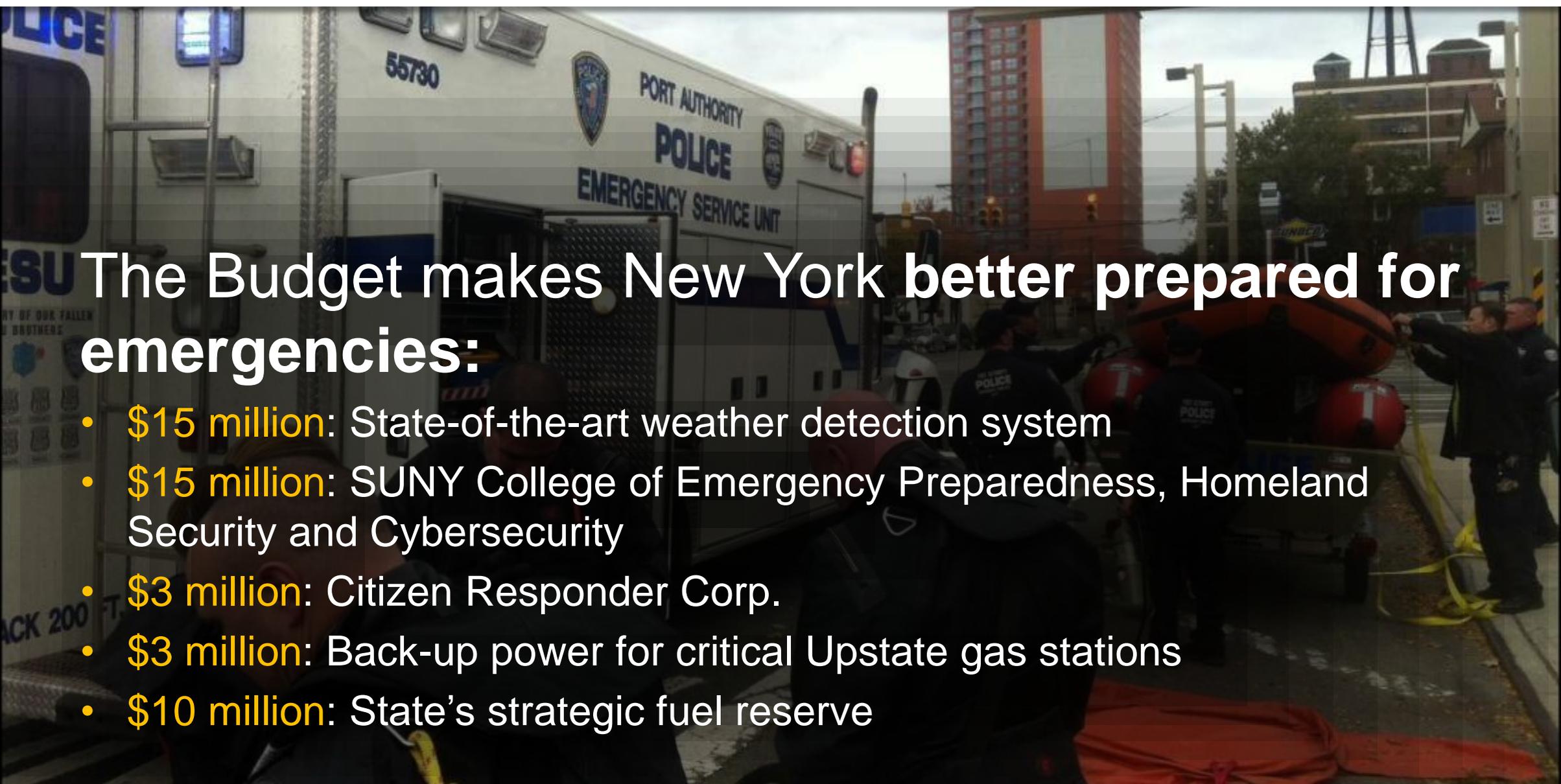
**Saving \$71 million**

- Law Enforcement Data Sharing with localities –

**Saving \$12 million**



We have an affordable housing crisis in New York. The Budget includes **\$100 million** to build and restore 3,000 affordable housing units.



## The Budget makes New York better prepared for emergencies:

- **\$15 million:** State-of-the-art weather detection system
- **\$15 million:** SUNY College of Emergency Preparedness, Homeland Security and Cybersecurity
- **\$3 million:** Citizen Responder Corp.
- **\$3 million:** Back-up power for critical Upstate gas stations
- **\$10 million:** State's strategic fuel reserve

## The Budget makes **New York fairer:**

- **\$250,000** for MWBE certification assistance
- **\$250,000** to support Reentry Council
- **\$10 million** in NY Works Tax Credits
- **\$250,000** for expert services to facilitate Raise the Age



## Provides for our **Veterans:**

- **\$250,000** for Veterans' Summit and Disparity Study



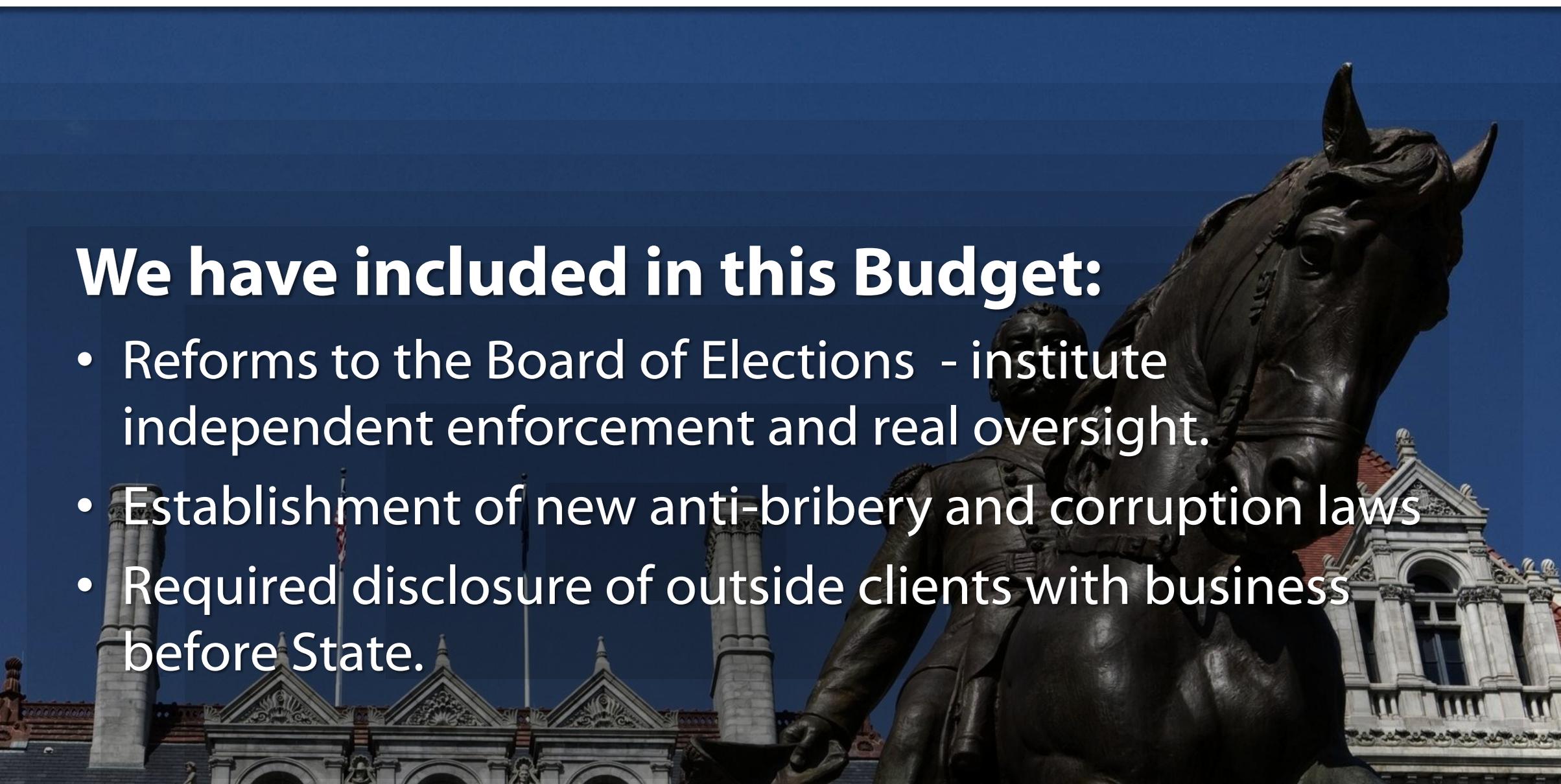
**\$2.5 million** for **Route 98** feasibility study.



Last year I proposed a **Public Trust Act**.  
I understand the Legislature still does not agree.

## We have included in this Budget:

- Reforms to the Board of Elections - institute independent enforcement and real oversight.
- Establishment of new anti-bribery and corruption laws
- Required disclosure of outside clients with business before State.





With this budget I am also proposing to enact a **public financing system** for political campaigns.

# There has been a long and troubling pattern of incidents of sexual harassment.

## Assembly Lawyer to Step Down Over Failure to Investigate Sex Harassment Claims

By DANNY HAKIM  
July 23, 2013

ALBANY - Assembly Speaker Sheldon Silver announced Tuesday that he is stepping down as the lawyer for the Assembly amid revelations of sexual harassment. Silver's resignation comes after an investigation into a harassment claim by another Assembly member.

## Ex-aides claim sexual harassment by NY assemblyman

— Three ex-aides accused the assemblyman of sexual harassment. The law was so strict that they

In a legal filing, former Communications Director Kimberly Snickles, her predecessor, Annalise Freling, and Legislative Director Jamie Campbell allege "a continuous pattern of sexual harassment" that continued despite their

## Woman Alleged NY Assemblyman Sexually Harassed Her on Gchat, But Claim Wasn't Investigated

July 24, 2013

A young female staffer for a New York assemblyman now running for City Council alleged that she was sexually harassed by the assemblyman.

Assembly Speaker Sheldon Silver, who himself faces a continued threat to his power after mishandling other

# There needs to be a clear, unobstructed avenue for complaints.

## Assembly Lawyer to Step Down Over Failure to Investigate Sex Harassment Claims

By DANNY HAKIM  
July 23, 2013

ALBANY - Assembly Speaker Sheldon Silver's lawyer stepped down Tuesday amid revelations of a sex harassment investigation. In a legal filing, former Assembly Speaker Sheldon Silver's lawyer, David M. Lippman, announced his resignation on Tuesday. Lippman had been representing Silver since he was elected speaker in 2011. Silver's lawyer had been accused of sexual harassment by another staffer.

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Assembly Speaker Sheldon Silver, who himself faces a continued threat to his power after mishandling other

# JCOPE should have a confidential hotline for complaints of sexual harassment.

## Assembly Lawyer to Step Down Over Failure to Investigate Sex Harassment Claims

By DANNY HAKIM  
July 23, 2013

ALBANY - Assembly Speaker Sheldon Silver announced Tuesday that he is stepping down as the lawyer for the Assembly amid revelations of sexual harassment. Silver's investigation into the harassment claims was criticized by another

## Ex-aides claim sexual harassment by NY assemblyman

## Woman Alleged NY Assemblyman Sexually Harassed Her on Gchat, But Claim Wasn't Investigated

July 24, 2013

A young female staffer for a New York assemblyman now running for City Council alleged that she was sexually harassed by the assemblyman.

Assembly Speaker Sheldon Silver, who himself faces a continued threat to his power after mishandling other

— Three ex-aides accused the assemblyman of sexual harassment. The law was so strict that they

In a legal filing, former Communications Director Kimberly Snickles, her predecessor, Annalise Freling, and Legislative Director Jamie Campbell allege "a continuous pattern of sexual harassment" that continued despite their



We have included ethics reform in the Budget because hope springs eternal and because it is the right thing to do.



**Government:**  
**Capacity = Competence x Trust**





# 2014-15 Executive Budget



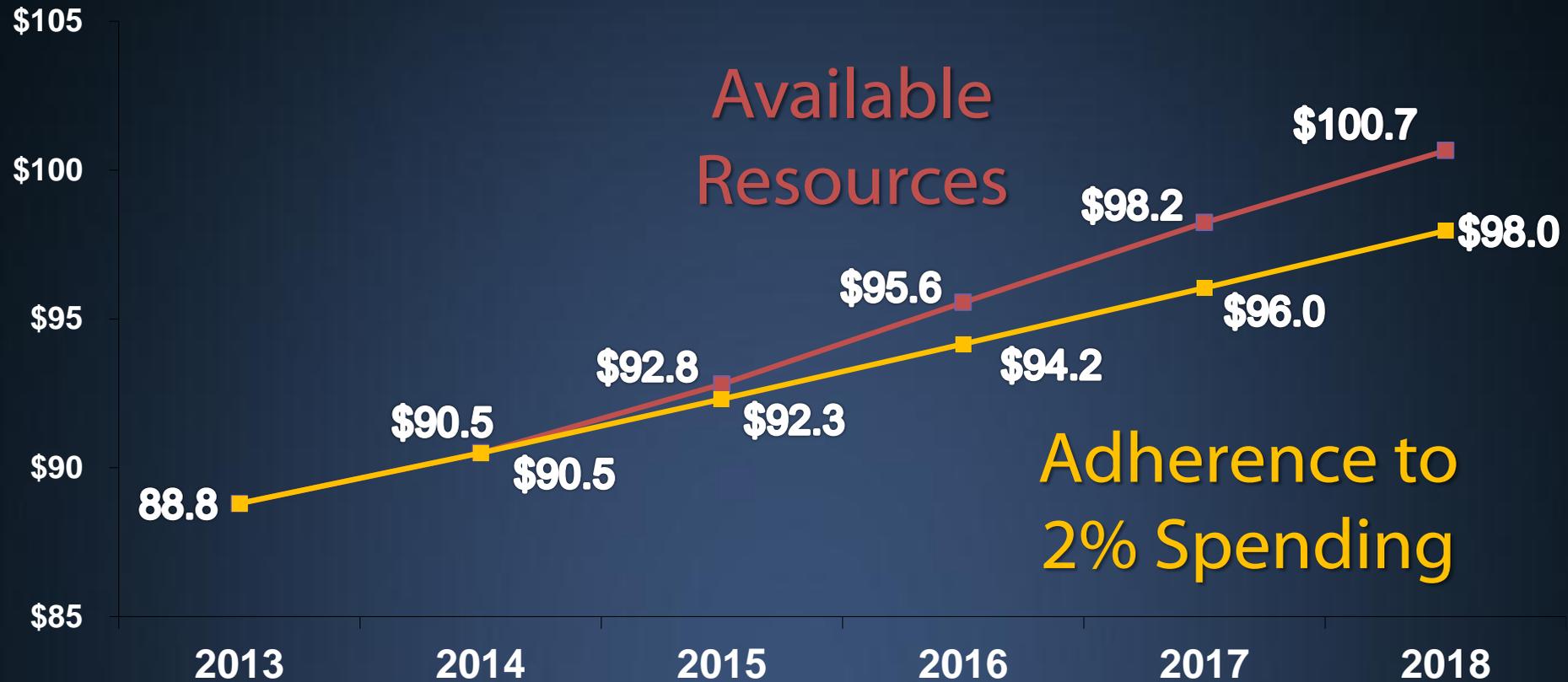
## Building on Success



# 2014-15 Executive Budget: Creating Economic Opportunity

**NYS** |   
2014-15 EXECUTIVE BUDGET

## Adherence to the 2% spending = surpluses.

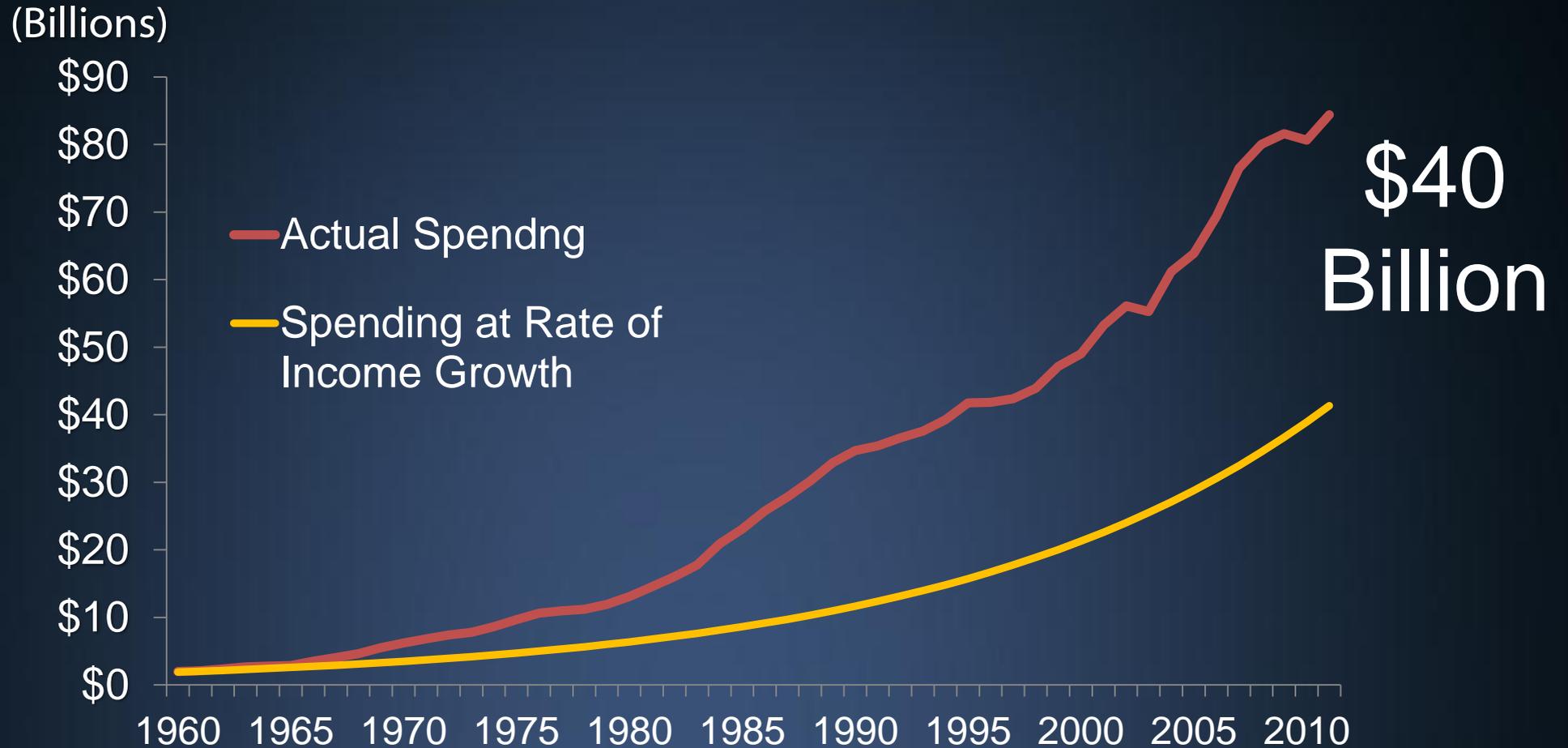


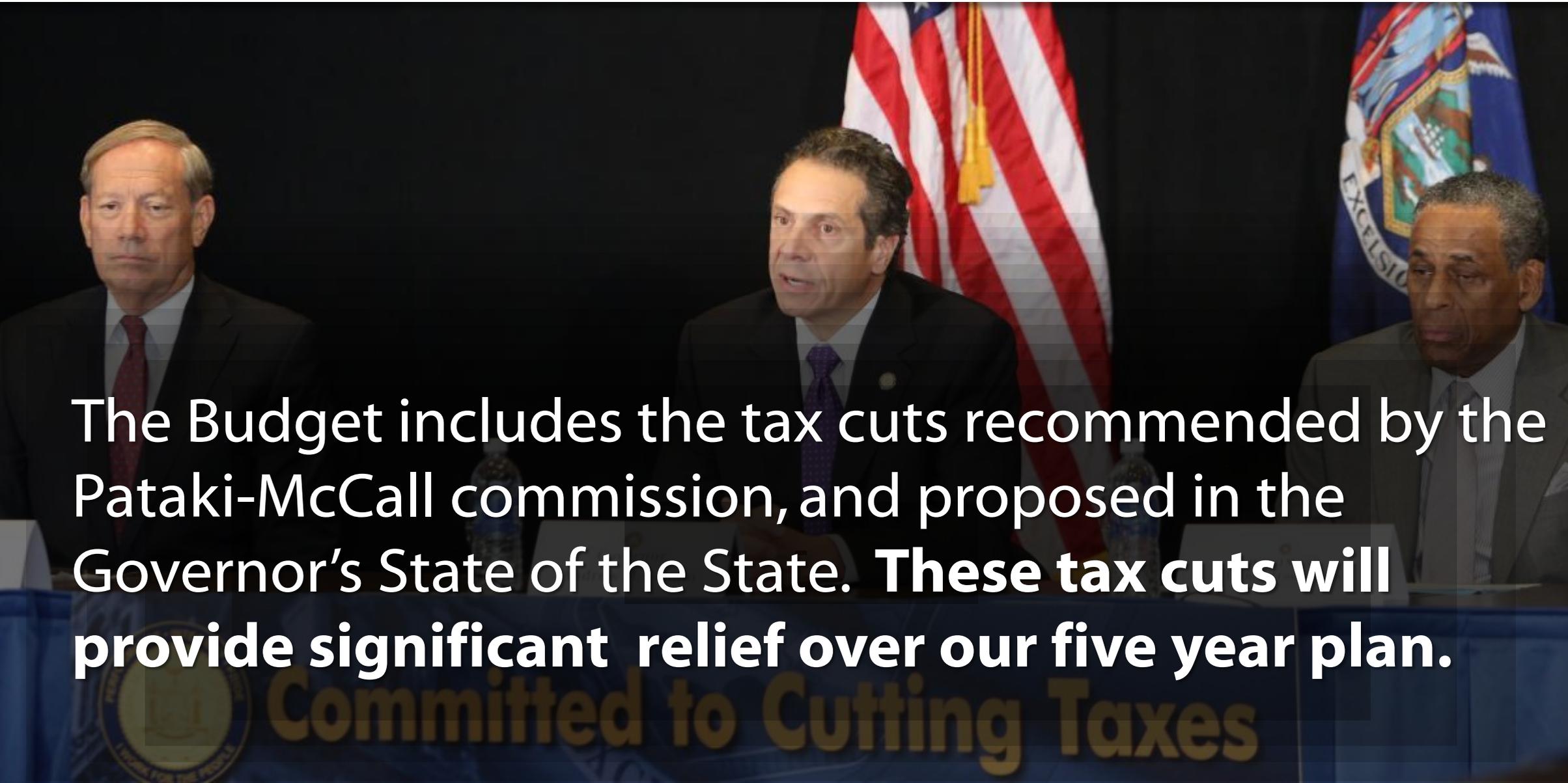
# Economic Opportunity: Budget Surpluses



For decades, we spent **a little** faster than income growth. This pattern has had **big** consequences.

## Now we're taxing and spending \$40 billion more.





The Budget includes the tax cuts recommended by the Pataki-McCall commission, and proposed in the Governor's State of the State. **These tax cuts will provide significant relief over our five year plan.**

**Committed to Cutting Taxes**



**Corporate Income Tax Cut: 7.1% - 6.5%:**  
**Tax Relief from cut and reforms: \$900 million** over financial plan.



**Manufacturers' Tax Credit: 20%** of property taxes.  
**Tax Relief: \$408 million** over financial plan.



**Upstate Manufacturers Tax Rate: Reduce to 0%.**  
**Tax Relief: \$98 million** over financial plan.



**Eliminate/Accelerate Phase-out of 18-a.**  
**Tax Relief: \$600 million** over financial plan.



Two-year **property tax freeze** for homeowners.  
**Tax Relief: \$1.85 billion** over financial plan period.  
\*\*Eligible only to homeowners living within  
localities that stay under 2% cap and reduce costs.



**Circuit breaker for households under \$200k.  
Tax Relief: \$1.7 billion over financial plan.**



**Renter's Tax Credit** for households under \$100k.  
**Tax Relief: \$1 billion** over financial plan.



**Estate Tax Reform – Move to Die Tax:  
Tax Relief: \$1.2 billion over financial plan.**

By the end of the financial plan, businesses will have saved **\$2 billion**:

Corporate Tax Cut and Reforms	\$900,000,000
Upstate Manufacturers Tax Cut	\$98,000,000
Manufacturers Property Tax Credit	\$408,000,000
18a Elimination/Phase Out	\$600,000,000
<b>Total:</b>	<b>\$2 billion</b>

Homeowners, renters individuals and families will have saved **\$5.7 billion:**

Property Tax Freeze	\$1,850,000,000
Circuit Breaker	\$1,700,000,000
Renters' Tax Credit	\$1,000,000,000
Estate Tax Relief	\$1,200,000,000
<b>Total:</b>	<b>\$5.7 billion</b>



We appointed a **Tax Simplification Commission**:  
The Budget acts on their recommendations.

## The Budget:

- Raises the income threshold required to file taxes, eliminating the need to file for 270,000 New Yorkers.
- Repeal nuisance taxes that raise little revenue:
  - ✓ Personal Income Tax Add-On Minimum Tax
  - ✓ Boxing and Wrestling Exhibitions Tax
  - ✓ Tax on Agricultural Cooperatives



**Strategic economic development:** The Budget continues bottom-up, regional approaches.



## REDCs– Round IV:

- **\$150 million** in new economic development capital funding.
- **\$70 million** in State tax credits for regional priority projects.



This year the State will continue to assist localities in reducing costs – because governments that cost less can tax less.

Phase out of local Medicaid expense growth continues:

2012-13	2013-14	2014-15	2015-16
3%	2%	1%	0%

**\$1.2 billion** in local savings in first five years.

## TOWN HALL

### Tier VI Pension Reform:

- Saving local governments and schools **\$917 million** in the first five years.
- Savings grows to **\$69 billion** over 30 years.

The Affordable Care Act increases the federal share of Medicaid payments for certain individuals.

Over the next five years, this will generate **\$2.4 billion** in local financial relief:

(millions)	2015	2016	2017	2018	2019	Total
County Savings	\$108	\$125	\$152	\$155	\$180	\$720
NYC Savings	\$257	\$299	\$361	\$370	\$428	\$1,715
<b>Total</b>	<b>\$365</b>	<b>\$424</b>	<b>\$513</b>	<b>\$525</b>	<b>\$608</b>	<b>\$2,435</b>



Preschool Special Education program costs are growing at unsustainable rates - 9 percent in New York City. Reforms will save counties and NYC **\$71 million** through 2019.



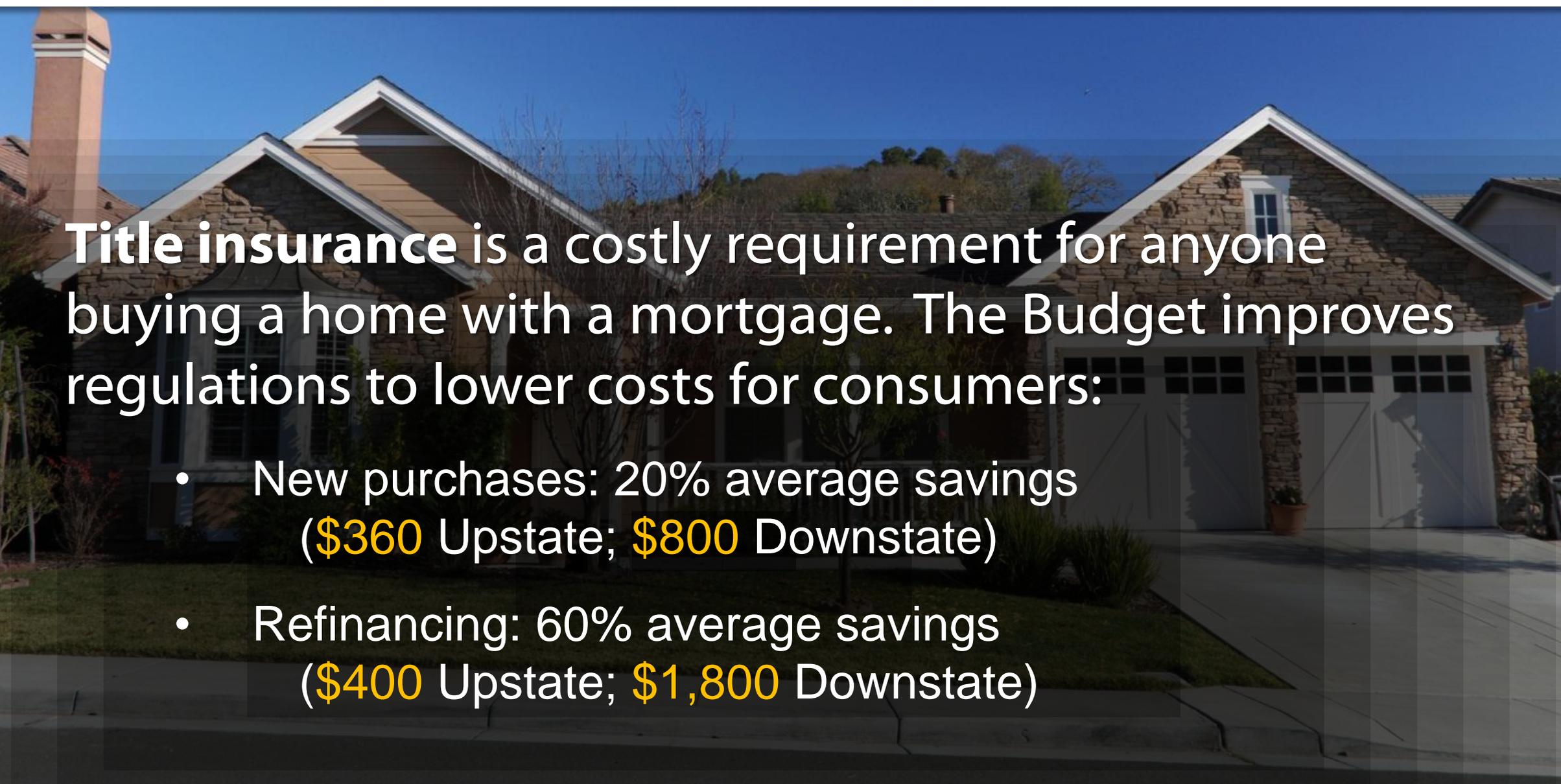
The Budget implements the New York State Protection Cloud to help local law enforcement fight crime, saving **\$12 million** in annual local costs for similar systems.

## Budget Aid to Local Governments:

- Unrestricted aid: **\$715 million**
- Financial Restructuring Board Grants: **\$80 million**
- Financial Consolidation and Restructuring Grants: **\$39 million**



The Budget includes additional measures to help **reduce costs for New Yorkers:**



**Title insurance** is a costly requirement for anyone buying a home with a mortgage. The Budget improves regulations to lower costs for consumers:

- New purchases: 20% average savings  
(\$360 Upstate; \$800 Downstate)
- Refinancing: 60% average savings  
(\$400 Upstate; \$1,800 Downstate)



**Auto insurance fraud** increases the cost of insurance by hundreds of dollars each year for all of us.

- The Budget includes reforms to curb no-fault insurance fraud – aimed at lowering premiums **\$150-\$200.**



The Budget also establishes a **Student Protection Unit** to:

- Serve as consumer watchdog for students
- Help students make financially sound decisions
- Protect students from financial fraud
- Investigate student loan abuses
- Monitor student health insurance plans

# 2014-15 Executive Budget

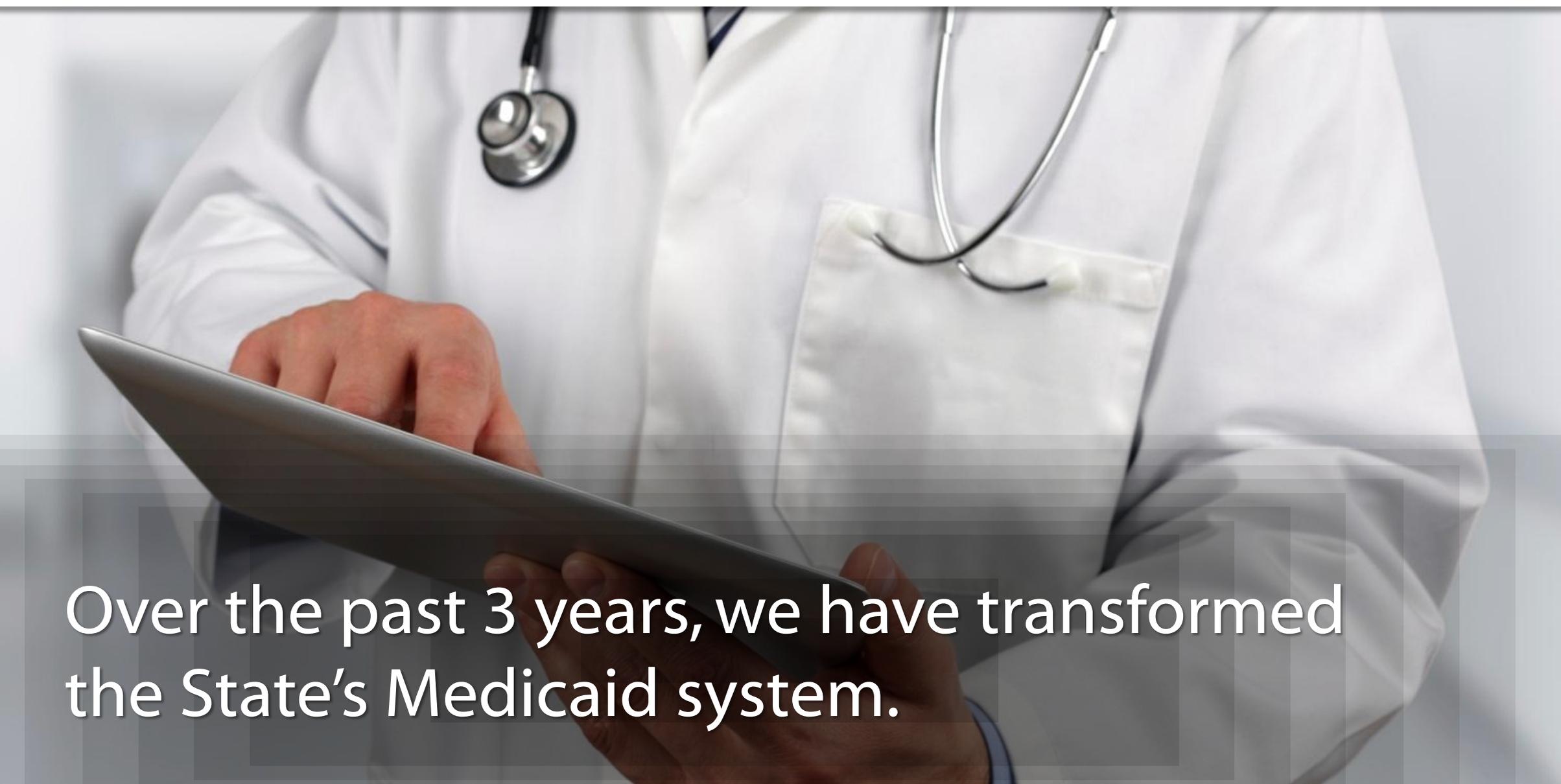


## Building on Success



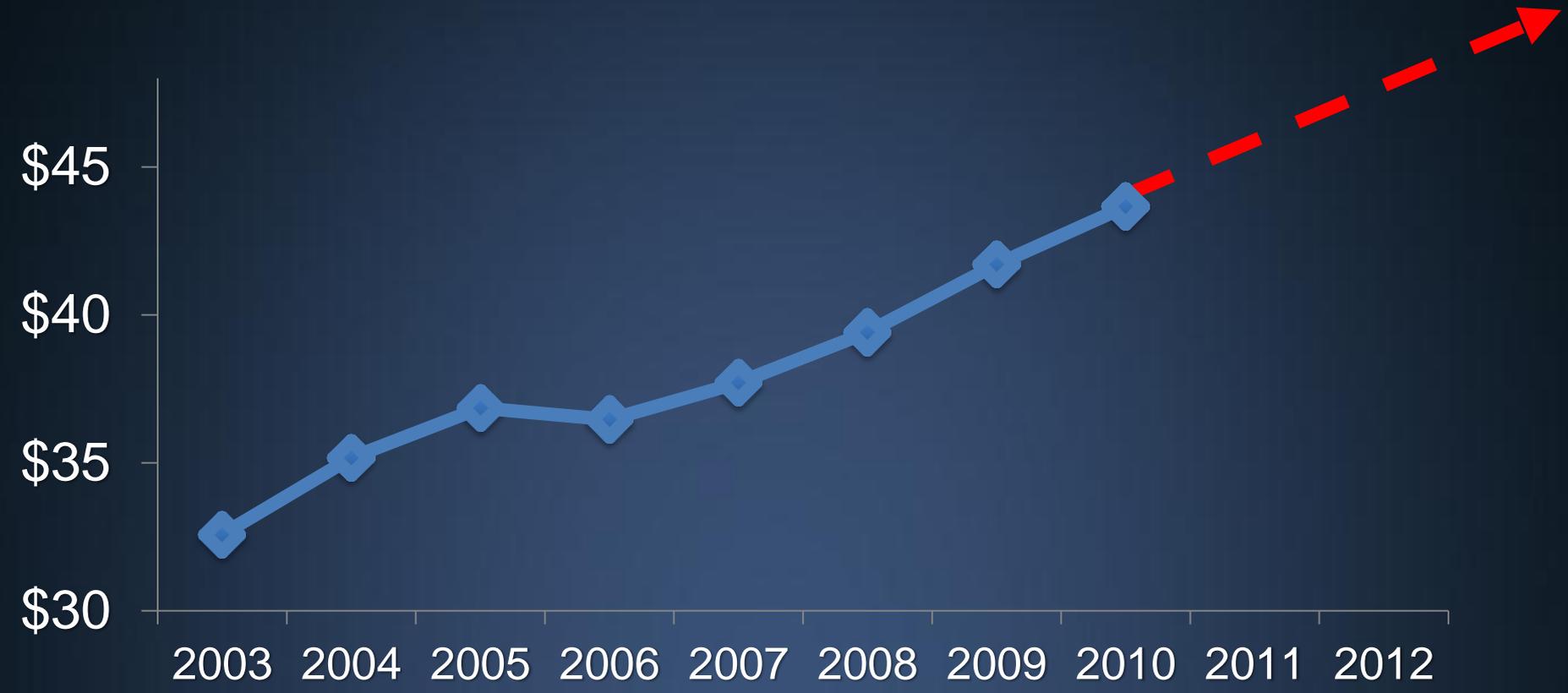
**2014-15 Executive Budget:  
Building a Healthier New York**

**NYS** |   
2014-15 EXECUTIVE BUDGET

A close-up photograph of a doctor wearing a white lab coat and a stethoscope. The doctor is holding a silver tablet computer with both hands and looking at the screen. The background is a plain, light-colored wall.

Over the past 3 years, we have transformed the State's Medicaid system.

New York used to have a Medicaid problem – spending was growing at double digit percentages:





What was worse, we were ranked only 22<sup>nd</sup> nationally in quality of care, and dead last in avoidable hospital use and cost.



It was the classic New York State government story - spend more than anyone else, yet lag behind in results.



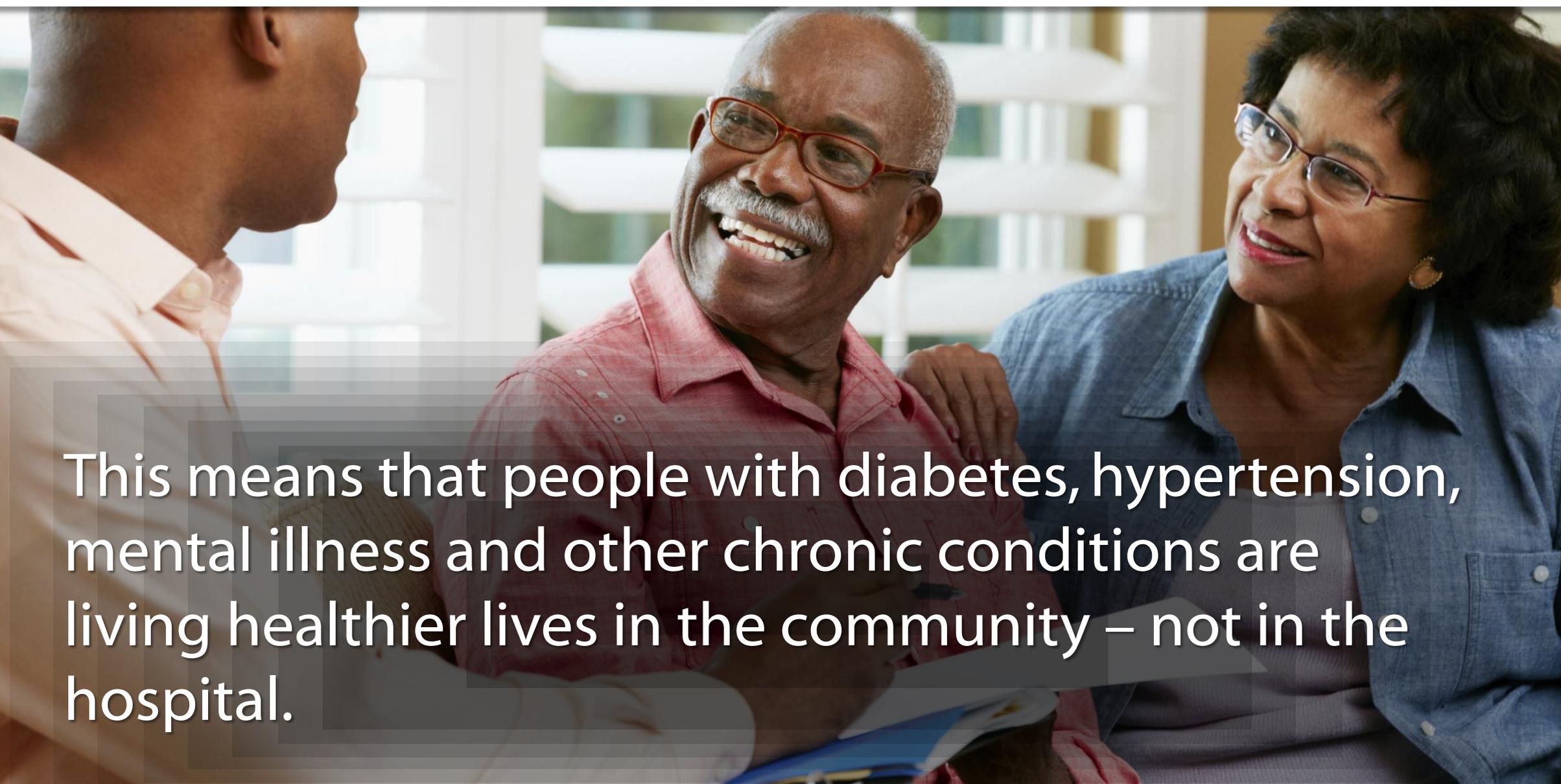
For years, attempts to reform Medicaid failed due to the divisive political culture surrounding Medicaid and State government's dysfunction.



We took a new approach - a **Medicaid Redesign Team** that brought everyone to the same table to figure out how to improve patient care, expand access and cut costs.

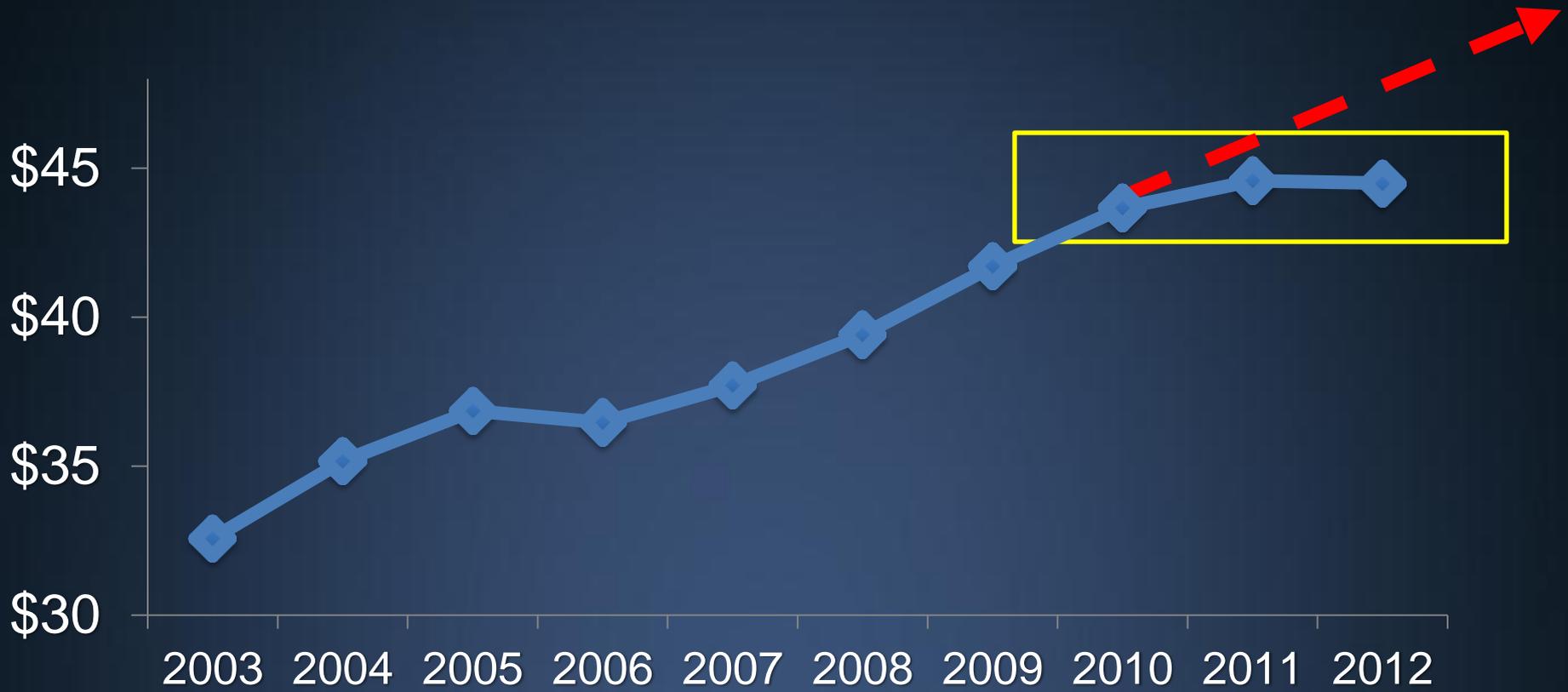
## **The MRT is working for Medicaid recipients:**

- One million more New Yorkers are getting high quality primary care, and teams of providers are working together to care for Medicaid's most needy patients.



This means that people with diabetes, hypertension, mental illness and other chronic conditions are living healthier lives in the community – not in the hospital.

**The MRT is working for taxpayers: We capped spending, and reduced costs by 6% – while enrollment increased by 10%.**





But we still have **more to do** to improve health care and make New York the healthiest state in the nation.



This Budget makes substantial new investments to enhance health care delivery in New York.



The Budget provides **\$1.2 billion** of capital funding for hospitals, clinics and long term care facilities.



This Budget includes **\$70 million** over five years to fund community-driven, regional health planning to replicate statewide the great success of the Finger Lakes Health Systems Agency.



This Budget also provides **\$65 million** to establish a statewide electronic medical record system and additional technology solutions that will help improve quality and reduce costs.

A photograph of two women in a meeting. On the left, a Black woman with her hair in a ponytail, wearing a purple top, is looking towards the right. On the right, a white woman with short grey hair, wearing a red top, is smiling and looking back at the Black woman. They appear to be in a professional setting, possibly a hospital or office, with a window in the background.

The Budget enacts reforms to help New Yorkers avoid unexpected and unavoidable "out of network" surprise health care costs – that often mean tens of thousands of dollars in medical bills.



These investments demonstrate that the Empire State is doing its part.



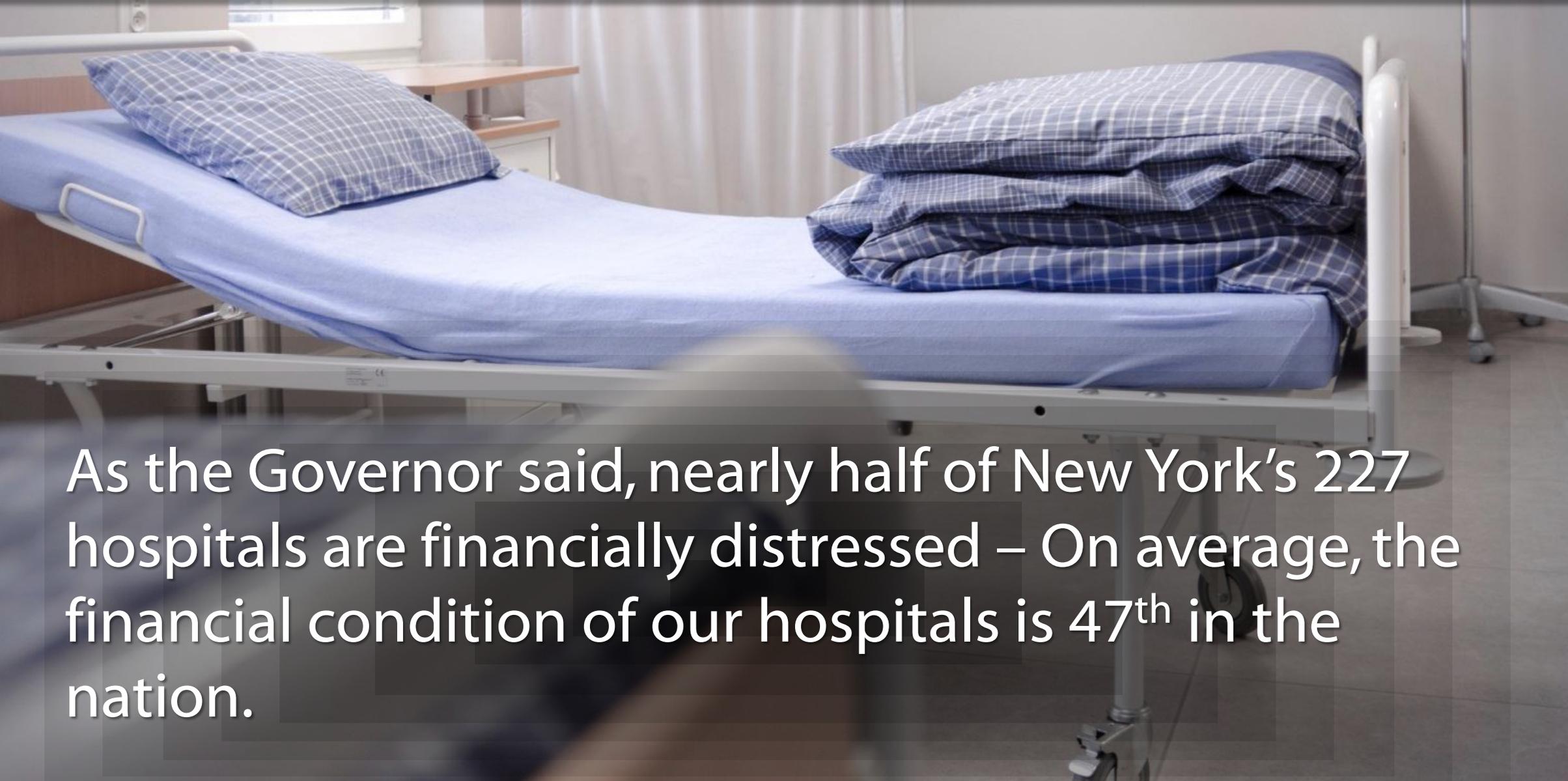
But to transform failing hospitals, expand primary care, and get the right mix of community-based services, **the Federal government needs to approve the \$10 billion Medicaid Waiver we submitted 18 months ago.**

California - \$10 billion waiver:  
Approved in 6 months

Yours - \$10 billion waiver:  
Not approved and still waiting.

Texas - \$10 billion waiver:  
Approved in 5 months.

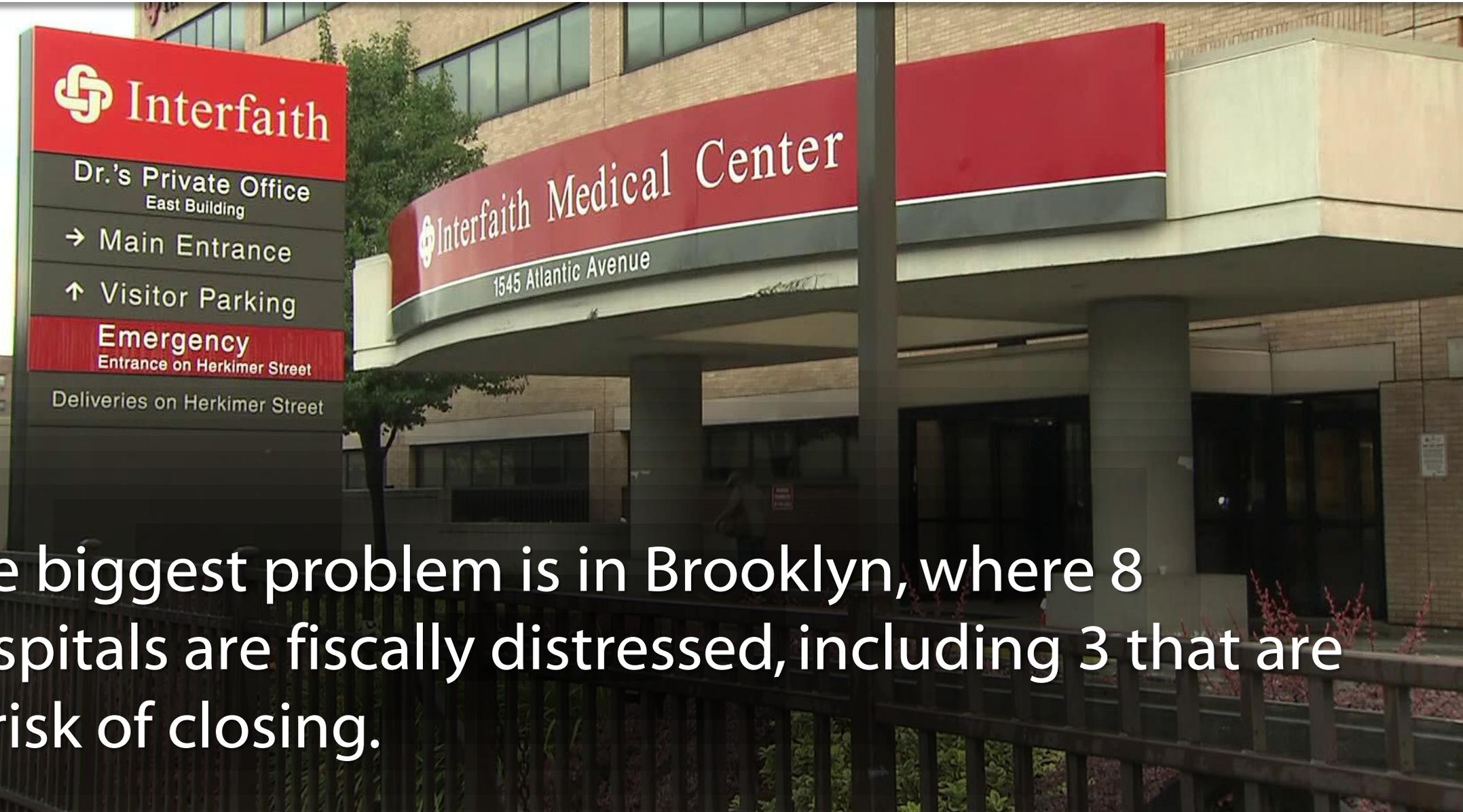




As the Governor said, nearly half of New York's 227 hospitals are financially distressed – On average, the financial condition of our hospitals is 47<sup>th</sup> in the nation.



**Upstate:** Vital health services in the North Country are at risk. Lake Shore Hospital in Chautauqua County and St. Francis in Poughkeepsie are on the verge of financial ruin.



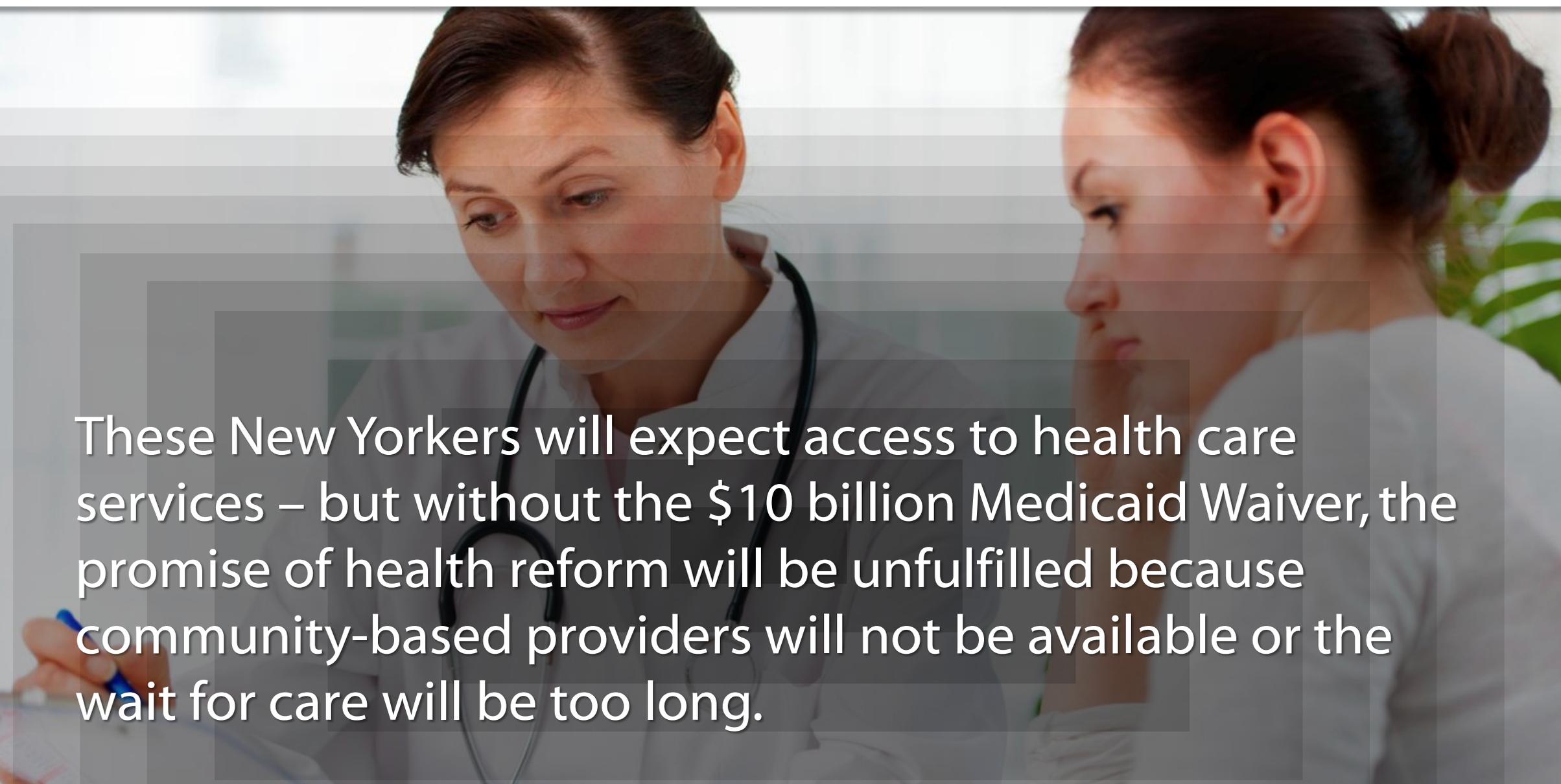
The biggest problem is in Brooklyn, where 8 hospitals are fiscally distressed, including 3 that are at risk of closing.



**The reality is this:** If the Federal government continues to delay our waiver, hospitals in Brooklyn and statewide will close very soon.



But that is not all: Our Health Exchange has enrolled nearly 330,000 people – and we expect more than one million will sign up within three years.



These New Yorkers will expect access to health care services – but without the \$10 billion Medicaid Waiver, the promise of health reform will be unfulfilled because community-based providers will not be available or the wait for care will be too long.



It's a simple fact: the unreasonable delay is **endangering New York's entire health care system**, not only for hospitals in Brooklyn, but throughout the State.



We have made great progress on making New York State healthier. The Budget builds on our success.

We will continue to control costs, while improving the quality of care.

We will continue to run the most successful health insurance exchange in the nation.

We will enable regionally-driven solutions to health care challenges.



And we will, in partnership with the Federal government, ensure access to vital health services throughout the State.

# 2014-15 Executive Budget



## Building on Success

# 2014-15 Executive Budget: Environment and Parks





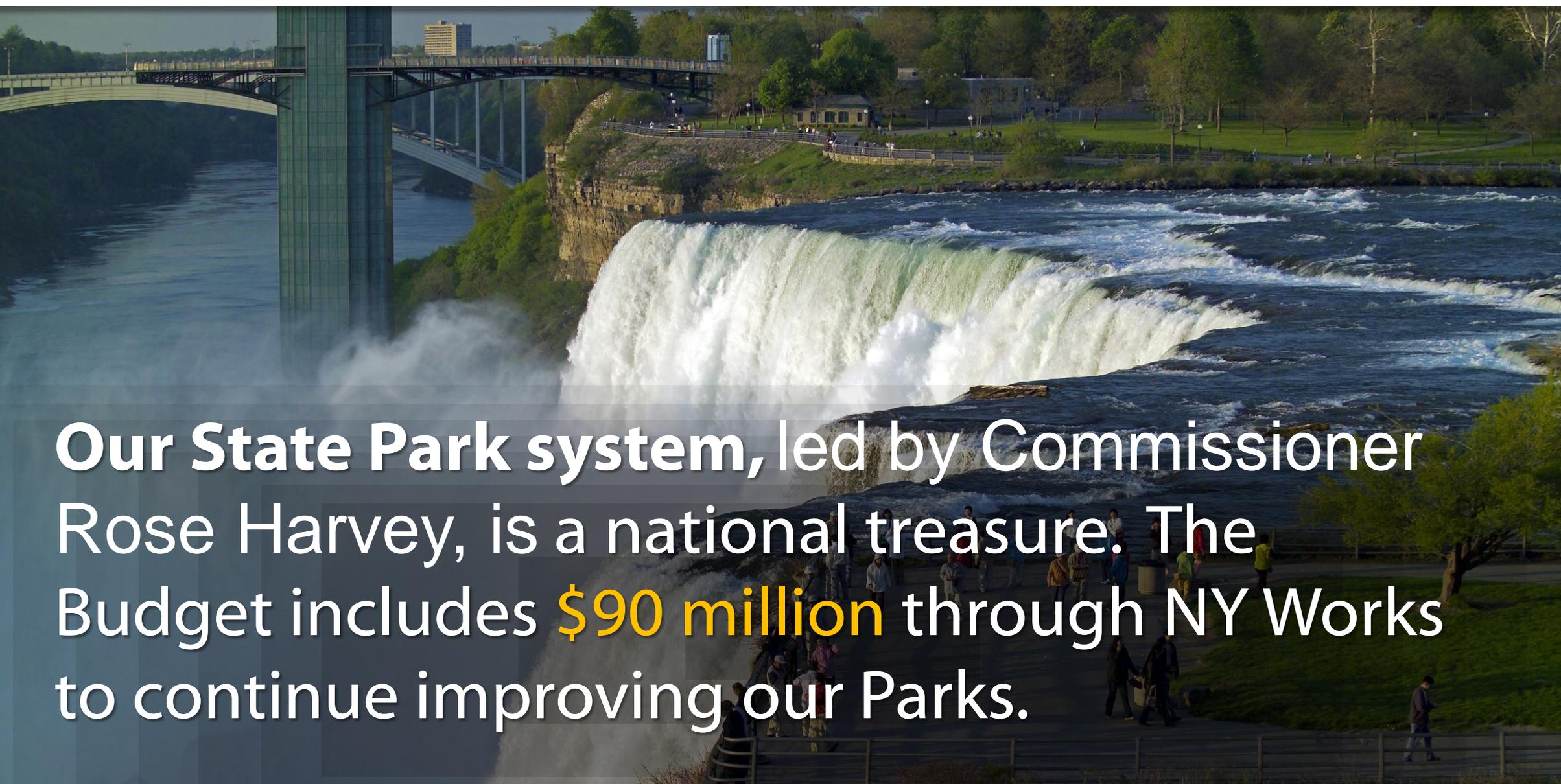
This Budget continues the State's investments in protecting New York's environment and making the state a cleaner, and greener place for our residents and visitors to enjoy.



The **Environmental Protection Fund** sustained years of cuts. Last year, for its 20<sup>th</sup> anniversary, we increased funding. This Budget reaffirms our commitment with **\$157 million.**



The Budget also includes **\$40 million** of NY Works capital funds for a host of environmental infrastructure needs.



**Our State Park system, led by Commissioner Rose Harvey, is a national treasure. The Budget includes **\$90 million** through NY Works to continue improving our Parks.**



Since 2011, we have opened tens of thousands acres of land to the public, from the Essex Chain of Lakes in the Adirondack Park to boating access in Peconic Bay.



Outdoor recreation pumps **\$9 billion** into the State's economy and we're going to invest in projects that will make this number grow.

50 new  
access projects:

The Budget provides **\$6 million to make State-owned properties accessible** for hunting, fishing, boating, and other activities.



## These include projects at:

- Rocky Point Natural Resource Management Area (Suffolk)
- Stewart State Forest (Orange)
- Looking Glass Pond (Schoharie)
- Meacham Lake Campground/ Debar Mountain Wild Forest (Franklin)
- Black River Wild Forest (Herkimer)
- Spicer Creek Wildlife Management Area (Erie)

The Budget **builds on our NY Open for Hunting and Fishing efforts**, including measures to reduce costs for hunters and anglers and promote tourism. The Budget:

- Invests \$4 million for improvements to fish hatcheries
- Introduces promotional price days for sporting licenses and additional free fishing days
- Creates discounted 3- and 5-year sporting licenses
- Reduces the price of 7-day fishing licenses
- Authorizes crossbow hunting in New York State



A critical part of the DEC's mission is **cleaning up** contaminated land and water to protect public health, remove barriers to redevelopment, and put properties back into productive use.



**The Brownfields Cleanup Program** expires in 2015. We have cleaned up more than 150 sites, but even with the 2008 reforms the tax credits are too expensive and not limited to sites that need incentives for redevelopment.

## Our **Brownfield reforms** will:

- Focus incentives on sites which need them or are priority economic development projects
- Provide bonus credits for projects that create affordable housing or are in blighted urban areas
- Simplify the program
- Extend the tax credits for 10 years



The Budget also provides **\$100 million to extend Superfund**, our flagship remediation program, to ensure that the State's most contaminated sites are cleaned up.



This includes **\$10 million** to help clean-up municipally-owned Brownfields so they can be put back into productive use and back on the tax rolls.

New York State has reduced the cap on carbon dioxide emissions in the RGGI Program by 45%. Richard Kauffman and NYSERDA will invest the auction proceeds in our programs to support a cleaner New York:

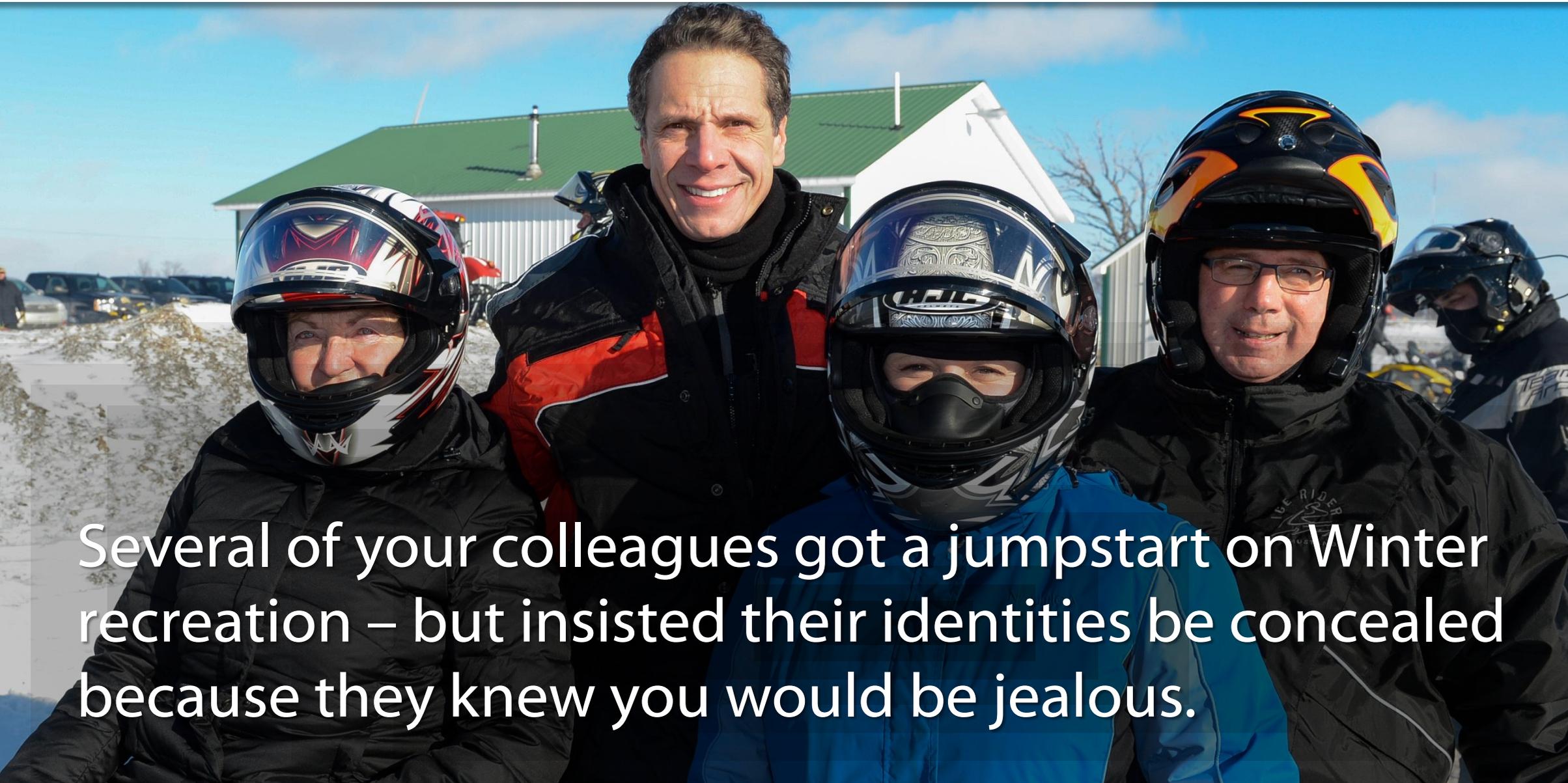
- \$1 billion NY Green Bank
- Cleaner Greener Communities
- Renewable Heat NY
- NY Sun

The Budget includes **\$9.4 million** for Olympic Regional Development Authority infrastructure improvements.



Winter tourism season is upon us. We'd like to invite you to a mid-February visit to ORDA's Olympic facilities in Lake Placid and Wilmington for hiking, skiing, and snowmobiling.





Several of your colleagues got a jumpstart on Winter recreation – but insisted their identities be concealed because they knew you would be jealous.

# Executive Budget: Winter Tourism



I'm offering a **special prize** for anyone who can guess their identities.

## 2014-15 Executive Budget:

- EPF
- NY Works
- NY Open for Fishing and Hunting
- Brownfields/Superfund
- RGGI
- ORDA

# 2014-15 Executive Budget



## Building on Success



# 2014-15 Executive Budget: Building a More Resilient NY

**NYS** |   
2014-15 EXECUTIVE BUDGET



**Extreme Weather is the New Reality**  
**9 Federally-Declared Disasters in 3 Years**  
**= 1 every 4 months**

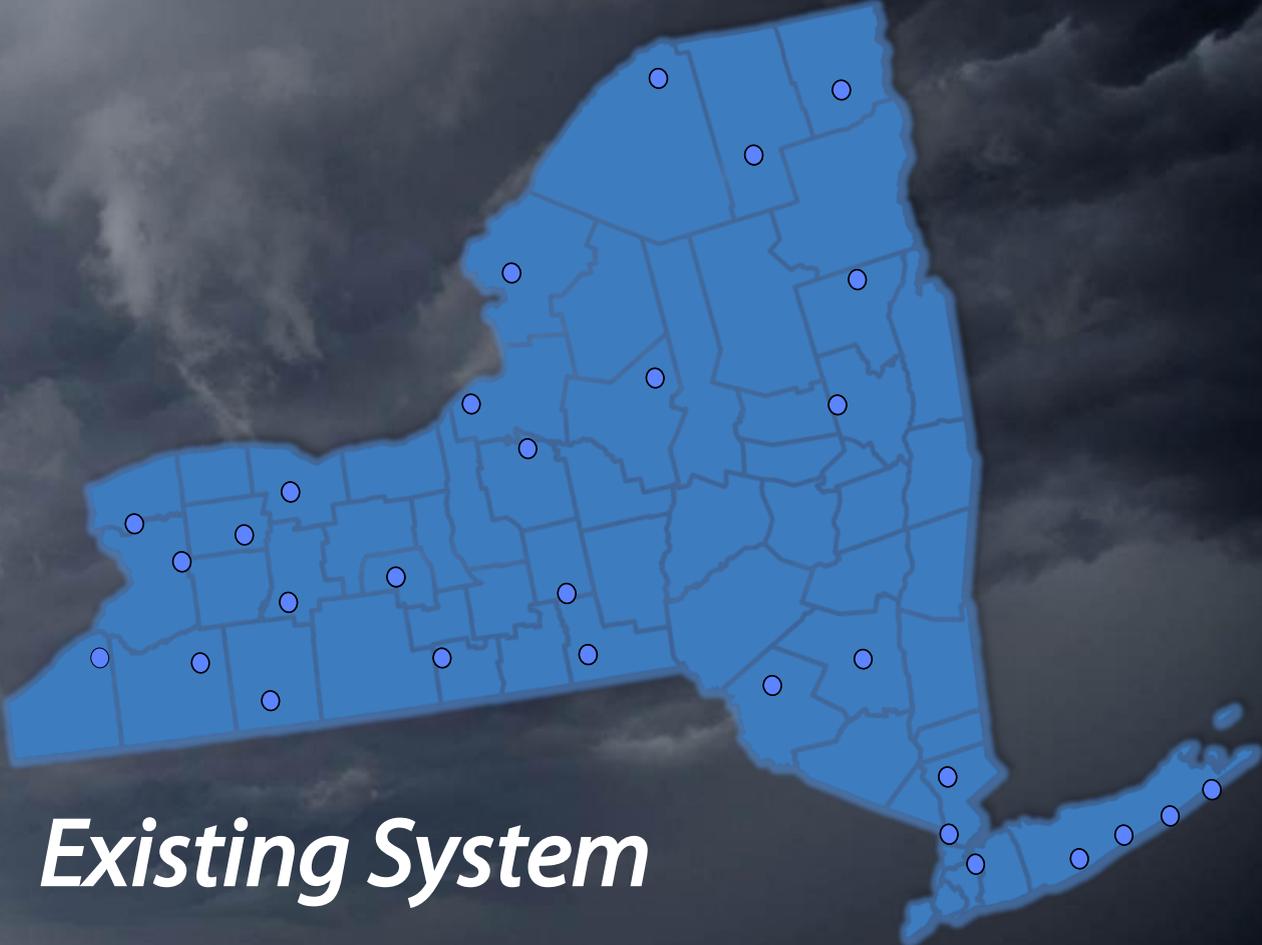
## Across the Board Overhaul:

- Weather Detection
- Transportation-Transit/Bridges/Airports
- Energy
- Waste Water System Protection
- Coastal Protection
- Home Construction
- Community Reconstruction Programs
- Emergency Management and Response



Anticipated Federal Aid: **\$16 billion**  
State Funds: **\$26 million**

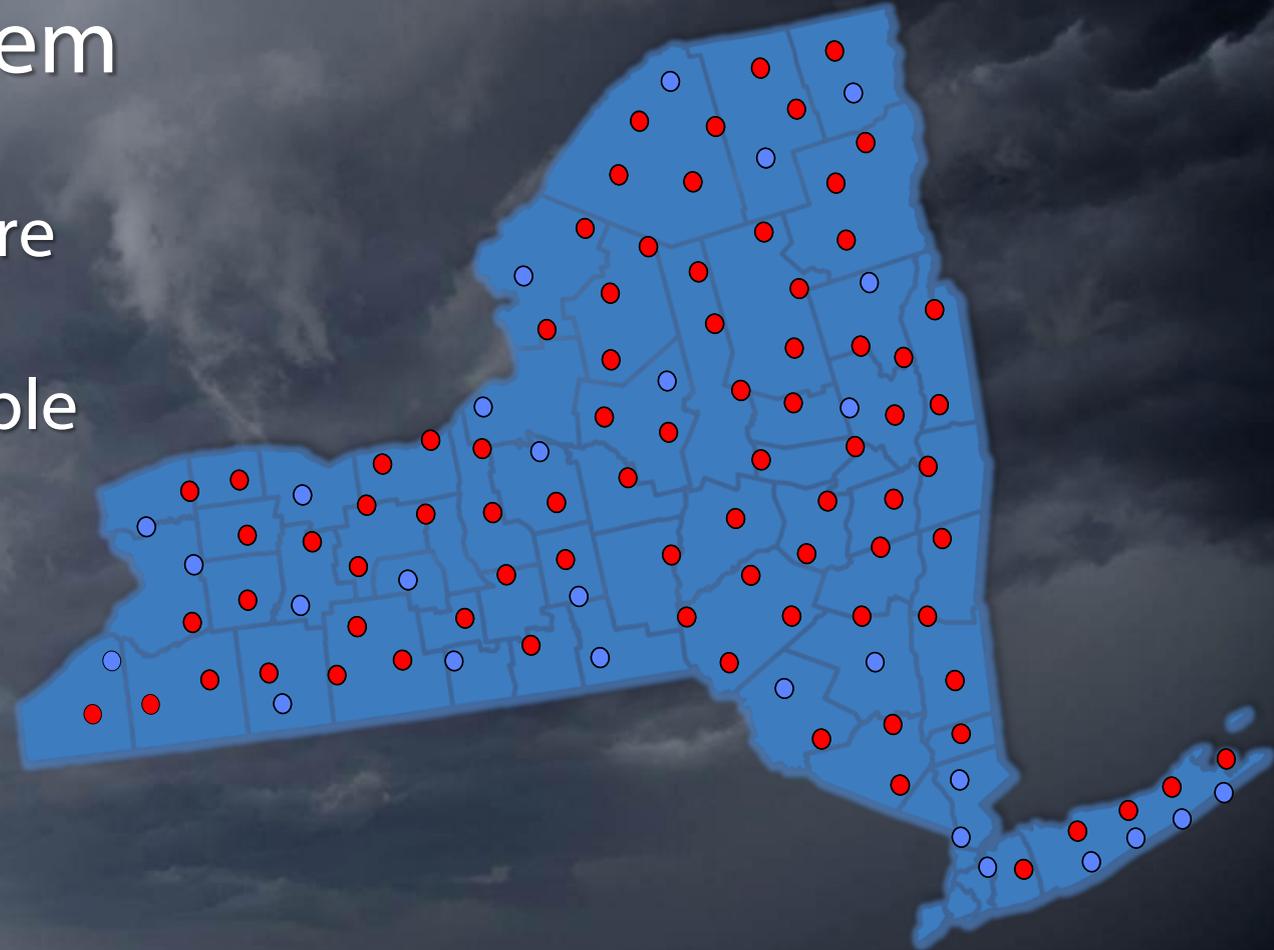
# Our Current Weather Detection System is Inadequate



*Existing System*

## \$18.7 million to Create The Nation's Most Advanced Weather Detection System

- Cover the Entire State with More Sophisticated Capabilities
- More Accurate and More Reliable Reporting Every 1-15 Minutes



## **\$18.7 million** to Create The Nation's Most Advanced Weather Detection System

- **Cover the Entire State with More Sophisticated Capabilities**
- **More Accurate and More Reliable Reporting Every 1-15 Minutes**
- **A Real-Time Comprehensive Network for Communities Across the State**
- **125 Stations Monitor Changes in Air, Soil, Wind and Ice**

## MTA New York City Transit

## MTA Bus Company

### 8 Subway Stations with Major Flood Damage:

- South Ferry, Whitehall
- 148<sup>th</sup> St.
- 207<sup>th</sup> St.
- Dyckman Beach
- 116<sup>th</sup> Station
- 86<sup>th</sup> St.
- Sea Beach
- Stillwell

**Staten Island Railway Maintenance Shop – major flood damage**

### Flooded Tunnels/Tubes:

- 9 subway tubes
- Queens-Midtown and Hugh L. Carey vehicular tunnels
- 2 of Amtrak's East River tunnels used by LIRR flooded

**Train yards and bus depots with significant flood damage**

**Rockaways track washout**

## MTA Long Island Rail Road

- Flooded East River Tunnels
- Flooded West Side Yard
- Extensive Power/Comm/Signal Damage

## MTA Metro-North Railroad

- 50% of Hudson line submerged
- Harmon yard flooded
- Extensive Power/Comm/Signal Damage

## MTA Bridges and Tunnels

- Flooding of Hugh L. Carey Tunnel
- Flooding of Queens Mid-town tunnel
- Destruction of Marine Parkway and Cross Bay Bridge Seawalls

# Every Facet of the Transit System Impacted

# Most Massive Reconstruction of the Subway System since it was Built 110 Years Ago

- Protecting Train Yards
- Upsizing Pumps and Creating Ventilation Closures
- Retrofitting Stair Openings
- Devising Unique Seals for the 540 Subway Openings in Lower Manhattan Alone to Keep Water Out

**Total: \$5 Billion**

Metro-North is particularly vulnerable in emergencies.

One bridge into New York carries 280K riders daily and only has access to Grand Central.



Invest up to **\$1 billion of federal funds** in a new Metro- North spur with direct access to Penn Station

Adds 4 new stations in the Bronx, in an area underserved by transit.





**NY Bridges Are Built to Old Standards**

Invest **\$486 Million** to  
repair/replace  
more than **100**  
Bridges with  
state-of-the-art  
flood-resistant  
construction

## WESTERN NEW YORK

- Route 240 over Buffalo River
- Route 39 over Cattaraugus Creek
- Route 78 over Gill Creek & Black Creek
- Route 62 over Mud Creek
- Route 20 over Tonawanda Creek
- Route 5 over Tonawanda Creek
- Route 78 over East Koy Creek

Invest **\$486 Million** to  
repair/replace  
more than **100**  
Bridges with  
state-of-the-art  
flood-resistant  
construction

## SOUTHERN TIER

- NYS Route 10 over Platner Brook
- NYS Route 97 over Tributary to Pea Brook
- NYS Route 97 over Pea Brook
- NYS Route 97 over Pea Brook
- NYS Route 17C over Patterson Creek
- NYS Route 17C over Campville Creek
- NYS Routes 26 and 79 over the Tioughnioga River
- NYS Route 96 over Catatonk Creek

Invest **\$486 Million** to  
repair/replace  
more than **100**  
**Bridges** with  
state-of-the-art  
flood-resistant  
construction

## CENTRAL NY

- Route 392 over Ext Gridley Creek
- North Burdick Street over Old Erie Canal
- Route 38A over Sucker Brook

Invest **\$486 Million** to  
**repair/replace**  
**more than 100**  
**Bridges** with  
state-of-the-art  
flood-resistant  
construction

## NORTH COUNTRY

- NY Route 73 over Johns Brook
- NY Route 73 over Johns Brook Overflow
- NY Route 73 over Beede Brook
- NY Route 73 over East Branch Ausable River
- NY Route 73 over East Branch Ausable River
- NY Route 73 over Beede Brook
- NY Route 73 over West Branch Ausable River
- NY Route 73 over West Branch Ausable River
- NY Route 73 over Cascade Lake Outlet
- NY Route 9N over West Branch Ausable River
- I-87 SB over Little Ausable River
- I-87 NB over Little Ausable River
- I-87 SB over Salmon River
- I-87 NB over Salmon River

Invest **\$486 Million** to  
**repair/replace**  
**more than 100**  
**Bridges** with  
state-of-the-art  
flood-resistant  
construction

## MOHAWK VALLEY

- NY Route 168 over Tributary to Otsquago Creek
- NY Route 168 over Otsquago Creek
- NY Route 28 over Multanner Creek
- Route 8 over West Canada Creek
- NY Route 315 over Big Creek
- NY Route 315 over Oriskany Creek
- Route 291 over Nine Mile Creek
- Dustin Road over Kayuta Lake
- NYS Route 28 over Herkimer Creek
- NYS Route 80 over Butternut Creek

Invest **\$486 Million** to  
repair/replace  
more than **100**  
Bridges with  
state-of-the-art  
flood-resistant  
construction

## HUDSON VALLEY

- NY Rt. 28 over Esopus Creek
- NY Rt. 28 over Esopus Creek
- NY Rt. 42 over Bushnellville Creek
- US Rt.44/NY Rt. 55 over Mara Kill
- NY Rt. 52 over Verkeerder Kill
- US Rt. 209 over Rochester Creek
- NY Rt. 55 over Rondout Creek
- NY Rt. 212 over Beaver Kill
- NY Rt. 213 over Rondout Creek
- NY Rt. 55 over Jackson Creek
- NY Rt. 82 over Sprout Creek
- NY Rt. 82 over Sprout Creek
- NY Rt. 199 over Sawkill Creek
- NY Rt. 52 over Tin Brook
- NY Rt. 42 over Shingle Kill
- NY Rt. 52 over Dwaar Kill
- NY Rt. 52 over Quassaic Creek

Invest **\$486 Million** to  
repair/replace  
more than **100**  
Bridges with  
state-of-the-art  
flood-resistant  
construction

## HUDSON VALLEY, Cont'd.

- NY Rt. 97 over Shingle Kill
- NY Rt. 17K over Shawangunk Kill (Tributary)
- NY Rt. 211 over Unnamed Stream (Harvey Roe Brook)
- NY Rt. 211 over Wallkill River
- US Rt. 9W over Rockland Lake Outlet (E. Branch Hackensack River)
- US Rt. 9 over Dickey Brook
- E. 3rd St. over NY 907W (Hutchinson River Pkwy) and Hutchinson River
- NY 907W (Hutchinson River Pkwy) over Hutchinson River
- NY 987D (SawMill River Pkwy) over SawMill River
- NY 987D (SawMill River Pkwy) over SawMill River
- NY 987D (SawMill River Pkwy) over SawMill River
- NY 987D (SawMill River Pkwy) over Kisco River
- EHPA over Hutchinson River
- NYS Route 52 over Panther Rock Creek
- NYS Route 52 over Laundry Brook
- NYS Route 97 over Beaver Brook

Invest **\$486 Million** to  
**repair/replace**  
**more than 100**  
**Bridges** with  
state-of-the-art  
flood-resistant  
construction

## LONG ISLAND

- Meadowbrook Parkway over False Channel
- Meadowbrook Parkway over Fundy Channel
- Meadowbrook Parkway over Sloop Channel
- Loop Parkway over Long Creek
- Robert Moses Causeway over Fire Island Inlet
- Southern State Parkway over Hempstead Lake
- Robert Moses Causeway (southbound) over State Boat Channel
- Robert Moses Causeway (northbound) over State Boat Channel



**We built waste water plants at vulnerable locations on the water**

**Failures caused over 10 billion gallons of sewage  
to spill into regional waterways**

**The New York Times**

**Sewage Flows After Storm Expose Flaws in System**

**DAILY NEWS**

**Hurricane Sandy Released 10 Billion Gallons of  
Sewage Into NY and NJ Waterways**

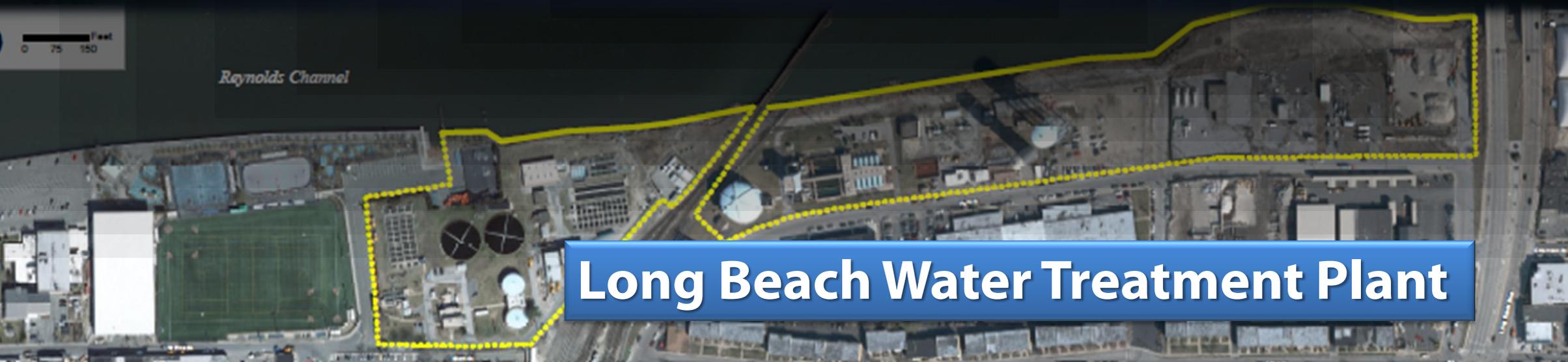
**WARNING!**

**Sewage Spill**

**Do NOT  
Enter**

# \$1.6 Billion in Water System Improvements

- Dikes, Levees, Movable Flood Walls
- Protect Against 500-Year Storm
- Account For Anticipated Sea Level Rise





Approximately 90% of New Yorkers live within 5 miles of coastlines and waterways.





Some communities – like Oakwood Beach, Staten Island – are so close to the shore, they can't be protected.



We are buying out 321 homes at a cost of \$160 million and returning the area to natural buffer.

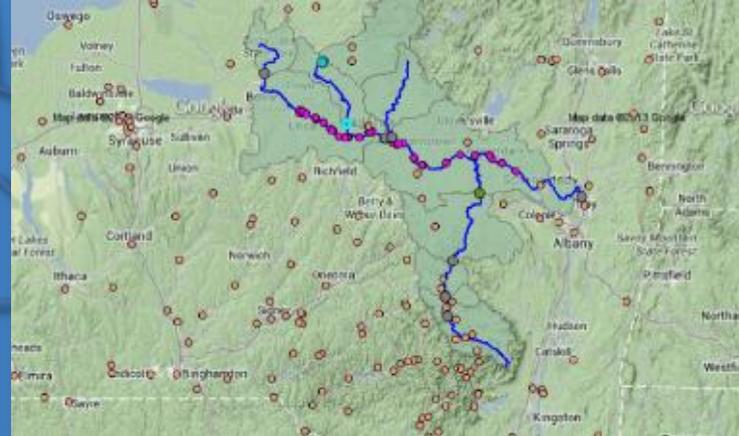
## Staten Island Natural Infrastructure Protection



Shielding Inland Neighborhoods from Surge Threat

- Tide Gates
- Maritime Forest
- Breakwater Reef
- Tidal Wetlands
- Earthen Levees
- 2 Miles of Walkways and Wildlife Observation Points
- **\$165 million**

Dozens of protection projects across the state



**Erie Canal: Flood Warning System Will Protect 26 Counties**

**Total: \$2 Billion**



**New York Has Outstanding First Responders**

## We Have Strengthened our Emergency Preparedness

- Resiliency Institute – SUNY, NYU, Cornell
- Launched first-ever NYS Emergency Management Certification and Training Program with SUNY
- First state in nation to establish Strategic Fuel Reserve

**We will take additional steps to build a world-class emergency response network**



**\$15 Million** for first-in-the nation **College of  
Emergency Preparedness, Homeland  
Security and Cybersecurity at SUNY**

Have begun to implement the most extensive backup power system for gas stations in the nation.



**\$3.1 million** to extend the program statewide to cover all gas stations within half mile of critical highways and evacuation routes Upstate.





**\$3 million** for Citizen First Responder Corps:  
Most Trained and Prepared Citizens in the U.S.



**Vice President Biden:** “ ..Rebuilding New York, reimagining a future is exactly what we have to do... That’s the kind of thinking we need around the country.”

# **Building Back Better**

**Most Advanced Weather Detection**

**Best Protected Transit and Bridges**

**Most Extensive Coastal and Flood Protection Program**

**Most Comprehensive Backup Fuel System**

**Best Trained Citizen Responders**

**First School of Emergency Preparedness and Homeland Security**

***New York Will Lead the Way***

# 2014-15 Executive Budget



## Building on Success

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## Building on Success