



**2015** | **Opportunity  
Agenda**

**2015 State of the State  
Governor Andrew M. Cuomo**



# Contents

<b>1. Economic Opportunity for All New Yorkers.....</b>	<b>16</b>
PART ONE: REDUCING TAXES.....	17
1. Cut Taxes for Small Businesses .....	22
2. Launch a New \$1.6 billion Property Tax Relief Program for Those Who Need it Most.....	22
3. Continue the State’s Fiscally Responsible Budgeting ....	23
4. Make the Tax Cap Permanent.....	24
5. Launch a \$150 Million Local Government Efficiency Fund .....	24
6. Organize a Summit of Local Leaders to Develop Tax Saving Plans.....	25
PART TWO: A MORE EFFICIENT STATE GOVERNMENT.....	25
7. Use “Lean” to Streamline Government Operations and Build a Culture of Continuous Improvement .....	30
8. Launch NY Performs for Public Accountability and Results.....	32
9. Improve the DMV Experience for a New Model for Customer Service .....	33
10. Establish a Risk Management Effort.....	35
11. Roll Out 2015 Technology and Innovation Roadmap ..	37
PART THREE: REBUILDING A <i>NEW</i> NEW YORK .....	42
12. Revitalize Our Airports .....	46
13. Extend an “Air-Train” to LaGuardia Airport.....	48

14. Build New Metro-North Stations in the Bronx and Extend Access to Penn Station.....	49
15. Invest in the New NY Bridge and Stabilize the NY Thruway .....	51
16. Bridge the Digital Divide with Broadband .....	51
17. Commit to Universal High-Speed Broadband Access by 2018.....	57
18. Reimagine our Classrooms for the 21 <sup>st</sup> Century.....	59
19. Make Critical Infrastructure Investments.....	61
20. Rebuild the New York State Fair Grounds and Surrounding Community.....	62
21. Invest in Fort Drum and Nearby Infrastructure.....	63
22. Pursue Bus Rapid Transit along the I-287 Corridor.....	64
23. Expand Access to Mixed Use Development and Public Transit Commuter Parking .....	65
24. Develop a Comprehensive Statewide Freight Plan.....	65
25. Extend Design-Build.....	66
PART FOUR: NEW YORK IS WORKING.....	67
26. Fund a 5 <sup>th</sup> Year of Regional Economic Development Councils.....	72
27. Launch Regional Economic Cluster Program .....	72
28. Launch \$1.5 Billion Upstate New York Economic Revitalization Competition.....	75
29. Launch 76West, a Clean Energy Business Competition in the Southern Tier.....	78

30. Strengthen the Agricultural Industry.....	79
31. Bring Upstate Agriculture to Downstate Markets.....	80
32. Protect Dairy Farmer Margins.....	81
33. Extend the Reach of Taste NY.....	83
34. Support and Grow the Small Businesses Sector.....	86
35. Create NY Business Express, a One-Stop Shop for Small Businesses .....	86
36. Host a New Small Business Summit.....	88
37. Appoint a NYS Chief Small Business Officer.....	89
38. Create Supply Chain Support for Small and Medium- Sized Enterprises.....	90
39. Expand Tourism throughout the State.....	91
40. Support the State’s Recreational Attractions and Sports Tourism.....	94
41. Focus on the ADK Tourism Economy.....	95
PART FIVE: GLOBAL NEW YORK.....	96
42. Create Global NY Export/Import Development Program .....	97
43. Conduct Trade Missions to Enhance Relationships with Top Trading Partners.....	98
44. Lead a Special Trade Mission to Cuba.....	98
PART SIX: A MORE SUSTAINABLE NEW YORK.....	100
45. Restore the Environmental Protection Fund.....	101
46. Expand and Protect Agriculture in the Southern Tier and Hudson Valley.....	102

47. Invest in Wastewater Treatment.....	103
48. Reform Brownfield Program to Revitalize Polluted Landscapes .....	104
49. Protect New York from the Boom in Crude Oil Transportation.....	106
50. Improve New York’s Resiliency in the Face of Climate Change .....	110
51. Launch the Climate Smart NY Initiative.....	112
52. Continue the Recreate NY Home Buyout Program ...	114
53. Promote and Conserve New York’s Outdoor Resources .....	115
54. Create the Excelsior Conservation Corps .....	117
55. Expand “NY Open for Fishing and Hunting” Initiative	120
56. Promote Protected Landscapes and Thriving Communities in the Adirondacks.....	121
57. Facilitate Infrastructure Repair and Improvements in the Adirondacks.....	124
58. Prevent the Spread of Invasive Species in the Adirondacks.....	124
59. Improve the Quality-of-Life for Adirondack Residents .....	125
60. Revitalize and Redevelop Communities in the Adirondacks and Catskills.....	127
61. Grow New York’s Forest Products Industry.....	128
PART SEVEN: REFORMING THE ENERGY VISION .....	131

62. Commit \$5 Billion to New York’s Clean Energy Fund.	135
63. Expand Battery R&D at the Brookhaven National Laboratory.....	136
64. Build the Advanced Grid Innovation Laboratory for Energy.....	138
65. Enact Sweeping Changes for Utility Compensation...	141
66. Challenge Technology Providers to Build the Energy Future Today.....	142
67. Broaden Access to the Benefits of Solar .....	143
68. Review and Reform NYISO.....	144
69. Host a Global Clean Energy Event Series.....	148
70. Launch Clean Fleets NY .....	149
71. Launch the New York State Community Partnership	151
PART EIGHT: ECONOMIC MOBILITY FOR ALL NEW YORKERS.....	153
72. Expand the Unemployment Strike Force to the Top Ten Highest Areas of Unemployment.....	154
73. Create the Rochester Anti-Poverty Initiative.....	156
74. Raise the Minimum Wage .....	157
75. Ensure Availability of Emergency Food.....	158
76. Expand Participation in “Out of School” Time Meals	160
77. Reduce the Stigma of Free Meals in Low-Income Schools.....	162
78. Encourage Connections between Farmers and Local Schools.....	163
79. Create More Affordable Housing .....	168

80. Double Tax Credit to Increase Inner City Youth Employment .....	169
81. Increase MWBE Opportunities to 30 percent.....	170
82. Continue Assistance for Veterans.....	172
83. Enact the ‘Get on Your Feet’ Loan Forgiveness Program .....	175
84. Create the Office of Faith-Based Community Development Services .....	177
85. Create the Nonprofit Infrastructure Capital Investment Program.....	179
86. Harness the Power of Philanthropic Giving to Foster Innovation .....	181
87. Invest \$3M in the Office of New Americans.....	182
88. Reform Package to Protect Low Wage Workers from Abusive Tactics.....	185
89. Combat Financial Abuse of the Elderly .....	186
90. Establish the Military Financial Protection Task Force .....	188
91. Expand Employment Opportunities for People with Disabilities .....	190
92. Re-envision Human Service Information Technology	191
<b>2. Education is the Great Equalizer.....</b>	<b>193</b>
PART ONE: ENSURING AN AFFORDABLE, HIGH QUALITY HIGHER EDUCATION.....	194
93. Continue Our E <sup>2</sup> Strategy.....	196

94. Invest in an Additional Round of SUNY2020 and CUNY2020 .....	199
95. Enhance the START-UP NY Program.....	200
96. Expand New York Ventures and the New York State Innovation Venture Capital Fund.....	201
97. Support Our Community College Students.....	202
98. Align Community Colleges with REDCs .....	203
99. Streamline and Consolidate Management of SUNY and CUNY.....	207
100. Pass the DREAM Act.....	207
101. Create the Master Researcher Program.....	208
102. Connect Higher Education to Employers & Jobs.....	209
103. Expand Partnerships among K-12 Schools, Higher Education, and Employers.....	210
104. Streamline New Education Program Approval.....	212
105. Make Experiential Learning a Graduation Requirement .....	213
106. Create the Employee Training Incentive Program...	214
107. Standardize Financial Aid Letters.....	216
108. Shift State Support of University Funding from Enrollment to Performance.....	216
PART TWO: A BOLD P-12 REFORM AGENDA.....	218
109. Professionalize Teaching and Increase Standards...	224
110. Provide Scholarships for Top Teacher Candidates ..	225
111. Create the New York Teacher Residency Program..	226

112. Make the Teacher Evaluation System Real, Accurate and Fair .....	227
113. Reform Teacher Ratings .....	229
114. Set Scoring Bands at the State Level.....	230
115. Reform Teacher Tenure.....	231
116. Launch the Teacher Excellence Fund.....	232
117. Reform the Teacher Removal Process .....	233
118. Close Low-Performing Teacher Programs .....	236
119. Raise the Admissions Bar for Graduate Teacher Education Programs .....	237
120. Strengthen Ongoing Certification Requirements....	239
121. Protect Students from Ineffective Instruction .....	241
122. Expand the Master Teacher Program .....	241
123. Transform the State’s Failing Schools .....	242
124. Appoint Receivers to Oversee Failing Schools and Districts .....	244
125. Expand Charter Schools.....	245
126. Establish the Education Tax Credit .....	247
127. Extend Mayoral Control.....	247
128. Continue High Quality Four-Year Old Pre-K.....	248
129. Expand Pre-K to High-Need 3 Year Olds.....	249
130. Continue and Expand Commitment to Early Education .....	250

131. Create the New York Youth Mentoring Commission .....	251
<b>3. Keeping New Yorkers Safe.....</b>	<b>253</b>
PART ONE: COMBAT TERRORISM.....	255
132. Conduct a Terrorism Preparedness Audit.....	257
133. Continue to Train the Best Leaders in Emergency Preparedness.....	258
134. Convene an International Security Task Force.....	259
135. Promote Cyber Resiliency.....	259
PART TWO: PROTECT AGAINST EXTREME WEATHER.....	261
136. Create the State Operations Response Management System (STORM).....	262
137. Invest in the Right Emergency Vehides.....	263
138. Install 125 Weather Detection Stations .....	263
139. Provide Citizen Preparedness Trainings .....	264
PART THREE: PROTECT HEALTHCARE WORKERS .....	265
140. Provide an Ebola Bill of Rights for Health Care Workers .....	266
<b>4. Restoring Public Trust.....</b>	<b>267</b>
PART ONE: REFORM ELECTION PROCESS.....	268
141. Create Public Financing of Elections .....	269
142. Restrict Personal Use of Campaign Contributions... ..	270
143. Lower Contribution Limits and Loopholes Closed ... ..	270
144. Establish a Legislative Pay Commission.....	271

145. Improve New York Voting System .....	272
146. Simplify Ballot Design.....	273
147. Expand Voter Registration Period to Increase Electoral Participation .....	273
148. Modernize Affidavit Ballot Process to be More Convenient for Voters.....	274
149. Allow Candidates and Voters to Change Party Enrollment in Timely Manner.....	274
<b>5. Fairness for All.....</b>	<b>276</b>
PART ONE: SOCIAL JUSTICE.....	276
150. Enact Comprehensive Reforms to Raise the Age ....	279
151. Improve Police/Community Relations .....	282
PART TWO: EQUAL RIGHTS.....	284
152. Pass the Women’s Equality Act.....	284
153. Protect Students from Sexual Violence on College Campuses .....	287
154. Protect Gender Identity.....	290
155. End Discrimination in Public Schools .....	292
PART THREE: HEALTHY COMMUNITIES.....	294
156. Invest in Homeless Services.....	298
157. Invest in the Statewide Health Information Network of New York (SHIN-NY) .....	300
158. Enact the State Health Innovation Plan (SHIP).....	300
159. Provide \$5 Million for Drinking Water Fluoridation	302
160. Explore Regulation of Electronic Cigarettes.....	303

161. Support New York’s More Than Three Million Informal Caregivers..... 305

162. Improve Emergency Admissions for Acute Substance Use Disorders..... 306

163. Protect New York’s Children from Unsafe Toys ..... 307

164. End the AIDS Epidemic: Pre-Exposure Prophylaxis (PrEP) Assistance Program ..... 308



**GOVERNOR ANDREW M. CUOMO**  
**NEW YORK STATE OF OPPORTUNITY**

For the first time since I became governor I feel confident in saying: the state of our state today is strong. That's true by any measure, and especially when you look at how far we've come.

In 2010, 852,000 New Yorkers were unemployed, the most since the Great Depression. Five years later, we have 7.6 million private sector jobs, the most in our history. Unemployment has fallen from a staggering 8.9 percent in 2010 to 5.9 percent today.

Five years ago, New York State spent more than it earned. The government was mired in dysfunction and our credit ratings reflected that. Today, we enjoy our highest ratings since the 1970s. What happened?

We turned a \$10 billion budget deficit into a projected \$2 billion surplus. We passed four honest, on-time budgets in a row, and held spending below 2 percent. And because we spend less, we tax less. In fact, we do so at the lowest rate in half a century.

Five years ago, Upstate New York was caught in a vicious cycle as jobs dried up and families fled for better opportunities. With strategic investments across upstate, we reversed the cycle. Today, unemployment is down in every region. Our regional economic development councils are reviving upstate economies. And Western New York is enjoying a renaissance.

With these accomplishments we have transformed New York, from a state of despair to a state of opportunity. Because of them, we see how much is possible when we make up our minds and work together. This is critically important, because we have much to do.

For too many New Yorkers the dream of economic mobility has faded. Too many believe that if you're born poor, you'll die poor. This is not the American way. And it is certainly not the New York way. Our education system is in need of dramatic reform. The threat of terrorism is real and demands that we take action to protect ourselves. We have urgent work to do to restore the public's trust, and make good on the promise of equal justice under the law.

These challenges are too urgent to ignore. Fortunately, if any state is up to a challenge, it is this one. Because while other places let their differences define them and their politics drive them, we let our commonalities define us and our public service drive us. That is what we will have to do to address the defining issues of our time. The work begins now.



# **1. Economic Opportunity for All New Yorkers**

Four years ago New York faced daunting challenges. Our economy lagged behind much of the nation. We experienced devastating job losses and the exodus of businesses, particularly upstate. Out-of-control spending caused crippling State budget deficits. While the crises mounted, Albany remained hopelessly mired in gridlock. New York's state government, once a national model, had become a national disgrace. After years of scandal and dysfunction, the government had lost the trust of its people.

In his first State of the State address, Governor Cuomo set forth a transformational plan to restore New York to greatness. He made a simple promise: People first ahead of bureaucracy, politics, and gridlock.

Under his leadership New York has experienced a renaissance that was unimaginable just a few short years ago. Unemployment has dropped from 8.9 percent to 5.9 percent. Upstate decay has been replaced by an Upstate Renaissance. The Governor and Legislature have put the state on a course of fiscal stability with the passage of four, on-time, honestly balanced budgets. State spending growth has been held to below two percent, the lowest rate of spending growth over a four year period in more than 50 years. After four years of responsible fiscal leadership, Governor Cuomo turned an inherited \$10 billion budget deficit into a projected \$2 billion dollar surplus. The state ended the 2013-14 fiscal year with a net operating surplus of \$625 million. These actions have been recognized by all three financial rating agencies, which raised New York's credit rating for the first time since the 1970s.

## **PART ONE: REDUCING TAXES**

Controlling spending allows for lower taxes. Every New Yorker has a lower income tax rate than in

2011 and the middle class has the lowest income tax rates in more than 60 years. The State dropped corporate tax rates from 7.1 percent to 6.5 percent, its lowest level since 1968. The tax rate for manufacturers was reduced to zero, the lowest rate since the tax was introduced in 1917.

Additionally, the Governor has made controlling property taxes one of his highest priorities. Between 2000 and 2011, property taxes nearly doubled in New York. To stop this trend, in 2011 Governor Cuomo won enactment of the first property tax cap in the state's history. As a result, New York's property taxes have been held to an average growth rate of approximately two percent during the past three years, less than half the rate of growth over the previous ten years. In 2014, the Legislature enacted the next phase of the Governor's plan, the Property Tax Freeze program. Over three years, the program will result in over \$1.5 billion in direct property tax relief.

### *Reducing New York's Crushing Property Tax Burden*

The 2011 property tax cap has been extraordinarily effective in saving New York homeowners money:

- Between 2000-2010, the annual growth rate of New York property taxes was 5.3 percent. Since 2011, the cap has succeeded in limiting the average growth rate to 2.2 percent per year, less than half of the previous ten-year average. <sup>1</sup>
- The typical annual property tax bill will be nearly \$800 less annually in five years. If the trend continues, by 2017, the typical taxpayer will have saved more than \$2,100 in local property taxes as a result of the cap.<sup>2</sup>

For the first time ever, the tax cap put New York voters at the center of local government spending decisions, requiring governments to do more with less, reducing costs rather than raising taxes.

Last spring, the Legislature enacted the next phase of the Governor's property tax plan, the Property Tax Freeze program. The new tax relief program provides a credit to reimburse qualifying New York



***Governor Cuomo's Property Tax Cap will have saved the average NY taxpayer more than \$2,100 in local property taxes by 2017***

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homeowners for increases in local property taxes on

their primary residences. The credit applies to school districts in 2014 and 2015, and to most other municipalities in 2015 and 2016. In the first year under the reform plan, New Yorkers received property tax relief if their school districts and local governments stayed within the property tax cap. The property tax cuts will be extended for a second year in jurisdictions which comply with the tax cap and have put forward a plan to save one percent of their tax levy per year, over three years. The program will result in over \$1.5 billion in direct property tax relief. Through the first three years of the cap, the average property tax payer has saved more than \$800, compared to if taxes had continued to grow at the previous average rate of growth. If the trend continues, by 2017, the typical taxpayer will have saved more than \$2,100 in local property taxes.

While addressing increasing property taxes, the state has simultaneously taken steps to reduce the cost to local governments through significant mandate relief.



**Governor Cuomo Passed Unprecedented  
Mandate Relief**

<b>1.</b>	<b>Pension Reform</b> saving state and local governments over \$80 billion over 30 years.
<b>2.</b>	<b>Medicaid Growth Takeover</b> that will save counties and New York City \$2.8 billion over five years.
<b>3.</b>	<b>Medicaid Administration Takeover</b> that will result in greater efficiencies on the local level.
<b>4.</b>	<b>Early Intervention Reforms</b> which will save local governments \$54 million over five years.
<b>5.</b>	<b>Binding Arbitration Reforms</b> will now give heightened weight to a distressed local government's ability to pay, and require consideration of the impact of the tax cap.

Over the last four years, Governor Cuomo has acted with and enforced fiscal discipline throughout the state. However, work remains to ensure the state continues to progress and maintain fiscal order.

### ***1. Cut Taxes for Small Businesses***

Small businesses are the lifeblood of our economy, accounting for 43 percent of private sector employment and 35 percent of private sector wages in the State.<sup>3</sup> To support the growth of this critical sector of our economy, the Governor proposes reducing the net income tax rate from 6.5 percent to 2.5 percent over a three year period for small businesses that file under Article 9-A. This rate will be the lowest net income tax rate for small businesses since 2017.

### ***2. Launch a New \$1.6 billion Property Tax Relief Program for Those Who Need it Most***

First we capped, then we froze, now we will cut property taxes. The Executive Budget creates a new Real Property Tax Credit available to households with incomes below \$250,000 whose property taxes exceed 6 percent of their income. When fully phased-in, more than 1.3 million taxpayers will receive a statewide

average credit of nearly \$1,000 per year. Outside of New York City, only the taxes levied by a tax cap-compliant jurisdiction are included in the credit calculation.

The program also includes a renters' credit, reflecting that a portion of rent is attributed to high property taxes. The credit is available to taxpayers at incomes up to \$150,000 when the amount attributed to property taxes exceeds 6 percent of their income.

The STAR program has been effective at providing broad-based relief to virtually all New York State homeowners. This year, we will reinforce the incentive for schools to stay within the cap by only allowing cap-compliant districts to qualify for STAR. The Tax Freeze will continue to reward all local jurisdictions that keep stay within the Tax Cap.

### ***3. Continue the State's Fiscally Responsible Budgeting***

Controlled spending, allows for lower taxes. Therefore, Governor Cuomo will continue to limit state spending to 2 percent.

#### ***4. Make the Tax Cap Permanent***

The Governor's property tax cap has delivered billions of dollars in relief to New York homeowners. The cap is set to sunset in 2016. Governor Cuomo will propose that the legislature makes the cap permanent, to continue protecting New York taxpayers.

#### ***5. Launch a \$150 Million Local Government Efficiency Fund***

The staggering growth in property taxes since 2000 is in large part due to the cost and expense of its staggering number of local governments. New York is home to more than 10,500 local governments, from towns and villages, to school districts, fire districts, sewage districts, lighting districts, and much more. To address waste and duplication, the state will provide \$150 million in initial funding to reward local governments for shared services and consolidation leading to property tax reductions. Awards may be granted covering a range of initiatives, including, but not limited to:

- Capital and other expenses to implement shared service agreements, mergers, and other actions that permanently reduce

operational costs and property tax burdens;  
and

- Continued aid via the Financial Restructuring Board and other programs.

### ***6. Organize a Summit of Local Leaders to Develop Tax Saving Plans***

Local leaders across New York State have already taken steps to see how costs can be reduced.<sup>4</sup> Building upon the success of previous summits that brought together state officials, industry experts, and local leaders, Governor Cuomo will host a *Local Government Efficiency Summit* for officials to share best practices, hear ideas about initiatives that have worked in other jurisdictions, and work together with state officials and planning experts to find ways to make local government more efficient.

## **PART TWO: A MORE EFFICIENT STATE GOVERNMENT**

Since taking office, the Governor has reduced the size and cost of government to close record deficits without further burdening New York taxpayers. To accomplish this task, he launched the *Spending and Government Efficiency (SAGE)* commission to undertake

a historic redesign of state government and eliminate unnecessary bureaucracy. Through the work of the commission, agencies were merged and more efficient entities created, such as the Department of Financial Services, formed by consolidating the Banking and Insurance departments. Through these and other initiatives he was able to reduce the size of the state government, while improving government performance.

In addition, the Governor worked with New York's public employee unions to increase employee health contributions, saving nearly \$230 million annually, and to hold salary levels flat for three years. He also reformed New York's unsustainable pension system, saving state and local governments \$80 billion over 30 years.

### *Making Government Work*

Since taking office, Governor Cuomo has made state government operations more efficient and more effective in serving its citizens. Driven by the findings and recommendations from his SAGE commission, the Governor has implemented the most far-reaching

restructuring of New York State government since at least the 1920s.



***Because of these government restructuring initiatives, spending on Agency Operations in the 2014-15 fiscal year will be \$530 million lower than was forecasted by the Division of Budget when Governor Cuomo took office.***

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Spending on Agency Operations in the 2014-15 fiscal year will be \$530 million lower than was forecasted by the Division of Budget when Governor Cuomo took office. When fully implemented, restructuring initiatives begun in Governor Cuomo's first term in office are expected to save approximately \$1.5 billion annually.

Equally important, state government serves its citizens better today. For example, Governor Cuomo created a new Justice Center to consolidate the oversight function of six agencies to prevent abuse, merged the Insurance and Banking Departments to create a new Department of Financial Services, launched a new e-licensing system that makes it easier

for businesses and individuals to apply for and manage their business, professional, recreational, and occupational licenses, and started the Open New York initiative to dramatically increase the transparency of New York State government and expand access to state government services, records, and data.

Governor Cuomo is committed to the ongoing restructuring of New York State government to make it work better while saving taxpayers money. Efforts to date have touched nearly every aspect of state government operations. Here are highlights of some of those initiatives:

- **Closing Excess Facilities.** Hundreds of millions of dollars have been saved by closing unneeded facilities, including 13 prisons, as well as 13 juvenile justice facilities as part of a shift to a community-based approach.
- **Consolidation of Back-office Operations.** The State has consolidated back-office and administrative support functions of 61 agencies into a state-of-the-art Enterprises Services function that saves money and provides better service.
- **Strategic Procurement.** The State is saving approximately \$755 million dollars over a five-year period through a central strategic

sourcing procurement model, while supporting the achievement of record levels of purchasing from MWBEs and facilitating special programs for veterans and small businesses.

- **More Efficient Workforce.** Since Governor Cuomo took office, the number of full-time equivalent personnel (“FTEs”) in executive-controlled agencies has fallen by eight percent. The state’s personal service costs in executive-controlled agencies in 2014-15 are projected to be about \$50 million lower than their 2010-11 levels.
- **Pension Reform.** In 2012, Governor Cuomo won legislative approval for a new “Tier VI” pension plan for new state and local government employees. This plan will save the state and public authorities approximately \$21 billion and local governments approximately \$61 billion over a 30-year period.

Governor Cuomo will build upon these achievements and launch a wide range of new initiatives targeted at making state government the most responsive, efficient, and effective in the nation.

## ***7. Use “Lean” to Streamline Government Operations and Build a Culture of Continuous Improvement***

World-class companies use management principles such as Lean and Six Sigma to streamline all aspects of their operations—an approach which has great applicability to state government. The purpose of Lean is to redesign a business process (like an assembly line operation or a government permitting process) to eliminate waste, improve quality, and reduce “cycle” times so that resources can be used for higher value-added activities.

Just over a year ago, Governor Cuomo launched a Lean program to improve the efficiency of state government operations. Starting with four agencies and ten pilot projects in late 2013, the program now covers almost 40 agencies with about 175 projects completed.

The program has had exceptional results. In addition to reducing licensing and permitting times by 50% or more in many cases (with no additional resources), it is empowering front-line state workers to re-engineer processes they know best. Results include:

- Reducing the time to obtain a bar or restaurant liquor license from 70-80 days to 50 days, with a target of 35 days for 2015);
- Reducing the time for a new health care facility to get an operating permit from 137 days on average to a targeted 32 days (currently at 47 days); and
- Reducing the time to obtain various professional work permits (e.g., real estate brokers, security guards, funeral directors, etc.) by 50 percent or more.

One critical element of the program's success has been the pro bono support of three world-class corporate partners: Xerox, Toyota, and GE. Leveraging experience to improve their own operations, each has brought Lean experts to coach state employees and to facilitate Lean projects.

Over the coming year, the Lean program will expand greatly. Already, more than 3,000 state employees have been involved, and that figure is expected to increase to more than 10,000 employees by year-end. Beyond licensing and permitting, Lean projects are addressing a variety of other government processes which impact businesses and citizens. These include complaint handling and investigations,

inspections and oversight, and contracting and procurement.

### ***8. Launch NY Performs for Public Accountability and Results***

In his first term, Governor Cuomo charged the SAGE Commission with helping the state to develop its first-ever performance management system.

Leading private sector companies—from Amazon.com to GE—take great pride in integrating performance management into all aspects of their operations. An excellent example of such a system in the public sector is CompStat, a data-driven approach to policing which helped dramatically reduce crime in New York City in the early 1990s. If done right, a performance management system can help identify key metrics and support continuous improvement in operations while increasing transparency and accountability.

Governor Cuomo will launch “NY Performs” this year both as a management tool and public-facing website. NY Performs will outline the mission and goals of major agencies and authorities as well as identify

resources used, performance indicators, performance targets, and strategic initiatives. As such, it will highlight areas of strong performance as well as opportunities for improvement, no different than any other effective performance management system.

The initial launch of the public-facing NY Performs website will be the first step in institutionalizing a management discipline that did not previously exist. Most importantly, NY Performs will improve with new performance metrics and operational insights as the system matures.

### ***9. Improve the DMV Experience for a New Model for Customer Service***

The Department of Motor Vehicles (DMV) represents one of the most common touch points the public has with state government. In recent years, the New York DMV had fit the stereotype for poor customer service, antiquated technology, and long wait times.

In 2012, Governor Cuomo began a multi-year turnaround to reduce wait times, move more transactions to self-service channels, and improve customer satisfaction.

To achieve these goals, the DMV launched more than ten separate customer service projects, including:

- A **reservation system** now allows customers to reserve a place in line from their home PC or smartphone and be served almost immediately when they enter the DMV office.
- **Self-service kiosks** were introduced in early 2013 and are now available in all busy state DMV offices, allowing customers to perform six of the simpler but higher volume transactions.
- **Greeters and Mobile Customer Service Representatives** now welcome visitors to each DMV office to help customers conduct business in the easiest way possible.
- **Call center** improvements, including a shift to VOIP technology, offer greater control over call routing and monitoring. An automated call-back system allows customers to leave their number to receive a return call within 15 minutes.
- **Convenient hours** allow New Yorkers to visit the DMV before and after work.
- **Computerized testing** is eliminating the need to hand out and manually grade printed tests.
- DMV now provides all customer service representatives with a new **comprehensive training program** inspired by customer

service programs at leading private sector companies.

- Two DMV offices in midtown Manhattan were redesigned as **flagship offices**. They have garnered outstanding feedback on Yelp, an online publisher of crowd-sourced reviews.

Wait times have been cut by more than 50 percent from over an hour to 25 minutes. The DMV is on track to shift about 50 percent more of its transaction volume to alternative service channels (e.g. kiosk, online, mail, and partners) by 2016.

Yet more work remains to achieve the Governor's vision. DMV will apply Lean principles (see above) to its customer flow and introduce improved online services and self-service technologies. Together these efforts will help DMV to continue its customer service transformation. The lessons learned through experimentation with DMV will be applied to improve operations of other state agencies.

### ***10. Establish a Risk Management Effort***

Delivering results also means identifying and mitigating risks. Large corporations have developed sophisticated risk management functions to deal with a

wide range of potentially costly risks. These range from traditional areas like employee fraud to emerging areas such as cybersecurity. Given the rapidly changing landscape, many organizations are finding risk management is a dynamic process and requires a more forward-looking, strategic approach.

Governor Cuomo will appoint New York State's first Chief Risk Officer (CRO) to apply modern risk management tools to state government. The CRO will help agencies identify and assess risks most relevant to their activities and develop tools to mitigate them. Understanding the broader ecosystem of risk, including internal audit and internal controls, will be important to drive improvements. The CRO will also help address and mitigate rapidly growing costs relating to "insurable" risks, such as workers compensation and general liability claims and settlements, and will design the first statewide system for ethics, risk and compliance in agencies and authorities.

## ***11. Roll Out 2015 Technology and Innovation Roadmap***

In 2014, New York led the nation in the breadth and depth of its strategic technology initiatives, across the areas of infrastructure, education, data, service and industry. Each component is important in its own right, but all are critical to achieving the type of successes that empower every New Yorker.

The following 2014 milestones illustrate this progress on the path to making New York the most innovative state in the nation:

- **WiFi and Cellular Service Expansion.** New Yorkers increasingly want to stay connected wherever they go—and greater connectivity supports increased safety, security and access to information. In 2014, New York State continued to expand voice and data connectivity in State-owned property, and today five public State parks and 76 underground subway stations are online.
- **Supporting Science, Technology, Engineering and Mathematics Study in College.** In order to create promising economic opportunity for students and meet the needs of the sector, in 2014, New York State awarded more than 600 students college scholarships for degrees in Science,

Technology, Engineering and Mathematics (STEM) subjects.<sup>5</sup>

- **Transparency and Collaboration.** In 2014, New York’s open data program was rated as one of the top in the nation.<sup>6</sup> Open NY provides access to over 80 million public records—a 325 percent increase since launch and its leadership prioritizes collaboration with local governments and stakeholders.<sup>7</sup>
- **Tools for Greater Accountability.** Underscoring the Governor’s commitment to campus safety, New York State launched the Campus Crime website, a tool for researching college campus crime data (<http://campuscrime.ny.gov>).
- **Social Media Engagement.** In order to better serve, inform and engage constituents, New York government agencies are employing strategic social media platforms as never before. In 2014 the State’s social media community grew nearly 30 percent to a record 3.5 million across 285 channels, and for the first time New York State expanded to growing platforms Tumblr and Vine.
- **A Groundbreaking New NY.gov.** In 2014, for the first time in 15 years, Governor Cuomo overhauled official State website NY.gov, launching a service-focused, fully responsive website that puts “people first” and sets a new standard for digital government. Traffic has already more than

doubled and mobile use has increased by over 300 percent. The redesigned NY.gov is a major component of the broader redesign of state government to make services more accessible and more efficient.

- **Technology Sector Support.** Recognizing the importance of the fast-growing technology sector to New York's economy, in 2014 the State provided over \$100 million in support to New York tech companies, creating an estimated 6,900+ new jobs. START-UP NY alone was responsible for more than 1,000 of those jobs and welcomed 20 tech companies to tax-free zones. From BuzzFeed to Quirky, SolarCity to Modern Meadow, some of the most innovative companies in the world expanded across New York State.

The achievements of the past year have set the stage for even greater heights in 2015—and beyond. In 2015, the State will build upon New York's inspiring legacy of invention and progress with the introduction of New York's Technology and Innovation Roadmap (the Roadmap). The Roadmap is a comprehensive, five-pronged strategic approach to ensure all New Yorkers benefit from the vast opportunities technologies offer us today.

The following is a snapshot of areas of investment in the roadmap, to be released in 2015:

- **Building on Progress.** Building on his unparalleled commitment to date, Governor Cuomo will make the largest public investment supporting universal broadband deployment in the country. The Governor will create a \$500 million New NY Broadband Program to provide every New Yorker with the high-speed Internet access they need to thrive academically, professionally and personally by 2018. To support affordability, the Broadband Program will incentivize local carriers, spur competition and enact dig-once and make-ready policies that reduce overhead costs.

The State will also build on successful WiFi deployment and expand WiFi and data connectivity in strategically optimal locations such as public transit, urban hubs and tourist attractions. The MTA will continue to increase opportunities for customers to connect wirelessly and plans to provide voice and data connectivity to all 277 underground subway stations by 2017. Additionally, in partnership with the Port Authority, free WiFi will be available at New York airports including JFK, LaGuardia, Stewart Airports.

New York State public schools will also have an opportunity to equip their classrooms for the future through the \$2 billion Smart

Schools Bond Act, implementing broadband and other critical technologies and infrastructure.

- **Digital Literacy and Computer Science.** New York State will explore opportunities to build on the success of the Pathways in Technology (P-TECH) Early College High School by exploring public-private partnerships that enable more opportunities for digital literacy training and Computer Science study in public schools and State universities. In addition, the State will develop a multimedia engagement initiative to encourage diverse youth pursue Computer Science and promote awareness of the technology sector.
- **Expand Open NY.** In order to increase transparency, efficiency and collaboration through the use of public data, Governor Cuomo will expand its Open NY resources, adding new data sets and enhanced functionality.
- **A More Powerful NY.gov.** Building on the success of the new NY.Gov website, the State will extend the vibrant new design system to its agencies and applications. The expansion will further improve NY.gov by providing a more seamless, consistent experience as the visitor moves from page to page or agency to agency. In addition, to further support a more user-centric approach, the State will begin to implement intuitive user dashboards that

make it easier to request government services and support, beginning with business needs.

Lastly, the State will explore ways to more effectively share and exchange emergency information in urgent scenarios, reflecting the evolving nature of modern communications.

- **Smart Regulation.** In addition to expanding the success of START-UP NY and other economic incentive programs, the State will continue to pursue smart regulation that protects the safety of New Yorkers and supports innovative business models to create jobs and value across the state.

To support talent needs (a major challenge to the growing technology sector) the State will use digital social media to aggregate, highlight and promote job vacancies in the technology sectors in New York State, connecting academia the local workforce with valuable opportunities.

### **PART THREE: REBUILDING A *NEW* NEW YORK**

From the Erie Canal to the iconic New York City subway system to a Thruway that spans our entire state—New York has a rich history of great builders and great legacies. However, much of New York’s essential infrastructure—its roads and bridges, mass transit

systems, ports and airports, electrical grid and water and sewer systems—has been neglected for too long. The state has enough bridges to stretch from Albany to Miami, 6,000 of which are in need of repair.<sup>8</sup> We have enough roadways to circle the earth 1.5 times, but 60 percent is in need of repair and maintenance.<sup>9</sup> The MTA



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infrastructure, which carries 70 percent of all subway riders, 40 percent of all commuter rail trips, and 20 percent of bus riders nationwide, is aging and in need of investment.<sup>10</sup> The system's importance to the economic well-

being of the region was never more apparent than in the days following Superstorm Sandy.

In 2011, the Governor recognized that the demands of the 21st-century economy were being stymied not just by a 20<sup>th</sup> century way of doing

business, but by a 20th-century infrastructure. Along with making ongoing financial commitments to infrastructure, Governor Cuomo has led the way in embracing innovative building and financing mechanisms and, as a result, has transformed the way New York builds and maintains the networks that are the lifeblood of its growth.

Sustaining New York's infrastructure will be a key pillar of Governor Cuomo's second term. New York State will build on some of its significant accomplishments by expanding those efforts, including extending design-build authority to all state agencies. In addition, in the next four years, Governor Cuomo will undertake a number of major new transformative infrastructure projects.

### *Design-Build*

Design-build allows the state to combine design and construction into one bid and contract for complex projects. This approach speeds up the process by reducing procurement time, which in turn lowers cost. The design-build model has produced fewer cost overruns, greater innovation, and speedier completion

of major projects. A total of 11 project contracts have been awarded as design-build since 2011, saving the state an estimated \$1.6 billion and 282 months of savings.

The replacement of the Tappan Zee Bridge is moving forward, on track to be completed in 2018. The New NY Bridge will be one of the nation's largest single construction projects ever built, completed in record time because of design-build. As a result of design-build, the total estimated cost of the project is \$3.9 billion, far less than initially expected.

### *NY Works*

Governor Cuomo created the NY Works Task Force to unify capital planning processes and deliver cost-effective infrastructure projects, built quickly and on-budget. The Task Force has thus far directed \$1.7 billion into more than 700 critical state infrastructure projects through cross-agency coordination, focusing on project delivery and innovative contracting methods, with all of the projects completed on time and on-budget. Beyond improving the state's infrastructure,

these projects created more than 24,000 direct jobs. Each project was built on time and on budget.

The Task Force released New York State's first-ever 10-year Statewide Capital Plan in 2013. The plan coordinates \$174 billion in existing capital investment dollars across 47 state agencies and authorities. This level of coordination is unprecedented. The plan breaks down the old silo-based approach to capital investment and better leverages existing resources, which will allow for the speedier completion of major infrastructure projects at lower costs throughout the state.

## ***12. Revitalize Our Airports***

New York's airports remain the gateways to the state, region and the nation. JFK and LaGuardia alone host an estimated 80 million travelers a year, supporting approximately 350,000 jobs, \$18 billion in wages, and more than \$50 billion in economic activity.<sup>11</sup> However, both have consistently been rated among the worst airports in the country in terms of design and overall passenger experience.

Under Governor Cuomo, New York's airports

have seen significant upgrades, including the opening of the new \$1.4 billion Delta terminal and the new \$200 million jetBlue international arrivals terminal at JFK, and new East End Substation and parking garage at LGA. The Governor has also directed the Port Authority and Empire State Development to grow cargo capacity at Stewart Airport in the Hudson Valley through design of a regional cargo distribution hub and proposes that Stewart be designated a tax-free START-UP NY site. Further, the Department of Transportation has issued a Request for Information (RFI) in conjunction with Empire State Development to identify a new operator for Republic Airport on Long Island.

In 2014 the Governor launched a Master Plan Design Competition to reimagine LaGuardia and JFK. We invited aviation experts, architects, designers, planners and others from across the world to submit 21st Century, state-of-the-art plans to redesign and redevelop LaGuardia and JFK Airports. Such plans will build upon existing investments made at the airports, improve transportation options, provide best in class

amenities, ensure more efficient air traffic and identify initiatives that support global commerce.

Initial Draft Submissions were received December 31, 2014 and final Draft Submissions will be due on January 30, 2015. At that time, three finalists for each airport will be identified to make public presentations and compete for the Design Prize in the Master Plan Competition. Each of these finalists will receive up to \$500,000 to further develop their plan for final consideration.

### ***13. Extend an “Air-Train” to LaGuardia Airport***

LaGuardia Airport is New York’s primary domestic air gateway, serving nearly 27 million passengers annually. For years, travelers, businesses, and airport employees have called for improved connections and accessibility to LaGuardia Airport. In addition to modernizing its facilities, the state will also improve access to LaGuardia airport. Multiple planning initiatives by transportation agencies have failed to identify an effective, realistic rail transit connection to LaGuardia. With the Master Plan Design Competition currently underway to transform and modernize the

airport for the 21st century, the time is right to identify a path toward providing an “Air-Train”-style elevated railway. The elevated rail would connect the Airport property and the New York City subway and Long Island Railroad at Mets-Willets Point Station, and would allow airline passengers access to frequent transit service to and from Manhattan, Queens and Brooklyn.

***14. Build New Metro-North Stations in the Bronx and Extend Access to Penn Station***

Metro-North access to Penn Station will not only enhance transit between New York City and the surrounding area, but it will strengthen the region’s resiliency in the face of future storms. The Penn Access project will provide new rail service to underserved and growing portions of the Bronx to the West Side of Manhattan and to growing jobs centers in Westchester and beyond.

The State will build four new stations in the Bronx to extend rail access to over 50,000 residents in the vicinity of the proposed Co-Op City station and 43,000 residents near the Parkchester/Van Nest station. The project will serve one of the largest concentrations

of medical facilities in the United States at the Morris Park station. We will also establish a link at the Hunts Point station where the subway is an easy walk from the new station, creating greater access to city or suburban destinations.

Penn Access also strengthens Penn Station's position as a regional hub for local, regional and long-distance travelers and creates a more resilient transportation network by providing an important alternative link between Manhattan, the Bronx, Westchester County and points beyond. While Metro-North service into Penn cannot begin until the Long Island Rail Road's (LIRR) East Side Access to Grand Central Terminal (GCT) project is completed (as LIRR service is re-aligned to GCT to serve as the new destination for over half today's LIRR customers), planning and construction for Penn Access can begin while East Side Access is being completed. With the potential of significant climate events, this additional link is particularly important to the resiliency of the region's economy.

### ***15. Invest in the New NY Bridge and Stabilize the NY Thruway***

Governor Cuomo proposes investing \$1.285 billion in a new Thruway Stabilization program that will help pay for the New NY Bridge project and meet transportation needs on the rest of the Thruway's core system across the State while minimizing impacts on toll payers.

### ***16. Bridge the Digital Divide with Broadband***

In today's world, Internet connectivity is no longer a luxury—it is a necessity. Broadband is as vital a resource as running water and electricity to New York's communities and is absolutely critical to the future of our economy, schools, and safety.

Businesses need broadband to compete globally; schools need broadband to keep pace with growing educational requirements; teachers and students need it to take advantage of the wide range of online educational resources; government needs it to increase citizen engagement and improve service delivery; and rural communities need it for telemedicine, agriculture, and the ability to attract and retain businesses.

However, today more than 1 million New Yorkers (500,000 households) still lack access to State-defined minimum broadband speeds of 6 Mbps/1.5 Mbps at home and more than 6 million people face obstacles to subscribing to competitive-speed broadband.<sup>12</sup>

Those who are unable to take advantage of digital opportunities are at a severe disadvantage in today's modern economy.

The private communications utilities that own and operate the bulk of the broadband infrastructure in New York State are investing huge amounts of capital to upgrade and extend their systems. But, our mutual challenge—private broadband providers and the State—is to assess the impact and reach of planned private infrastructure investment plans and, working together, ensure that New York is on track to achieve the needed universal deployment of high speed internet, particularly in less densely populated areas of the state.

New York State has taken unprecedented action to ensure residents in unserved or underserved

communities are not left out of the digital revolution, including investment in broadband infrastructure that the Governor will build on in 2015.

### *Investing in Broadband Infrastructure*

Since 2011, Governor Cuomo has awarded more than \$70 million through the Connect NY Broadband Grant Program and other economic development programs to expand broadband infrastructure in rural and underserved urban areas of New York. This investment is the largest state-level broadband funding commitment in the nation and the first step in strengthening our state's broadband capacity. This investment has enabled an additional 160,000 New York households, 8,000 businesses and 400 community anchor institutions to harness the power of broadband.<sup>13</sup>

Bringing broadband to these once unserved areas helps spur economic development by attracting new business, creating jobs, and fostering innovation and private investment.

The State Broadband Program Office (BPO) has hosted two Broadband Summits to bring together

broadband leaders from across the country to learn about broadband best practices and share strategies to address remaining barriers to broadband access, adoption, and use. The BPO also convenes various task force committees comprised of leaders from local and state government; higher education; the broadband provider community; adoption partners, and other subject matter experts. The committees work in partnership with the BPO to explore ways to break down barriers to broadband access and adoption in New York.

### *Mapping Existing Broadband Networks*

Since 2010, the State has collected and mapped broadband availability data across the state. Understanding the location and capacity of existing assets is essential when planning broadband projects in New York's unserved and underserved communities. As a result, the State has expanded the scope of the mapping program to include data on the availability of fiber-optic broadband infrastructure. A rich fiber inventory database is significantly helping to expand broadband services into New York's unserved

communities. In 2015, we will further enhance the State's mapping program by collecting broadband data at an even more granular level and by collecting information on other assets, such as towers, poles and state-owned land, which can be leveraged to help reduce future broadband deployment costs.

### *Speed Matters*

When delivered at high speeds, broadband is a powerful tool to drive economic growth and development. Higher speeds are critical to attract and retain businesses, create jobs, accelerate innovation, increase tourism, and ultimately grow local economies. When making relocation or expansion decisions, businesses in the technology sector will require access to high-speed broadband.

In 2012, New York defined broadband at speeds of 6Mbps/1.5Mbps. While these speeds were ahead of the curve in 2012, they have quickly become out of date. To understand just how slow 6 Mbps is, it takes approximately 1.22 hours to download a 6 gigabyte movie at that speed. The same movie would only take 49 seconds to download at 100 Mbps.<sup>14</sup>

While slower speeds are sufficient for basic email or web browsing, as applications like video, voice and other services become more prevalent, access to broadband at higher speeds is required. Industries such as healthcare and public safety demand high speeds to improve and even save lives. For example, telemedicine applications consume huge amounts of bandwidth to support streaming applications like video and high-resolution diagnostic imaging.

Increasing speed requirements have caused the FCC to explore raising the minimum download speed threshold to at least 10 Mbps – more than double the previous standard. As FCC Chair Tom Wheeler said, *“Table stakes for the 21st century is 25 Mbps, and winning the game means that all consumers can get at least 100 Mbps – and more.”*<sup>15</sup>

In fact, the FCC’s National Broadband Plan, presented to Congress in 2010 calls for efforts to connect at least 100 million U.S. homes to *“affordable access to actual download speeds of at least 100 Mbps and actual upload speeds of at least 50 Mbps by 2020.”*<sup>16</sup>

While New York is paving the way for increased broadband access and higher speeds, our efforts must continue. Consider the following:

- **6 Mbps/1.5 Mbps (New York definition of “broadband”):** 1 million residents and 4,000 businesses cannot get access to broadband at these speeds.
- **25 Mbps/10 Mbps:** 5.4 million residents and 55,000 businesses cannot get access to broadband at these speeds.
- **100 Mbps/10 Mbps:** 7 million residents and 113,000 businesses cannot get access to broadband at these speeds.<sup>17</sup> And, 70 percent of upstate New Yorkers cannot access broadband at 100Mbps, including thirty-two counties with no access at all to broadband at that speed.<sup>18</sup>

### ***17. Commit to Universal High-Speed Broadband Access by 2018***

Today, too many New Yorkers still lack access to broadband or only have access at speeds that lag behind our competitors in the global economy.

To close this unacceptable digital divide, Governor Cuomo will make the largest and most ambitious public investment in universal broadband deployment in the country through the creation of the

\$500 million New NY Broadband Program. New York State will incentivize broadband providers to expand networks to ensure they reach all New York communities. The Program is designed to create high-speed Internet access for every New Yorker by the end of 2018.

This comprehensive program will build on the success of the Connect NY Broadband Grant Program and consist of a suite of initiatives designed to create ultra-high-speed networks and promote broadband adoption across the state. Important elements of the New NY Broadband Program include:

- Public/private sector partnerships and a required private sector match of at least 1:1.
- The ability of the State to recoup some of its investment through return on loans and investments made.
- Unprecedented broadband speeds up to 100 Mbps in most places.
- Regional, ground-up deployment planning with the help of the Regional Economic Development Councils.
- Leveraging of state-owned fiber and other assets.

- Streamlining State policy and regulations to speed up and reduce costs of deployment.
- Development of a web-based State Broadband Deployment Resolution Center to help resolve deployment-related bureaucratic, administrative, and regulatory issues.

Governor Cuomo's unprecedented and unparalleled investment through the New NY Broadband Program will sustain New York's position as an economic powerhouse in the 21<sup>st</sup>-century global economy.

### ***18. Reimagine our Classrooms for the 21<sup>st</sup> Century***

The New NY Broadband Program will build upon the Governor's \$2 billion Smart Schools Bond Act that voters passed in November 2014. This initiative will ensure that our students have access to the technology and connectivity they need to succeed and compete in today's global economy. To transform our classrooms of yesterday to the classrooms of tomorrow, we must make strategic investments in connectivity and digital learning. Schools need access to modern equipment.

When applying the federal ConnectED standard of 100Mbps, more than 56 percent of New York schools

have inadequate broadband capacity today.<sup>19</sup> School broadband statistics are as follows:

- **6 Mbps:** 467 schools report broadband service at speeds lower than 6Mbps/1.5Mbps
- **25 Mbps:** 1657 schools report broadband service at speeds lower than 25Mbps
- **50 Mbps:** 2248 schools report broadband download speeds less than 50 Mbps
- **100 Mbps:** 2032 schools report broadband download speeds less than (<100 Mbps)<sup>20</sup>

The Smart Schools Initiative allows school districts to use funds to connect their schools to high-speed broadband and make strategic investments in digital learning. School districts can use Smart Schools funds to equip their classrooms with robust broadband infrastructure and bandwidth to sustain operational needs and support growing educational demands. Districts may also purchase equipment like tablets, interactive whiteboards, and computers that have the ability to transform instruction and learning.

Enhanced connectivity and cutting-edge technological devices will enable self-driven learning, expand access to online AP courses for students in rural areas, increase the frequency of communication between

parents and teachers, and offer teachers further assistance and training through online venues. The Smart Schools Initiative will help to ensure that our students and teachers are prepared for higher educational opportunities and acquire the skills they need to compete in tomorrow's economy.

### ***19. Make Critical Infrastructure Investments***

In order for the state to continue undertaking transformative infrastructure projects, Governor Cuomo will provide \$115 million for enhanced infrastructure funding in New York State. Funding will support a statewide initiative to finance large-scale, complex infrastructure projects across New York State and mobilize innovative project delivery methods, including design-build and public private partnerships.

The state will provide resources as follows:

- \$40 million to the Port of Oswego to link with the Port of New York and creating additional intermodal rail yards in Syracuse and Binghamton. Such improvements will reduce truck traffic on downstate highways, increase existing export activity, build small and medium sized enterprise export capacity in

upstate, and expand efforts of regional service providers.

- \$15 million for the Port of Albany for enhancements million to ensure Upstate New York is ready to handle the projected increase in volume of containerized cargo resulting from the Panama Canal expansion of 2016. The state's investments will support improvements to the Port's southern dock to expand shipping capacity and serve grain operations.
- \$10 million to the Port of Ogdensburg for improvements to the port's facilities and equipment, including harbor deepening to accommodate larger ships and expanded grain and salt storage.
- \$50 million to transform the New York State Fair into a premier multi-use facility (details below).

## ***20. Rebuild the New York State Fair Grounds and Surrounding Community***

It has been over one hundred years since the New York State Fair embarked on a transformative capital project. It was 1909 when the first of the major buildings were completed as a part of this development. This year we lay the groundwork for the next century of a new, dynamic State Fair, one that will support the economy of Central New York, showcase New York food

and agriculture and revitalize Onondaga County in an unprecedented way. Through a \$50 million investment (briefly described above) we will transform the New York State Fair into a premier multi-use facility by enhancing the fairgrounds and surrounding community to create a world-class entertainment and tourism destination, making this the greatest State Fair in the Country and providing enhanced economic activity for decades to come.

### ***21. Invest in Fort Drum and Nearby Infrastructure***

Fort Drum is one of New York’s treasures and an institutional anchor for its region. Over 50,000 North Country residents rely on this base for economic stability—just one reason why New York State has and will continue to invest in supporting this base and the men and women who work here. We finished the Fort Drum Connector (I-781) to make the base more economically viable. We built over 700 units of affordable housing. We turned a coal plant into Fort Drum’s ReEnergy Black River facility—creating jobs and renewable energy for the entire region. And we’re not done yet. We will do all we can to ensure Fort Drum

remains a strong fixture in New York and a worthy home of the 10th Mountain Division.

Given the importance of Fort Drum to both the economy and our national defense efforts, the State will make strategic investments to purchase over 1,300 acres to enhance training efforts and moving forward with long discussed improvements to Route 26 within the Fort.

## ***22. Pursue Bus Rapid Transit along the I-287 Corridor***

Based on the recommendations of the Mass Transit Task Force, the New York State Department of Transportation, and in partnership with Westchester and Rockland counties, the State will work with our federal partners in Washington, D.C. to secure funding to establish a new Bus Rapid Transit system in Rockland and Westchester Counties to connect communities and businesses to jobs. Better transit is essential to relieve congestion, provide mobility and improve quality of life in the Tappan Zee/I-287 corridor.

### ***23. Expand Access to Mixed Use Development and Public Transit Commuter Parking***

The State will support the development of vertical parking facilities at hub stations along the MTA's commuter rail lines to encourage joint development of mixed-use projects that will increase services for residents, generate revenues for local businesses and help alleviate increased demand for commuter parking. Moreover, residential development will provide housing at a range of costs, adjacent to rail transportation. Commuter and visitor amenities will increase foot traffic and generate railroad ticket sales revenues.

### ***24. Develop a Comprehensive Statewide Freight Plan***

New York State is a crossroads for the distribution of products from across the country. With the coming expansion of the Panama Canal, we must be prepared for increases in cargo volumes arriving at the Port of New York and New Jersey as these goods will travel throughout our state on aging and deteriorating roadways, rails and aviation and waterway networks. A total of 67.9 million tons of freight moved in New York

by rail in 2012.<sup>21</sup> Total port and rail volumes at the Port Authority of New York and New Jersey are up 5 percent over last year,<sup>22</sup> and rail freight traffic nationwide is up 4.5 percent over 2013, the highest volumes since 2007.<sup>23</sup>

The state must provide strategic direction, with the freight and distribution industries in mind, on future investments in transportation infrastructure and economic development opportunities along these networks. Accordingly, New York's transportation agencies and authorities will collaborate with partners in the logistics and freight industries to develop a comprehensive statewide freight plan to direct investment in our freight network, with particular attention to developing intermodal assets in Upstate, strengthen the state's economic vitality and sustainability, and ensure the safe transportation of goods throughout the state.

### ***25. Extend Design-Build***

In 2011, the Governor proposed and the Legislature passed legislation authorizing the use of design-build authority in the state at several state

agencies including the Department of Transportation and the Thruway Authority. The success of design-build speaks for itself: from the New NY Bridge, now well underway, to the new Kosciuszko Bridge, New Yorkers have already seen the benefits that come with utilizing innovative delivery mechanisms to save tax dollars and speed the completion of projects.

Now is the time to extend design-build authority to all state agencies. By employing the design-build model, every New York State agency will be able to bring private sector innovation to project delivery, thereby enabling them to propose and pursue new ways of expediting projects at a lower cost to taxpayers.

#### **PART FOUR: NEW YORK IS WORKING**



***Today, New York has the greatest number of private sector jobs in its history: 7.6 million***

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New York State has created more than 500,000 new private sector jobs over the past four years, resulting

in the largest private sector workforce in its history at

7.6 million jobs. Unemployment is down substantially in every region and the overall rate, as of November 2014, stands at 5.9 percent—a decline of 2.4 percent over four years, and the lowest level in six years.<sup>24</sup>

### *Regional Economic Development Councils*

Governor Cuomo achieved these results through a complete redesign of the state’s economic development program due significantly to the launch of Regional Economic Development Councils (REDC) which replaced New York’s traditional top-down development strategies with a bottom-up approach. The Councils bring together stakeholders from each of the ten regions of the state to develop long-term strategic plans based on each region’s specific priorities and unique resources. They build on the strengths of each region and empower them to chart their own economic destiny. Since 2011, the REDCs have awarded over \$2.9 billion for job creation and community development that will create and retain over 150,000 jobs.<sup>25</sup>

Additionally, through the Governor’s regional economic development strategy, the state’s historic \$1 billion investment in the Buffalo area economy is

helping to create thousands of jobs and spur billions in new investment and economic activity across the long-declining Western New York region's economy.

The Governor also launched START-UP NY, a groundbreaking initiative designed to transform SUNY and private college and university campuses and communities into tax-free zones that attract new businesses and encourage existing ones to expand. Companies participating in the program operate completely tax-free – including a waiver of income taxes for employees, and a waiver of sales, property, and business taxes for employers. To date, there have been a total of 55 businesses approved for participation in the START-UP NY program. These initial businesses project the creation of more than 2,100 net new jobs and over \$98 million in investment. And this program is just getting started.

Governor Cuomo's transformative economic development policies and initiatives, along with lowered tax rates for corporations and manufacturers, are helping to reinvent New York as top destination for business.

## *Buffalo Billion*

Few regions in the state, even nationwide, suffered as much as Western New York amid the decline in manufacturing industries in the late 20th century. Watching jobs, neighbors, and graduates flee the region for better opportunities over many years, Western New Yorkers justifiably felt unsupported by policymakers in Albany.

However, upon taking office, Governor Cuomo launched an unprecedented effort to direct state attention and resources towards the Western New York economy. The Buffalo Billion initiative, announced in January 2012, symbolizes a major step toward turning the tide of decline in the City of Buffalo and the surrounding region. The commitment will support new development, nurture local industries, spur outside investment, and create and retain thousands of jobs.

In keeping with the Governor's commitment to bottom-up economic development led at the regional level, the Regional Economic Development Councils partnered with The Brookings Institution, McKinsey & Company, and the University at Buffalo's Regional

Institute (UBRI) to guide the Buffalo Billion effort. Upon completion, Governor Cuomo's investment of \$1 billion in the region is expected to leverage a total direct private investment in excess of \$10 billion, and produce or retain more than 6,000 direct jobs and 5,000 indirect jobs.

Activity is already well underway; nearly 85 percent of Buffalo Billion commitments are in place and are moving the needle on new economic activity. Major projects include: 1) the Buffalo High Tech Manufacturing & Innovation Hub at Riverbend, a cutting-edge facility for high tech and green energy businesses at a former brownfield site in the City of Buffalo; 2) the Buffalo Niagara Advanced Manufacturing Institute, a new state-of-the-art facility to support the growth of Western New York's manufacturing sector; 3) a \$55 million investment in the Buffalo Information Technologies Innovation and Commercialization Hub—a partnership encompassing the SUNY Polytechnic Institute, Albany Molecular Research Inc. (AMRI), and the Buffalo-Niagara Medical Campus; and 4) the NYS Genomic Medicine and Big Data Center (GMBDC), a

partnership connecting New York City's Genome Center with Buffalo-Niagara's medical corridor.

## ***26. Fund a 5<sup>th</sup> Year of Regional Economic Development Councils***

In 2011, Governor Cuomo established ten Regional Economic Development Councils (REDCs) to develop long-term regional strategic economic development plans. Since then, the REDCs have awarded over \$2.9 billion in State funding through a competitive process to spur job creation based on regional priorities. This new strategy has resulted in 150,000 new or retained jobs in New York.<sup>26</sup>

To keep this forward progress going, the Governor proposes continuing his regional economic development strategy with a fifth round of the REDC awards with \$150 million to fund regional priority projects and \$70 million in State tax credits.

## ***27. Launch Regional Economic Cluster Program***

Since taking office, Governor Cuomo's economic development policies have been focused on driving growth in regional industry "clusters" – or groups of employers sharing common markets, technologies, and

workforce needs. New York's current clusters include life sciences, optics and photonics, agriculture and food processing, transportation, high tech manufacturing, among many other diverse industries.

Focusing economic development efforts on productive, established clusters in regional economies has long been recognized as a framework through which to accelerate growth and deliver impact where it is needed most. Through the REDCs, New York State has already made tremendous progress in moving forward on building on regional economic strengths and encouraging collaborations that help innovation clusters grow and deepen.

For example, the North Country has emerged as the hub of a growing cluster of transportation equipment activities. The North Country REDC has forged alliances with well-established businesses including Bombardier, Nova, and Prevost to develop a dynamic, multi-faceted transportation equipment cluster that is diverse, flexible, and competitive. The region has successfully secured border investments, created workforce development programs, established

the first Global Supply Chain Management School at SUNY Plattsburgh, and founded the Plattsburgh Aeronautical Institute. The culmination of these activities has primed the North Country to attract and retain transportation equipment businesses within the region. Over the past four years, the North Country Regional Council has invested \$26.4 million in 17 transportation-related projects, which have created and retained approximately 400 jobs, and there are more to come.

To ensure continued focus on the importance of industry cluster growth in statewide economic development efforts through such partnerships between business, academia, and venture capital, Governor Cuomo proposes the launch of a Regional Economic Cluster Program. The RECP will be implemented through round five of the Regional Economic Development Councils and the 2015 Upstate Revitalization Competition. Regions that include strategic, well-researched cluster planning and project proposals that focus on the synergies between industry strengths and higher education in progress reports and

Upstate Revitalization plans will qualify for Regional Economic Cluster grants this year.

### ***28. Launch \$1.5 Billion Upstate New York Economic Revitalization Competition***

The upstate economy has long borne the scars of decline, but we have seen through the success of the REDCs and the effectiveness of the Buffalo Billion that competitive, ground-up efforts to jumpstart regional economies can deliver results and drive community revitalization—especially when led by local stakeholders and bolstered by state support.

For decades, the economic hubs of many upstate cities have eroded due to the decline of manufacturing and other industries. This has resulted in the upstate economy lagging behind the rest of the state and nation. From 1995 to 2013, the average annual private sector job growth rate for Upstate New York was 0.3 percent compared to 1.1 percent growth for Downstate.<sup>27</sup> Private sector job growth amounted to 5 percent between 2002 and 2012 across the 52 counties Upstate; job growth during the same period statewide stood at 11 percent, and 9 percent nationwide.<sup>28</sup>

Cities in Upstate New York need coordinated plans and new resources to fulfill physical infrastructure needs, achieve targeted job creation, and maintain a high quality of life that will sustain their populations.

With the City of Buffalo's economy rebounding following the implementation of the Buffalo Billion program, evidence indicates that the Governor's programs are working. It is now time for the State to focus greater attention on additional upstate areas in need of community and economic revitalization. To coordinate this effort, Governor Cuomo will launch the \$1.5 billion Upstate New York Economic Revitalization Competition. This new initiative will combine the expertise and structure of the Regional Economic Development Councils with the successful elements of the Buffalo Billion to develop regional investment plans that identify existing assets, highlight needs, and recommend areas of opportunity.

Seven regions will be eligible to compete for one of three \$500 million revitalization awards: Mid-Hudson, Capital Region, Mohawk Valley, Central New

York, North Country, Southern Tier and Finger Lakes. Final awards will inject \$1.5 billion of state resources to support the revitalization of communities, job growth, and population sustainability in major upstate regions.

The competition and process for winning upstate revitalization funds will be guided by a five-member Strategic Plan Review Committee comprised of:

- Bruce Katz, Brookings Institution
- Marc Morial, President, National Urban League
- Cesar Perales, New York Secretary of State
- Susan Christopherson, Professor and Chair of City and Regional Planning, Cornell University
- RoAnn Destito, Commissioner, Office of General Services

Because the challenges faced by upstate regions and solutions for revitalizing them vary, the Upstate New York Economic Revitalization Competition will provide an opportunity for a range of projects to be eligible for funding. Awards will be primarily given as grants, but existing tax credits and loan programs may supplement or replace certain awards where appropriate. Awards for major infrastructure projects

will be limited to those with a transformative impact on community revitalization. Winners are expected to be announced in the fall of 2015.

***29. Launch 76West, a Clean Energy Business Competition in the Southern Tier***

New York State is rapidly establishing itself as a national leader in homegrown clean energy innovation and investment. To advance and accelerate this progress, New York State Energy Research and Development Authority will launch 76West, the first-of-its-kind \$20 million clean energy business competition to bring new jobs to the Southern Tier. The competition will take advantage of the region's abundant natural resources, a burgeoning advanced manufacturing sector, reliable research and tech-transfer capabilities, as well as business training and improvement programs already in place.

This exciting competition will attract promising investment and innovative ideas from around the world to the region. As part of the competition, entrepreneurs and companies will be challenged to present their ideas and compete for funding, technical assistance, and other

services to help turn their proposals into real opportunities. 76West is a win-win for both entrepreneurs and the region, providing important capital to the winners of the competition and stimulating new investment in the Southern Tier.

### ***30. Strengthen the Agricultural Industry***

With 36,000 farms, seven million acres of farmland and close to \$6 billion of production, agriculture is critical to the state economy.<sup>29</sup> Over the last four years, agriculture has flourished in New York State. The agricultural and business climates are an excellent match; great soil, water, top farmers, consumers nearby, and a state government willing to defend, promote, and partner with the industry.

From multiple state-of-the-art yogurt plants—vaulting New York into the top yogurt producing state in the nation—to the *Southern Tier Rural Development Fund* that has provided essential capital for on-farm processing, Governor Cuomo has supported unprecedented growth in this critical sector.

Governor Cuomo has coupled smart investment with public policy changes that have made it easier to

farm and to process food and beverages. Statutory, regulatory, and/or policy changes have simplified dairy farming and fruit and vegetable production, and have doubled the size of our craft beverage industry. Moreover, the state has capped property taxes and agricultural land assessments making farming competitive with other regions in the country.

### ***31. Bring Upstate Agriculture to Downstate Markets***

Governor Cuomo's first major agricultural initiative was the *Fresh Connect Farmers' Market* program, through which he both increased and improved markets while delivering great local food to underserved communities. The Governor also supported the establishment of hubs where farmers aggregate products for efficiency and ship to market.

In 2014, Governor Cuomo convened the "Farm to Table Agricultural Summit" in New York City, connecting upstate agriculture with downstate markets. As a result, the Governor will maximize the use of New York-grown food in our state institutions and universities and will create a regional food hub in New

York City for the exclusive use of our producers to reach these institutions, restaurants and underserved areas.

Building on the Summit, the State will also expand its Food Box Program; establish a New York City-New York State Task Force to evaluate future regional food hubs; launch a “Buy NY” website to facilitate procurement; host Taste NY Culinary Tours; create a SUNY Farmers’ Market Manager Certificate Program and expand Taste NY outreach through a new Brooklyn office of the Department of Agriculture & Markets.

### ***32. Protect Dairy Farmer Margins***

New York State is the third largest dairy producing state, and is also the largest producer of yogurt in the United States thanks to Governor Cuomo’s dedication to New York’s leadership in this area.

New York’s 5,000 dairy producers sell 13.5 billion pounds of milk per year<sup>30</sup>, but volatility in milk prices threatens this anchor of the rural economy. Unfortunately, volatility in milk prices has had a devastating effect on New York dairies over the past several decades. In 2009 alone, New York farm gate

sales of milk dropped \$694 million from the previous year.<sup>31</sup> Using Cornell's economic multiplier this represents a one year \$1 billion loss from the upstate economy.

Although the state recently experienced historic high milk prices, economists now predict that the price of milk will steadily decline in the near future. This threat could send New York's dairy farms and the upstate economy into a downward economic spiral, reversing recent revitalization.

The Margin Protection Program, a risk management program through the USDA, offers dairy farmers varying levels of margin protection, the difference between a calculated feed price and the all milk price, as measured in two-month intervals. Farmers pay a nominal administrative fee plus a premium based on the amount of historic milk production enrolled in the program and the margin coverage level selected. Governor Cuomo will create a Commission, to be appointed and Chaired by the Commissioner of The Department of Agriculture to develop any necessary educational and legislative

recommendations for farms that will incentivize participation. Such recommendations will be delivered to the Governor by May 1st of this year.

### ***33. Extend the Reach of Taste NY***

The Governor has also made strategic statewide investments in promotion and marketing of agritourism—many of the ideas for which came from in-depth industry summits. Alongside the Pride of New York program that promotes New York food and products, *Taste NY* is Governor Cuomo’s signature program to promote the state’s food and beverage industries through high-profile events, branding and signage, and stores. The Governor’s goal is three-fold when it comes to maximizing marketing of NY-produced food and beverage: institutional procurement, increasing retail sales, and reaching underserved communities.

In his second term, Governor Cuomo will greatly expand the Taste NY program. Currently, there are eight full Taste NY stores across New York. Under the next phase of Taste NY efforts to connect producers with new consumers will be expanded, the brand identity of

products that are made in New York will be strengthened, the number of Taste NY stores will be increased, and international exposure to continue growing the market for the state's food and beverage-related businesses will also be expanded.

The Governor wants to ensure that every New Yorker has easy access to the local products they want to purchase. To expand access to Taste NY products for New York residents and visitors, the following actions will take place in 2015:

- The *I LOVE NY* mobile website will expand to offer consumers opportunities to buy food and beverages produced in New York. The Taste NY website will also undergo a redesign to enable online purchasing.
- Taste NY displays, stores, and vending machines will be added to all SUNY and CUNY campuses.
- The State Thruway Authority will expand current Taste NY offerings at all 27 Thruway Travel Plazas and add new stores in the next two years.
- The State Department of Transportation will add new Taste NY retail stores in strategic locations designed to increase agri-tourism opportunities and increase retail exposure

for local agricultural producers, with at least two new stores targeted for completion over a two-year period.

- More Taste NY vending machines will further expand the offering of local foods and be strategically located across the state.
- Taste NY displays at in-state liquor stores—currently being piloted at six locations—will expand to every region of the state. The full statewide rollout of this expansion coincided with the New York State Liquor Store Association’s Annual Tradeshows in Albany and Rochester. Dozens of additional liquor stores received Taste NY marketing materials at these events to display throughout the year.
- A new downstate wing of the Department of Agriculture and Markets, dubbed the Taste NY Office at Brooklyn, will promote agricultural economic development and strengthen the connection between upstate producers and downstate consumers.

Moreover, the Taste NY program will enter international markets under the Governor’s Global NY initiative. The Department of Agriculture and Markets will work with Food Export USA and Empire State Development to ensure the inclusion of food and beverage products in the recently announced trade missions identified in the Governor’s Global NY Summit.

### ***34. Support and Grow the Small Businesses Sector***

New York is home to more than half a million small businesses. Together, these businesses make up 98 percent of all employers in the state and employ 43 percent of our private sector workforce.<sup>32</sup> The health and strengthen of the small business sector is vital to the health and strength of our statewide economy.

### ***35. Create NY Business Express, a One-Stop Shop for Small Businesses***

Governor Cuomo also announced the creation of NY Business Express, a one-stop shop to help small businesses get started and grow. The program will offer a game-changing approach to small business growth and an innovative way of cutting red tape, further demonstrating that New York is open for business.

Today, businesses that require multiple licenses and permits to operate in New York must navigate a labyrinth of state agencies. About 70 percent of the information requested is duplicative between the various agencies involved. This creates a confusing and uncoordinated process for the applicants and results in duplicative work and record-keeping for state agencies.

To simplify this experience dramatically, New York will create:

- A single, user-friendly online portal for all business and occupational licensing activities, including a new Consolidated Business Application and access to incentives and other support services;
- A single phone number for all questions and support services; and
- A single cross-agency business formation and license processing team.

Driven by a simple user interface, applicants will only need to enter their basic information once. “How-to” videos, an incentive finder, click-to-chat, and a single phone number will allow businesses to access the help and information they need without confusion or delay.

NY Business Express will also help reduce the duplication between state and local government licensing activities. For example, a county might use the NYBE portal to make its own information available and potentially leverage the state’s Consolidated Business Application. This could mean that if an entrepreneur wants to open a new restaurant in Buffalo, he or she will need to go to only one website to start the process.

NYBE will complement and leverage the State's ongoing efforts using Lean to reduce cycle times for individual licenses and permits, often by creating simpler forms and reducing processing steps.

NYBE will provide a single point of contact for businesses to help navigate regulatory requirements as well as support services and other technical assistance resources. These services may be delivered online, by phone or in person through a variety of entities, including state and local agencies, FuzeHub, and the 24 Small Business Development Centers across the New York State.

### ***36. Host a New Small Business Summit***

Summits allow stakeholders from industry and government to come together to identify challenges and opportunities facing a specific sector, offer an opportunity to map out a path for government to provide needed assistance and help create jobs and grow investment. To build on this successful model, Governor Cuomo will host a Small Business Summit that cuts across different industry sectors to focus on issues and opportunities relevant to the typical small business

proprietor. The Summit will bring together small business owners, financial institutions, support industries, and government stakeholders to help facilitate access to capital, reduce regulatory barriers, and grow employment and investment at our smallest—but most critical—places of business. Small businesses constitute the backbone of our state’s economy and government must do everything it can to help this segment of our economy grow and thrive.

***37. Appoint a NYS Chief Small Business Officer***

It is not always easy for small businesses to navigate government to secure the resources and assistance they need to open and thrive. To support our small business sector and connect them to the right State agencies and resources, the Governor will appoint a New York State Chief Small Business Officer to coordinate among agencies and external stakeholders to ensure that the State is delivering the highest level of assistance possible to this vital sector.

### ***38. Create Supply Chain Support for Small and Medium-Sized Enterprises***

To help small companies who seek to do business with larger companies, we will launch the Small and Medium-Sized Enterprise (SME) Supplier Development Fund. Financial challenges often confront small companies that get plugged into the supply chain of large companies. Large companies may take up to 90 days to pay suppliers, and this lag time hurts smaller businesses that are unable to buy necessary supplies and make payroll while fulfilling a large purchase order. This fund would help SMEs bridge the gap created by the pay lag. Companies will repay these loans at a low interest rate, making this a revolving fund. Loans of up to 50 percent of the purchase order could be made through partner lending institutions.

Other supply chain challenges relate to operating standards. In partnership with ESD, FuzeHub and IBM's Supplier Connection, we will develop a new program that prepares small businesses to become suppliers to large companies. Large companies have minimum standards and expectations that must be met before they will work with a small company. Small companies

are often unaware of these operating standards and generally need assistance in engaging these opportunities. As outsourced work is brought back to the United States, there are tremendous opportunities for New York small businesses to grow by becoming suppliers to larger corporate buyers and the state. We will help ensure that they are able to take advantage of such opportunities.

### ***39. Expand Tourism throughout the State***

New York continues to attract visitors from around the world. Tourism directly supports nearly 900,000 jobs and generated \$62 billion in direct spending in New York State in 2014, far outpacing the national growth rate for this economic engine. As the fourth largest employment sector in New York, the tourism industry supported more than 850,000 jobs in 2014, and generates \$59.2 billion in direct spending in New York State.<sup>33</sup> The economic impact of tourism stretches well beyond state support for the industry, which has amounted to \$100 million over the last four years and culminated with a \$45 million campaign announcement in 2014—representing a 50 percent

over-the-year increase in funding.<sup>34</sup> The investments are clearly paying off, with spending and visitation at all-time highs.<sup>35</sup> Bolstered by a new, comprehensive marketing campaign for I LOVE NEW YORK, strong efforts to connect upstate with downstate, a strong emphasis on international travel and destination development, and critical infrastructure improvements at visitor gateways on the roads and in the skies, tourism in New York State will continue to surpass expectations this year and beyond.

Governor Cuomo has sought to remain competitive and recapture the millions of dollars spent by New Yorkers each year in neighboring states and Canada by championing a successful constitutional amendment on the November 2013 ballot authorizing casinos. In December 2014, the Governor announced three resort destination gaming facilities to be located across upstate New York in Sullivan, Schenectady, and Seneca Counties. With a combined capital investment of more than \$1.3 billion, it is expected that the three casinos will create more than 3,600 permanent jobs.<sup>36</sup>

In addition to casino development and ongoing work to promote and develop New York's tourism regions, this year we will again lead a series of summits and challenges to nurture tourism across a diverse array of recreational pastimes. The Adirondack Winter Challenge, the Governor's Cup wine competition, the Governor's Bassmasters' Challenge, and the Empire State Open golf tournament will each put a spotlight on a distinctive region or leisure activity – such as wine tasting in the Finger Lakes and snowmobiling in the Adirondacks – that makes New York State a world class destination for visitors. Additionally, the Governor will host a third Tourism Summit in 2015 to highlight the industry as a central part of New York's economic growth. To continue driving our tourism economy Upstate and elsewhere, the Governor will commit \$25 million to our existing I LOVE NY marketing campaign and will also host another round of his Governor's Challenges with winter and summer events in the Adirondacks, a fishing tournament in the Finger Lakes, and two wine cups—one in the Finger Lakes and one on Long Island.

#### ***40. Support the State's Recreational Attractions and Sports Tourism***

Empowering regions to leverage their tourism assets has enabled the state to identify new opportunities for growth in the industry. Among the assets to emerge is sports tourism. New York is now bustling with activity—creating attractions for all sports enthusiasts—including the Adirondack Challenge, Bass Masters, and PGA Championship. Over the past year, New York's sporting events had a combined economic impact of approximately \$680 million. Yet, this is only the beginning. New York is home to the Olympic Training Center in Lake Placid, the only place in North America to host two winter Olympics; over 50 ski resorts, including Whiteface Mountain with the longest vertical drop of any ski area in the Northeast; historic raceways with such legendary tracks as Belmont and Saratoga; and some of the best large and small game hunting and saltwater and freshwater fishing in the region. As the home to hundreds of world-class athletic sites, New York State is perfectly poised to become the preferred destination for global sports tourism, a \$600 billion industry. In the

coming year, New York will play host to the NBA All-Star weekend in Brooklyn for the first time.

#### ***41. Focus on the ADK Tourism Economy***

Governor Cuomo will redouble his efforts to secure the Adirondack Park's reputation as a premier tourist destination, establishing brand recognition, creating visitor-friendly resources and accommodations, and improving accessibility. As part of this effort, the Governor will direct ESD, I LOVE NY, and DEC to brand, promote and provide helpful resources to plan a trip to the Adirondacks. This includes: establishing better roadside directional signage in the Park; creating kiosks and off-highway directional signs; revamping I LOVE NY and DEC's tourism planning tools; and investing in bike lanes, crosswalks, snowmobile trails and cross-country skiing access. In addition, the Governor will commit to upgrading certain Olympic Regional Development Authority facilities.

## **PART FIVE: GLOBAL NEW YORK**

New York State is not only a vital part of the national economy but also the global economy, thanks to the strength of New York City and a shared border with Canada's largest economic region.<sup>37</sup>

The Global NY initiative was launched in 2014 to enhance the international competitiveness of New York businesses and attract companies from around the world to invest in the Empire State.

New York businesses have a wide variety of goods and services to offer the global market. To build on this economic foundation, Governor Cuomo is working to encourage the export of New York goods and services through the Global NY initiative, which kicked off at the Global NY Summit on World Trade and Investment in October 2014 at the Jacob K. Javits Center in New York City.

The state is also a prime location for foreign businesses to start or expand. To encourage foreign direct investment in New York, the State will promote its variety of natural and physical resources through the Global NY initiative to encourage the import of foreign

goods, services, and relocation of businesses from outside of the United States into New York.

#### ***42. Create Global NY Export/Import Development Program***

Governor Cuomo will launch a \$35 million Global NY Development Program to encourage more New York-based companies to export their products to established and emerging markets around the globe. The Global NY Development Program will provide grants and loans to help small- and medium-sized businesses based in the state to explore new exporting opportunities or global expansion with financing to grow and compete. Program options will include:

- A \$25 million lending program targeted to small businesses that have had difficulty accessing credit markets that will help companies develop capacity to enter new markets. Empire State Development will operate the program in partnership with more than 20 private lenders across the state to leverage at least \$50 million in total small business lending;
- A \$10 million grant fund to additionally provide up to \$25,000 in additional grants to small- and medium-sized firms to develop export capacity through the design and

implementation of export marketing plans, website translation, product adaptation, market certification, and other services needed by smaller companies to better compete in the global economy; and

- A partnership with the Export/Import (Ex-Im) Bank of the United States to help connect credit-worthy small businesses with additional available export financing. The program will provide short-term loans of up to \$500,000.

#### ***43. Conduct Trade Missions to Enhance Relationships with Top Trading Partners***

Beginning in 2015, Governor Cuomo will lead international trade missions to markets including Mexico, Canada, Italy, China, Israel, and Cuba. These trips will allow New York State companies to explore new exporting and international investment opportunities, and will target a global audience with the message that there has never been a better time than now to invest in or do business with New York State.

#### ***44. Lead a Special Trade Mission to Cuba***

While five of the six trade missions are to several of New York's long established trading partners, Cuba is unique. Since 1960, trade and travel to and from Cuba

have been largely restricted. Now, the doors to this market of more than 11 million people are being opened to New Yorkers, and New York businesses. New York is home to more than 70,000 Cuban-Americans who have family ties to the island nation.<sup>38</sup>

As Cuba prepares for the expected influx of more than a million new tourists, New York's real estate developers, construction companies, manufacturers of building materials, and technology providers will be poised to rebuild infrastructure so long neglected.

Today, Cuba imports more than 80 percent of its food, made up of over \$1 billion in agricultural products. With our great agricultural bounty, we are ready to meet the demand. And in the field of biotechnology, we will establish relationships between our industry and academic researchers with Cuba's astonishingly productive biotech sector to bring their discoveries to markets in the United States and around the world. In the coming months, Governor Cuomo will lead a special trade mission to Cuba to expand opportunities for New York's businesses across a multitude of sectors.

## **PART SIX: A MORE SUSTAINABLE NEW YORK**

New York's prosperity, both present and future, depends on our commitment to preserving and protecting the state's precious natural resources and community well-being. Indeed, economic strength and environmental health are inextricably linked—a dynamic relationship Governor Cuomo recognized and acted upon during his first term. While returning the state to a more prosperous path after the recession, the Governor also reclaimed the state's national reputation as an environmental leader by making transformative investments in protecting and upgrading the state's parks and open spaces, boosting environmental funding programs after years of cuts, launching numerous groundbreaking clean energy initiatives and, after three devastating storms, committing to rebuilding and preparing the state for the new climate reality.

Governor Cuomo has committed more funds to environmental and clean energy programs in his first term (\$16 billion worth) than was invested in total from 1995 to 2006, and 65 percent more than was invested from 2007 to 2010.<sup>39</sup> Governor Cuomo will continue

his unprecedented commitment to environmental protection in his second term.

In his second term, the Governor will continue to implement his vision for a cleaner and more sustainable New York.

#### ***45. Restore the Environmental Protection Fund***

When the Governor took office, the Environmental Protection Fund (“EPF”) had been slashed from a high of \$250 million to \$134 million by prior administrations. Even when EPF budget allocations were impressive, actual spending disappointed considerably. For example, in 2007-08 when the EPF was appropriated at a record \$250 million, the State only spent \$153 million, and in 2008-09 with \$205 million appropriated, the State only spent \$180 million. After holding the EPF steady in his first two budgets, Governor Cuomo worked with the Legislature to increase funding by \$28 million to \$162 million. And importantly, the State consistently spent EPF funds in line with appropriations.

In the 2015-16 Executive Budget, the Governor proposes to raise the EPF to \$172 million dollars, an

increase of 28 percent since he took office. The \$10 million increase will support investments in fourteen categories, including land conservation, stewardship, and invasive species control and prevention. The increase also includes a new sub-allocation for capacity grants to State Parks friends' groups.

#### ***46. Expand and Protect Agriculture in the Southern Tier and Hudson Valley***

With an investment of \$50 million the Governor will launch two strategic farm preservation initiatives designed to ensure that farms remain intact and vibrant for generations to come.

##### Southern Tier Farm Initiative

The Southern Tier region is a historically important agricultural area of vast potential for growth. With abundant water resources and high quality soils, agriculture in the Southern Tier region is poised to boom. The Governor will make available \$30 million dollars to help landowners maintain, develop and grow farm, agricultural and related businesses.

##### Hudson Valley Farm Initiative

The Hudson Valley Region is a key agricultural hub in New York State. More than 5,300 farms are spread across 730,000 acres. Within a 150 mile range from Manhattan, an astounding 18 percent of the 11 county region is farmland. The region's proximity to New York City and other key population centers has long made the region attractive for farming. The region provides the vast majority of food to New York City farmer's markets, but the potential is even greater. New York City estimates that there is at least \$600 million of unmet need for regionally produced food. To help meet this and other demands, the Governor will launch a strategic initiative to protect farmland, agriculture and related businesses in the Hudson Valley by making \$20 million dollars available to purchase farmland conservation easements and ensure farming's future in the valley.

#### ***47. Invest in Wastewater Treatment***

Wastewater and drinking water investments protect water quality, improve public health, facilitate keystone economic development projects, and foster recreational tourism. The state will continue to

support new investments in drinking water and wastewater infrastructure projects that foster new economic growth and spur development opportunities.. Wastewater and drinking water projects are eligible infrastructure projects under the newly-proposed Upstate New York Economic Revitalization Competition. Winning REDCs would be able to award grants for drinking water and wastewater infrastructure as part of their revitalization plans when deemed necessary to facilitate economic development. Such awards could be designed to leverage a large pool of untapped federal financing available through the state's Environmental Facilities Corporation (EFC) to spur investment and provide relief to municipalities facing deteriorating and failing infrastructure, polluted runoff and undersized wastewater and drinking water systems that limit economic growth.

#### ***48. Reform Brownfield Program to Revitalize Polluted Landscapes***

The legacy of polluted industrial lands across New York underscores the interconnectivity of economic and environmental health. Across the state,

thousands of formerly vibrant properties known as brownfield or Superfund sites now lay fallow or underutilized due to the toxic legacy of an industrial past. As New York's economy rebounds, with a new wave of modern manufacturing and urban growth, this persistent pollution threatens the environment, public health and community character. Governor Cuomo has recognized that the State must strengthen the programs that will return polluted landscapes to productive and sustainable use.

In his 2015-16 Executive Budget, Governor Cuomo proposes to reform the Brownfield Cleanup Program (BCP) to catalyze redevelopment while providing the means to improve the environment and clean up contaminated sites. Since 2003, the BCP has cleaned up nearly 200 contaminated sites. However, it has often failed to direct funds to some of the state's neediest projects. Governor Cuomo's reforms would provide measures to ensure the program is fair to the state's taxpayers by targeting its tax incentives only to those sites that would not otherwise be attractive to developers. Under the reformed program, the

remediation tax credits would cover only the actual cleanup costs. The redevelopment credits would be limited to sites that are located in economically distressed areas, worth less than the cost to cleanup, or would result in the development of affordable housing.

Additionally, the 2015-16 Executive Budget includes an additional \$100 million in bonding authority for the State Superfund Program. As a result of this authority, DEC would also assist municipalities in cleaning up their own brownfield sites through the Environmental Restoration Program, a cost-effective method to facilitate environmental and locally driven economic goals.

#### ***49. Protect New York from the Boom in Crude Oil Transportation***

The production of crude oil from the Upper Midwest region of the United States has boomed over the last three years, from next to nothing four years ago to 900,000 barrels per day in 2014, nationwide.<sup>40</sup> Owing to the lack of pipelines, a significant volume of this crude oil is transported across the country by rail. New York has emerged as a key corridor for these

trains. After a series of tragic accidents in Quebec, North Dakota, and Alabama in 2013 revealed the volatile nature of this crude oil, Governor Cuomo emerged as a national leader in pushing the federal government for closer regulation of the crude oil transportation industry. To better prepare the state, the Governor issued Executive Order 125, which directed a crude oil inter-agency work group to comprehensively assess emergency response preparedness, implement aggressive enforcement and inspection initiatives, and work with partner railroads to coordinate preparedness activities.

The volume of crude oil being transported through New York is only expected to increase for the foreseeable future. In his second term, Governor Cuomo will continue to safeguard New Yorkers from the risks posed by this transportation while fighting for aggressive federal oversight. The Governor's 2015-16 Executive Budget proposes additional initiatives to increase the state's preparedness and response capabilities.

The best way to mitigate the potential effects of oil spills is to effectively plan, regularly exercise the implementation of emergency plans, and ensure state and local responders have the necessary equipment. The Governor's 2015-16 Executive Budget proposes to expand the range of activities that the State Oil Spill Fund can pay for to include planning, exercises and response equipment.

The Oil Spill Fund provides resources for oil spill cleanups when the responsible party cannot be identified or lacks the means to address a spill. The Fund has been capped at \$25 million since its inception in 1977. As part of the 2015-16 Executive Budget, the Governor proposes to increase the Fund cap by 60 percent to \$40 million. Additionally, the Governor proposes to make the fees for oil trans-shipped through the state the same as oil that is imported into New York for use. Both fees would be increased to 13.75 cents per barrel, from 12.25 cents per barrel for imported for use and 1.5 cents for trans-shipped oil. This would be the first increase in 15 years.

The Department of Environmental Conservation will use the additional resources and expanded capabilities created by the Oil Spill Fund proposals to establish geographically-specific response plans that identify environmentally sensitive areas designated for specific protections, partnering with the U.S. Environmental Protection Agency and Coast Guard when and where helpful.

The State will partner with local fire agencies to establish the NYS Flammable Liquid Firefighting Task Force. The Task Force will deploy flammable liquid-suppressing foam, firefighting equipment, and supplies along rail lines statewide. The Task Force will also provide standardized training and support to local agencies to deploy and operate the equipment necessary to fight flammable liquid fires. Additionally, the State will continue to increase its own foam capabilities to better supplement and support local resources at any major crude oil incident.

The state's inter-agency working group created under Executive Order 125 will further integrate response planning at the local, county, state and federal

levels, and improve coordination of the railroads and terminal operators involved in the shipment of crude oil across New York. This integration will increase cooperation and provide the basis of ongoing training programs, drills and exercises.

### ***50. Improve New York's Resiliency in the Face of Climate Change***

Governor Cuomo has made New York State a national leader in preparing for the effects of climate change, acknowledging it as one of the greatest challenges of our times early in his first term. According to the National Oceanographic and Atmospheric Administration, 2014 was the hottest year ever recorded, with nine of the top ten hottest years having occurred since 2000.<sup>41</sup> After the state endured three major storms at the outset of his first term, the Governor embarked on an ambitious plan to make the state more resilient and to mitigate the effects of climate change.

#### ***Ready, Respond and Rebuild***

In 2012, following the devastation of Superstorm Sandy, Governor Cuomo empaneled the *2100*

*Commission* and the *Ready/Respond Commissions*, which charted out a course for long-term climate change recovery and resiliency.

In September 2014, Governor Cuomo signed the *Community Risk & Resiliency Act* (CRRRA), legislation recommended by the 2100 Commission. This new law requires state agencies to consider future physical climate risks caused by storm surges, sea level rise or flooding in certain permitting, funding and regulatory decisions.

Through the Governor's Office of Storm Recovery and partnering agencies, the State continues its efforts to rebuild a more resilient New York in the wake of Superstorm Sandy, Hurricane Irene, and Tropical Storm Lee. Armed with \$30 billion in federal relief aid, the Governor's efforts are focused on enabling individuals, businesses and communities to restore natural infrastructure, harden critical infrastructure, and improve their emergency preparedness.

The Governor also advanced critical climate change mitigation projects, such as the *Fire Island to Montauk Point* coastal protection project in partnership

with the U.S. Army Corps of Engineers and local government. This federally-funded \$700 million project, which languished for more than 50 years, will upgrade natural and manmade storm protections along an 83-mile section of coastal and bay areas of the south shore of Long Island. The Governor will also continue to press the federal government to fund the Bay Park wastewater treatment plant ocean outfall pipe. The State has already secured an agreement from the federal government to provide \$810 million to repair and upgrade the Bay Park plant and collection system, and ensure the plant can withstand a 500-year storm event. However, by securing federal funding for an outfall pipe, the state has an important opportunity to significantly improve water quality and resiliency.

### ***51. Launch the Climate Smart NY Initiative***

In the Governor's second term, New York will remain at the forefront of resiliency and climate change mitigation policy. The Governor will launch *Climate Smart NY* to tie together various components of the Administration's climate change mitigation and

resiliency efforts and identify new, specific goals to guide and direct State agency action.

Climate Smart NY will lay the groundwork for the implementation of the CRRRA. In addition to the interagency effort already underway, the Governor will direct the Department of Environmental Conservation, in collaboration with the Department of State, to seek stakeholder input on implementation of the CRRRA and its integration with other climate-related programs and initiatives.

Under Climate Smart NY, the Department of Agriculture and Markets (DAM) will develop the Climate Resilient Farms Program. Here, DAM will work with its sister agencies, institutes of higher education, agricultural producers, and Soil and Water Conservation Districts to develop strategies and support for New York farmers to improve resiliency, new pest management, and to incorporate carbon management—including sequestration—as an on-farm resource objective to mitigate negative impacts.

Under Climate Smart NY, State agencies will be directed to perform regular Vulnerability Assessments

to identify climate change-related risks to each agency's assets, services, and abilities to reduce risk.

Also under Climate Smart NY, the Department of Environmental Conservation will work with other appropriate agencies, to develop data on fuel carbon intensity to inform State policies aimed at driving down the consumption of fossil fuels and lowering emissions in the transportation sector.

Lastly, under Climate Smart NY, State agencies will develop methane capture standards and programs to reduce emissions and make New York's energy system more efficient and cost effective. These efforts will complement EPA's development of standards for new sources in the oil and gas sector.

## ***52. Continue the Recreate NY Home Buyout Program***

Many New Yorkers currently reside in homes that are in flood zones and whose lives and properties are at risk due to extreme weather events. The *Recreate NY* voluntary home buyout program, initiated in the wake of Hurricanes Irene, Lee, and Sandy, has been a highly successful resiliency program that is designed to move New Yorkers out of harm's way. The program has

demonstrated solid results to date in Staten Island, Long Island, and upstate, with over 900 offers to purchase at a cost of \$300M, and over 500 closed purchases at \$207 million. In 2015, New York will continue this voluntary program with \$411 million from existing federal funding, so that New Yorkers most at-risk, who live in repeat-flooding neighborhoods, can choose to relocate now, before the next extreme weather event endangers their safety.

### ***53. Promote and Conserve New York's Outdoor Resources***

Governor Cuomo has made the restoration of the state's parks, public lands and outdoor opportunities a hallmark of his first term. When the Governor first took office, the New York State Parks system was in a financial and physical crisis. In 2010, for the first time in 125 years, the State nearly shuttered 88 parks for the entire summer.<sup>42</sup> Park infrastructure such as restrooms, playgrounds, and cabins were decaying, with no long-term plan for repair.<sup>43</sup> The State's boat launches and hatcheries were desperately in need of repair and little concern was paid to enhancing sporting and wildlife

viewing opportunities. Little attention was being paid to the Adirondack and Catskill Parks—both of which are national treasures. The New York outdoors economy, valued at well over \$11 billion, had simply been neglected.<sup>44</sup>

Upon taking office, Governor Cuomo reversed this trend, leading a bold, multi-year transformation of New York’s outdoor resources.

The results of these initiatives are nothing short of astounding: State Park attendance is at record levels—well over 60 million annual visitors—and continuing to grow, having increased over four percent since the Governor took office. In the Adirondack Park, the spirit of common ground is palpable, where historic feuding has given way to collaborative problem solving.

In his second term, Governor Cuomo will continue his work to reinvigorate and reimagine New York’s outdoor resources for the 21<sup>st</sup> century.

### *Support for NY Parks 2020*

*NY Parks 2020*, which continues to make progress since its launch in 2011, is a multi-year commitment to leverage a broad range of private and

public funding for an investment of approximately \$900 million in State Parks from 2011 to 2020. These investments will restore facilities, modernize park systems, enhance visitor experience, update signage, create better access, promote healthy recreation, become more energy efficient and resilient for future extreme weather, and serve as local economic engines.

#### ***54. Create the Excelsior Conservation Corps***

During the Great Depression, President Franklin Roosevelt instituted a public works program designed to engage young men in conservation work across the nation. In exchange for building parks, clearing trails, fighting forest fires, and planting trees, these young men were offered housing and a small stipend that would support their families back home. This program, known as the Civilian Conservation Corps or “CCC,” became one of the most recognizable programs of the New Deal and helped hundreds of thousands of Americans while promoting environmental stewardship.

The Excelsior Conservation Corps (“ECC”) will be a modern day version of this program. ECC will address the environmental needs of the state, tap into the spirit

of community service among young New Yorkers, and provide an avenue for employment training and college scholarships to participants who traditionally have not had access to similar opportunities. The ECC will be the first state-led large-scale program in the nation to provide full-time, residential environmental stewardship positions.

The ECC will be a 10-month service program funded by approximately \$1 million in federal funding from the state's AmeriCorps program. Dozens of Corps members between the ages of 18 to 25 will receive a small stipend, an education award at the end of their service of \$5,300 and live with their fellow Corps members while performing service. They will work at the Department of Environmental Conservation and State Parks' facilities, engaging in trail-building and facility maintenance work as well as providing environmental education to visitors. During the time they are not engaged in this work they will become "Environmental Ambassadors" by visiting schools and community centers to teach children about the state's natural environment and encourage outdoor recreation.

Corps members will be drawn from a cross section of the state. Membership selection will strive for gender balance and socio-economic and regional diversity. Additionally, veterans will be actively recruited. Program leaders will receive a higher stipend, have an opportunity to use their leadership skills in a civilian setting and also be eligible for the education award.

In addition to the environmental stewardship work, Corps members will undergo basic disaster response training so they are qualified to help communities impacted by extreme weather events and engage in a variety of community service initiatives like “I Love My Park Day.” This will give the state a flexible group of trained volunteers who can assist other state agencies in a variety of situations and support and organize volunteer response in emergencies.

Similar programs have been employed at the national level, through the National Civilian Community Corps and FEMA Corps. Several states have developed smaller versions of this type of AmeriCorps program,

although New York's will be the most comprehensive program in the country.

***55. Expand "NY Open for Fishing and Hunting" Initiative***

As part of *NY Open for Fishing and Hunting*, Governor Cuomo has taken innovative steps to enhance New York's rich fishing and hunting traditions by making licenses cheaper and easier to get, legalizing crossbow hunting, restoring fish hatcheries, and opening up new fishing and hunting access. In 2014 the Governor unveiled 50 new outdoor-access projects to connect hunters, anglers, bird watchers and other outdoor enthusiasts to 380,000 acres of untapped State-owned land across New York. The \$6 million investment expanded opportunities for access to Department of Environmental Conservation-owned lands for hunting and fishing, boat launches, and new hiking opportunities. Building upon these efforts, the Governor proposes to further expand access to state-owned lands for hunting, fishing and wildlife viewing by committing \$8 million in NY Works funding.

Through *NY Open for Fishing and Hunting*, New York will leverage state and federal funds to rehabilitate and acquire more Wildlife Management Areas, restore habitat, and provide additional fishing access at sites across the state. In addition to traditional boating access sites and acquisition of public fishing rights, this effort will include a commitment to provide urban access and access for non-boating anglers through construction of fishing piers and water-side structures.

#### ***56. Promote Protected Landscapes and Thriving Communities in the Adirondacks***

In 1894, New York established its “Forever Wild” Constitutional amendment, Article XIV. This visionary action created what is known today as the Adirondack Forest Preserve. New York was the first state in the nation to constitutionally preserve its wild forestlands. Article XIV served as the model for the federal Wilderness Act, enacted 50 years ago. The Adirondack Park, at six million acres is spread across nine counties and contains more than 100 towns. The Park is larger than Yosemite, Yellowstone, Glacier, Grand Canyon and the Great Smokies National Parks combined. The Park

has 46 mountains greater than 4,000 feet above sea level, more than 1,500 miles of rivers, and over 2,000 lakes and ponds, making it a national treasure. In its first century of existence, the Adirondack Park has served as an international model for land conservation. To fully realize the wonder of the Park and to prepare it for the next century and beyond, the state must continue to protect its landscapes and water resources while restoring the vibrancy of its communities.

The land within the Park has become increasingly protected—and for good reason. However, many of its towns have not been well-positioned to take advantage of the economic opportunity of the Park. For decades, the Park has been losing full-time residents, its population has been aging, and its school age population has been shrinking. Many communities have lost the kind of basic services and amenities that are not just attractive for visitors, but also for permanent residents. The Park's hamlets should be as much a destination as its remote peaks and rivers. To accomplish this, environmental protection and economic development strategies for the Park must be

developed in concert. This has been the focus of a nascent grassroots movement, where traditionally disparate factions in the Park are now working tirelessly in a spirit of common ground to bridge historic divides.

Since taking office Governor Cuomo has made it a priority to balance and foster economic development, conservation, tourism and Park-land expansion. During the Governor's first term, New York achieved far-reaching protections and unprecedented cooperation on issues confronting the Adirondacks, its residents and its visitors. From the legacy acquisition of the former Finch property, to two Constitutional amendments that will add valuable lands to the Forest Preserve and accommodate local interests within the Park, to three Adirondack Challenges, the Governor has effectively promoted the Adirondacks' untapped economic and recreational potential.

Governor Cuomo recognizes that the Adirondacks are not only home to great natural resources but also a diverse set of communities, interests, opportunities and needs. While much work

has been done over the last four years to achieve both preservation and economic growth, more is needed to ensure the continued preservation of the Forest Preserve while helping Adirondack communities thrive for generations to come.

***57. Facilitate Infrastructure Repair and Improvements in the Adirondacks***

The Governor will direct DEC to work with the diverse group of municipal and environmental leaders who are actively engaged in a productive regional dialogue to complete long-overdue and common-sense road and infrastructure improvements in the Adirondacks, while honoring the legacy of Forever Wild.

***58. Prevent the Spread of Invasive Species in the Adirondacks***

The economic future of the Adirondacks is intrinsically linked to the health of its water bodies and forests. Invasive species, which, if allowed to spread, could cost the Adirondack economy up to \$900 million, primarily due to property value loss, and could spoil the positive economic trend in the Adirondacks and around the state. To protect the Adirondacks from invasive

species, the DEC will work in partnership with local governments, environmental groups, lake associations, and community organizations to develop an Adirondacks invasive strategy, using seed money provided from the proposed increase to the 2015-16 Environmental Protection Fund.

***59. Improve the Quality-of-Life for Adirondack Residents***

Access to healthy food, health care, and quality education in the Adirondacks remains a challenge. In some areas, many of the existing grocery stores have closed, forcing residents to travel great distances to access healthy food. The old health care model has led to an inefficient allocation of care in the Adirondacks. The school age population continues to shrink, bringing new challenges to local districts.

The Governor will work to improve the quality of life for new and existing Adirondack residents by: (1) prioritizing access to nutritious food by implementing food access, planning, and farming incentive programs in the Adirondacks; (2) ensuring access to care through an integrated approach that emphasizes prevention,

increases primary care, builds more community-based options, supports critical safety-net providers, and rewards quality. This approach will be aligned with state reform initiatives and the recommendations of the North Country Health Systems Redesign Commission; (3) prioritizing educational outcomes by implementing the Governor's Smart Schools Bond Act initiative, proposing a robust education reform agenda, enhancing access to universal broadband, and promoting shared services to assist Adirondack school districts, as well as other rural areas around the state, to have the tools and infrastructure necessary to provide students with an education for the 21st century; and (4) connecting Adirondack residents and visitors to wireless and wired broadband service through the \$1 billion New NY Broadband Program. A coordinated cell tower siting strategy using existing infrastructure and co-location of new infrastructure, where possible, would help meet a critical and basic hamlet-centric economic development need.

## ***60. Revitalize and Redevelop Communities in the Adirondacks and Catskills***

Park visitors and the local population alike demand thriving, sustainable communities throughout the Adirondacks. In December 2014, the state awarded the North Country REDC \$5 million to create a North Country redevelopment fund that will assist transformational redevelopment, rehabilitation, revitalization, blight clean up, and infrastructure projects. This complements the existing Smart Growth grants program administered by DEC and DOS for the Adirondacks and Catskills, a program the Governor proposes to boost with his proposed increase to this year's Environmental Protection Fund. In his second term, the Governor will continue to support hamlet revitalization, smart growth, and redevelopment of former industrial sites, which will both provide economic opportunity and reduce development pressure upon the backcountry. Governor Cuomo will continue to support locally driven efforts to identify economic opportunities that will support sustainable year-round communities.

## ***61. Grow New York's Forest Products Industry***

Forests are critical to the health and economic well-being of New Yorkers. For over 100 years, New York has been a leader in protecting, conserving and enhancing our vast forests and our urban and community trees for the benefit and enjoyment of all New Yorkers. The forest products industry is a key economic engine in rural communities, with a total economic impact of over \$8 billion.<sup>45</sup>

The long-term retention and sustainable management of the 19 million acres of public and private forest land in New York—63 percent of the state—is vital to economic growth and environmental protection. Over 13 million acres of private forest land supports 43,000 jobs statewide. The vast majority of private forests are owned by individuals and families.

In addition, there is more than four million acres of state forest land, most of it in the Adirondack and Catskill Parks. DEC is working to increase the sustainable harvest of state forests which aids local industry and maintains forest health. During the past three fiscal years, State Forests have produced an

annual average of 17.5 million board feet of sawlog-quality timber as well as 22,000 cords of firewood and 33,000 tons of chipwood, comprising a combined average value of over \$4.2 million in timber resources for the wood-using industry per year.

The quality of the timber grown in New York from key regions such as the Southern Tier, Adirondacks, and Catskills, is among the highest in the United States. For example, about 60 percent of the Southern Tier is in forest land cover, or approximately 4.5 million acres. Timber, including cherry, oak and walnut, from the Southern Tier is used to manufacture fine furniture and other high-quality hardwood products, and is often exported to markets around the world. There are over 50 sawmills in the Southern Tier and more than 100 secondary processors, such as cabinet, furniture and pallet makers, biomass facilities, millworks and others. More than 2,500 businesses around the State - from Buffalo to Brooklyn - manufacture products from wood.

However, New York's forests offer untapped opportunities to provide benefits to urban and rural

residents, the economy and the environment. Economic output and number of jobs in the forest products sector have been reduced since peaks in the 1990s and early 2000s. This has mirrored similar trends in other manufacturing sectors in the U.S. as more and more manufacturing has moved to other parts of the world.<sup>46</sup> New York has an opportunity to both promote forest products while also enhancing environmental protection and sustainable forestry practices. Current projections show New York's biomass inventory will nearly double in the next 20 years, but without efforts to expand the Forest Products industry, production is likely to remain flat.

In order to promote the growth of the sustainably harvested wood products industry in New York, DEC, DAM, and ESD, as the State's representatives on the Wood Products Development Council, will bring together stakeholders from forestry management companies, environmental groups, government agencies, and private landowners to discuss the opportunities and challenges the industry faces and ways the State can contribute to the industry's

advancement, including by reforming the current property tax incentive program (480-a Forest Tax Law). The goal will be to increase sustainable production from the forest product industry in New York while preserving open space.

With these efforts, the state will help position the forest products industry to grow and continue its long tradition of contributing to the health, well-being and economy of New York. A forest products industry that harnesses the latest in sustainable forestry practices will create jobs, protect open space, reduce carbon emissions, and increase New York's resilience to climate change.

## **PART SEVEN: REFORMING THE ENERGY VISION**

New York's energy infrastructure is as outdated as vinyl records and floppy disks in the age of smart phones and tablets, and electricity bills are rising as our energy system ages. Basic maintenance and upkeep of our power grid under the existing framework is creating a burden on customers; it is estimated that \$30 billion in investment is needed over the next ten years

to maintain the existing utility grid, compared to just \$17 billion spent over the previous decade.<sup>47</sup>

However, with challenges come opportunities. Local, distributed technologies now empower customers to take greater control of their energy use through on-site power generation, energy management software, and smart home appliances. For the first time ever, institutional investors and publicly traded companies are moving their own capital and resources into clean energy markets.<sup>48</sup>

Let history show that New York chose to take action, to lead, and to be a part of the solution rather than the problem.

In four short years, Governor Cuomo has launched unprecedented efforts to mitigate the local effects of climate change and capture the economic development and environmental benefits of the growing clean energy economy. This past year was no exception: working with New York's first energy czar, Richard Kauffman, Governor Cuomo championed the nation-leading and comprehensive *Reforming the Energy Vision* (REV) strategy to develop a cleaner, more

reliable, and affordable energy system for all New Yorkers. Governor Cuomo's plan includes transitioning away from ineffective grant and rebate programs to more market-oriented strategies, a fundamental shift in regulations to create clean energy standards and incentives for all utilities, and investing in energy efficiency and renewables at every State agency and authority. Together, these strategies seek to harness the power and speed of markets to accelerate New York's transition to a 21st century energy future. This future is here.

While the approach to supporting clean energy has traditionally revolved around one-time grants and rebates that reduce upfront costs, the new REV strategy acknowledges this approach is neither sustainable nor sufficient. In order to accelerate deployment of clean energy resources, New York must address barriers beyond upfront costs to unlock private sector investment and responsibly decrease the surcharges on customers' energy bills over time. This new approach will result in greater impact at a lower cost.

### *NY Green Bank*

In his 2013 State of the State address, Governor Cuomo announced plans to form the nation's largest \$1 billion green bank to accelerate clean energy deployment in New York by working in partnership with the private sector to transform clean energy financing markets. Recognizing that limited access to financing has been a major, unaddressed barrier standing in the way of clean energy, NY Green Bank provides financial support such as debt capital and/or credit enhancement to attract private sector lenders to invest in New York clean energy projects. In October 2014, NY Green Bank announced its first seven transactions—agreements in principle reached with global and statewide financial services institutions and developers. Collectively, NY Green Bank's \$200 million commitment will result in more than \$600 million of private investment, for a total of \$800 million in clean energy projects across New York that are expected to reduce carbon 575,000 tons of carbon dioxide. These projects would have been difficult for the private sector to finance without the green bank's support.

### *NY-Sun Initiative*

In 2014, Governor Cuomo committed \$1 billion to the local solar industry through the NY-Sun Initiative, a ten-year program to stimulate and expand the solar PV market across the state. This initiative combines a predictable declining grant schedule with a focus on reducing soft costs, and has helped New York quadruple the amount of customer-sited solar power installed annually in New York since 2012.

### *NY Prize*

In 2014, Governor Cuomo launched NY Prize, a \$40 million competition to modernize New York State's electric grid, spurring innovation and community partnerships with utilities, local governments, and private sector.

## ***62. Commit \$5 Billion to New York's Clean Energy Fund***

New York State will commit \$5 billion dollars over ten years to support NYSERDA's clean energy programs, focusing its resources on enabling markets to accelerate New York's transition to a clean economy. The Clean Energy Fund will work in concert with the

ongoing REV proceeding and will fund, among other initiatives, the full capitalization of NY-Sun and NY Green Bank. The Clean Energy Fund will deliver strategies to reduce greenhouse gas emissions, increase the deployment of energy efficiency and renewables, increase private investment, and provide more value to customers. The State will pay particular attention to expanding opportunities for clean energy technologies to be implemented in segments of the market that may be underserved by maturing clean energy industries, such as low- to moderate-income communities. In addition, the Clean Energy Fund will work with local governments and municipalities that are looking for ways to reduce operating expenses, identify shared service opportunities, and obtain greater choice, resilience, or independence through clean energy solutions.

### ***63. Expand Battery R&D at the Brookhaven National Laboratory***

New York is actively engaging with experts in the energy sector to establish the clean energy system of the future. This includes researchers at our academic

institutions, R&D facilities, and Brookhaven National Laboratory (BNL).

The state has made great strides in advancing battery research and development, yet we can do more. Battery storage is a critical component of scaling up intermittent renewable resources, such as solar and wind. In addition, batteries are an essential building block for microgrids, which can enhance resiliency and help prevent damage caused during extreme weather events.

To accelerate research efforts and expedite the deployment of battery storage across the state, New York will commit a total of \$65 million to BNL to allow commercial developers to test battery and storage research in real time, providing better information on how intermittent and stored power fluctuates on the grid, while taking advantage of BNL's internal grid and SBU's research.

This partnership will ensure New York remains the nation's leader for clean energy and battery storage R&D, encouraging homegrown innovation to help mitigate climate change.

#### ***64. Build the Advanced Grid Innovation Laboratory for Energy***

As the programmatic and regulatory elements of Governor Cuomo’s REV strategy unfold to drive greater penetration of smarter energy solutions, the grid itself must evolve. The global smart grid market is estimated to grow to \$400 billion by 2020,<sup>49</sup> and will provide many of the solutions powering the grid of tomorrow. To support the development of these solutions and establish New York as a global hub for advanced grid technology, the New York Power Authority (NYPA), in partnership with SUNY Polytechnic Institute Colleges of Nanoscale Science and Engineering (CNSE), will invest \$35 million to build the new Advanced Grid Innovation Laboratory for Energy (AGILe) in the Capital Region.

This state-of-the art laboratory will leverage the successful business model of CNSE—featuring public-private collaborative research and flexible intellectual property management—in an open innovation and commercialization hub to be publicly owned and managed. The facility will be a dynamic ecosystem of R&D and deployment, supporting REV by attracting private sector technology companies in the energy,

information, and communications sectors. AGILE participants will strengthen New York's vibrant clean energy industry by commercializing technology products and services and creating a new generation of high-paying, energy-related technology jobs. AGILE will complement New York's existing array of resources supporting clean energy technologies, including research conducted at BNL and NY-Best, the Battery and Energy Storage Technology Consortium.

*REV Proceeding to Bring Efficiency and Change to the Utility Industry*

In April of 2014, Governor Cuomo unveiled an initiative to fundamentally transform New York's electricity market through a shift in utility regulation. The effort, under REV, is a proceeding initiated by New York State's Public Service Commission (PSC) to provide a public process to examine changes aimed at unlocking the deployment of clean, local energy resources and improving the efficiency of the electric power grid; it will also create more value, choice, and flexibility for customers by redesigning price signals, revising utility compensation structures, and opening up access to

previously undisclosed data. This proceeding is one of the most significant efforts to occur in worldwide energy policy in decades.

*Continued Commitment to the Regional Greenhouse Gas Initiative*

In New York and eight other Northeastern and Middle Atlantic states, the Regional Greenhouse Gas Initiative (RGGI) is promoting a clean-energy future with lower greenhouse gas emissions from electric power generation and savings for electricity customers. RGGI is the first mandatory market-based emissions trading program in the U.S. to reduce carbon dioxide (CO<sub>2</sub>) emissions and the first anywhere to use the cap-and-invest model for reducing pollution.

New York has continued its leadership as the largest market in RGGI. In 2013, Governor Cuomo led a multi-state effort to lower the emissions cap, incentivizing greater investment in low-carbon electricity sources while generating higher revenue for additional clean energy initiatives.<sup>50</sup>

*Accelerated Replacement of Leak-Prone Gas Pipelines*

While New York trail blazes a new approach to building tomorrow's energy system, customer safety remains the state's top priority. The PSC has commenced a regulatory proceeding to require gas utilities to accelerate replacement of leak-prone pipelines, map and publish known leaks online, and strengthen public awareness through campaigns encouraging the reporting of gas odors for investigation.

#### ***65. Enact Sweeping Changes for Utility Compensation***

As part of Governor Cuomo's REV strategy, the PSC is exploring how to incentivize utility and market investment in the energy system of tomorrow.

In December 2014, the PSC approved a first-of-its kind initiative in Con Edison's territory, illustrating certain principles underlying the new regulatory paradigm. In this program, Con Edison will be procuring local clean energy resources such as energy efficiency, renewables, and storage to meet system constraints allowing the utility to defer a major substation need date from 2017 until 2026 while achieving an overall lower cost to customers.<sup>51</sup>

In 2015, the PSC will continue to explore and consider sweeping changes to utility compensation in New York, including new performance metrics and rate plans for utilities and markets to develop a cleaner and more efficient electric system. These changes will help to institutionalize investments similar to Con Edison's and support the deployment of clean, distributed energy.

### ***66. Challenge Technology Providers to Build the Energy Future Today***

In December 2014, the PSC formally issued a challenge to utility, technology and clean energy innovators to come forward and introduce groundbreaking new solutions that illuminate the REV future, improve customer value, create jobs, and lower emissions. In 2015, the Commission will review proposals and give participants the flexibility to implement projects that test new business models consistent with REV. These demonstration projects will also inform the regulatory proceeding itself. As projects are approved and deployed over the coming months, New Yorkers will start to see what tomorrow's

energy system looks like today, with new advancements in home automation, renewable energy, storage, and other technology platforms making their global debuts here in New York.

### ***67. Broaden Access to the Benefits of Solar***

Whether because they rent or own a condo, have insufficient roof space, or poor roof orientation, many New Yorkers are unable to install a solar system. Across the country, only 22-27 percent of residential rooftop area is suitable for hosting solar PV, leaving a majority of homes without access to the economic and environmental benefits of on-site solar power.<sup>52</sup> We can change this.

The concept known as Shared Solar, or community net metering, offers the potential to enable millions of people to go solar for the first time. Whether or not they own a suitable rooftop themselves, interested New Yorkers would be able to subscribe to a local solar energy project and get credit on their utility bills for their portion of the clean power produced. This will result in new and significant private investment in the state's growing clean energy economy.

In 2015, the Commission will consult with stakeholders to develop new net metering policies to provide customers with groundbreaking opportunities, such as Shared Solar, to further support local clean energy investment and healthier communities.

### ***68. Review and Reform NYISO***

When New York restructured its energy markets in 1996, it created a marketplace for buying and selling wholesale electricity, to be operated by the New York Independent System Operator (NYISO). NYISO is a private, not-for-profit corporation established by the businesses that participate in the energy market, regulated by the federal government and overseen as an electric corporation by the PSC. It is responsible for the reliable operation of the bulk power system; it designs and administers wholesale energy, capacity, and ancillary services markets, and issues regular planning and economic reports identifying infrastructure needs in the system.

The development of cleaner energy resources requires proper price signals at both retail and wholesale levels, and a marketplace that recognizes

their value. The current wholesale market structure is not designed for, nor may be well suited for, the proliferation of clean distributed energy resources. The evidence lies in the limited deployment of demand response in the wholesale energy and ancillary services markets and the eroding penetration of demand response in the capacity market. Renewable energy resources also face financial difficulty operating within the current wholesale market structure.

In designing and administering the wholesale markets, NYISO makes decisions that can have profound impacts on New York's electricity prices and energy resource mix, and thus on consumers, the economy, and the environment. However, NYISO's board of directors does not have adequate public and consumer representation, and are not subject to the same transparency standards as other governmental organizations. The PSC will review NYISO's current governance structure and markets, and make recommendations for governance and market design changes that will better represent consumer interests

and facilitate the advancement of the ongoing clean energy policies of New York State.

*Lead by Example with State-owned Energy Assets*

Often forgotten in the clean energy debate is government's own ability to use public assets to lead by example. Launched in 2013, the State's BuildSmart NY initiative, a commitment to improving the energy efficiency of New York State public buildings and facilities by 20 percent by 2020, is already saving taxpayers tens of millions of dollar annually through reduced energy costs. This long-term commitment is not only cost-effective, but also affords the opportunity for the public and private sectors to partner together to deploy clean energy technologies at greater scale. In addition, public assets and the local and state municipalities that govern them can be used as the tip of the spear to stimulate local economic development and wider customer adoption of clean energy technologies. Since taking office, Governor Cuomo has recognized and utilized the strengths of previous public investments in low-cost hydropower to support the upstate economy.

### *K-Solar*

In 2014, Governor Cuomo launched *K-Solar*, a program to cut through the red tape to bring solar power to schools. In just the first few weeks of the program, the state had interest from nearly 200 school districts representing more than 800 public schools across 51 counties.<sup>53</sup>

### *NYPA's 5 Cities Energy Plans*

In 2014, Governor Cuomo launched the Five Cities Energy Plans, an innovative example of state-local collaboration enabling five of the largest cities in the state—Albany, Buffalo, Rochester, Syracuse, and Yonkers—to comprehensively address their energy priorities and challenges. Working with NYPA, the Five Cities will execute these plans to reduce municipal energy consumption 20 percent by 2020, joining the State in reaching the Governor's BuildSmart NY goal. Just as importantly, the plans provide a roadmap for each city to strengthen the reliability and resiliency of their energy infrastructure, catalyze clean energy investment and economic development, and contribute to a cleaner environment and better quality of life, in

concert with private and non-profit stakeholders city-wide.

### *ReCharge NY*

Governor Cuomo's ReCharge NY is a permanent low-cost power program that reduces electricity costs for businesses that commit to jobs and capital investments in New York, providing 910 Megawatts (MW) of electric power to businesses and nonprofit organizations across the state.

### ***69. Host a Global Clean Energy Event Series***

Through the REV strategy, New York is leading the nation in reshaping its energy future. We welcome others to share our vision and strategies.

In 2015 New York State will host a series of REV events to bring together local, regional, national, and international leaders, clean energy industry stakeholders, entrepreneurs, and members of the finance community to highlight New York's energy transition and leadership and collect best practices and lessons learned from elsewhere around the world. This series will serve as an opportunity to engage policy and

tech leaders from the clean energy sector and attract innovators to do business in New York. As part of the series, these summits will focus on what local and state governments can do to drive customer adoption of clean energy solutions and help communities lower operating costs, support economic development, improve resiliency, and reduce greenhouse gas emissions.

### ***70. Launch Clean Fleets NY***

Clean vehicles are an important part of the state's energy future, and Governor Cuomo has made a strong commitment to support their adoption in New York through the *ChargeNY* initiative and the multi-state Zero Emissions Vehicles (ZEV) MOU. But these vehicles are no longer just a part of the future: they are on the roads in New York today, already reducing fuel and maintenance costs for thousands of drivers while also reducing emissions and improving air quality.

In light of innovations in clean vehicle technologies and business models, New York is committing to lead by example with select agency vehicles through Clean Fleets NY. In 2016 Department

of Environmental Conservation (DEC), NYPA, and NYSERDA, among other agencies and as part of a pilot program, will ensure that at least 50 percent of new, administrative-use vehicles will be ZEVs, including battery electric, plug-in electric hybrid, or hydrogen fuel cell vehicles. These agencies will initiate a pilot to explore innovative ZEV acquisition models (such as leasing) to take advantage of federal tax incentives and lifecycle savings to reduce costs. This will serve as a model to inform procurement decisions throughout state agencies.

Local governments will be encouraged to adopt similarly innovative arrangements and save money through the Climate Smart Communities program, which will facilitate the aggregation of purchases and provide procurement templates, an education campaign, and a unified point of contact for municipalities, vendors, vehicle manufacturers, and leasing companies.

## ***71. Launch the New York State Community Partnership***

As the next phase in NYPA's Five Cities planning process, NYPA will provide up to \$20 million to the most forward thinking and advanced of the five cities in a "Race to the Top" competition. The first round of grants, expected in 2015, will award winning cities for the use of public-private partnerships to showcase innovation and excellence in clean energy deployment.

In addition to the "Race to the Top" competition, NYPA will help ensure the cities' successful implementation of the previously developed energy plans by funding an Energy Manager position for each city from 2015 through 2020. Each city's Energy Manager will receive a budget to execute their plan's strategies and will have access to information sharing, technical assistance, and "start-up" funding to get energy efficiency and other measures underway. Successful implementation of these plans across the five cities is expected to save as much as \$400 million annually.<sup>54</sup>

NYPA will also create an in-house "energy ombudsman" to serve as the state's primary point of

contact for the five cities and other municipalities, able to identify and provide streamlined support from multiple agencies and authorities with energy resources.

Governor Cuomo is committed to helping New York's local governments invest in economic development and job creation, reduce costs, and deploy cleaner energy. To further this commitment, the state, through a NYPA and NYSERDA driven "New York State Community Partnership," will scale the successful state-local collaboration of NYPA's Five Cities model by providing additional communities with the technical support, policy expertise, and enabling tools and resources to allow them to address their energy needs. These resources will be aimed at helping communities take innovative but simple and cost-effective steps to drive clean energy uptake and save costs, paving the way for greater opportunities for them to reap additional environmental and economic benefits.

This effort will serve as an important, transferable model for other states and cities across the country. By expanding elements of the Five Cities

approach statewide, New York will continue to lead by example in demonstrating how states can optimize their resources and enhance their impact by working more effectively with local governments and other partners to share best practices and increase scale.

## **PART EIGHT: ECONOMIC MOBILITY FOR ALL NEW YORKERS**

At heart, the American Dream is about economic mobility. We work to improve our own economic standing and provide a brighter future for our children. When one of us succeeds, we all succeed. But too often, many barriers stand in the way and jeopardize the futures we envision for ourselves and our families.

Governor Cuomo recognizes we must dismantle those barriers so that any New Yorker can live the American Dream. Doing so requires comprehensive and integrated solutions, from providing basic supports like food and shelter to harnessing the power of philanthropy, from creating well-paid jobs to stopping financial predators. Each step strikes at impediments to individual success.

Governor Cuomo's plan seizes on proven strategies, like enhancing job-creating tax credits and expanding the reach of community-driven support networks. These measures, along with many others, can make the difference between economic mobility and economic stagnation.

***72. Expand the Unemployment Strike Force to the Top Ten Highest Areas of Unemployment***

Unemployment is down in every region of the state and the overall rate stands at 5.9 percent, the lowest since late 2008.<sup>55</sup> Last year represented the single biggest one-year drop in the unemployment rate in upstate New York in recorded history. Nevertheless, some communities in the state remain plagued by high unemployment.

The Governor believes that all New Yorkers should be able to contribute to the state's economy, and he demonstrated this commitment in May of 2014 by announcing the creation of an Unemployment Strike Force, a new multi-pronged campaign to target areas of the state with the highest unemployment rate and boost employment. In partnership with Empire State

Development, the State Department of Labor, and others, the campaign is designed to strategically focus on areas with the highest unemployment, which in the spring of 2014 were the Bronx, Jefferson, Lewis, Kings, St. Lawrence, Oswego, Orleans, Montgomery, Franklin, and Steuben Counties. Take, for example, the Bronx where the Unemployment Strike Force has helped 4,000 Bronx residents get jobs and unemployment is at its lowest levels since 2008. This targeted and coordinated effort is moving the needle.

The Governor will continue his work to ensure that every New Yorker who wants a job can find one, and proposes to expand the Unemployment Strike Force by institutionalizing the partnership, expanding the number of communities to be included, and dedicating additional funding for training programs.

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### ***73. Create the Rochester Anti-Poverty Initiative***

Rochester is one of the poorest cities in the nation. The startling conclusions of the Rochester Area Community Foundation and ACT Rochester's recent poverty report concluded that Rochester ranks highest in the nation amongst comparably sized cities for:

- Childhood poverty;
- Extreme poverty (rate of those below 50% of the federal poverty level);
- The poverty rate for female-headed households;
- Poverty rate for those with less than a high school diploma;
- Poverty rate among those identified as being of two or more races; and
- The percent of overall population that is poor and has some form of disability.

However, while an array of services exists for those in need, poverty remains an unsolved problem in the Flower City. Money and effort is devoted to combatting poverty, but it isn't working. We need to do something different.

The Governor will create the Rochester Anti-Poverty Strike Force made up of a range of state

agencies charged with better targeting and coordinating resources, integrating services, utilizing data and information technology, developing more flexible funding arrangements, and evaluating services based on outcomes. The strike force will work with local stakeholders from the public, private and not for profit sectors, who have recently come together to address these issues with greater coordination, to identify strategies, maximize existing programs, and leverage private sector investment to replace uncoordinated efforts with a true system to solve poverty in Rochester.

The Governor recognizes that Rochester is not alone in struggling with persistent poverty. We are launching several initiatives to combat poverty across New York. However Rochester is a special case, and the strike force will ensure that state services and available resources are married with Rochester's unique needs. Success in Rochester will provide a model that can be replicated in other communities across New York.

#### ***74. Raise the Minimum Wage***

During Governor Cuomo's first term, he signed legislation into law increasing the state's minimum

wage law to better align it with the cost of living. As a result of the Governor's leadership, the minimum wage will be raised from \$7.25 to \$9.00 over the course of three years. The Governor believes that a reasonable minimum wage is the only way to improve the standard of living for workers, reduce poverty, encourage fair and more efficient business practices, and ensure that the most vulnerable members of the workforce can contribute to the economy. The Governor proposes raising the statewide minimum wage again by the end of 2016. Specifically, the Governor is proposing to increase the minimum wage to \$11.50 in New York City (given the City's high cost of living) and \$10.50 throughout the rest of the state, effective December 31, 2016.

### ***75. Ensure Availability of Emergency Food***

Last year, the federal Farm Bill made more than \$8 billion in cuts to the Supplemental Nutrition Assistance Program (SNAP), which provides benefits to more than 3 million New Yorkers every month. Although the State took immediate steps to mitigate the impact of these cuts, the average monthly SNAP benefit

in New York State fell almost \$19 per household—enough to buy a dozen eggs, two gallons of milk, a pound of apples, a loaf of bread, and two pounds of chicken. For households living on tight budgets, this food can mean the difference between full plates and empty stomachs.

When hungry New Yorkers run out of other options for feeding themselves and their families, they often turn to local emergency food providers for assistance. Unfortunately, it is increasingly difficult for these providers to meet the needs of their communities. A 2014 survey by the Food Bank for New York City found that 60 percent of food pantries and soup kitchens reported running out of food in September 2014, up from 48 percent the previous November. 80 percent of food pantries and soup kitchens surveyed said they served more people in the past year than in the previous year, and food shortages led more food pantries and soup kitchens to turn people away or offer less food per visit.<sup>56</sup>

The Anti-Hunger Task Force emphasized the importance of maintaining a strong emergency food

system, since it is often a last resort for hungry individuals and families, and the Governor agrees. In November of 2013, after federal SNAP cuts went into effect, the Governor showed his support for the emergency food network and infused an additional \$4.5 million into the system. This funding went to 2,600 emergency food providers and helped support the more than 3 million New Yorkers who access emergency food programs each year.

While the State works to address systemic issues related to hunger, the Governor will stay focused on the immediate needs of hungry New Yorkers by providing a second infusion of \$4.5 million into the emergency food system.

### ***76. Expand Participation in “Out of School” Time Meals***

The Child and Adult Care Food Program (CACFP) is a federal program that provides reimbursements for nutritious meals and snacks served in day care settings and after-school programs. For children who live in poverty, afterschool and other out of school care settings may provide the best opportunity to receive

healthy meals and snacks outside of school, yet the Anti-Hunger Task Force identified that providers in New York State do not fully take advantage of available federal food resources, including CACFP. For some providers, the paperwork necessary to enroll and participate in CACFP poses too much of a burden. Other providers may be unaware of the program or unsure of how to participate. The NYS Department of Health recently hired full-time outreach staff for CACFP, and within a year, statewide participation in the program has increased 7 percent.<sup>57</sup> This increased participation means that more children are receiving meals in child care settings, afterschool, and out of school programs, more federal funds are coming to New York to reimburse the costs of these meals, and the State will receive additional federal funding to administer the program.

The State is committed to leveraging all available resources to address child hunger and pursuing new and comprehensive approaches to meet their needs. In order to ensure that afterschool and out of school meal programs reach as many children as possible, New York

State will provide a one-time grant of \$250,000 for targeted, implementation-focused outreach and enrollment assistance to programs that are eligible but not currently participating in CACFP. Increasing participation in CACFP will create a more robust mixed delivery system, where afterschool and outside of school care programs can fill the gaps in a child's daily nutritional intake.

### ***77. Reduce the Stigma of Free Meals in Low-Income Schools***

The National School Lunch Program and School Breakfast Program provide meals to students in almost every school in New York State. Although low-income students are able to receive these meals for free or at reduced prices, the stigma of being labeled a “poor kid” prevents some eligible students from participating. As a way to combat this stigma in the lunchroom, the federal Healthy, Hunger-Free Kids Act of 2010 created the Community Eligibility Provision (CEP). CEP allows schools and school districts that serve predominantly low-income children to offer free meals to every student. This eliminates the need for schools to collect

individual applications for free and reduced price meals, and it allows every student to receive a free meal without worrying about stigma. It also makes school meals more accessible to students whose families are facing financial hardship but are not quite eligible for free or reduced price meals.

The Community Eligibility Provision has been working in select schools and school districts in New York State since 2012 and currently offers free meals to nearly half a million students every day. School districts that have successfully implemented CEP, including Buffalo, Rochester, and Syracuse, have seen increases in the number of students that eat breakfast and lunch each day. New York State is proud of its use of CEP and will continue to encourage eligible school districts – especially those with very high percentages of low-income students – to participate in CEP and further reduce the stigma associated with free school meals.

### ***78. Encourage Connections between Farmers and Local Schools***

In recent years, schools in New York State have become increasingly connected to local farmers and

food producers. According to the most recent United States Department of Agriculture (USDA) Farm to School Census, 62 percent of schools in New York State participate in some kind of Farm to School Activity, and of school districts that had relationships with local farmers and food producers, almost 17 percent of their food expenditures were on local food. These farm-to-school relationships have educational, health, economic, and environmental benefits. Children have access to healthy local food and can gain a better understanding of their community's agricultural industry. Schools can become regular customers for local farmers, who can then keep their products local and not have to transport them to distant markets.

Since 2013, the USDA has been providing Farm to School grants to help eligible schools improve access to local foods. These competitive grants can support training, operations, planning, the purchase of equipment, developing school gardens, developing partnerships, and implementing farm to school programs, and so far ten New York State entities have received grant awards. With the help of one of these

grants, the Broome-Tioga Farm to School Program in the Southern Tier was able to provide local schools with produce – including 3,000 lbs. of tomatoes and 12,000 lbs. of apples – from five local farms during 2013.<sup>58</sup>

The most recent round of USDA Farm to School funding will bring \$250,000 to New York State for five projects. In order to build on the momentum of the USDA funding, to provide children with healthy food, and to support New York State’s agricultural economy, the Governor is creating a \$250,000 New York State Farm to School Support Grant. This grant will be available to schools and other eligible entities to create school gardens, develop farm to school relationships, create community partnerships, and engage in other activities that will support farmers and increase the amount of healthy, locally-grown food being served in New York schools.

#### *Tenant Protection Unit*

During the Governor’s first term in office, the state enacted the strongest reforms to the state’s rent laws in 40 years, providing protections for one million rent-regulated tenants and dramatically decreasing the

number of units leaving the system. In 2012, the Governor also created the Tenant Protection Unit (TPU) to proactively audit and investigate wrongdoing by building owners and take strong action against abusive owners. In 2014, the TPU continued to proactively protect tenants in nearly one million rent-regulated homes. The TPU has pursued owners who failed to register their units and audited owners who had filed for rent increases previously claimed apartment improvements. These actions have resulted in the re-stabilization of more than 36,000 units and over \$200,000 returned to tenants who were unknowingly overcharged. Other 2014 TPU accomplishments include:

- Entered into an unprecedented agreement with Castellán Real Estate Partners/Liberty Place Property Management, who were harassing and intimidating Spanish-speaking tenants. The settlement provides for monitoring of owners' business practices for up to three years, creating a fund to compensate tenants who were wrongfully removed from their homes, and requiring that all communication to tenants be in both English and Spanish.
- Investigated the patterns and practices of owners accused of harassing tenants or

making apartments unlivable by damaging kitchens and bathrooms.

- Implemented new rent regulations that require itemized bills to substantiate individual apartment improvements, curbing the ability of owners to arbitrarily move units out of rent regulation.

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

The Governor created the Justice Center for the Protection of People with Special Needs which has transformed how the state protects the more than one million New Yorkers under the care or jurisdiction of six State agencies, including over 200,000 children and adults with disabilities who reside in State-operated or licensed residential programs. The state has also improved services and protections for New Yorkers with developmental disabilities and enacted a law ensuring the safe handling of patients and individuals to better protect people from falls and staff from work-related injuries.

Governor Cuomo will continue his commitment to protecting all New Yorkers, regardless of age, race or socioeconomic status.

## ***79. Create More Affordable Housing***

Recognizing the affordable housing crisis facing the state – with more than 3 million households paying over 30 percent of their income on housing costs, in 2013 the Governor launched the landmark \$1 billion *House NY* program to create or preserve more than 14,300 affordable units across New York. The largest investment in affordable housing in more than 15 years, *House NY* will revitalize thousands of Mitchell-Lama units in Homes and Community Renewal’s portfolio, ensuring that these projects continue to provide affordable housing well into the future. It will also create thousands more new units targeted to low-income New Yorkers. This program is creating significant economic benefits for the state, including long-term stabilization of distressed neighborhoods and the creation of construction jobs.

Governor Cuomo will continue to expand affordable housing opportunities, investing \$229 million in capital resources in 2015-16 as part of the five-year *House NY* program, an increase of \$32 million over available resources in 2014-15. Additionally, the

Governor is committing nearly \$257 million in JP Morgan mortgage settlement proceeds to help those negatively impacted by the mortgage foreclosure crisis. He is investing in programs that create new housing, revitalize communities, and preserve housing for existing residents. Additionally, the governor's investment of storm recovery funds for affordable housing serves as a catalyst to attract private investment to the market—lowering mortgage costs and leading to more affordable rents.

### ***80. Double Tax Credit to Increase Inner City Youth Employment***

In 2012, to combat the unacceptably high unemployment rates among inner-city youth in communities across New York, Governor Cuomo launched a new Urban Youth Jobs Program providing a credit to employers who hire unemployed, at risk youth. The Governor remains committed to helping the youth in New York's inner cities obtain employment. To further enhance the success of the program, the annual allocation is doubled to \$20 million for tax years 2015

through 2018 with a focus on jurisdictions with high youth unemployment.

**81. Increase MWBE Opportunities to 30 percent**

Under Governor Cuomo’s leadership, New York has made great strides in increasing equal opportunity in contracting for Minority and Women-owned Business Enterprises (MWBE). In October 2014, the Governor announced that statewide MWBE utilization, which was 10 percent when he took office in 2011, met and exceeded 25 percent for the first time in the program’s history, equating to approximately \$2 billion in contracts to MWBE firms during the state’s 2013-2014 Fiscal Year—the highest amount nationwide.

The state’s success is due to an aggressive multi-pronged strategy to remove barriers to grow and increase utilization of MWBE firms in both commodities and



***In October 2014, the Governor announced that statewide MWBE utilization, which was 10 percent when he took office in 2011, met and exceeded 25 percent for the first time in the program’s history.***

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services. First, the Governor established a MWBE Team to explore ways to expand MWBE participation in state contracting. The team included elected officials, academics and members of the administration. Second, the state launched the new State Contract System in October 2012. During its first six months, the system quickly became the preeminent vehicle to provide transparency and compliance to effectively monitor agency spending with MWBEs. Third, by streamlining certification procedures, the Division of Minority and Women’s Business Development increased the pool of certified MWBEs, adding 2,123 firms between January 2011 and January 2014, and eliminated an application backlog. Finally, small business and MWBE contractors leveraged \$40 million in surety bonding capacity as a result of training, credit facilitation, and surety bond collateral support.

The Governor remains committed to his vision of expanding MWBE participation in state contracting, and has now set a 30 percent MWBE utilization goal—the most ambitious goal in the nation.

## ***82. Continue Assistance for Veterans***

In March 2014, Governor Cuomo held the first-ever Summit on Veterans and Military Families in New York State. The summit focused on ensuring the economic stability of Veterans and military families in New York, especially in the areas of benefits, employment, affordable housing, education, and services.

The Governor established a statewide “Strike Force” to expedite federal disability claims for New York State Veterans. At the time of the Strike Force’s creation, it would take, on average, close to 500 days for a veteran to hear a decision on a federal VA disability claim, and there were approximately 12,000 pending VA disability claims in New York State, with many of these cases more than two years old. New York’s “Strike Force” will significantly help New York’s Veterans escape this backlog by placing state employees in New York State’s VA Regional Offices to focus on attacking backlogged claims.

The Governor implemented several employment-related initiatives. For example, he

enacted groundbreaking legislation to create a program with the goal of awarding 6 percent of state contracts to businesses owned by veterans disabled in the line of duty, which is double the amount of the federal government's set aside goal. New York is the only state to set such an ambitious goal and has set aside contracts for service-disabled veteran-owned businesses to achieve it. "Troops To Energy" is a partnership with industry leaders from five electric and gas utilities to develop a plan that places returning veterans with utility industry jobs. The final FY 2013-2014 budget provided for encouraging employers to hire New York's post-9/11 veterans who are currently not employed. Finally, the Governor expanded the "Experience Counts" Campaign to include military spouses in professions such as cosmetology, barbering, and real estate brokers and salespersons. "Experience Counts" aims to facilitate the transfer of military skills to the public and private sectors.

In the area of housing, the State of New York Mortgage Agency (SONYMA) pledged \$50 million so Veterans and military members can obtain a fixed-rate

mortgage with a 3.875 percent interest rate, 0.75 percent below the already-low interest rates charged on SONYMA mortgages with down-payment assistance. First-time homebuyers who are honorably discharged military veterans, National Guard, and reservists as well as active military qualified for this program. Honorably discharged military veterans are eligible even if they are not first-time homebuyers.

To support the ongoing economic stability of Veterans and their families, Governor Cuomo took action in two areas. Veteran may now pay in-state tuition using any of the G.I. Bills to attend college at State University of New York (SUNY) and City University of New York (CUNY) schools, and in August 2014, New York joined the Interstate Compact on Educational Opportunity for Military Children. This Compact works to ease the transition between schools for children in military families. Furthermore, it ensures that children in military families are afforded the same opportunities for educational success as other children, and are not penalized or delayed in achieving their educational goals.

### ***83. Enact the 'Get on Your Feet' Loan Forgiveness Program***

Governor Cuomo wants to make it possible for young people who graduate from college to manage their student loan obligations when starting out in their careers. Although SUNY and CUNY offer among the lowest tuition in the nation, currently, the average New York college student graduating with a four-year degree is saddled with more than \$25,000 in student loans.<sup>59</sup> Mounting student debt makes it difficult for recent graduates to handle everyday living costs, which often leads in turn to mounting credit card and other debt.

Therefore, Governor Cuomo will propose the *Get on Your Feet Loan Forgiveness Program* which will allow New York residents who graduate from college and continue to live in the state to pay little or nothing on their student loans for the first two years out of school if their income is not high enough to cover their student debt burden without significant financial hardship.

Governor Cuomo's program will supplement a new federal program that ties the amount borrowers pay on their student loans to the amount of their income in order to make it easier for college graduates

to manage their student loan payments. For students who attend colleges in New York and continue to live in the state following graduation, participate in the new federal Pay As You Earn (PAYE) income-based loan repayment program and earn less than \$50,000 annually, the state will cover 100 percent of their student loan payments for two years. This will allow recent graduates to avoid becoming overwhelmed with debt repayments while they are working to get launched-in the job market.<sup>60</sup> For example, consider a young woman who graduates with \$20,000 in student loans and earns a starting salary of \$35,000 per year. She would need to pay \$2,554 per year on her student loans under a traditional 10-year repayment program, but the income-based loan repayment feature of the PAYE program reduces this amount to \$1,225, which the *Get on Your Feet Loan Forgiveness Program* will cover. By providing the help she needs so she will not have to make payments on her student loans for the first two years after college, *Get on Your Feet Loan Forgiveness Program* will greatly assist her while she finds a job and gets settled in life as a young college

graduate in New York State. In addition to helping the student directly, the *Get on Your Feet Loan Forgiveness Program* encourages students to attend college in New York State and to stay in New York State following graduation.

#### ***84. Create the Office of Faith-Based Community Development Services***

Governor Cuomo will establish the Office of Faith-Based Community Development Services to assist and maximize community and faith-based organizations in providing education, health, workforce training, food programs and social services to communities—especially those most in need.

The Office will partner with the Office of Temporary and Disability Assistance, Office of Children and Family Services, Department of State, Housing and Community Renewal and the Governor's new State Nonprofit Coordinating Unit to help communities deliver services to their neediest residents and combat the root causes of poverty.

Faith-based organizations are often on the front lines of providing critical services to families across

New York and the state needs to maximize the efforts of these organizations to provide services to those in need. To support the work of the State's nonprofit partners, the Governor will create a one-time \$50 million Nonprofit Infrastructure Capital Investment Program.

The Office will, among other things:

- Work with the State Nonprofit Coordinating Unit to help faith-based organizations access grant opportunities.
- Make targeted investments in capital projects that will improve the quality, efficiency, accessibility, and reach of nonprofit human services organizations that serve New Yorkers.
- Help faith-based organizations work with government agencies in order to maximize resources and opportunities to provide services in their community.
- Identify best practices in providing community services.
- Work with Empire State Development to help and encourage development of faith-based businesses.

### ***85. Create the Nonprofit Infrastructure Capital Investment Program***

The state's many nonprofits organizations are critical to providing services to a wide range of New Yorkers. In 2012, Governor Cuomo appointed the State's first Interagency Coordinator for Not-for-Profit Services, a cabinet-level position created to assist with contract reform and to address challenges that nonprofits face in their business relationships with the State. This effort was enhanced in 2014 with the creation of a new Nonprofit Coordinating Unit within the Division of Budget. The Nonprofit Coordinating Unit, which reports directly to the Governor's Interagency Coordinator for Not-for-Profit Services, is focused on strengthening the working relationship between state government and nonprofit organizations and on developing initiatives that will strengthen the sector and enhance services for New Yorkers.

The nonprofit sector provides services to many New Yorkers on behalf of the state and its local governments. Using nonprofits to provide these services results in a cost-effective delivery system that helps meet the needs of New Yorkers, including many of

the state's most vulnerable populations. Many of the services that nonprofits provide on behalf of the state result in long-term cost avoidance and savings by intervening to help avoid crisis situations. Nonprofits also provide services and education to help at-risk populations make better choices; again, resulting in long-term cost avoidance and savings to the state.

Nonprofit organizations often operate on shoestring budgets that make it difficult for them to invest in capital projects, even when such projects are necessary, would enhance the quality of services, or could lead to long-term cost savings. As a way to support nonprofit organizations and encourage smart development, New York State is creating a one-time, \$50 million Nonprofit Infrastructure Capital Investment Program. The Nonprofit Infrastructure Capital Investment Program will make targeted investments in capital projects that will improve the quality, efficiency, accessibility, and reach of nonprofit human services organizations that serve New Yorkers. Priority for projects will be given to nonprofits with State contracts that provide direct services, particularly smaller

nonprofits and nonprofits that lack access to other capital funding opportunities. Grants will be awarded through a competitive process.

***86. Harness the Power of Philanthropic Giving to Foster Innovation***

New York State is home to some of the most generous and innovative Philanthropies in the Country, from Community Foundations to Grant-making Organizations, to Corporate Giving, these Philanthropic enterprises foster innovation, generally by funding and evaluating pilot programs for new solutions to challenges. New Yorkers are also deeply generous, giving over 16 billion in 2012, according to the Chronicle on Philanthropy.<sup>61</sup>

New York State lacks a centralized vehicle to catalyze private and philanthropic investments in State government. There are more than 10,000 private foundations in New York State.<sup>62</sup> To better leverage the many partnership opportunities within New York, the Governor will establish a 501(c)(3) non-profit organization. This entity will serve as a mechanism for donors interested in working with State agencies as

they identify and launch innovative projects and programs.

***87. Invest \$3M in the Office of New Americans***

New York must continue to be the state of Opportunity for all New Yorkers including those from other nations seeking to build a better life for themselves and their families.

Governor Cuomo launched the State Office for New Americans in 2013 to assist the many immigrants eager to contribute to our economy and become part of the family of New York. The Office's 27 neighborhood-based Opportunity Centers has already assisted more than 67,000 immigrants to learn English, become U.S. citizens and start and grow new businesses. In June 2014, the Governor signed a bill codifying the office in the state executive law as a permanent part of the state government, making it the first statutorily created state-level immigration integration office in the country. Additionally, the Governor issued an Executive Order requiring all state agencies that provide direct services to the public to offer free interpretation and translation services to all New Yorkers.

This year, we will strengthen the Office for New Americans to enable thousands of New Yorkers who have for years resided in our state to come out of the shadows and receive authorization to live and work in our country. Additional state-support of \$3 million will replace lost federal funds and provide an overall boost of \$1 million over last year's levels. These resources will be provided for the Department of State's Office for New Americans that provides services to assist the State's immigrant communities. The Office will launch a comprehensive campaign, in concert with leaders of the immigrant community, to help eligible immigrants apply for these new programs so they have an opportunity to fully contribute to our state's civic and economic life. The campaign will also crack down on scammers who seek to defraud immigrants.

### *Combatting Hunger*

Governor Cuomo is committed to helping the nearly 3 million New Yorkers who are food insecure, meaning they do not always have access to enough food for an active, healthy life. Since taking office, the Governor has actively worked to address both the

immediate needs of hungry New Yorkers and long-term issues that impact food security. In 2011, New York State launched FreshConnect, a program to expand farmers' markets and help low-income New Yorkers have better access to locally grown foods. At the end of 2013, Governor Cuomo announced the creation of the Anti-Hunger Task Force, a statewide effort to bring together experts, advocates, and government officials to focus on ending hunger and increasing access to local foods in New York State. In 2014, Governor Cuomo preserved a total of \$457 million in federal Supplemental Nutrition Assistance Program (i.e. food stamps) benefits for approximately 300,000 vulnerable households in New York. In addition, the Governor secured an increase in child care subsidy funding to nearly \$800 million to address the widespread need among low-income working families for affordable child care, benefitting approximately 223,000 children in the state.

The Anti-Hunger Task Force convened on a regular basis throughout 2014 and worked hard to identify key issues related to hunger in New York State.

Among their findings: the emergency food system is critical to fighting hunger; the State can better leverage available federal programs to improve access to nutritious food; New York farmers and food producers could be better utilized in ending hunger; and human services information technology systems create barriers to helping people access resources and benefits.

The Governor appreciates the effort and dedication of the Anti-Hunger Task Force, and as a direct result of their work, he is prepared to take bold steps to address hunger in New York State during his second term.

***88. Reform Package to Protect Low Wage Workers from Abusive Tactics***

Finding a job can be hard enough, but many of New York's most economically distressed workers spend thousands of dollars to engage employment agencies bent on scamming people when they are most vulnerable. A recent study found one-third of responding job seekers were offered jobs by agencies paying below the state minimum wage of \$7.25, a violation of New York Labor Law and the General

Business Law (2012). Worse, 81 percent of survey respondents who did not find a job through an agency were still charged a fee (average, \$122).<sup>63</sup>

Unfortunately, the laws governing employment agencies in New York are outdated. They allow employment agencies to charge lump-sum fees to low-wage job seekers, impose low fines that do not deter unlawful conduct, and do not grant victimized job seekers a private right of action. Governor Cuomo believes we can eliminate barriers to employment by protecting the economically vulnerable from abusive tactics. This year, we will review reforms that include eliminating the imposition of advanced fees for low-wage workers, strengthening enforcement, empowering workers with a private right of action, and protecting job seekers from retaliation.

### ***89. Combat Financial Abuse of the Elderly***

Elder financial abuse constitutes the most prevalent form of elder abuse in New York State, with an estimated 41 of every 1,000 older New Yorkers falling prey to financial exploitation.<sup>64</sup> Alarming, the annual financial loss suffered by victims increased 12

percent between 2008 and 2010, from \$2.6 to \$2.9 billion.<sup>65</sup>

According to the US Census, by 2050 the population over age 65 is expected to constitute 20 percent of the US population from 13 percent today.<sup>66</sup> As the senior population grows so does the opportunity for abuse. New York today has the third largest elder population in the nation, and our financial institutions are deficient in addressing the problem of abuse. Only one in 44 cases of elder financial exploitation is being reported to Adult Protective Services or other authorities.<sup>67</sup>

The Department of Financial Services has begun investigating financial practices that harm the elderly, and will work with financial institutions to enhance their procedures for identifying and preventing elder financial exploitation. This year, the Department will redouble efforts to educate elder communities on important financial topics and review consumer complaints to identify and prevent abuse. DFS will work with its partner agencies, including the New York State Office of Children and Family Services (Bureau of Adult

Services), Department of State, Department of Taxation and Finance and others to combat elder financial exploitation in a comprehensive manner.

Our parents and grandparents form the backbone of New York State, and we believe it's essential to protect them, throughout their retirements, from those who would shamelessly exploit and compromise their financial wellbeing.

***90. Establish the Military Financial Protection Task Force***

Service members based in New York and at military installations across the nation face unique financial challenges and can be especially susceptible to predatory financial service providers. These predatory actors target military personnel, often setting up shop at strip malls near our military bases, and pushing egregious financial products via the Internet. According to a 2006 United States Department of Defense Report on Predatory Lending Practices Directed at Members of the Armed Forces and Their Dependents, based in industry data, researchers estimate that one in five active-duty Service members were payday borrowers,

and, finally, predatory payday lending costs military families over \$80 million in abusive fees every year.”<sup>68</sup>

Our service men and women deserve greater protection against financial exploitation. The Department of Financial Services will establish a new Military Financial Protection Task Force, charged with, among other things, investigating and ensuring all lenders operating and lending to service members in New York State follow our usury and financial services laws. The Task Force will:

- Work to stop abusive collection practices against military personnel, which include calls to superior officers, and threats against security clearance and rank;
- Recommend cases for the Department to impose penalties for violations of New York and federal fair debt collection practices acts;
- Target lenders that partner with predatory finance companies and offer retail products sold primarily to military consumers, on credit and with excessive fees and interest rates;
- Look into the sale of unsuitable insurance products to service members and veterans, which can include unnecessary and

expensive life insurance products, and annuities sold to veterans; and

- Work in conjunction with the Department's Student Protection Unit, to look into abusive practices affecting students who formerly served in the military, including certain student loan servicing practices, such as deferment of student loan payments for disabled service members.

The Department will also administratively close the so-called "Fort Drum Loophole", which certain predatory lenders targeting military personnel use to skirt New York consumer protection laws.

### ***91. Expand Employment Opportunities for People with Disabilities***

On September 17, 2014, Governor Cuomo issued Executive Order #136 establishing the Employment First Commission. The Commission is tasked with creating an Employment First policy for New York that makes competitive, integrated employment the first option when considering supports and services for people with disabilities. The initiative aims to increase the employment rate and decrease the poverty rate for New Yorkers who are receiving services from the state, as well as register 100

businesses as having formal policies to hire people with disabilities as part of their workforce strategy.

## ***92. Re-envision Human Service Information Technology***

Human Service Information Technology systems are a series of separate and mostly antique data bases that track well-being, safety and appropriate fiscal actions for New Yorkers receiving Government assistance. The Anti-Hunger Task Force found that these outdated systems can create barriers to individuals and families accessing all of the benefits for which they are eligible. Leveraging Federal funds that incentivize system modernization, the state is embarking on a massive overhaul, bringing many separate systems up to one single standard, with common interoperability and reporting capabilities. This “Integrated Eligibility System” will vastly improve client experience, the ability of workers to assist, system maintenance and reforms, and policy planning through robust data reporting.

The Anti-Hunger Task Force understands that hunger may co-present with a myriad of other human

service needs. They recommend the "no wrong door" approach to this technology modernization effort- so that no matter what inquiry is presented, or which mechanism of presenting is used (in person, by telephone or through electronic application) the information technology is smart - capturing critical information once, and routing people to the right answers for their needs.

## **2. Education is the Great Equalizer**

Public education is, and has always been, the cornerstone of our democracy. Access to education, from pre-kindergarten through college, can pave the way to economic and social opportunities—to better jobs and more successful lives. Our schools are the gateway to the future for all New Yorkers.

In his first term Governor Cuomo has implemented reforms and policies to increase access to early education, supply schools with 21<sup>st</sup> century learning technology and internet connectivity, recognize and leverage our best teachers, and make college more affordable.

Our educational system can fulfill the promise of our people and provide equal opportunity for all, but it requires committed and dramatic reform. We will create

the opportunity that our students deserve. We will insist on access to quality and affordable opportunities, and to great teachers and great schools. We will make it our top priority that all New Yorkers have access to an education that allows them to realize their potential.

## **PART ONE: ENSURING AN AFFORDABLE, HIGH QUALITY HIGHER EDUCATION**

There has been a lot of national attention paid to the value of higher education. With college costs rising and graduation rates declining, pundits continue to debate whether college is “worth it.”<sup>69</sup> Like President Obama, Governor Cuomo believes that higher education opens the doors to opportunity and he will invest in making it accessible to New Yorkers.<sup>70</sup>

New York’s public university systems—the State University of New York (SUNY) and the City University of New York (CUNY)—serve over one million students at a combined 88 campuses across the state. Through the NYSUNY 2020 and NYCUNY 2020 competitive grant programs, Governor Cuomo has directed \$420M to energize the capacity of the state’s universities as drivers of economic revitalization, while continuing to

ensure that high-quality, affordable public education is available to every New Yorker, and that businesses have the resources needed to train and maintain a 21<sup>st</sup> century workforce.

New York's students have access to some of the highest quality educational opportunities in the world with SUNY, CUNY, and various independent and private colleges and universities. SUNY and CUNY are the most affordable systems of higher education in the northeast and are in the lowest quartile for resident tuition nationally.<sup>71</sup> Nevertheless, many students are failing to complete college on time, and struggling with increasing debt. And of course, even those who do complete college do not necessarily get good jobs after graduating. Governor Cuomo has taken on post-graduation employment through initiatives such as the Next Generation NY Job Linkage Program. It is critical that as connections between higher education and the workforce are strengthened, we also improve graduation rates to get New York's graduates into rewarding careers as soon as possible.

<b>Table 2. Public Higher Education Graduation Rates</b>		
	<b>4-year graduation rate</b>	<b>2-year graduation rate</b>
<b>SUNY</b>	47.2%	11.7%
<b>CUNY</b>	20.0%	3.0%
<b>National Public</b>	32.1%	7.7%

Source: *New York State Education Department and the Integrated Postsecondary Education Data System*

Governor Cuomo will ensure that New York students and their families have the information they need to choose wisely among colleges. Families should know that supports and services will be available to those who need them most. We want our graduates to choose New York as home when they complete their studies and enter the workforce with a strong start, unencumbered by overly burdensome student loan payments as they get established.

***93. Continue Our E<sup>2</sup> Strategy***

E<sup>2</sup> is a new way of thinking about higher education today that marries education with economic development. In New York, education is driving the economy forward. We recognize that many of the greatest ideas that have been brought to market in the

last century often began in the labs and libraries of colleges and universities. The computer revolution is a prime example—ideas sparked at schools like Stanford University and the Massachusetts Institute of Technology generated new industries and new local economies.

### *Innovation Hot Spots*

Governor Cuomo's Innovation Hot Spots competition fosters offers start-up companies valuable business support services to help commercialize academic research and promote further collaboration between business and academia. During the REDC awards ceremony, the ten regions each receive up to \$250,000 in state financial support to expand their provision of industry-accepted technical and business support assistance to young firms.

### *Investing in Nanotechnology*

A major element of Governor Cuomo's university-energized economic development strategy has been a joint \$4.8 billion investment between New York State and five of the largest and most advanced

computer chip manufacturing companies in the world, including IBM and Intel, into what is now the SUNY Polytechnic Institute. What began in Albany has since expanded westward to Nano Utica, where a \$1.5 billion computer chip packaging consortium, including global partners SEMATECH and Tokyo Electron, will move into a new state-of-the-art 250,000-square-foot Computer Chip Commercialization Center (“Quad-C”) and create more than 1,000 new jobs. And in Onondaga County, the expansion west has created the Central New York Hub for Emerging Nano Industries, which uses nanotechnology to drive innovations and create jobs in the computer generation imagery and animation industry.

The strategy extends even further to the Finger Lakes region, where the SUNY Polytechnic Institute’s Smart System Technology & Commercialization Center (“STC”) offers micro- electromechanical (or “MEMS”) design, manufacturing and packaging solutions to many different industries, and where the New York Power Electronics Manufacturing Consortium (“PEMC”) – a group comprising more than 100 companies such as GE,

IBM, SEMATECH—is currently working with the SUNY Polytechnic Institute on the development and manufacture of the next generation of industrial power electronics. The PEMC will create thousands of high-skilled, high-paying jobs in Upstate New York over the next five years, including at least 500 in the Capital Region and another 500 in Rochester.

***94. Invest in an Additional Round of SUNY2020 and CUNY2020***

SUNY2020 and CUNY2020 are challenge grant programs designed to simultaneously strengthen academic programs at the State’s public colleges and universities while spurring economic growth at specific campuses and in nearby communities. These programs provide incentives for capital development on and around SUNY and CUNY campuses, and establish rational tuition plans to allow schools, parents and students to anticipate expenses. We must continue to fuel this enterprise with additional capital investment to ensure that our colleges and universities have the facilities and tools needed to accelerate the growth of our expanding economy.

### ***95. Enhance the START-UP NY Program***

Governor Cuomo’s START-UP NY (an acronym for “SUNY tax-free areas to revitalize and transform upstate New York”) is a game-changing initiative that is transforming public university campuses and private colleges and universities across the state into tax-free communities that attract new businesses from out-of-state, start-ups, and expanding companies. The program offers companies the opportunity to operate tax-free—including no income tax for employees and no corporate income tax, sales, or property tax—for ten years.

START-UP NY leverages the strengths of New York’s higher education institutions by encouraging businesses to take advantage of research and development capabilities, academic programming, and job training initiatives that are part of the state’s college campuses. While the program is still in its early stages, START-UP NY has already driven over \$98 million in new investment, and resulted in the creation or retention of more than 2,100 new jobs.

College and university leaders play a critical role in the quality of the public/private partnerships

between new START-UP NY companies and the host institutions. Therefore, Governor Cuomo will propose that SUNY and CUNY provide financial incentives for presidents who provide proven leadership resulting in commercialization of research.

***96. Expand New York Ventures and the New York State Innovation Venture Capital Fund***

Governor Cuomo will renew New York's commitment to turning big ideas into big businesses by making additional funding available for New York-based start-ups. *New York Ventures* will be formed to organize New York State's innovation investment funds under a single roof. From the earliest tech-commercialization funding to late-stage venture capital investments, *New York Ventures* will be the front door through which entrepreneurs enter to launch and grow their companies with critically needed growth capital.

The New York State Innovation Venture Capital Fund (NYSIVCF), proposed by Governor Cuomo, was established to support technology commercialization in New York by making equity investments in high-growth technology companies that leverage the state's

industrial and cluster strengths. Governor Cuomo proposes doubling the fund to \$100 million from the current \$50 million. The increased funding will target a portion of its investments in companies associated with START-UP NY, Hotspots, and the proposed Regional Innovation Cluster Program.

### ***97. Support Our Community College Students***

New York's community colleges serve some of the state's most disadvantaged students and communities, and are more likely than four-year institutions to serve part-time nontraditional students who are trying to balance work, family, and other obligations alongside their educations. As reported recently, these students face tremendous education challenges because of the challenges they face just to survive.<sup>72</sup> In order to support the particular needs of these students and help them graduate, community colleges need to offer much more than diverse course options and academic advising.

In 2013, Governor Cuomo launched the Community Schools program to bring coordinated community services into school buildings to support K-

12 students and their families. Now, the Governor proposes to do the same for community college students and their families.

First, Governor Cuomo will work to identify five community colleges to serve as pilots for this initiative. This program will empower selected colleges with particularly distressed student populations to expand existing and provide new child and elder care services, transportation, health care services, family counseling, and employment assistance, and augment existing academic and career development supports. Through this approach, students and their families will have the tools and supports they need to achieve their goals.

### ***98. Align Community Colleges with REDCs***

Community colleges have been in existence since the early 1900s but the system grew rapidly in the years following WWII as a means to provide training to returning troops for white collar and advanced blue collar jobs.

It has been more than 60 years since the state first established the operations and organizational structure of our 30 SUNY community colleges. The

model emerged as an innovative way to train the workforce for the post-war economy, but, what was innovative in 1946 is often no longer innovative today. The structure of our community colleges encourages competition for students. We need to better align the activities of the colleges in each region and ensure that they remain true to their mission while ensuring better student outcomes.

In fact, when the New York State legislature established the Institutes of Applied Arts and Sciences in 1946 (four later became SUNY community colleges),<sup>73</sup> the legislature mandated that the schools be sensitive to the workforce development needs of their surrounding communities. Local community needs are increasingly being replaced by regional development needs. This means that communities need to work together within regions.

To foster this new approach, SUNY will create nine regional planning councils to ensure that the 29 community colleges outside New York City cooperate with the other colleges within the nine economic development regions of the state, working with

stakeholders from other state agencies, and local government, business and industry in each region. Under this structure, multiple colleges in one region will come together under a regionally assembled Council. The Chair of each Council will be one of the constituent college presidents who will serve on a rotating basis and the work of the council will be overseen by SUNY. These councils will set program development, enrollment and transfer goals on a regional basis and submit an annual plan to SUNY. This will limit competition by colleges for students within a region, better align education and training program offerings to regional economic development goals and activities, and improve student outcomes.

Community college core functions include: 1) post-secondary career and technical education and 2) preparing students for more advanced higher education at the baccalaureate level. In a working model, these functions should be informed and driven by the constituency that the colleges are serving; that is, employers and the economic development community.<sup>74</sup>

### *Next Generation NY Job Linkage Program*

In 2013, Governor Cuomo launched the Next Generation NY Job Linkage program to modernize and realign our education system to train students to succeed in today's high-skills economy. The program has two main components: (a) build regional partnerships with employers and Regional Economic Development Councils to train for unfilled and high-demand jobs; and (b) provide certain funds to community colleges based upon success. As is evident from the shrinking number of unemployed New Yorkers, this program is beginning to pay dividends.

Job Linkage ensures that students graduating from community colleges have the skills they need to compete for and succeed in the jobs of today and tomorrow. The program partners community colleges with regional employers to gain an understanding of what jobs employers are seeking to fill and what skills students need to have to succeed in those jobs. The program also provided \$5 million in performance-based incentive funding to reward community colleges that

graduate students who achieve successful academic performance and job placement outcomes.

***99. Streamline and Consolidate Management of SUNY and CUNY***

At the same time we must continue to find efficiencies in the management of higher education. Therefore, we propose an administration and back office consolidation plan between SUNY and CUNY to be completed by end of year. Under this plan, the two systems will work together to combine administrative functions between the two State funded university systems, including human resources, financial management and information technology (IT). When implemented, this plan will improve the efficiency of both systems while realizing substantial savings to NY State taxpayers.

***100. Pass the DREAM Act***

Throughout our nation's history, New York has served as a beacon for immigrants: the Statue of Liberty and Ellis Island in the New York City harbor serve as symbols of the central role that the state has played in welcoming immigrants and honoring their contribution

to our culture and economy. The Governor strongly believes that the state should continue this tradition by supporting the New York State DREAM Act, which will support the advancement of undocumented immigrants by enabling them to apply for state college tuition assistance.

***101. Create the Master Researcher Program***

Innovation doesn't start or stop in the president's office. College and university faculty drive innovative research and development activities, create new curricula, contribute to experiential learning opportunities for students and are an asset to the companies with which they partner. To recognize the critical link that the faculty provides between education and economic development, Governor Cuomo will create the Master Researcher Program to pay bonuses to successful professors who generate the greatest research, development and commercialization opportunities.

## ***102. Connect Higher Education to Employers & Jobs***

New York has more private sector jobs now than in any time in our history. While the Budget Division expects that New York will continue this growth, showing an estimated \$1.2 million increase in private sector jobs between 2010 and 2020, the majority of these jobs will require at least a high school or bachelor's degree. Moreover, the unemployment rate is two times higher for those without any higher education and 69 percent of New York's jobs will require postsecondary education by 2020.<sup>75</sup>

We must ensure that we are preparing our students for the modern workforce. Our outdated workforce development system is not designed to meet the needs of our employers. We cannot guess at what skills employees need to fill available jobs and advance in their current fields. New York must stay ahead of the curve by ensuring that our high schools and higher education institutions are training people for the jobs our economy demands today and tomorrow.

### ***103. Expand Partnerships among K-12 Schools, Higher Education, and Employers***

In our high-skills economy, students need more than a high school diploma to succeed in the workforce. Experts estimate that by 2020, nearly two in three jobs will require education or training beyond high school and roughly 30 percent will need workers who have an associate's degree or other post-secondary training but do not have a bachelor's degree—creating a major opening for skilled workers in technical fields.

Preparing students for these well-paying, stable jobs will require partnerships among high schools, colleges, and regional employers. Over the last four years, Governor Cuomo has made New York the national leader in this education transformation through the statewide Pathways in Technology Early College High School (P-TECH) initiative.

P-TECH starts when students are in ninth grade and leads directly from high school to college to employment. Within six years, participating students graduate with:

- College credit that they begin earning in high school, leading to an associate's degree from

a community college or four-year university at no cost to the student's family;

- Mentoring and internships with a regional STEM employer; and
- Commitment that they are first-in-line for a job with the employer after graduating.

P-TECH began as a partnership between IBM and New York City and in 2013, Governor Cuomo made New York the first state to take P-TECH statewide. In fall 2014, the first 16 NYS P-TECH programs opened their doors across the state. In 2014 the Governor expanded this group of schools by 10 for a total of 26 statewide.<sup>76</sup>

In addition, the Governor has expanded the successful Early College High School program to fund innovative ways of offering students the opportunity to begin college-level coursework during their high school years and established the Job Linkage program that connects degrees to careers and rewards community colleges with funding based on the future success of their students.

Governor Cuomo is committed to expanding this important program this year with another round of funding. And, because we want to make sure that students in these innovative programs are successful,

SUNY and SED will work together with their partners to establish common data indicators and reporting tools to evaluate program performance. In addition, the Governor will continue to prioritize these opportunities for at-risk students and those economic sectors with the greatest needs for skilled workers.

#### ***104. Streamline New Education Program Approval***

In today's global economy, the skills that employers require of their employees may change on a yearly or even monthly basis. We need to ensure that our institutions of higher education and specialty schools that provide "boot camp" style training programs in high-tech, high-paying fields can respond quickly to employer demands and adapt their curriculum and degree programs to meet the needs of growing sectors. To ensure responsiveness and alignment to the private sector, Governor Cuomo will propose changes to streamline and speed the process to approve and register programs and degrees at higher education institutions and high-quality proprietary schools. Due to the rapidly evolving economy, it can no longer take two years for a new degree or training

program to be approved. Such delays have slowed New York's ability to compete in the global economy and therefore it is absolutely critical that the state streamline the current ineffective process.

### ***105. Make Experiential Learning a Graduation Requirement***

Governor Cuomo will push to ensure that experiential learning is a mandatory requirement of graduation. To gain employment after graduation, it is no longer sufficient for a student simply to attain a degree or certificate in a specific field. Rather, students must also demonstrate work readiness and prior relevant experience to prospective employers. In fact, in a 2014 national survey of employers, the majority expressed support for colleges requiring students to complete an applied learning project before graduation.<sup>77</sup>

Experiential learning such as cooperative education ("co-op") and internships provide a win-win-win for New York's business, colleges, and—most importantly—students. Businesses host students for what are essentially extended "interview" periods to

find future employees while increasing productivity at decreased labor costs. In addition, enhanced connections between employers and educational institutions can help ensure that curricula include the skills students need to succeed on the job.

For students, the chances of employment after graduation are promising: 95 percent of co-op students find jobs immediately upon graduation and more than 60 percent of co-op students nationally accept permanent jobs from their co-op employers. Most importantly, giving students undergraduate work experiences increases the chances that they will work, stay, and live in New York following graduation.

### ***106. Create the Employee Training Incentive Program***

According to the New York Association of Training & Employment Professionals, 46% of job openings between 2012 and 2022 will be middle skills jobs; also, between 2008 and 2018 New York is adding more than 60,000 middle skills jobs.<sup>78</sup> If current education and labor market trends continue, that deficit will reach 350,000 by 2020.<sup>79</sup> These job-matching

challenges persist because existing training resources either fail to meet specific company needs or cannot be developed quickly enough to meet employer demand. Without business-driven training and resources, many incumbent workers will remain unqualified for tomorrow's jobs.

In addition to ensuring that current students graduate with the skills needed in the workforce through internships and Cooperative Educational experiences, Governor Cuomo proposes the creation of an Employee Training Incentive Program (ETIP). ETIP will complement the existing \$1.88M Community College Workforce Development Training Grant Program and will help strategic businesses in New York State meet critical training needs by equipping them with the resources necessary to train employees to fill new jobs or to retrain existing employees. ETIP incentives will be available to offset employer training costs. ETIP will provide up to \$5 million in tax credits to support 50 percent of training costs.

### ***107. Standardize Financial Aid Letters***

The rising cost of college coupled with sub-optimal student outcomes make college choice more critical than ever. Prospective students and their families need a tool to compare New York colleges across various dimensions.

The Governor proposes that New York colleges and universities be required to use a standard financial aid award letter and provide data regarding institutional performance in the areas of student access, degree completion and post-graduation success, including transfer. Students and their families will know the total costs of an education and how much of the aid they receive will need to be repaid. They will also be able to see how well other students have done once they graduated from the college they are considering.

### ***108. Shift State Support of University Funding from Enrollment to Performance***

Governor Cuomo recognizes that the current funding structure for colleges rewards enrolling more students, regardless of how successful they are. We

need to ensure that students who work hard and graduate are able to earn a living wage when they enter the workforce. To ensure student success and institutional excellence, we will begin the process of shifting state support from a formula based on enrollment to a formula that bases a portion of state aid on performance targets to ensure student success and institutional improvement. Each sector—community colleges to the university centers —will be included to ensure that SUNY and CUNY are national leaders in providing educational value to our residents.

To really move the needle on performance, our colleges need to know how they are doing and set ambitious goals to improve. SUNY and CUNY colleges will each develop a Performance Management Plan. These will include metrics to determine baseline performance and goals for growth to improve access, completion, academic and post-graduation employment or transfer success, research, and community engagement. Further, these plans will drive new initiatives and become the mechanism for the allocation of new funding to support experiential learning as a

requirement for graduation, a Master Researcher Program in partnership with the SUNY and CUNY Research Foundations to pay bonuses to successful professors who generate the greatest research and development and commercialization opportunities, and financial incentives for campus presidents who provide proven leadership resulting in commercialization of research through the START-UP NY program.

## **PART TWO: A BOLD P-12 REFORM AGENDA**

Since assuming office in 2011, Governor Cuomo has taken important steps to reform the state's education bureaucracy and improve student outcomes. We have replaced automatic spending with competitive grants, focused on high-quality early education, and emphasized partnerships between educational institutions and employers to ensure that we are preparing our students for the jobs of tomorrow. We also reformed implementation of the Common Core, provided funding for community schools, required that districts have a teacher evaluation system in place, and rewarded high-performing teachers through the

successful Master Teacher program.

These innovations in education have been supported by an unprecedented increase in State education aid over the last three fiscal years. As of this year, school aid is at its highest level ever and over 65 percent of recent increases were directed to high-need school districts. But, there is still progress to be made:

- New York lags behind 31 other states in student performance in math on “the nation’s report card”<sup>80</sup>;
- Barely three in four students graduate from high school on time;<sup>81</sup>
- The graduation rate achievement gap between Black and Latino students and white students persists, especially when it comes to the percent of students earning Advanced Degree diplomas.<sup>82</sup>
- Only 38 percent of students who do graduate from high school are college- and career-ready<sup>83</sup>
- Only one-third of students in grades 3-8 scored at the proficient level and above in math and English Language Arts.<sup>84</sup>

It is time for dramatic change and an ambitious P-12 reform agenda that seeks to professionalize teaching, strengthen teacher evaluations, reward excellent teachers, transform failing schools,

expeditiously but fairly remove ineffective teachers, expand charter schools, continue support for four-year old pre-K and expand opportunities for three-year olds, and create a new mentoring program for at-risk students.

### *Expanded Learning Opportunities*

Since taking office, Governor Cuomo has made high-quality early education a priority. The State currently spends over \$750 million on public pre-K programs for four year olds, serving over 116,000 students statewide. As part of this commitment, in 2014 the Governor created a Statewide Universal Full-Day Pre-K program that provided 53 districts and 27 community based organizations with \$340 million in funding for the 2014-2015 school year – more than the rest of the nation invested in expanding pre-K in the prior year combined.<sup>85</sup> This program will be supported by a total investment of \$1.5 billion. In addition, in December 2014, New York won a \$25 million grant from the federal government to expand access to full day pre-kindergarten and is eligible to receive up to \$100 million over four years subject to availability of

federal funds and meeting performance metrics.

In addition, the Governor has increased time for teaching and learning by at least 25 percent at schools in several high-need districts, including Syracuse, Yonkers and New York City. Governor Cuomo has also invested \$30 million in high-need districts to transform more than 60 schools into “Community Schools” that turn school buildings into accessible hubs that deliver critical health and human services to students and their families.

To protect and expand school choice for parents and students in high-need districts, Governor Cuomo has increased funding for charter schools and guaranteed facility access in New York City, while also strengthening the Comptroller’s power to audit charter schools to ensure quality.

### *Raising the Bar for Students and Teachers*

Today’s students will graduate from high school into the most competitive job market in our lifetime. We must do all that we can to ensure that our students have the necessary skills and preparation to compete in the global economy. On a national level, that is why

teachers, experts, governors and administrators worked together to develop the Common Core standards.

Implementing higher standards like the Common Core is not easy; it has meant a big change for our schools. Governor Cuomo has emphasized the importance of protecting students during the transition. To this end, the Governor championed a new state law that prohibits standardized “bubble tests” in kindergarten through third grade, and limits the amount of class time allowed for standardized testing and standardized test preparation for third through eighth graders. This legislation also ensures that, for the next five years, results from new tests will not appear on students’ official transcripts or permanent records.

At the same time, we have also raised the bar for teachers. Under the Governor’s leadership, every district in New York now has a performance-based teacher evaluation system in place. This represents a sea-change in local practice and lays the groundwork for the State to enhance the teacher evaluation system to accord teachers and the profession the respect they deserve.

### *Making Smarter School Investments*

Technology is reshaping the ways we learn, work and live; we must ensure that New York's classrooms can access state of the art technological tools to support instruction. In November 2014, the Smart Schools Bond Act Referendum proposed by Governor Cuomo was approved by voters. The Smart Schools Bond Act will provide \$2 billion in funding to schools to reimagine our classrooms so that New York's students have access to the technology and skills they need to succeed in the 21st century economy. The Smart Schools Review Board, created under the law will issue its guidelines in March 2015 to guide the development of school district Smart Schools Investment Plans.

### *Effective Teachers*

The Governor provided the leadership to ensure that every school district has a teacher evaluation system in place that, for the first time, includes measures of student learning.

To recognize and reward excellent teachers, the Governor established a statewide Master Teacher program to award stipends of \$15,000 per year for four

years to high-performing teachers. There are currently 552 Master Teachers working with over 25,000 students statewide.

***109. Professionalize Teaching and Increase Standards***

In order to improve the quality of teaching in New York, we must attract the best candidates and elevate respect for the profession. We know that the single most important in-school factor for a child's education is a high-quality teacher. Students with great teachers are more likely to attend college and earn higher salaries and also less likely to have children as teenagers.<sup>86</sup>

We need to change the way we prepare and train teachers to ensure that we are putting the highest quality educators in our classrooms. To this end, Governor Cuomo proposes reforms that encourage the most talented college graduates to consider teaching as a career and impose rigor on graduate teacher education programs. The Governor will also launch a



***“Quality teachers have a greater influence on pupil achievement than any other school-based factor. How the nation educates teachers will largely determine the degree to which the United States can participate and succeed in the emerging knowledge economy.”***

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new scholarship program for teacher candidates and create a new teacher residency program.

***110. Provide Scholarships for Top Teacher Candidates***

Also, to incent our highest-achieving students to pursue teaching as a profession, the Governor proposes providing full scholarships for SUNY and CUNY graduate

teacher education programs to top candidates who are New York residents and agree to teach in New York for five years following completion of their degrees.

***111. Create the New York Teacher Residency Program***

When teachers enter classrooms at the start of their careers, they are not adequately prepared for the job. They have completed coursework focused on theory but often have little practical education. Good teachers are developed over time. They need real skills, experience in classrooms and supervision.

The Governor proposes the creation of the New York Teacher Residency (NYTR) program – a statewide teacher residency model that will integrate graduate teacher education programs with rich practical classroom experience. The NYTR will weave together Masters coursework with a full year of supervised residency in an eligible school, akin to what we provide to doctors in training. To ensure quality candidates and graduates, not only will NYTR set a high bar for entry, it will have rigorous exit criteria. SED will propose the

program design for the residency program subject to the approval of the New York Division of Budget.

When teachers enter classrooms at the start of their careers, they will not only have strong theoretical and practical preparation but will also have expert clinical supervision coupled with ongoing support. We will match high performing teachers with NYTR students using a rigorous training model that transforms the traditional teacher education model. NYTR will also leverage our existing Master Teachers to provide mentoring, on-going support and key professional development.

***112. Make the Teacher Evaluation System Real, Accurate and Fair***

Two years ago, Governor Cuomo provided the leadership to ensure that every school district in the State put a teacher evaluation system in place. The primary purpose of implementing a good teacher evaluation system is to improve practice by recognizing and promoting excellence, providing support strategies and targeting professional development to the teachers who need help to improve, and, in exceptional cases,

removing teachers from classrooms if they consistently underperform.

Last year, less than one percent of teachers in New York State were rated ineffective; but state test results show that statewide only 35.8 percent of our students in 3<sup>rd</sup> through 8<sup>th</sup> grades were proficient in math and 31.4 percent were proficient in English Language Arts.<sup>87</sup> We must ask ourselves: how can so many of our students be failing if our teachers are all succeeding?

It is time to put a real, accurate, and fair teacher evaluation system in place that allows us to differentiate among teachers. We must have a system with integrity that can help school leaders recognize and reward outstanding teachers and identify those who need help to improve. Every student deserves to have a high quality teacher.

A strong teacher evaluation system helps to ensure that teachers are recognized as professional people whose skills, strengths and weaknesses are not all interchangeable. A system should foster respect for teachers by treating them as professionals with specific

and individual skills, not as widgets. There are few professions in which raises are based solely on seniority and years of experience with no regard for merit. We can and must do better for both the teaching profession and for our kids. To ensure that our teacher evaluation system is real, accurate and fair, Governor Cuomo proposes a series of reforms.

### ***113. Reform Teacher Ratings***

Currently, we allocate 20 percent of the score to the state-test/student growth measure; 20 percent to a local measure that inflates scores and leads to unnecessary testing; and 60 percent to qualitative measures of effectiveness (including observations and artifacts) that are not standard across districts and are entirely manipulable.

The Governor proposes that the teacher evaluation system be simplified and standardized. Instead of two student growth measures, we will have one. We will eliminate the local measure. Fifty percent of the score will be based on state tests, or, in the case of teachers in non-tested grades or subjects, a student

growth measure that measures one year of academic growth.

The remaining 50 percent of the score will be allocated to observations and shall include at least two. A least one observation must be conducted by an independent observer to be selected from among the following options: 1) a principal or other trained administrator from within or outside the school district; or 2) a trained independent evaluator from a list of entities with a demonstrated record of effectiveness and expertise in this area, as developed by the SED commissioner; or 3) an appointed faculty member at a State University of New York or a City University of New York school of education.<sup>88</sup> Thirty-five percent of the score must be allocated to this impartial observation; the remaining fifteen percent may be allocated to an observation by a school administrator.

#### ***114. Set Scoring Bands at the State Level***

The scoring bands currently used in the tallying of summative ratings vary across the State. Districts set their own cut offs and the 100 point scale encourages backing into a result. The Governor proposes that we

set the scoring bands for both the student growth measure and the observation portion of the score at the state level. The law will also state that if a teacher is rated Ineffective in either portion of the score, he or she will not receive a rating higher than Developing overall.

### ***115. Reform Teacher Tenure***

Tenure provides lifetime job protection to teachers. It was created in the 19<sup>th</sup> century to protect college professors' academic freedom and protect them from political pressure.<sup>89</sup> The origins of tenure and its use at the university level are not aligned with its current role or implementation in our K-12 system. We currently award lifetime job protection to teachers after only three years. To ensure that we are giving tenure only to teachers who are performing at a high level, the Governor proposes that a teacher must receive five consecutive annual ratings of effective or highly effective before tenure is granted. A teacher who fails to meet this requirement for tenure shall remain probationary until he or she is able to meet this threshold for tenure consideration. In addition, we will clarify that districts retain authority to dismiss

probationary teachers at any time for any reason (performance or otherwise).

### ***116. Launch the Teacher Excellence Fund***

Once we can attract and recognize the best teachers, we need to keep them in our schools. We do not want to lose great teachers to more lucrative careers. We must recognize and reward the performance of our best educators, whom we know have an immediate and outsized impact on the students they teach.<sup>90</sup> To retain and reward our best teachers, Governor Cuomo will launch the Teacher Excellence Fund and expand the Master Teacher program.

At the conclusion of its work, Governor Cuomo's New NY Education Reform Commission<sup>91</sup> recommended that the State reward highly effective teachers by establishing a teacher excellence fund. The Commission also concluded that such a fund would help to attract and retain talented teachers, particularly in our lowest-performing schools.

Governor Cuomo will launch a \$20 million Teacher Excellence Fund that will encourage

outstanding teachers to continue to teach in the classrooms where they are needed most.

Highly effective teachers will be eligible for up to \$20,000 in annual supplemental compensation through the Teacher Excellence Fund. Eligibility for the Fund will require agreement of both the school district and teachers' union. Districts will be chosen to participate based on factors that include whether the incentives are designed to encourage highly effective teachers to work in struggling schools.

### ***117. Reform the Teacher Removal Process***

The current teacher discipline and termination system, commonly known as 3020-a hearings, is broken. The hearings are costly and time-consuming for districts, and allow arbitrators to overrule administrators' determinations of competency and of appropriate remedies. Administrators take on protracted battles that they may or may not win, at great cost to themselves and their school communities, in attempting to eliminate ineffective and incompetent educators in their buildings.

The Governor proposes common-sense reforms to ensure that the 3020-a process is effective in removing teachers who are consistently underperforming or who have engaged in misconduct. These reforms will include changes that streamline the hearing process, shift the presumptions, and strengthen evidentiary standards.

In the case of a teacher accused of physical or sexual abuse of a child, there will be an expedited hearing with a decision rendered within 60 days<sup>92</sup>. We already have an expedited process for teachers deemed incompetent, but we must also have one for teachers accused of harming children. The teacher alleged to have engaged in abuse will be suspended without pay, pending the outcome of the hearing, and will receive retroactive pay if the hearing officer finds in his or her favor.

In the case of a teacher pursuing a hearing to challenge charges of incompetence based on a pattern of ineffective teaching or performance, the Governor proposes creating a presumption in favor of the administrator. Such a pattern shall constitute prima

facie evidence of incompetence that can be rebutted by the teacher only by clear and convincing evidence that the calculation of one of his or her summative ratings was fraudulent. If such a rebuttal is unsuccessful, the hearing officer's finding shall be just cause for removal absent extraordinary circumstances.

The Governor also proposes eliminating the current legal requirement that administrators must attempt to "rehabilitate" teachers who are incompetent or engage in misconduct. Such a change will make it more difficult for hearing officers to force reinstatement of teachers who have performed poorly or who have engaged in misconduct. The proposed reforms will also remove the requirement that children must testify in person and will allow them to testify via sworn written or video statements.

We will also clarify in the new law that a non-tenured teacher may be dismissed at any time for any reason. We must take steps to make the teacher removal system work more efficiently and fairly for administrators, teachers, students and families.

### ***118. Close Low-Performing Teacher Programs***

The quality of too many teacher education programs is poor. Teacher candidates graduate from programs lacking adequate preparation to pass required State teacher certification exams. Although some programs have passage rates on mandatory teacher certification exams of 100 percent<sup>93</sup>, others have passage rates of 0 percent.<sup>94</sup>

To ensure that the best and brightest are teaching our children, in 2013 Governor Cuomo pushed successfully for the State Education Department (SED) to institute a teacher “bar exam” that requires prospective teachers to pass a series of more difficult tests, including the Academic Literacy Skills (ALS) Test. Between September, 2013, and August, 2014, the Board of Regents administered the Academic Literacy Skills Test (ALST) to approximately 11,000 teachers. To demonstrate partial proficiency, a candidate must perform first-year college-level tasks that rely on literacy skills aligned to 8<sup>th</sup> grade level Common Core standards. To demonstrate full proficiency, a candidate must perform first-year college-level tasks that rely on

literacy skills aligned to 11<sup>th</sup> and 12<sup>th</sup> grade Common Core standards. Yet the overall statewide pass rate was only 68 percent overall, and only 7 percent demonstrated full proficiency.<sup>95</sup>

These outcomes are unacceptable. The current situation is unfair both to teacher candidates and to our students. To ensure that prospective teachers are receiving the best training, Governor Cuomo proposes that SED close down the weakest graduate teacher preparation programs across the state, as measured by their students' poor scores on required certification tests. The Governor proposes requiring SED to de-register and suspend the operation of any teacher education program that has more than 50 percent of its graduates failing to pass any state certification exam in a given year in three consecutive years.<sup>96</sup> We will also give SED the ability to accelerate the closedown timeline for other struggling programs.

***119. Raise the Admissions Bar for Graduate Teacher Education Programs***

More than 100 higher education institutions offer undergraduate and graduate teacher education

programs throughout the state of New York.<sup>97</sup> There are more than 5,206 separately registered programs enrolling over 60,000 undergraduate and graduate students across these institutions.<sup>98</sup>

Admissions and completion requirements for graduate and undergraduate teaching programs vary widely across the board. Some programs, like those administered by SUNY<sup>99</sup>, have minimum GPA requirements for undergraduate and graduate admission and completion while some do not. The minimum admission GPAs for traditional post graduate programs range from 2.5 to 3.0, while minimum completion GPAs for the same programs range from 2.0 to 3.0. The minimum admission GPAs for alternative route post-graduate programs range from 2.7 to 3.0 while the minimum completion GPA for the same programs is 3.0.

To ensure that we are attracting, educating, and graduating the best and brightest teachers, Governor Cuomo proposes to strengthen admissions standards for every graduate teacher education program by mandating new GPA and GRE requirements.

In 2012, Governor Cuomo proposed that SUNY raise the bar on admission to its graduate teacher education programs. SUNY adopted this proposal the same year and increased minimum GPA for admission to 3.0 and required candidates to take the GRE. Governor Cuomo proposes that all public and private graduate teaching programs follow SUNY and standardize admission standards by requiring a minimum GPA of 3.0 but will include an additional requirement that every program set a minimum GRE cut score for applicants.

### ***120. Strengthen Ongoing Certification Requirements***

Currently, a teacher who holds a professional teaching certificate must complete 175 hours of professional development every five years to remain certified.<sup>100</sup> However, once a certificate is granted it is continuously valid and does not require a teacher to reapply or individually certify that s/he has met the professional development requirements.<sup>101</sup> In addition, teachers may choose from a laundry list of eligible activities that qualify as professional development –

from time spent planning lessons to analyzing student data and work.<sup>102</sup>

Governor Cuomo recognizes that when it comes to professional development quality trumps quantity. The Governor proposes that SED reduce the number of hours required for the holder of a professional certificate from 175 to 100. At the same time, the Governor proposes that SED create a standardized and strengthened program for continuing teacher education. Pursuant to these proposed reforms, a teacher who holds a professional certificate must successfully complete 100 hours of such enhanced professional development every five years. Further, Governor Cuomo proposes that SED require teachers to recertify every five years and affirm that they have met such strengthened professional development requirements, much in the same way that attorneys admitted in New York must meet ongoing continuing legal education requirements.<sup>103</sup> If a teacher fails to meet the state-mandated 5-year professional development requirements, he or she will forfeit certification until this requirement is satisfied. Much in

the same way we want our attorneys to be up to date in current legal practices we want the same for the professionals who teach our children.

***121. Protect Students from Ineffective Instruction***

Right now there is nothing to stop a student from being assigned an ineffective teacher year after year. This problem is compounded for students in the worst performing schools. The Governor will propose legislation that prevents a student from being assigned two ineffective teachers in consecutive school years.

***122. Expand the Master Teacher Program***

Governor Cuomo established the Master Teacher Program in 2013 to identify, reward, and support master STEM educators throughout New York State. The program provides a \$15,000 annual per teacher stipend for four years and requires teachers to participate in and deliver professional development. To date, there are 552 Master Teachers teaching over 25,000 students statewide.

The Governor believes in the promise of Master Teachers and will expand the program in two ways.

This year, we will extend eligibility to teachers who hold a certificate or other qualification/s necessary to teach English Language Learners (ELLs) in recognition of the particular needs of this student population. We will also extend eligibility for the program to teachers who have dual certifications in special education and general education. Master Teachers with such dual certification will be able to train their colleagues in strategies to connect general education and special education related to early intervention and differentiated instruction. Second, we will increase opportunities for Master Teachers to provide ongoing mentoring to teachers in the early stages of their careers.

### ***123. Transform the State's Failing Schools***

Across New York State, over 100,000 students are sitting in 178 “priority schools,”<sup>104</sup> defined as schools that (i) are in the bottom 5 percent of schools statewide, based on combined ELA and math scores, and are not showing progress in test performance or (ii) have graduation rates that are below 60 percent for the last three years. Seventy-seven of these schools have been failing for nearly a decade and 27 have been in the

lowest level of accountability status for nearly a decade.<sup>105</sup> We estimate that at least 250,000 students were enrolled in these 77 schools over the past ten years, and 64,000 students were enrolled in the bottom 27 schools while the State failed to fix the problem.<sup>106</sup> This is unacceptable.

The average graduation rates and test scores at priority schools are:

- 46.6 percent graduation rate (compared to a statewide average of 76.4 percent)
- 6.2 percent of students in grades 3-8 are proficient in math (compared to a statewide average of 35.8 percent)
- 5.9 percent of students in grades 3-8 are proficient in ELA (compared to a statewide average of 31.4 percent)

Currently, 93 percent of students in failing schools are students of color and 82 percent of students in failing schools are eligible for free or reduced price lunch.<sup>107</sup> This is also unacceptable.

Pursuant to the federal No Child Left Behind law, each of New York's priority schools is in the midst of a four-year improvement plan that follows one of four options: 1) Restart Model; 2) Turnaround Model; 3)

Transformation Model; and 4) School Closure.<sup>108</sup> These plans take too long, and in the meantime our children continue to lose out on opportunity. We must help the children in our most chronically failing schools right now.

***124. Appoint Receivers to Oversee Failing Schools and Districts***

To ensure that the most chronically underperforming schools in the state improve at a faster rate, the Governor proposes legislation recommended by SED and modeled after the Massachusetts education receivership model.<sup>109</sup> Pursuant to such legislation, SED must appoint a receiver to oversee every failing school and has the discretion to appoint a receiver for a failing district. SED must prioritize receivership for the schools and districts that have been failing the most severely for the longest amount of time. Such receiver will have the powers of the superintendent and local school board to restructure the school, and must overhaul curriculum, improve professional development and replace unqualified teachers and administrators, including

school leadership and offer pay enhancements to attract high quality staff.

A receiver must also add community school services to each school in receivership such as wraparound healthcare and job placement services for students and families. The State is proposing an \$8 million fund to support the work of the receivers.

### ***125. Expand Charter Schools***

Governor Cuomo is committed to protecting and expanding family's choices for their student's education by proposing a series of charter school reforms, supporting passage of the Education Tax Credit, and extending mayoral control in New York City.

As of today, 248 charter schools operate in New York that educate over 90,000 students.<sup>110</sup> Under current law, the number of charters in New York is capped at 460 but divided across regions and New York City has only 24 charters remaining under its cap. In an effort to continue to provide families and students throughout the state with choice, the Governor proposes that we increase the cap by 100 and make the overall cap statewide instead of artificially restricting it

by region.

Currently, the State also caps the number of charters a particular chartering authority<sup>111</sup> may authorize. We propose removing the caps specific to particular chartering authorities to make it easier for prospective charters to partner with their chosen chartering authority. We also propose restoring slots used by charter schools that close, so that when a charter shuts down, its slot is returned to the statewide pool and can be reused by a new charter. This shift in policy will create a new incentive to close down mediocre and failing charter schools so that promising charters schools can reuse the slots.

In addition to cap-related reforms, the Governor will also propose an “anti-creaming” provision that requires charters to submit enrollment rates to SED for Free and Reduced Price Lunch (FRPL) students, English Language Learners and students with disabilities at the beginning and end of each school year, and bi-monthly, during the five-year period in between reauthorizations. At the time of charter renewal, the chartering authority must consider any pattern of

noncompliance when making its renewal decision. Further, Governor Cuomo proposes requiring charters to add the following preferences to their admissions lottery process: 1) a FRPL preference; 2) a preference for children of charter school staff members; and 3) a preference for any student currently enrolled in a failing school.<sup>112</sup> Further, Governor Cuomo proposes to increase charter tuition by \$75 on a per pupil basis.

### ***126. Establish the Education Tax Credit***

To support private investments from individuals and businesses in educational programs that provide families with choices for their children, Governor Cuomo proposes to create the Education Tax Credit which will allow taxpayers to claim a tax credit for eligible contributions to public schools, school improvement organizations, local education funds, and educational scholarship organizations.

### ***127. Extend Mayoral Control***

New York City has had mayoral control over its public school system since 2002; the authority expires in 2015. Governor Cuomo proposes an extension of New

York City mayoral control this year and will consider applications for mayoral control from other cities across the state. Governor Cuomo believes that cities need to be part of the state's education solution and calls on our Mayors to join the State in our efforts.

***128. Continue High Quality Four-Year Old Pre-K***

The State currently spends over \$750 million on public pre-K programs for four year olds, serving over 116,000 students statewide. It is not enough to create programs – we must also protect our investment in these programs and the students they serve. We have an obligation to ensure that we are offering our youngest children the highest quality programs possible. To address this commitment, Governor Cuomo is investing \$3 million in QUALITYstarsNY, a quality rating and improvement system targeted at programs that serve children from birth to age five, including pre-kindergarten.<sup>113</sup>

QUALITYstarsNY serves two necessary functions: it provides not only assessments and feedback but also guided supports that help providers deliver high quality programs to the State's early learners. It also provides

transparency to parents so that they know the quality of a program before they enroll their children. The quality of implementation of our programs is the key to their success. Rigorous program standards, ongoing training and technical assistance, and continual quality assessment and improvement are critical to ensuring the ongoing effectiveness of large-scale programs.<sup>114</sup> New York State is making a huge investment in early education programs. QUALITYstarsNY funding will allow the State ensure that these programs fulfill their potential to improve the lives of children.

### ***129. Expand Pre-K to High-Need 3 Year Olds***

Early learning can bridge the achievement gap and provide benefits not only in life's earliest stages but also in the long term.<sup>115</sup> In one study, children who participated in high quality early childhood education programs had higher cognitive test scores from the toddler years to age 21, higher academic achievement in both reading and math and were more likely to attend a four-year college and be gainfully employed.<sup>116</sup> Research in neuroscience indicates that 85 percent of brain

development occurs by age three and 90 percent occurs between birth and age five.<sup>117</sup> We must reach our neediest children in the critical development window – while they are young.

This year, Governor Cuomo will build on our successful investment in four-year-olds by expanding pre-K to three-year-olds in targeted high-need districts. We know that quality learning experiences must start even earlier for children with the greatest needs, and that is why the State will invest \$25 million to support new, high quality half-day and full-day pre-k programs for three-year-olds in districts that develop a plan to deliver these services in areas where it can be most beneficial in increasing academic outcomes for students and communities.

### ***130. Continue and Expand Commitment to Early Education***

Early education is the pathway to future success. When we invest in our youngest New Yorkers, we invest not only in their growth but in our own future. Research has demonstrated the critical importance of the period, from birth to age five, when

children's brains are forming the foundation of "cognitive and character skills necessary to success in school, health, career and life" and shown that development in early childhood has a direct influence on "economic, health and social outcomes for individuals and society."<sup>118</sup>

We have the opportunity to reach our children at a window in their development when we can positively influence their lives in the long term. We must act to ensure not only that we provide access to early education but that our programs are of the highest quality. In doing so, we will provide the next generation with the greatest of opportunities: to live fulfilling and productive lives.

### ***131. Create the New York Youth Mentoring Commission***

In 1987, Mrs. Matilda Raffa Cuomo chaired a committee that established the nation's first school-based one-to-one mentoring program, the New York State Mentoring Program. This highly successful program screened and trained volunteers and matched them to children in their communities as a way to

prevent high school drop-out. Before the program ended in 1995, it successfully connected thousands of our neediest students to a network of highly trained mentors to succeed in school and graduate.

Governor Cuomo will reestablish the State's commitment to mentoring with the creation of the New York Youth Mentoring Commission, to be chaired pro bono, by Mrs. Matilda Raffa Cuomo. She will work with private sector and nonprofit partners to identify a stable of mentors to work with foster children, children in high-need communities and other children in need. This program will allow us to leverage the talent in our communities to guide our kids toward successful opportunities.

## **3. Keeping New Yorkers Safe**

Under Governor Cuomo’s leadership, New York enacted the Secure Ammunition and Firearms Enforcement (SAFE) Act, one of the toughest and most comprehensive gun control measures in the nation. The SAFE Act prevents criminals and the dangerously mentally ill from buying guns by—among other things—requiring universal background checks on gun purchases, increasing penalties for illegal gun use, mandating life in prison without parole for anyone who murders a first responder, and strengthening the state’s ban on assault weapons and high-capacity magazines. The Governor also launched the Gun-Involved Violence Elimination (GIVE) Initiative to provide \$13 million to local law enforcement agencies to address gangs and guns using the latest data, technology, and evidence-

based strategies.

To make our roads safer and save lives, Governor Cuomo has increased penalties for texting while driving—particularly for young and new drivers and established official “Text Stops” on many of New York’s interstate highways. The Governor also successfully fought for some of the toughest protections in the nation against drivers with a repeat history of alcohol- and drug-related driving convictions.

Governor Cuomo led a successful effort to expand the DNA databank, making New York the first state in the nation to require DNA samples from anyone convicted of a felony or Penal Law misdemeanor. The expanded database will help prevent crime, convict the guilty, and protect and exonerate the innocent. The new law also provides defendants with improved access to DNA testing.

Governor Cuomo will continue to make the safety and security of all New Yorkers his top priority and will actively address emerging threats and crises, from terrorism to extreme weather events.

## **PART ONE: COMBAT TERRORISM**

New Yorkers are all too aware of the threat that global terrorism poses to our state and our nation. We will never forget the World Trade Center attacks: in 1993, when a truck bomb was detonated beneath the building, and then again, on September 11th, 2001, when almost 3,000 innocent people were murdered and the Twin Towers were destroyed. Since that time, some 19 terrorist attacks targeting New York State have been thwarted by the vigilance of law enforcement.<sup>119</sup>

Remaining on heightened alert has become our unfortunate reality, and we must remain vigilant. Governor Cuomo has been keenly focused on continuously evaluating new and emerging threats and enhancing our ability to identify and protect against those threats. The Governor is working closely with federal officials to protect New Yorkers against the threat of global terrorism. Recent trips to Israel and Afghanistan demonstrate his commitment to understanding the evolving global threats that affect our security here at home.

The Governor has demonstrated his firm commitment that the first and most solemn obligation of a government is to ensure the safety of its people. In September 2014, Governor Cuomo brought together U.S. Department of Homeland Security Secretary Jeh Johnson and New Jersey Governor Chris Christie to launch a regional effort to review and revamp New York and New Jersey's efforts to combat terrorism.

Governor Cuomo further supports increasing New York's preparedness by streamlining the State's ability to appoint sworn members of the New Jersey State Police and police officers of any county or municipality in the State of New Jersey as railroad police officers. Once appointed, these New Jersey officers will be authorized to serve within all rail and bus facilities and property owned, operated or in the custody or control of the Port Authority, the MTA, New Jersey Transit, and ferries certified to carry passengers to and from New York State.

Focusing on the safety of the three million commuters that use the state's mass transit systems each day, the Governor doubled the New York's

commitment to Joint Task Force Empire Shield, a standing ready-force of National Guard soldiers working shoulder-to-shoulder with our New York City partners to deter and detect terrorism. The Governor also ordered a significant increase in the number of uniformed officers from New York State Police, the Metropolitan Transit Authority, and the Port Authority of New York and New Jersey to patrol both on train platforms, stations, and on trains to detect and deter terrorism and protect the traveling public.

### ***132. Conduct a Terrorism Preparedness Audit***

As the nature of the terror threats facing New York evolves, we must make sure that our efforts and resources similarly evolve to meet those threats. This requires a comprehensive audit of New York's existing preparedness and prevention efforts. Such a review requires a knowledge of operations and policy that is rarely found, and that's why the Governor is calling upon Ray Kelly to lead this effort.

As a life-long New Yorker, the longest serving Commissioner in NYPD history and the leader of the NYPD's counter-terrorism efforts for over 10 years,

Commissioner Kelly is uniquely situated to recognize the threats facing New York and to identify the solutions necessary to confront them. With a comprehensive review conducted by Commissioner Kelly, New York will continue to be ever vigilant in the face of terrorism.

***133. Continue to Train the Best Leaders in Emergency Preparedness***

In 2015 the state will open a new State-sponsored College of Emergency Preparedness, Homeland Security and Cybersecurity within SUNY. The school will grant advanced degrees in both academic and professional aspects of law enforcement, security, public and international affairs, counterterrorism, emergency management, cybersecurity and forensics.

The school will be the nation's first homeland security college and will open its doors next year at the University at Albany with a satellite campus in Oriskany. It will complement our current efforts to train for emergency preparedness.

### ***134. Convene an International Security Task Force***

Governor Cuomo will also convene an international security task force with representatives from countries that have expertise in dealing with terrorism to incorporate the most cutting edge security enhancements into our planning and deployment.

### ***135. Promote Cyber Resiliency***

Critical public and private infrastructure—including planes, trains, healthcare systems, and power grids—are reliant on the internet and, as such, a target for cyber-warfare. These threats can come from anywhere, from nationally sponsored groups that have the talent to develop sophisticated cyber-attack tools to “lone wolves” at their personal computer, using those tools to advance terrorist or activist goals. The risk is not just stolen information and website defacements, but can be more serious, with the potential to disrupt operations and cause physical damage, potentially impacting personal safety and directly impacting our way of life.

The sophisticated nature of cyber-attacks requires a sophisticated team to respond. The Governor

will seek to build on our expertise and create new Regional Cyber Incident Response Teams that will include enhanced communication and coordination strategies among critical infrastructure owners, law enforcement, and state first responders. We will create specific plans, train community leaders and hold annual exercises, and complete risk assessments. The state will also offer support to organizations and companies to strengthen their cyber defenses.

In many cases, organizations do not report cyber incidents because they fear public disclosure or regulatory consequences. The state will create “hold harmless” agreements with these companies to prevent penalties and fines from being assessed, as well as prevent disclosure from law enforcement outside those who need to know while these important investigations are pending. Finally, once an incident occurs it is often too late. Therefore, the Governor will direct all state regulators to conduct regular exercises to test their resiliency in the case of a major cyber-attack or data breach.

## **PART TWO: PROTECT AGAINST EXTREME WEATHER**

Governor Cuomo continues his efforts to address the long-term needs of victims of Superstorm Sandy, Hurricane Irene, Tropical Storm Lee, the Buffalo snow storm and other major storms that have affected New Yorkers, while working to prepare the state for future natural disasters. The Governor's recovery strategy aims to rebuild and make more resilient homes and businesses, transform New York's infrastructure, transportation networks, energy supply, coastal protection, weather warning system, and emergency management to better protect New Yorkers from future extreme weather. Much of the state's effort has been funded by \$30 billion in federal aid that Governor Cuomo fought to obtain for relief efforts.

While we recover from Irene, Lee, Sandy and the major weather events that have occurred just over the past year, we cannot afford to ignore the new pattern of extreme weather we are facing. The state will continue to strengthen our emergency response and preparedness.

### ***136. Create the State Operations Response Management System (STORM)***

To strengthen and coordinate local emergency response, New York State will build a world-class emergency management and response network. The Governor has invested in an array of emergency preparedness initiatives in recent years and now will create one statewide online emergency response system to coordinate efforts with local governments. We will train local governments on the system, and create new protocols to ensure an efficient and coordinated response, and also assist local governments in tracking storm recovery related costs and reimbursements.

In addition to the new response system, we will continue to enhance coordination of efforts with county, city and municipal governments. Recognizing that those in local government bring an intimate knowledge of the geography and other issues related to each weather emergency, the Governor has called upon the state's emergency response experts to create stronger lines of communication with local government officials to include their unique insight and expertise, so that we

are all better prepared the next time a weather emergency strikes.

***137. Invest in the Right Emergency Vehicles***

Recognizing that an effective response to severe weather events calls for more than just training and coordination, New York will continue to invest in critical resources, including versatile emergency vehicles, high-axle vehicles and additional snow plows. We will complement this investment with the implementation of a state-of-the-art GPS system that will actively track these assets in real time, coordinating precise deployments in conjunction with our local partners.

***138. Install 125 Weather Detection Stations***

As part of Governor Cuomo's comprehensive statewide extreme weather prediction system, the State is installing 125 state-of-the-art mesonet weather detection stations statewide to provide a broader picture of current weather conditions by collecting real-time data every 1-15 minutes.

The state's existing weather network has only 27

weather stations, and some are 100 miles apart.<sup>120</sup> Further, the existing network does not collect key environmental data that can aid hazard forecasting, nor does it provide real-time or localized information. The Governor's state-of-the-art weather detection system will establish New York as only the sixth state in the country to put this powerful reporting network to use for greater detection, prediction, risk assessment and analysis.

The tailored weather information gathered by this system will also be used to make strategic decisions to improve decision making in response to emergency weather events, as well as inform decisions to reduce economic and security risks in a range of sectors susceptible to weather variability, including road and rail transportation, aviation, energy, agriculture, tourism, and commerce.<sup>121</sup>

### ***139. Provide Citizen Preparedness Trainings***

In early 2014, Governor Cuomo launched the Citizen Preparedness Corps Training Program to provide residents of New York State with the tools and resources necessary to prepare for any type of disaster

in order to respond and recover as quickly as possible to pre-disaster conditions.

Since the program's launch in early 2014 nearly 40,000 New Yorkers have attended one of over 200 trainings held across the state.<sup>122</sup> The training courses provide an introduction to responding to a natural or man-made disaster, and advises participants on how to properly prepare for any disaster, including developing a family emergency plan and stocking up on emergency supplies.

In 2015, Governor Cuomo will continue to expand this valuable training program—including a recently launched online version available at [www.prepare.ny.gov](http://www.prepare.ny.gov) —to ensure that New Yorkers are the most trained and best prepared citizens in the country.

### **PART THREE: PROTECT HEALTHCARE WORKERS**

The 21st century reality is that threats to our security extend beyond our state's borders. Public health epidemics continue to emerge, like the Ebola threat. The Ebola virus has already claimed the lives of

more than 8,400 people worldwide—and we all have to work together, here in New York and abroad—to control this deadly disease.<sup>123</sup>

***140. Provide an Ebola Bill of Rights for Health Care Workers***

To encourage our health care professionals to volunteer their time and expertise to fighting the Ebola virus, New York will offer employment protections to health care workers who travel to West Africa and provide assistance treating Ebola patients. Through this initiative, the state will:

- Provide a bill of rights so returning healthcare workers or potential volunteers know they have existing protections from discrimination.
- Provide salary assistance to NYS health care professionals to cover lost wages for their quarantine period if they are quarantined upon their return from overseas and are not receiving salary replacement from their sponsoring organization or employer.
- Protect the jobs of NYS health care professionals who volunteer to fight Ebola overseas by guaranteeing their right to return to their jobs, at the same seniority, status and pay and benefits, at the completion of their service abroad.



## **4. Restoring Public Trust**

For far too long, Albany's reputation had been tarnished by scandal and corruption. During his first year in office, Governor Cuomo led the effort to enact the comprehensive Public Integrity Reform Act of 2011, which helped bring accountability, transparency, and integrity back to New York State government. Among its many reforms, the new law requires state officials to make unprecedented disclosure of their income, assets, and outside clients/customers to whom they have provided services or acted to refer or solicit for their firm. The legislation also created a public database of all lobbyists, strengthened lobbying restrictions, and provided for the forfeiture of pensions of public officials who are convicted of a felony offense related to their office. It also established a new Joint Commission on

Public Ethics to oversee the Executive, the Legislature, and lobbyists.

In 2014, as part of the budget agreement, the Governor ensured the enactment of tough new anti-bribery and anti-corruption laws, a test of public financing of elections at the state level dedicated to the 2014 Comptroller's race, the establishment of an independent enforcement counsel at the Board of Elections, increased transparency of political contributors to independent expenditure committees, and disclosure of the outside clients or customers of State Legislators who had been referred by registered lobbyists.

### **PART ONE: REFORM ELECTION PROCESS**

Governor Cuomo will continue to fight to reform New York's archaic election laws by improving ballot design, expanding voter registration opportunities, modernizing the ballot process, allowing voters to more easily change party enrollment, and closing the remaining glaring loopholes in New York's laws. The Governor introduced and began fighting for those

reforms his first day in office and remains committed to seeing the task completed.

### *Campaign Finance Law Reform*

Governor Cuomo is committed to pass real campaign finance reform to reduce the influence of money on our government. The more people trust government, the more capacity government has to do good work. We must to continue to restore the public's trust in our political system by passing the following reforms into law.

#### ***141. Create Public Financing of Elections***

The Governor will continue to fight for the creation of public financing of elections. Now that the Legislature agrees with the Executive and reform groups that a program of publicly funded statewide elections has a steady funding stream, the Governor will seek to apply the current pilot project for public funding of the Comptroller's race to *all* statewide and legislative races. There is no reason to say no.

### ***142. Restrict Personal Use of Campaign Contributions***

New York's laws regarding how campaign funds can be spent are among the most lax in the nation, allowing candidates and former public officials to spend funds on personal expenses with no real connection to candidacy or public office. Under the Governor's reforms, contributions could be used only for expenses that are directly related to elections or public duties. Expenditures for the exclusive personal benefit of the candidate or office-holder would be prohibited and a long list of expressly prohibited expenditures would be memorialized in statute.

### ***143. Lower Contribution Limits and Loopholes Closed***

New York has some of the highest contribution limits in the nation, allowing a few wealthy donors to drown out any influence of smaller donors. The Governor's reforms will lower contribution limits for all state offices. Contributions to party "housekeeping accounts" will be limited to \$25,000 per year; party committees limited to transfers to candidates of only small donations (less than \$500 per contributor), corporations limited to \$1,000 per year; and the LLC

loophole will be closed so that LLCs will be treated as corporations rather than individual contributors.

***144. Establish a Legislative Pay Commission***

To attract and retain the best to government, salaries for legislators, statewide officials and commissioners need to be commensurate with the talent needed to reshape New York. But given the scandals that have rent the fabric of public trust in government, pay should be linked to reform. To that end, the Governor is proposing legislation to create a bipartisan salary commission that would convene every four years, commencing on June 1, 2015, to examine, evaluate and make recommendations regarding compensation for the governor, lieutenant governor, attorney general, comptroller, state officers covered by section 169 of executive law, and members of the legislature.

The commission shall consider whether there should be a cap on income from outside sources a legislator may receive and may recommend the imposition of such a cap as a condition to receiving a second tier adjustment in pay. The commission would

be charged with not only evaluating pay but legislative allowances, expense reimbursement and other non-salary benefits. To ensure changes in pay are linked to changes in behavior, the commission would specifically be required to propose legislation linking legislative pay increases to greater disclosure of outside income and to a bar to earning such income by appearing before State agencies.

#### ***145. Improve New York Voting System***

Although New York is recognized among the most progressive and forward-thinking states in the country when it comes to matters of public policy, our voting system – the gateway to our democracy – remains mired in the 19th century. New York’s party registration rules, schedule of deadlines, and other outdated policies facing voters and candidates are partially to blame for the Empire State’s low voter participation ranking among the 50 states and Washington, D.C.<sup>124</sup> For example, the Empire State is one of just fifteen states that does not allow any form of early in-person voting, and additionally subjects voters to an outdated ballot design that causes confusion and

errors.<sup>125</sup> Voters deserve not just a fair voting system, but also the ability to select the best possible leadership to represent them. To that end, the state's public officer compensation policies are in need of solutions to prevent scandals and attract top-tier talent to public office.

This year, we will pursue a series of common sense reforms necessary to address these issues and help ensure fairness throughout New York's democratic system.

#### ***146. Simplify Ballot Design***

New York's ballots are overly complicated and hard to understand, leading to voter confusion and long lines on Election Day. The Governor's reforms will improve ballot design to ensure ballots are simple and easy to understand.

#### ***147. Expand Voter Registration Period to Increase Electoral Participation***

In 2012, New York ranked 44th in the nation in voter turnout, with only 54 percent of those eligible to vote turning out to the polls. Contributing to the low turnout rates is the fact that our voter registration lists

close 25 days before elections. The Governor's reforms will close voter registration lists 10 days before Election Day rather than 25 days, allowing a greater window of opportunity for voters to register.

***148. Modernize Affidavit Ballot Process to be More Convenient for Voters***

Under current law, if a voter's name does not appear on the voter list, he or she may vote by affidavit ballot. However, the voter's ballot is only counted if they are in the correct election district. The Governor's reforms will ensure that voters who cast an affidavit ballot on Election Day have their votes counted for the offices for which they are eligible to vote even if they are not in the right district.

***149. Allow Candidates and Voters to Change Party Enrollment in Timely Manner***

Currently, if a voter or candidate decides to register with a political party, their registration is not valid until after the next election. This prevents voters from participating in primaries and bars potential candidates from enrolling in the party whose line they want to run on. The Governor's reforms will end this

requirement and instead ensure that a voter's party registration takes effect three months after the application is received by the Board of Elections.



## **5. Fairness for All**

New York has begun to reclaim its place as the progressive capital of the nation. In 2011, New York passed the Marriage Equality Act, and became the largest and most influential state in the nation to extend full marriage equality to same-sex couples. Governor Cuomo is committed to the equal treatment of all New Yorkers, and over the next year will push to ensure we have a criminal justice system that is fair and to protect the equal rights of all New Yorkers, and build healthy communities across the state.

### **PART ONE: SOCIAL JUSTICE**

Underlying the American dream of economic opportunity is a foundational belief and trust in our justice system. Governor Cuomo has made tremendous

strides to reform the system in his first term, and will continue to push for change, in his second term, to ensure the promise of fairness and security is provided to all New Yorkers.

### *Groundbreaking Changes to Solitary Confinement*

In 2012 the state entered into an interim settlement agreement with the New York Civil Liberties Union to reform New York's treatment of inmates subject to disciplinary sanctions. As a result of the settlement, the New York State prison system became the largest in the country to ban the use of solitary confinement as punishment for prisoners under 18. The settlement also created a presumption against placing pregnant women in solitary confinement and created a special program for inmates with cognitive impairments as an alternative to solitary confinement. Further, the state has committed to implement more progressive disciplinary sanction guidelines as well as training.

### *Juvenile Justice Reform*

Through the Close to Home Initiative, the state is restructuring the juvenile placement system to ensure

that all New York City youth placed in non-secure and limited-secure Upstate juvenile justice facilities will be brought back to the City for residential care. This change allows New York City youth to reside in therapeutic settings where families and communities are now able to play a major role in rehabilitation. These youth will be placed in new New York City programs developed specifically to meet their educational, mental health, substance abuse and other service needs while remaining closer to their families and communities.

#### *Created a Reentry Council*

To address the obstacles faced by formerly incarcerated people upon re-entering society, the Governor established the New York State Council on Community Re-Entry and Reintegration. Created in 2014, the Re-Entry Council is working to promote collaboration among state, local, and private agencies as well as community groups in order to address a wide range of issues pertaining to successful re-entry, including housing, employment, healthcare, education, behavior change, and veterans' services.

### ***150. Enact Comprehensive Reforms to Raise the Age***

The Governor will continue to make juvenile justice reform a priority in his second term. Building on the Close to Home Initiative, in 2014 the Governor announced the creation of the Commission on Youth, Public Safety and Justice to explore raising the age of juvenile jurisdiction.

New York is one of only two states to automatically process all 16- and 17-year-olds in the adult criminal justice system, no matter the offense. Implications of this policy are severe: on any given day about 700 16- and 17-year-olds are in adult jails in New York<sup>126</sup> and another 100 are in adult prisons<sup>127</sup>; young men of color make up 82 percent of the sentences to adult confinement<sup>128</sup>; and about 1,600 minors a year<sup>129</sup> are saddled with criminal records that created barriers to success for the rest of their lives.

Studies have shown that processing youth as adults results in higher recidivism rates than when youth are treated as juveniles, actually compromising public safety<sup>130</sup>. In addition, youth are five times more likely to be sexually assaulted in adult rather than youth

facilities;<sup>131</sup> and 50 percent more likely to be attacked with a weapon than youth in juvenile facilities.<sup>132</sup>

The 16 member Commission, comprised of representatives from law enforcement (district attorneys, probation, police and sheriffs), the Unified Court System, civil rights advocacy organizations, juvenile justice policy experts, County Executives, and the NYC Mayor's Criminal Justice Coordinator, engaged in a wide-ranging research effort that included: interviews and focus groups around the state with a wide range of stakeholders working in and impacted by the criminal and juvenile justice systems; research into current New York law and practice and national law and practice; analysis of research on adolescent brain development; experience of other states that have raised the age; and public hearings.

Based on this thorough review, the Commission released a comprehensive set of recommendations that will change the experience of the justice system for all 16- and 17-year-olds. Under the recommendations 16- and 17-year-olds will be processed as juveniles for all crimes except for crimes of serious violence; all minors

will have access to programs and services tailored to support rehabilitation of young people, sentencing for all but the most egregious crimes of violence will be tailored to youth instead of adult sentencing structures, and no minors will be housed in adult jails and prisons. Additional recommendations of the Commission will ensure that the juvenile justice system is both more effective and less wasteful of limited public resources, eliminating use of out-of-home detention and placement settings for youth who do not pose a risk to public safety.

The recommendations are carefully designed to preserve public safety by: maintaining District Attorney control over serious crimes of violence, allowing for violent felony offenses given Youthful Offender status to be considered in later sentencing if the youth continues to commit violent felony offenses, and providing for the capacity to impose longer sentences for the most egregious crimes of violence. The Commission estimates that, if implemented, the reforms will prevent between 1,500 and 2,400 crime victimizations every five years across the state.<sup>133</sup>

Governor Cuomo stands behind the recommendations of the Commission on Youth, Public Safety and Justice. He believes New York must end the practice of incarcerating minors in adult jails and prisons and instead call upon rehabilitative interventions of the juvenile justice system for youth under 18. As the Supreme Court of the United States has acknowledged, adolescents have unique capacity to turn their lives around. New York must raise the age, building on the capacity young people have for reform, reducing the disparate impact that incarceration of minors in the adult system has on youth of color, breaking the cycle of repeat offending to increase the safety of New York's communities, and providing a lifetime of opportunity that is not bound by the negative consequences of a criminal record.

### ***151. Improve Police/Community Relations***

As a result of the recent death of Eric Garner, the grand jury decision in that case, and the retaliatory deaths of two Police Officers Wenjian Liu and Rafael Ramos, some New Yorkers are beginning to question whether the justice system is fair for all individuals

regardless of race. And there are those who doubt whether officers have adequate tools to ensure their own safety. During the course of his tenure, Governor Cuomo has and continues to address structural and programmatic issues within the criminal justice system to ensure balance and fairness. From restructuring the juvenile justice system to better serve youth to reforming the solitary confinement system to implement restrictions and progressive discipline for better rehabilitative results, the Governor has addressed significant challenges within the system and advanced meaningful solutions that serve all interested stakeholders. To that end and as a result of the recent events that have strained police/community relations and raised concerns about the fairness of the justice system, the Governor plans to advance legislative and administrative reforms that will improve the system and once again engender trust and confidence in the system.

## **PART TWO: EQUAL RIGHTS**

From Elizabeth Cady Stanton and her fight for women's rights and women's suffrage to the Stonewall riots for gay rights in the 1960s, New York has long been a leader in progressive values. New York must once again be a national leader in ensuring equal rights and protecting its diverse population.

### ***152. Pass the Women's Equality Act***

In 2013, the United States ranked 23 on the World Economic Forum's list of the most gender-equal countries, falling one spot since 2012.<sup>134</sup> Worse yet, the World Economic Forum found that the United States lagged behind developing nations — including Burundi, Lesotho, Nicaragua and the Philippines — with primary areas of weakness in economic participation and political empowerment.<sup>135</sup> In the U.S., while women comprise about 52 percent of all professional-level jobs, only 14.6 percent of executive officers are women, and only 8.1 percent are top earners and 4.6 percent are Fortune 500 CEOs.<sup>136</sup>

While the women's suffrage movement was born in Seneca Falls, New York, we must be ever vigilant in

our role as a progressive leader on women's rights. Today, statistics show that women in New York are still not treated equally to men.<sup>137</sup> In the spring of 2013, Governor Cuomo introduced ambitious and transformative legislation to address gender inequality, and almost two years later, the struggle against this pervasive discrimination continues.

The Governor remains deeply committed to advancing comprehensive legislative reform to overcome discrimination against women. In years past, New York has served as a model for gender equality and fairness. Governor Cuomo's 10-point women's equality agenda will restore the state's rightful place as a national leader on women's equality.

The 10-point Women's Equality Agenda:<sup>138</sup>

1. **Shatter the Glass Ceiling.** Achieve pay equity and provide greater protection against wage disparity.
2. **End Family Status Discrimination.** Amend state law to prohibit employers from denying work or promotions to workers simply because they have children.
3. **Stop Sexual Harassment in All Workplaces.** Amend the law to protect

workers from sexual harassment regardless of the size of the workplace.

4. **Stop Pregnancy Discrimination Once and For All.** Pursue the creation of a specific protection in the Human Rights Law requiring employers to provide reasonable accommodations for pregnancy-related conditions, unless doing so would create an undue hardship.
5. **Allow for the Recovery of Attorneys' Fees in Employment and Credit and Lending Cases.** Continue to aggressively pursue an amendment to existing law to include a provision for reasonable attorneys' fees for successful litigants in sex discrimination cases.
6. **Better Position the State to Address Source of Income Discrimination.** Press for the creation of a task force to study the impact of a source of income discrimination on women.
7. **Stop Housing Discrimination Against Victims of Domestic Violence.** Amend the Real Property Law to prohibit discrimination against domestic violence victim status in housing, as well as allow for the filing of civil actions in response to violations and propose to create a defense to an eviction proceeding that such proceeding is unlawfully based on a person's domestic violence status.

8. **Protect Victims of Domestic Violence by Strengthening Order of Protection Laws.** Amend the law to allow for the development and establishment of a pilot program in family courts for the remote petitioning and issuance of temporary orders of protection by audio-visual means.
9. **Strengthen Human Trafficking Laws.** Strengthen the existing law by (a) raising penalties for sex trafficking and labor trafficking; (b) providing an affirmative defense to a charge of prostitution or loitering that the defendant's actions was a result of being a victim of sex trafficking or compelled prostitution; (c) improving the school zone prostitution law; (d) increasing penalties for compelling or profiting from prostitution of a minor; and (e) creating three new aggravating patronizing offenses where the person patronized is a minor.
10. **Protect Freedom of Choice.** Amend New York law to codify the *Roe v. Wade* decision into state law.

### ***153. Protect Students from Sexual Violence on College Campuses***

One in five women will be a victim of sexual assault during her college career and, according to the U.S. Department of Justice, fewer than five percent of rapes of college students are reported to law

enforcement.<sup>139</sup> Sexual assault and violence on college campuses cause immeasurable trauma to victims, threatening every student's right to a safe living environment and undermining their ability to succeed. Sexual assault cannot and should not be tolerated.

Governor Cuomo strongly believes that colleges and universities must take all possible precautionary steps to prevent sexual violence from occurring on their campuses. To that end, the Governor proposed a series of reforms and asked as a starting point



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that the State University of New York (SUNY) adopt a resolution setting forth a comprehensive, system-wide, uniform set of sexual assault prevention and response practices at its 64 campuses. The SUNY Board of Trustees, working in partnership with Governor Cuomo, passed the resolution unanimously. Already a national

leader in sexual assault prevention and response, SUNY's codification of model policies will continue to ensure that students are informed and protected, while being a testing ground for practices that can then be implemented across the state and nation.

Governor will take this blueprint and work with others, including Senator Kirsten Gillibrand—a national leader on this issue—to pass a state law requiring the following of all colleges in New York State to adopt:

- A uniform Sexual Assault Victims' Bill of Rights to notify and assist victims of sexual assault of their right to contact campus, local and/or state law enforcement, and to widely publicize the Bill of Rights to all students and distribute it to victims.
- A single definition of affirmative consent as a clear, unambiguous, and voluntary agreement between the participants to engage in specific sexual activity, and shall widely disseminate this definition to the college/university community.
- A uniform sexual assault student reporting amnesty policy.
- A uniform Confidentiality and Reporting Protocol.
- A uniform campus climate assessment.

And in coordination with the state, to:

- Conduct statewide coordinated training, including training by University Police and State Police, mandatory to the fullest extent possible, on best practices for campus response and investigation plans and victim sensitivity, and training by expert statewide officials for college administrators and adjudicators on preventing and addressing sexual violence and how to improve compliance with existing federal laws.
- Undertake a statewide public awareness campaign, to increase awareness among college students, high school students, and parents of individual safety and prevention techniques as well as the importance of bystander intervention in any unsafe situation.

#### ***154. Protect Gender Identity***

New York was the first state in the nation to enact a Human Rights Law in 1945. In doing so, New York lead the nation in the protection of civil rights by prohibiting discrimination on the basis of race, color, creed and national origin in employment, housing, credit, places of public accommodations, and non-sectarian educational institutions. Over the years, the law was amended to extend protections to families and people with disabilities, and prohibit discrimination on

the basis of sexual orientation and military status. Nevertheless, today, the Human Rights Law leaves some of New York's most vulnerable citizens without any basic protections – transgender New Yorkers. To ensure that the Human Rights Law extends protections to some of those who need it most, the legislature should pass a bill adding “gender identity or expression” as a protected class, ensuring that transgender New Yorkers can live free of discrimination and harassment.

It is no secret that transgender New Yorkers experience pervasive discrimination in all areas of life. Many have been denied housing and a significant portion of them have become homeless. Further, recent surveys indicate that approximately three-quarters of transgender New Yorkers experience harassment, mistreatment or discrimination in employment, including being fired from jobs or being passed over for hire or promotion due to anti-transgender bias. Because of who they are, many transgender New Yorkers live with economic insecurity and in poverty. However, it is not who we are, as New Yorkers, to

permit this type of pervasive discrimination to continue without recourse. Rather, New York is a place where our differences are celebrated and form the foundation for our achievement; they are not a source of division.

The Governor believes that New York State Human Rights Law should be amended to protect New Yorkers' gender identity or expression from discrimination. Doing so reflects the values of New Yorkers—a people who believe that every person should be treated equally and fairly, and empowered with the opportunity to succeed.

### ***155. End Discrimination in Public Schools***

Governor Cuomo believes that all New Yorkers should be able to attend school without fear of discrimination or harassment, and to the extent that students are harassed or bullied in school, remedies should be available to them under the New York State Human Rights Law. Indeed, the right to be free from discrimination in educational institutions is set out as one of the purposes of the Human Rights Law—the oldest anti-discrimination law in the country. However, in a 2012 case involving severe racial bullying of a

young girl, the New York State Court of Appeals divested the Division of Human Rights of jurisdiction to investigate complaints in public schools by finding that the definition of “education corporation or association” does not encompass public schools, including public higher education institutions.<sup>140</sup> As a direct result of the Court of Appeals decision, the Division of Human Rights was forced to dismiss over 70 complaints filed against public schools by victims of discrimination, despite the fact that the Division has asserted jurisdiction over public schools for almost thirty years.<sup>141</sup> The decision created an inequality between the rights afforded to students attending public school and those attending private schools throughout the state. Specifically, all public school students subjected to bullying, harassment, or other discrimination are now denied the right to file a complaint under the Human Rights Law, whereas students attending tax-exempt private, non-sectarian schools—a small fraction of the state’s students—remain protected. In other words, private school students still enjoy the very protections that the Court of Appeals denied to public school students: (a)

the ability to file complaints against their schools under the Human Rights Law; (b) access to the state’s neutral administrative forum with expertise investigating discrimination matters; and (c) the ability to receive actual compensatory relief for the harms done to them. Governor Cuomo proposes to amend the Human Rights Law to ensure that students in every school in New York—both public and private—are afforded equal protections against discrimination.

### **PART THREE: HEALTHY COMMUNITIES**

During Governor Cuomo’s first term, New York became a national leader in health reform, particularly with respect to Medicaid reform and implementation of the federal Affordable Care Act. After years of unchecked growth, Medicaid costs on a per recipient basis are the lowest in nearly a decade and New York has actually bent the cost curve, fulfilling one of Governor Cuomo’s key goals from four years ago. Since Governor Cuomo took office, per recipient Medicaid



***Since Governor Cuomo took office, per recipient Medicaid spending has decreased nearly 10 percent, without draconian cuts to services, as some have feared***

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spending has decreased by nearly 10 percent without draconian cuts to services as some have feared.

### *MRT Medicaid Waiver Approved*

After a comprehensive process to reform New York's Medicaid program, known as the Medicaid Redesign Team (MRT), the state was granted permission from the federal government to reinvest \$8 billion of reform-related savings into the Medicaid program. This money is being used to further transform health care delivery for Medicaid members. In all, the state has saved \$17.1 billion over the last five years because of Medicaid reforms.

### *New York State of Health*

The New York State of Health, the state's official health plan marketplace, was created to assist New Yorkers with gaining access to quality affordable health care coverage. The approved rates for 2014 and 2015 are more than 50 percent lower than what individuals would have paid before creation of the marketplace in October 2013. In its first open enrollment period, nearly 1 million New Yorkers enrolled in coverage. More than

80 percent of those who have enrolled were uninsured at the time of application. To date, nearly two million New Yorkers have enrolled in New York's state-run health plan marketplace, and we now boast more patient-centered medical homes than anywhere in the country, providing much needed primary and preventive care.

*Highest Medicaid Recoveries in the Nation*

In February 2014, the Governor announced the largest single year of recoveries of taxpayer dollars in the history of the Office of the Medicaid Inspector General (OMIG). OMIG recovered more than \$879 million dollars in 2013. This brings the three-year total under Governor Cuomo to more than \$1.76 billion recovered from Medicaid providers that inappropriately billed Medicaid and individuals who received services to which they were not entitled, a 36 percent increase over the prior three years. OMIG's recoveries are the highest on record for any state Medicaid program integrity unit in the United States, ever.

### *Establish Comprehensive Medical Marijuana Program*

Governor Cuomo signed legislation in July 2014 to establish a medical marijuana program for New York State. The new law includes provisions to ensure medical marijuana is reserved only for patients with serious conditions and is dispensed and administered in a manner that protects public health and safety.

### *Combat the Heroin, Opioid, and Prescription Drug Abuse Epidemic*

Governor Cuomo signed legislation in June 2014 designed to combat the growing heroin and opioid epidemic in communities across the state. The multiple bills include new programs and insurance reforms to improve treatment options for individuals suffering from heroin and opioid addiction; measures to strengthen penalties and put in place additional tools for law enforcement to crack down on the distribution of illegal drugs; provisions to ensure the proper and safe use of naloxone, an overdose antidote; and support for enhanced public awareness campaigns to prevent drug abuse.

### *Supportive Housing*

A critical component to improving the health of New Yorkers and containing health care costs is to ensure that an individual's housing needs are also met. "Supportive housing," which is housing coupled with appropriate individual-based services, is an innovative and cost-effective model of care designed to provide an integrated solution for both housing and health care needs. The MRT supportive housing program has invested \$388 million since 2011 and provides housing to more than 8,000 Medicaid enrollees.

### ***156. Invest in Homeless Services***

The homeless population in New York State is 80,590, making up 14 percent of the nationwide homeless population and is the second highest homeless population in the country, according to a 2014 HUD homeless census. There are currently 60,352 homeless people in the New York City shelter system, including 14,519 families, the largest number of homeless families in the country, according to the HUD homeless census. In 2014, the City's shelter populations

were up by 20 percent or more, and more than 20 additional shelters opened that year.<sup>142</sup>

The State currently spends approximately \$780 million on homeless service programs administered or overseen by the Office of Temporary and Disability Assistance, including emergency homeless shelters, the development of new homeless housing, homelessness prevention activities, and rental assistance.<sup>143</sup> Continuing this support, Governor Cuomo has proposed to invest \$220 million in homeless services over the next several years for New York City rental assistance and other programs that address the City's growing homeless population.

The State will also use \$183 million of the J.P. Morgan Chase settlement funds to support: a new NY/NY IV program to create 5,000 new supportive housing units for populations requiring additional support; and New York City's LINC 1 rental assistance program; and a cap on the rent contribution for public assistance recipients diagnosed with HIV/AIDS in New York City so they can afford to stay in their homes.

***157. Invest in the Statewide Health Information Network of New York (SHIN-NY)***

SHIN-NY is a network-of-networks that will link New York's Regional Health Information Organizations throughout the state. It will be a secure, interconnected statewide network of electronic health records designed to improve health care for all New Yorkers by ensuring that doctors have instant and accessible health information about their patients available, anywhere and anytime, in a secure and confidential manner.

***158. Enact the State Health Innovation Plan (SHIP)***

Building on these successes, it is time to align the entire health care system, including private insurance, to further improve quality, keep costs low, and improve the health of all New Yorkers. New York was recently awarded a four year, nearly \$100 million State Innovations Model Testing grant by the federal Center for Medicare & Medicaid Innovation, which will support the Governor's *State Health Innovation Plan (SHIP)*, an ambitious five-year strategic blueprint that works to give New Yorkers access to high quality, coordinated care in every region of the state. New York is working

with stakeholders to create this blueprint. Potential savings are in the billions over the next five years.

The SHIP will assure that every New Yorker has access to high quality primary care in every region of the state, within five years. We will also work with payers to assure that health care costs do not soar and care is affordable to all.

The SHIP is a roadmap to create a healthier New York by:

- **Coordinating and integrating care**, from primary care, to long-term care, specialists, and community supports.
- **Promoting transparency** to assure that patients and providers alike have access to information that will help them to make informed choices.
- **Paying for value**, ensuring that providers move from systems that pay on volume—the number of patients a provider can see in one day—to one that pays on value—efficiently provided care with the best possible outcomes.
- **Creating a continuum of care** that links physicians and community-based resources to care for the whole person.

***159. Provide \$5 Million for Drinking Water Fluoridation***

Tooth decay is the most common chronic childhood disease.<sup>144</sup> New York State's Health Prevention Agenda for 2013-2017 developed in partnership with more than 140 organizations across the state has identified prevention of tooth decay as a high priority because of medical costs, as well as the pain and social costs it inflicts on a society. The Prevention Agenda has recognized that a drinking water fluoridation program is the single most important intervention a community can undertake to solve this problem.

New York will provide \$5 million to create a drinking water partnership fund to provide assistance to community water systems incurring costs for the installation, repair, and upgrade of drinking water fluoridation facilities. A partnership will be a valuable tool for combating the burden of chronic diseases in New York and creating healthy communities. The State will seek partners with private funds to complement New York's investment in children's dental health and

expand the scope of the fluoridation initiative. The program will:

- Reduce the prevalence of tooth decay;
- Help to maintain and expand community water fluoridation, an evidence-based public health intervention;
- Focus on communities that do not presently provide optimal fluoridation and on communities that have optimal fluoridation but are in need of replacing or upgrading fluoridation facilities; and
- Reduce the cost of treatment to Medicaid and other health plans, and enhance local economic activity.

### ***160. Explore Regulation of Electronic Cigarettes***

The spike in the use of unregulated electronic nicotine delivery devices (electronic cigarettes and similar products) over the last few years is of great public health concern. The safety of these products for individual use are unknown and serve as an entry point for youth and young adults to nicotine addiction and ultimately cigarette or other tobacco use. More than a quarter of a million youth who had never smoked a cigarette used electronic cigarettes in 2013, according to a CDC study published in the journal *Nicotine &*

*Tobacco Research.* This number reflects a three-fold increase, from about 79,000 in 2011, to more than 263,000 in 2013.<sup>145</sup> There is little quality control on the production of these devices or in the nicotine liquids that are used in these products, and there are significant health and safety concerns associated with their use. These products potentially undermine all the public health benefits achieved in New York that have produced enormous reductions in youth tobacco use.

Proposed regulation of electronic nicotine delivery devices would include:

- Adding these devices to the NYS Clean Indoor Air Act such that use of these devices would be prohibited wherever cigarette use is prohibited.
- Prohibitions on the sale of any and all flavored nicotine solutions used in these devices.
- Prohibitions on the marketing of electronic cigarettes such as targeting of children, limits on sponsorships, and prohibitions on outdoor and transit advertising.

### ***161. Support New York's More Than Three Million Informal Caregivers***

We all know someone who needs assistance with their daily life because of a disability, loss, or decline in physical functioning due to chronic conditions or cognitive impairment. Thankfully, there are millions of New Yorkers who spend countless hours providing direct, hands-on care for friends, family members, or neighbors who are aging or have a disability. However, family members who care for aging, mentally ill, or impaired relatives tend to encounter more stress than other kinds of caregivers and themselves report high levels of depression. The Governor will launch an initiative to support this caregiving population through increasing in-home services programs, which not only support caregivers, but ultimately save taxpayers money because they prevent people from needing more expensive medical care.

The Caregiver Support Initiative will ensure that informal caregivers are clearly identified and provided training and supports before their loved one is discharged from a health care facility. Increased funding for respite care services are also essential to

allow family caregivers to continue their tireless efforts. In addition, an increase in the current program through Alzheimer's disease assistance centers and the Alzheimer's Disease Community Assistance Program will be expanded as part of this overall effort.

***162. Improve Emergency Admissions for Acute Substance Use Disorders***

As noted above, New York is in the midst of combatting an epidemic of heroin and prescription opioid abuse and misuse. Patient advocacy groups and emergency personnel struggle to identify the means to bring people into treatment when they are so impaired by drugs that they do not recognize the danger they pose to themselves or others and refuse to seek help.

This proposal would amend the state Mental Hygiene Law to empower a local director of community services to authorize the emergency admission to a New York State Office of Alcoholism and Substance Abuse Services (OASAS) certified treatment program or a hospital if a person who requires immediate and appropriate inpatient care because, in the director's opinion, the person is at risk of harm to him/herself or

others due to chemical abuse or dependence. The amendments would permit an initial 72-hour retention period for purposes of stabilization, assessment, and diagnosis by a physician. Upon diagnosis of a substance use disorder, the proposal would authorize a court, upon a physician's recommendation, to order extended treatment for up to 30 days, subject to provisions of notice, hearing, and review. The detoxification and short-term treatment will give families the opportunity to get their loved ones the help they need, and will save lives.

### ***163. Protect New York's Children from Unsafe Toys***

Governor Cuomo will continue his commitment to keeping unnecessarily and harmful chemicals out of the homes of New Yorkers and out of reach for children by pushing stronger consumer protection legislation. Last year, Governor Cuomo signed legislation that protects children by expanding the ban on the sale of products containing TRIS, a cancer-causing chemical often used as a flame retardant.

This year, Governor Cuomo will take a tougher stand on consumer safety by working with the

Legislature to pass the Child Safe Products Act, which would regulate toxic chemicals in children's products. Under this proposed legislation, the State would be responsible for the following actions:

1. Identifying chemicals of high concern;
2. Creating a priority list of chemicals of high concern found in children's products and require that safer alternatives be used;
3. Requiring manufacturers to disclose the use of these priority chemicals in children's products and alert retailers to their presence; and
4. Phasing out the most dangerous chemicals in children's products.

This law embodies a practical, precautionary approach to reducing exposure of children and other vulnerable populations to harmful chemicals.

***164. End the AIDS Epidemic: Pre-Exposure Prophylaxis (PrEP) Assistance Program***

In June 2014, the Governor made international news when he announced New York's three-part plan to end the AIDS epidemic in New York.

The centerpiece of the Governor's plan to end AIDS as an epidemic in New York State is to reduce to

750 the number of annual new infections. New York has been successful at virtually eliminating mother-to-child transmission and, dramatically reducing cases among injection drug users. Numbers of new infections are down significantly in almost all categories of race and risk, with the exception of young men who have sex with men.

The advent of Pre-Exposure Prophylaxis gives us hope that we finally have something to offer these men that will have a population level impact on the epidemic, similar to the impact made when we started to offer sterile injection supplies to drug users. It allows us to offer options to persons who engage in high-risk behaviors for a certain period in their lives, and allows them to come out on the other side of that period HIV-negative. At the current time, PrEP is a single pill taken daily, which affords over 90 percent protection to those who adhere to this simple regimen. Currently, Medicaid and other high quality insurance products cover PrEP, and the drug manufacturer offers both assistance obtaining the medication and covering co-pays, but there remain specific barriers to wide adoption of this

highly effective prevention. The PrEP Assistance Program will fill the gap among the various options by helping persons with lower grade insurance products cover the cost of services that have out of pocket costs associated with them such as HIV, STD, and kidney function tests. The PrEP Assistance Program will help 600 persons per year stay negative, and with Medicaid and other insurance products, complete a system that will help ensure as many highest risk persons as possible have good access options.

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<sup>1</sup> See Reducing Property Taxes for New Yorkers: The New York State Property Tax Cap's Successful First Year, September 27, 2012, available at <http://www.governor.ny.gov/assets/documents/CappingPropertyTaxReport.pdf>.

<sup>2</sup> New York State Division of the Budget staff estimates.

<sup>3</sup> Statistics provided by New York State Division of the Budget and New York State Department of Labor.

<sup>4</sup> See Tim Knauss, "Miner and Mahoney to study local government consolidation in Onondaga County," *Syracuse Post Standard* at [http://www.syracuse.com/news/index.ssf/2013/12/miner\\_and\\_mahoney\\_launch\\_effort\\_to\\_study\\_government\\_consolidation.html](http://www.syracuse.com/news/index.ssf/2013/12/miner_and_mahoney_launch_effort_to_study_government_consolidation.html)

<sup>5</sup> See [www.governor.ny.gov/news/governor-cuomo-announces-first-stem-incentive-scholarship-winners](http://www.governor.ny.gov/news/governor-cuomo-announces-first-stem-incentive-scholarship-winners).

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<sup>6</sup> See <http://www.datainnovation.org/2014/08/state-open-data-policies-and-portals/>

<sup>7</sup> Open NY Quarterly Report January 2015, available at <https://data.ny.gov/dataset/Open-NY-Quarterly-Report-January-2015/qmwf-qn3t?>

<sup>8</sup> Information provided by the New York State Department of Transportation.

<sup>9</sup> *Id.*

<sup>10</sup> See, The MTA Reinvention Commission Report, (November 2014) available at [http://web.mta.info/mta/news/hearings/pdf/MTA Reinvention Report 141125.pdf](http://web.mta.info/mta/news/hearings/pdf/MTA_Reinvention_Report_141125.pdf).

<sup>11</sup> See <http://www.panynj.gov/airports/jfk-facts-info.html>, see also <http://www.panynj.gov/airports/lga-facts-info.html> .

<sup>12</sup> NYS Broadband Program Office, July 2014 State Broadband Initiative.

<sup>13</sup> NYS Broadband Program Office, July, 2014 Connect NY Broadband Statistics.

<sup>14</sup> National Telecommunications Information Administration (NTIA) National Broadband Map, available at <http://www.broadbandmap.gov/classroom/speed>.

<sup>15</sup> Remarks of FCC Chairman Tom Wheeler As Prepared for Delivery, 32nd Annual Everett C. Parker Ethics in Telecommunications Lecture, Washington, D.C., October 7, 2014 at <http://www.fcc.gov/document/fcc-chairman-wheeler-remarks-32nd-annual-everett-c-parker-lecture>.

<sup>16</sup> See "National Broadband Plan, Connecting America," Federal Communications Commission, available at <http://www.broadband.gov/plan/2-goals-for-a-high-performance-america/>

<sup>17</sup> NYS Empire State Development Broadband Program Office, June 2014 State Broadband Initiative Data.

<sup>18</sup> NYS Broadband Program Office, July 2014 State Broadband Initiative.

<sup>19</sup> NYS Broadband Program Office, July 2014 State Broadband Initiative.

<sup>20</sup> NYS Broadband Program Office, July 2014 State Broadband Initiative.

<sup>21</sup> American Association of Railroads.

<sup>22</sup> Port Authority of New York and New Jersey.

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- <sup>23</sup> American Association of Railroads.
- <sup>24</sup> New York State Department of Labor (Current Employment Statistics).
- <sup>25</sup> See <http://regionalcouncils.ny.gov/>.
- <sup>26</sup> See <http://regionalcouncils.ny.gov/>.
- <sup>27</sup> New York State Department of Labor (Current Employment Statistics).
- <sup>28</sup> New York State Department of Labor and U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages.
- <sup>29</sup> See "Ag Facts," New York State Department of Agriculture and Markets, available at <http://www.ny.gov/agfacts.html>.
- <sup>30</sup> See, "The Empire State – A Veritable Dairyland" July 21, 2014, available at <http://www.nypa.gov/k-solar/12-5-14Registrants-MapK-Solar.jpg>
- <sup>31</sup> See "Goals For a High Performance America" March 17, 2010, available at <http://www.broadband.gov/plan/2-goals-for-a-high-performance-america/>
- <sup>32</sup> New York State Department of Labor (Quarterly Census of Employment and Wages).
- <sup>33</sup> Employment statistics provided by the New York State Department of Labor, and information supported by Tourism Economics, see <http://www.tourismeconomics.com/>. See also Empire State Development Corporation Press Release, Governor Cuomo Hosts Second Tourism Summit, May 29, 2014, available at <http://empirestatedevelopment.tumblr.com/post/87240877908/governor-cuomo-hosts-second-tourism-summit>
- <sup>34</sup> See Empire State Development Corporation Press Release, Governor Cuomo Hosts Second Tourism Summit, May 29, 2014, available at <http://empirestatedevelopment.tumblr.com/post/87240877908/governor-cuomo-hosts-second-tourism-summit>
- <sup>35</sup> All tourism statistics, analyses and claims are sourced from Empire State Development, Division of Business Advocacy and Research with additional data provided by the U.S. Travel Association and the U.S. Department of Commerce
- <sup>36</sup> Gaming Facility Location Board selection document, December 17th, 2014, available at <http://www.gaming.ny.gov/pdf/12.17.14.GFLBSelection.pdf>.
- <sup>37</sup> See Great Lakes Metro Chambers of Commerce,

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<http://www.greatlakemetrochambers.com/pdf/Canada-NewYork-Trade.pdf>.

<sup>38</sup> U.S. Census, 2013 American Community Survey 1-Year Estimates, available at

[http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_13\\_1YR\\_B03001&prodType=table](http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_13_1YR_B03001&prodType=table).

<sup>39</sup> This total includes NY Works (\$416 million), the Environmental Protection Fund (\$583 million), the Clean Energy Fund (\$3.1 billion), EFC financing (\$6.9 billion), and storm recovery-related environmental projects (\$2.2 billion), storm recovery-related wastewater treatment repairs/upgrades (\$1.5 billion), DEC capital funds (\$900 million), OPRHP capital funds (\$258 million), and State Superfund Program (\$308 million). Governor Pataki's spending totals come from his 2006-07 Executive Budget book, in which the specific claims have not been referenced.

(<https://www.budget.ny.gov/pubs/archive/fy0607archive/fy0607littleboke/Environment.html>) Governors Spitzer and Paterson's spending totals on environmental and clean energy programs totaled \$9.8 billion: Environmental Protection Fund (\$621 million), clean energy funding (\$1.74 billion), EFC financing (\$4.9 billion), DEC Capital (1.85 billion), Parks Capital (\$289 million), and State Superfund Program (\$405 million).

<sup>40</sup> American Association of Railroads, *Moving Crude Oil by Rail*,

<https://www.aar.org/BackgroundPapers/Crude%20oil%20by%20rail.pdf>

<sup>41</sup> National Oceanographic and Atmospheric Administration,

<http://www.ncdc.noaa.gov/sotc/global/2014/12>.

<sup>42</sup> See "Protect the Future: New York's State Parks in Crisis," by Alliance for New York State Parks, November 2010, available at

[http://www.osiny.org/site/DocServer/NY\\_State\\_Parks\\_in\\_Crisis.pdf?docID=10961](http://www.osiny.org/site/DocServer/NY_State_Parks_in_Crisis.pdf?docID=10961).

<sup>43</sup> *Id.*

<sup>44</sup> Hunting, fishing, and wildlife viewing are valued at \$9.2 billion in New York, according to the *U.S. Fish and Wildlife Service: 2011 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation: New York*. Park visitor spending is valued at over \$1.9 billion, according to a Parks & Trails New York 2009 Report. Not accounted for are other forms of outdoor recreation such as skiing, biking, hiking, and snowmobiling.

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- <sup>45</sup> See the North East State Foresters Association's publication entitled, "Economic Imporatnce of New York's Forestry-Based Economy 2013," available at [http://www.dec.ny.gov/docs/lands\\_forests\\_pdf/economicimportance2013.pdf](http://www.dec.ny.gov/docs/lands_forests_pdf/economicimportance2013.pdf)
- <sup>46</sup> See the North East State Foresters Association's publication entitled, "Economic Imporatnce of New York's Forestry-Based Economy 2013," available at [http://www.dec.ny.gov/docs/lands\\_forests\\_pdf/economicimportance2013.pdf](http://www.dec.ny.gov/docs/lands_forests_pdf/economicimportance2013.pdf)
- <sup>47</sup> See Draft New York State Energy Plan, Volume I, available at <http://energyplan.ny.gov/Plans/2014.aspx>.
- <sup>48</sup> See Cheryl Kaften, "Companies Investing in Clean Energy Honored by Cleantech Group," *The Motley Fool* (October 15, 2013), available at <http://www.fool.com/investing/general/2013/10/15/companies-investing-in-clean-energy-honored.aspx>
- <sup>49</sup> See Charlene Fowler, "Smart Grid Market to Surpass \$400 Billion Worldwide by 2020," *Greentech Media* (August 13, 2013), available at <http://www.greentechmedia.com/articles/read/smart-grid-market-to-surpass-400-billion-worldwide-by-2020>
- <sup>50</sup> See Justin Doom, "Cuomo Proposes Lower Carbon Cap for Northeast Cap and Trade Plan," *Bloomberg* (January 9, 2013), available at <http://www.bloomberg.com/news/2013-01-09/cuomo-proposes-lower-carbon-cap-for-northeast-cap-and-trade-plan.html>
- <sup>51</sup> See Order Establishing Brooklyn/Queens Demand Management Program, available at <http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={83594C1C-51E2-4A1A-9DBB-5F15BCA613A2}>
- <sup>52</sup> See "Supply Curves for Rooftop Solar PV-Generated Electricity for the United States," *National Renewable Energy Laboratory* (November, 2008), available at [www.nrel.gov/docs/fv09osti/44073.pdf](http://www.nrel.gov/docs/fv09osti/44073.pdf)
- <sup>53</sup> See K-Solar: A NYS Program to Reduce Schools' Energy Costs Through the Use of Solar Power, available at <http://www.nypa.gov/k-solar/12-5-14Registrants-MapK-Solar.jpg>

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<sup>54</sup> Happold Consulting conducted an analysis of the five cities' annual energy usage and related costs reflecting the varying sources of energy for each city. Assuming a 20% reduction in energy use citywide, the analysis estimated up to \$400 million in combined savings annually.

<sup>55</sup> On December 23, 2014, the New York State Department of Labor released preliminary local area unemployment rates for November 2014. Rates are calculated following procedures prescribed by the U.S. Bureau of Labor Statistics. The state's unemployment rate relies in part on the results of the Current Population Survey, which contacts approximately 3,100 households in New York State each month. *See*, New York State Department of Labor press release, State Labor Department Releases Preliminary November 2014 Area Unemployment Rates (December 23, 2014), available at

<http://www.labor.ny.gov/pressreleases/2014/december-23-2014.shtm>

<sup>56</sup> *See*,

[http://www.foodbanknyc.org/files/dmfile/HungerCliff\\_ResearchBrief.pdf](http://www.foodbanknyc.org/files/dmfile/HungerCliff_ResearchBrief.pdf).

<sup>57</sup> New York State Department of Health internal statistics.

<sup>58</sup> <http://fahnblog.files.wordpress.com/2013/12/for-immediate-release-sustaining-farm-to-school-in-new-york-state.pdf>.

<sup>59</sup> In fact, 60 percent of students in New York graduate with student debt, with an average debt amount of \$25,537. *See* more from the Project on Student Debt, available

at <http://projectonstudentdebt.org/files/pub/classof2012.pdf>.

<sup>60</sup> For more information on the U.S. Department of Education's Pay As You Earn program, *see* <https://studentaid.ed.gov/repay-loans/understand/plans/income-driven>.

<sup>61</sup> *See* <http://philanthropy.com/article/Interactive-Explore-How/149107/#state/36>

<sup>62</sup> Data taken from the Foundation Center available at <http://data.foundationcenter.org/#/foundations/all/state:NY/total/list/2012>.

<sup>63</sup> *See* "New Immigrant Community Empowerment et al., Dreams and Schemes in Queens, NY: Immigrant Struggles to Find Work and Obtain Status in the Face of Consumer Fraud." Oct. 2012, available at <http://cdp.urbanjustice.org/sites/default/files/DreamsandSchemes.pdf>.

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<sup>64</sup> See “Under the Radar: New York State Elder Abuse Prevalence Study Self-Reported Prevalence And Documented Case Surveys Final Report”, prepared by Lifespan of Greater Rochester, Inc., Weill Cornell Medical Center of Cornell University, and the New York City Department for the Aging, available at <http://www.ocfs.state.ny.us/main/reports/Under%20the%20Radar%205%2012%2011%20final%20report.pdf>.

<sup>65</sup> See “The MetLife Study of Elder Financial Abuse: Crimes of Occasion, Desperation and Predation Against America’s Elders”, June 2011, available at <https://www.metlife.com/assets/cao/mmi/publications/studies/2011/mi-elder-financial-abuse.pdf>.

<sup>66</sup> See “The Next Four Decades: The Older Population in the United States: 2010 to 2050, Population Estimates and Projections”, May 2010, available at <http://www.census.gov/prod/2010pubs/p25-1138.pdf>.

<sup>67</sup> See “Under the Radar: New York State Elder Abuse Prevalence Study Self-Reported Prevalence And Documented Case Surveys Final Report”, prepared by Lifespan of Greater Rochester, Inc., Weill Cornell Medical Center of Cornell University, and the New York City Department for the Aging, available at <http://www.ocfs.state.ny.us/main/reports/Under%20the%20Radar%205%2012%2011%20final%20report.pdf>.

<sup>68</sup> See United States Department of Defense Report on Predatory Lending Practices Directed at Members of the Armed Forces and Their Dependents (2006), available at [http://www.defense.gov/pubs/pdfs/Report\\_to\\_Congress\\_final.pdf](http://www.defense.gov/pubs/pdfs/Report_to_Congress_final.pdf)

<sup>69</sup> For example, see Gary Shapiro, “College Degrees Are Vastly Overrated As Today’s Entrepreneurial Dropouts Routinely Reveal,” *Forbes* (December 27, 2013), available at <http://www.forbes.com/sites/realspin/2013/12/27/college-degrees-are-vastly-overrated-as-todays-entrepreneurial-dropouts-routinely-reveal/> and David Leonhardt, “Is College Worth It? Clearly, New Data Say,” *The New York Times* (May 27, 2014), available at

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<http://www.nytimes.com/2014/05/27/upshot/is-college-worth-it-clearly-new-data-say.html?abt=0002&abg=0>.

<sup>70</sup> In January 2014, President Obama called on Congress and States to make community college free.

<http://www.whitehouse.gov/blog/2015/01/08/president-proposes-make-community-college-free-responsible-students-2-years>.

<sup>71</sup> New York's public colleges have the lowest tuition in the northeast and are in the lowest quartile nationally. See The College Board's "Trends in College Pricing 2013 Report," available at

<http://trends.collegeboard.org/sites/default/files/college-pricing-2013-full-report.pdf>.

<sup>72</sup> *The New York Times* reported on this issue. See Ginia Bellafante, "Community College Students Face a Very Long Road to Graduation," (October 3, 2014), available at:

[http://www.nytimes.com/2014/10/05/nyregion/community-college-students-face-a-very-long-road-to-graduation.html?\\_r=0](http://www.nytimes.com/2014/10/05/nyregion/community-college-students-face-a-very-long-road-to-graduation.html?_r=0).

<sup>73</sup> The Institutes were in White Plains, Brooklyn, Buffalo, Binghamton, and Utica. All opened their doors in 1947.

<sup>74</sup> The 1947 federal Presidential Commission on Higher Education (Truman Commission) emphasized this function, calling for "education [to] necessarily vary its means and methods to fit the diversity of its constituency, [and] it will achieve its ends more successfully if its programs and policies grow out of and are relevant to the characteristics and needs of contemporary society."

<sup>75</sup> See, "Recovery: Job Growth and Education Requirements Through 2020," by the Georgetown Center on Education in the Workforce, available at

<https://georgetown.app.box.com/s/kg8r28e48gsaw8ypplxp>.

and "Employment Status of the Civilian Population 25 years and over by Educational Attainment", available

at <http://www.bls.gov/news.release/empsit.t04.htm>.

<sup>76</sup> NYS P-TECH partnerships selected in the second round in 2013 are: Central New York

**Manufacturing** – Businesses: Manufacturers Association of Central New York

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Higher Education: Cayuga Community College  
K-12: Auburn ECSD

Finger Lakes

**Advanced Manufacturing** – Businesses: Finger Lakes Advanced Manufacturers' Enterprise; Digital Rochester

Higher Education: Finger Lakes Community College  
K-12: Regional consortium led by Geneva CSD

Hudson Valley

**Computer Information Technology and Electrical Technology**–  
Businesses: Verde Electric Corporation and The Yonkers Chamber of Commerce

Higher Education: Westchester Community College  
K-12: Yonkers CSD

**Electrical Engineering Technology; Engineering Science** – Business:  
Hudson Gas and Electric Corporation

Higher Education: Dutchess Community College  
K-12: Poughkeepsie CSD

Mohawk Valley

**Quality Assurance** – Businesses: Mohawk Valley Edge; Mohawk Valley Applied Tech. Corporation; King & King Architects

Higher Education: Herkimer Community College  
K-12: Regional consortium led by Herkimer BOCES with fiscal lead Herkimer CSD

**Semiconductor Manufacturing and Financial Services**

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**Management** – Businesses: Mohawk Valley Edge and Manufacturing Association of Central New York.

Higher Education: Mohawk Valley Community College  
K-12: Regional consortium led by Oneida-Herkimer-Madison BOCES with fiscal lead Utica CSD

New York City

**Construction Management, Civil Engineering Technology and Architectural Technology** – Businesses: Building Trades Employers' Association of New York City and CH2M HILL.

Higher Education: CUNY and NYC College of Technology (City Tech)  
K-12: New York City Department of Education

North Country

**Health Care** – St. Lawrence Health System, Claxton-Hepburn Medical Center, Massena Memorial Hospital, United Helpers, Kinney Drugs and Northern Area Health Education Center.

Higher Education: North Country Community College and SUNY Canton  
K-12: Regional consortium led by St. Lawrence BOCES with fiscal lead Norwood-Norfolk CSD

Western New York

**Construction Technology** – Business: Technology, Engineering and Architecture Mentoring through Compliance Administrative Services of New York, Montante Solar, Montante Construction, Construction Exchange of Western NY and the Construction Industry Education Foundation

Higher Education: Alfred State College  
K-12: Buffalo City School District

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**Mechanical and Welding Technology** – Business: Chautauqua County Industrial Development Agency, the Manufacturers Association of the Southern Tier, and the Chautauqua Chamber of Commerce

Higher Education: Jamestown Community College

K-12: Regional Consortium led by Dunkirk CSD

<sup>77</sup> See *Falling Short? College Learning and Career*, Hart Research Associates, January 20, 2015, available at

[http://www.aacu.org/sites/default/files/files/LEAP/2015employee\\_rstudentsurvey.pdf](http://www.aacu.org/sites/default/files/files/LEAP/2015employee_rstudentsurvey.pdf).

<sup>78</sup> See *Middle Skill Jobs in New York: And, why it matters to all of us!*, September 10, 2014, prepared by the New York Association of Training & Employment Professionals, available at

<http://www.nyrehab.org/documents/SESSION19-MACK.pdf>.

<sup>79</sup> See *Ensuring the Central New York Region's Global Success: Reversing our "skills gaps" through high school education models*, a report prepared by Ready Nation America's Edge (2014), available at

<http://readynation.s3.amazonaws.com/wp-content/uploads/RNAE-CNY-SG-Report-pdf>

<sup>80</sup> In 2013, New York ranked 32nd in 4th and 8th grade math scores, as well as 8th grade reading. New York ranked 20th in 4th grade reading scores. Scores retrieved from the National Center for Education Statistics, <http://nces.ed.gov/nationsreportcard/>.

<sup>81</sup> The rate among districts varies widely, with the school districts serving the greatest number of at-risk students having some of the lowest graduation rates: New York City – 64.2 percent; Buffalo – 52.8 percent; Rochester – 43.4 percent; Syracuse – 51.1 percent; Yonkers – 68.8 percent. State Education Department report, *available at*

<http://www.p12.nysed.gov/irs/pressRelease/20141218/home.html>

<sup>82</sup> New York State Department of Education. *Graduation Rates*. *available at* <http://www.p12.nysed.gov/irs/pressRelease/20141218/2010-CohortGradRate-12-17-14.pdf>

<sup>83</sup> Statewide, 87.3 percent of White, 61.6 percent of Black and 61.6 percent of Hispanic students graduated from high school. Only 10 percent of Black and 13 percent of Hispanic students are graduating with Advanced

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Designation diplomas which requires students to pass two additional Regents Exams in math and one additional Regents Exam in science and complete additional coursework in a language other than English or Career and Technical Education (CTE) or the Arts. State Education Department data, available at

<http://www.p12.nysed.gov/irs/pressRelease/20141218/2010-CohortGradRate-12-17-14.pdf>

<sup>84</sup> Statewide, only 35.8 percent of students scored at the proficient level or above in math across all grades (3-8) combined. The rate among districts varies widely, with the school districts serving the greatest number of at-risk students having lower math proficiency rates: New York City – 35.5 percent; Buffalo – 13.1 percent; Rochester – 6.8 percent; Syracuse – 7.6 percent; Yonkers – 21.1 percent.

Statewide, only 31.4 percent of students scored at the proficient level or above in English Language Arts across all grades (3-8) combined. Rates among districts serving at-risk students also varied widely: New York City – 29.4 percent; Buffalo – 12.2 percent; Rochester – 5.7 percent; Syracuse – 8.5 percent; Yonkers – 18.7 percent.

State Education Department report Measuring Student Progress in Grades 3-8 English Language Arts and Mathematics. available at

<http://www.p12.nysed.gov/irs/ela-math/2014/2014Grades3-8ELAMath-final8-13-14.pdf>

<sup>85</sup> According to the [Education Commission of the States](#), state funding for pre-k increased by \$363.6 million in the 2013-14 fiscal year. That figure includes a \$25 million increase in New York State, leaving a \$338.6 million increase for the remainder of the country.

<sup>86</sup> Chetty, R., Friedman, J. N., & Rockoff, J. E. (2011). *The long-term impacts of teachers: Teacher value-added and student outcomes in adulthood* (NBER Working Paper 17699). Cambridge, MA: National Bureau of Economic Research.

<sup>87</sup> New York State Department of Education, Information and Reporting Services. see

<http://www.p12.nysed.gov/irs/ela-math/2014/2014Grades3-8ELAMath-final8-13-14.pdf>

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- <sup>88</sup> At least one independent observation must be unannounced. At least one supervisor observation must be unannounced.
- <sup>89</sup> The NEA Higher Education Journal. Tenure: Why Faculty, and the Nation, need it. *available* at [http://www.nea.org/assets/docs/HE/Tenure3\\_FacultyNationNeedIt.pdf](http://www.nea.org/assets/docs/HE/Tenure3_FacultyNationNeedIt.pdf)
- <sup>90</sup> When a high value-added (top 5%) teacher enters a school, end-of-school-year test scores in the grade he or she teaches rise immediately. Chetty, R., Friedman, J. N., & Rockoff, J. E. (2011). *The long-term impacts of teachers: Teacher value-added and student outcomes in adulthood* (NBER Working Paper 17699). Cambridge, MA: National Bureau of Economic Research.
- <sup>91</sup>[http://www.governor.ny.gov/sites/governor.ny.gov/files/archive/asset\\_s/documents/NewNYEducationReformCommissionFinalActionPlan.pdf](http://www.governor.ny.gov/sites/governor.ny.gov/files/archive/asset_s/documents/NewNYEducationReformCommissionFinalActionPlan.pdf)
- <sup>92</sup> The 60-day clock will begin on the date of the pre-hearing conference.
- <sup>93</sup> To receive his or her initial certificate a teacher must pass the edTPA, Educating All Students (EAS) test, Academic Literacy Skills Test (ALST), and Content Specialty Test (CST).  
[http://www.nystce.nesinc.com/NY17\\_whoshouldtest.asp](http://www.nystce.nesinc.com/NY17_whoshouldtest.asp)
- <sup>94</sup> New York State Department of Education. see <http://data.nysed.gov/higheredcert.php?year=2014&instid=80000081568>
- <sup>95</sup> New York State Department of Education. see <http://data.nysed.gov/higheredcert.php?year=2014&instid=80000081568>
- <sup>96</sup> SED shall have limited discretion where the institution makes a written request to the Department to be permitted to continue operations.
- <sup>97</sup> New York State Department of Education, Information and Reporting Services. see <http://www.p12.nysed.gov/irs/ela-math/2014/2014Grades3-8ELAMath-final8-13-14.pdf>
- <sup>98</sup> New York State Department of Education. see <http://www.highered.nysed.gov/tcert/certificate/teachrecommend.html>
- <sup>99</sup> <http://blog.suny.edu/2013/09/governor-cuomo-announces-new-admission-requirements-for-suny-teacher-preparation-programs/>

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<sup>100</sup> <http://www.highered.nysed.gov/tcert/certificate/maintaincert-prof.html>

<sup>101</sup> <http://www.highered.nysed.gov/tcert/certificate/maintaincert-prof.html>

<sup>102</sup> <http://www.highered.nysed.gov/tcert/resteachers/175.html#three>

<sup>103</sup> <http://www.nycourts.gov/attorneys/cle/regulationsandguidelines.pdf>

<sup>104</sup> New York State Department of Education. see

<http://www.p12.nysed.gov/accountability/>

<sup>105</sup> The 77 and 27 schools have been in some type of accountability status for the relevant time period. Data from NY State Education Department.

<sup>106</sup> Based on longitudinal analysis of historical enrollment and estimated unique student enrollment rates. New York Division of Budget.

<sup>107</sup> New York Division of Budget analysis of SED 2012-2013 student enrollment data.

<sup>108</sup> <https://www2.ed.gov/programs/sif/sigguidance05242010.pdf>

<sup>109</sup> NYSED's letter to New York State Director of Operations Jim Malatras can be found here: <http://www.p12.nysed.gov/docs/nysed-malatrass-letter-12-31-14.pdf>. Information on the Massachusetts model can be found here:

<http://www.doe.mass.edu/apa/sss/turnaround/level5/schools/default.html>.

<sup>110</sup> <http://www.p12.nysed.gov/psc/CharterSchoolsFact.html>

<sup>111</sup> Current charters have been authorized by: New York City Department of Education, SUNY, the Board of Regents, or the Buffalo Board of Education.

<sup>112</sup> Or in any accountability status as determined by the New York State Education Department.

<sup>113</sup> Programs covered include Head Start, pre-K (school and center based), child care, family-based child care and other regulated early childhood settings.

<sup>114</sup> InBrief: Early Childhood Program Effectiveness, Center for the Developing Child at Harvard University. Available at:

[http://developingchild.harvard.edu/index.php/resources/briefs/inbrief\\_series/inbrief\\_program\\_effectiveness](http://developingchild.harvard.edu/index.php/resources/briefs/inbrief_series/inbrief_program_effectiveness)

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<sup>115</sup> <http://nieer.org/publications/head-start-impact-study-findings-show-gains-methodology-rigorous>

<sup>116</sup> National Institute for Early Education Research. see

<http://nieer.org/sites/nieer/files/BenefitCostAbecedarian.pdf>; see also HighScope Perry Preschool Study

[http://www.highscope.org/file/Research/PerryProject/specialsummary\\_rev2011\\_02\\_2.pdf](http://www.highscope.org/file/Research/PerryProject/specialsummary_rev2011_02_2.pdf)

<sup>117</sup> Harvard University Center for the Developing Child. (2009). Executive Function: Skills for Life and Learning.

<sup>118</sup> Invest in Early Childhood Development: Reduce Deficits, Strengthen the Economy, James Heckman, The Heckman Equation. Available at:

<http://heckmanequation.org/content/resource/invest-early-childhood-development-reduce-deficits-strengthen-economy>

<sup>119</sup> New York State Police, New York State Intelligence Center, January 16, 2015.

<sup>120</sup> University at Albany and Division of Homeland Security and Emergency Services, (August 2014).

<sup>121</sup> The State is using its share of federal funds appropriated for Sandy, Irene and Lee - along with state funds - to implement this far-reaching program, which includes: Building the most advanced weather detection system in the nation, with 125 interconnected weather stations to provide real-time warnings of local extreme weather and flood conditions. See Office of Governor Cuomo, Press Release, January 7, 2014, Governor Cuomo Announces Broad Series of Innovative Protections; Vice President Biden Credits Governor Cuomo's Storm Plan as A Model for Future Recovery Efforts, available at

<http://www.governor.ny.gov/news/governor-cuomo-announces-broad-series-innovative-protections-vice-president-biden-credits>.

<sup>122</sup> Division of Homeland Security and Emergency Services, December 31, 2014.

<sup>123</sup> Centers for Disease Control and Prevention (CDC), as of January 13, 2015. See <http://www.cdc.gov/vhf/ebola/outbreaks/2014-west-africa/case-counts.html>.

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<sup>124</sup> United States Elections Project, Voter Participation Data by State 2014, see: <http://www.electproject.org/2014g>

<sup>125</sup> New York State League of Women Voters, "Increasing Voter Participation: Opportunities in New York State." See:

<http://lwvny.org/advocacy/vote/2011/EarlyVote121311.pdf>

<sup>126</sup> New York State Commission of Correction (SCOC) Jail Management System, October 30, 2014, and the New York City Mayor's Office of Criminal Justice (MOCJ), September 11, 2014.

<sup>127</sup> New York State Department of Corrections and Community Supervision (DOCCS), September 20, 2014.

<sup>128</sup> New York State Division of Criminal Justice Services, Computerized Criminal History.

<sup>129</sup> 1,600 criminal records annually - New York State Division of Criminal Justice Services, Computerized Criminal History.

<sup>130</sup> See Jeffrey Fagan, Aaron Kupchik, and Akiva Liberman, "Be Careful What You Wish For: Legal Sanctions and Public Safety Among Adolescent Offenders in Juvenile and Criminal Court," Columbia Law School Public Law Research Paper Series 03-61 (2007): 40-51;

<http://ssrn.com/abstract=491202> (11 December 2014); *see also*

Richard E. Redding, "Juvenile Transfer Laws: An Effective Deterrent to Delinquency?" *Juvenile Justice Bulletin*, June 2010, at 6.

<sup>131</sup> Prison Rape Elimination Act of 2003 § 2, 42 US Code § 15601(4) (2006).; also - James Austin, Kelly Dedel Johnson, and Maria Gregoriou, *Juveniles in Adult Prisons and Jails: A National Assessment* (Washington, DC: US Department of Justice, Office of Justice Programs, Bureau of Justice Assistance, 2000), 7-8.

<http://www.ncjrs.gov/pdffiles1/bja/182503.pdf>. See also Campaign for Youth Justice, *Jailing Juveniles: The Dangers of Incarcerating Youth in Adult Jails in America* (Washington, DC: Campaign for Youth Justice, 2007); and Campaign for Youth Justice, "Key Facts: Youth in the Justice System," April 2012, 4 ("youth housed in adult jails are 36 times more likely to commit suicide than are youth housed in juvenile detention facilities (endnote omitted)").

<sup>132</sup> Richard A. Mendel, *Less Hype, More Help: Reducing Juvenile Crime, What Works—and What Doesn't* (Washington, DC: American Youth Policy

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Forum, 2000), 3; and “Building Blocks for Youth,” <<http://www.buildingblocksforyouth.org/issues/adultjails/factsheet.html>> (10 December 2014).

<sup>133</sup> Programming in the estimate included Aggression Replacement Therapy, Brief Strategic Family Therapy, Cognitive Behavioral Therapy, Employment Programs, Functional Family Therapy, Mental Health, Mentoring, Multisystemic Therapy, Restorative (Mediation, Community Service), Substance Abuse, and Youth Court (RTA Programming Portfolio Victimization Addendum, Division of Criminal Justice Services, October 8, 2014).

<sup>134</sup> See The Global Gender Gap Report 2013, prepared by World Economic Forum, available at

[http://www3.weforum.org/docs/WEF\\_GenderGap\\_Report\\_2013.pdf](http://www3.weforum.org/docs/WEF_GenderGap_Report_2013.pdf).

<sup>135</sup> *Id.*

<sup>136</sup> Center For American Progress, Judith Warner, Fact Sheet: The Women’s Leadership Gap, Women’s Leadership by the Numbers, March 7, 2014, available at

<https://www.americanprogress.org/issues/women/report/2014/03/07/85457/fact-sheet-the-womens-leadership-gap/>.

<sup>137</sup> E.g., Women in New York earn 84 percent of what men earn and jobs traditionally held by women pay significantly less than jobs predominately employing men. This wage disparity is even broader for African-American and Hispanic women. Further, women filed 75 percent of all sexual harassment complaints filed at the New York State Division of Human Rights and 83 percent of all sexual harassment complaints filed at the Equal Employment Opportunity Commission.

<sup>138</sup> See Office of Governor Cuomo, Press Release, June 4, 2013, Governor Cuomo Introduces Womens Equality Act Legislation, available at

<http://www.governor.ny.gov/news/governor-cuomo-introduces-womens-equality-act-legislation> for more details about the Women’s Equality Agenda.

<sup>139</sup> See “Not Alone,” The First Report of the White House Task Force to Protect Students From Sexual Assault,” available at

<https://www.notalone.gov/assets/report.pdf>.

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<sup>140</sup> North Syracuse Central Sch. Dist. v. N.Y. State Div. Of Human Rights, 19 N.Y.3d 481 (2012).

<sup>141</sup> Statistics compiled by the New York State Division of Human Rights (2013).

<sup>142</sup> Statistics provided by New York City's Department of Homeless Services and the New York State Office of Temporary and Disability Assistance.

<sup>143</sup> Estimated state spending provided by the New York State Division of the Budget.

<sup>144</sup> Dye BA, Tan S, Smith V, Lewis BG, Barker LK, Thorton-Evans G, et al. Trends in oral health status: United States, 1988-1994 and 1999-2004. National Center for Health Statistics. Vital Health Stat 11(248). 2007.

<sup>145</sup> CDC, August 25, 2014 More than a quarter-million youth who had never smoked a cigarette used e-cigarettes in 2013. *See* <http://www.cdc.gov/media/releases/2014/p0825-e-cigarettes.html>.





**2015** | **Opportunity  
Agenda**

**2015-16 Executive Budget  
Governor Andrew M. Cuomo**



# Contents

Director’s Message .....333

## **2015-16 Executive Budget**

1. Financial Plan Overview .....337  
2. Tax Reform, Revenue Actions, and STAR .....349  
3. Investing in New York .....379  
4. Restoring Public Trust .....387

## **Program Overview**

5. Economic Development .....391  
6. Education .....403  
7. Environment and Energy.....415  
8. Health Care .....429  
9. Higher Education.....445  
10. Human Services.....459  
11. Local Government.....471  
12. Mental Hygiene.....485  
13. Public Safety.....499  
14. State Workforce .....507  
15. Transportation .....517

## **Additional Information**

16. Legislation Required for the Budget .....531  
17. The Citizen’s Guide to the Executive Budget .....543



## **DIRECTOR'S MESSAGE**

The State of New York is in its best financial shape in decades. This is the direct result of the policies put in place and the fiscal discipline of the Governor's first four years. After years of dysfunction, the State's finances are firmly on solid ground. Importantly, this Budget reflects the next step in the Governor's plan to improve the economy and overall quality of life in New York.

New York's fiscal turnaround has been widely recognized. This past summer, all three major credit rating agencies, Standard and Poor's, Fitch, and Moody's, noted the State's outstanding financial performance by upgrading the State to its highest credit rating since 1972. The State now enjoys the second highest investment-grade credit rating possible from all three raters on its general obligation bonds. S&P rates the State's Personal Income Tax Bonds and Sales Tax Bonds at AAA, the highest rating possible.

For the fifth year in a row, the Executive Budget is balanced while limiting spending growth to no greater than two percent. We expect the current year to

end in surplus, and with Governor Cuomo's steadfast commitment to fiscal responsibility, future surpluses are expected to grow.

To restore economic opportunity statewide, this Budget provides real tax relief for middle- and low-income families struggling under the crushing weight of property taxes. Building on the success of the Governor's property tax cap and property tax freeze initiatives, significant relief is provided to homeowners with the greatest need by creating a Real Property Tax Credit for households that will provide \$1.7 billion in tax relief to cash-strapped New Yorkers.

With a new foundation of fiscal stability, this Budget makes major investments that will improve New York's economic climate. It directs the State's \$5.4 billion windfall from settlements with financial institutions to strategically-targeted investments and reserves. These funds will foster economic development, improve infrastructure in transportation and health care systems, and help prepare for future disasters.

Investments will directly address the challenges faced by Upstate regions, and awards for major infrastructure projects will be limited to those which

will have a catalytic impact on community revitalization. A competition for funding will replicate the successful Buffalo Billion initiative, a program that is jumpstarting the economy of the entire Western New York region.

Of vital importance to our future, the Budget makes sure that the State's significant investment in education results in the reforms that our children deserve. A year-to-year increase of \$1.1 billion is contingent on the implementation of improvements to the systems for teacher preparation, evaluation, certification and tenure, as well as providing the authority to truly improve failing schools and providing increased support and accountability to charter schools. In combination with increased resources, these reforms are the best way to reflect New York State's commitment to providing educational opportunity for all students.

The past four years have fundamentally changed New York's outlook. Confidence has replaced derision. We are at an all-time high for private sector jobs. Fiscal discipline has allowed for major investments in education and our economy. New York is once again the State of Opportunity.





# 1. Financial Plan Overview

## Overview

Governor Cuomo has forged a bipartisan consensus with the Legislature to enact four on-time, fiscally responsible budgets. The passage of the 2014-15 Budget on March 31, 2014 marked the first time since 1978 that New York has enacted four consecutive on-time budgets. The Governor's budgets embrace the principle that State spending must grow more slowly than the overall economy to leave more money in the hands of the people and to discipline the government to use its resources prudently. This principle has been put into practice with the establishment of the 2 percent spending benchmark at the State level, and with the 2 percent property tax cap at the local level.

The effort to control State government spending is working. In the fifty years prior to Governor Cuomo

taking office, the annual State Budget grew faster than income 60 percent of the time (or three out of every five budgets), and spending over the entire period grew at an average rate of approximately 7 percent, compared to income growth of 6.2 percent. With the adoption of the 2 percent spending benchmark, the unsustainable trend has been reversed. Since 2011, State spending has grown more slowly than income each year – and will again with the Executive Budget for 2015-16.

Importantly, the fiscal actions of the past four years have reduced volatility from the budget-making process. Rather than including large spending increases in good economic times that cannot be sustained when the economy slows, the past four budgets have allowed for sustainable, affordable increases in spending.

The budgets of the last four years have instituted fundamental reforms that have reduced the cost of State and local government in New York. These reforms include:

- Limiting the annual growth in State Operating Funds to 2 percent or less;
- Eliminating unsustainable inflators for major programs;
- Negotiating landmark collective bargaining agreements that provide fair and affordable wages and benefits;

- Creating a new tier of fair and affordable pension benefits, which is expected to save the State and local governments \$80 billion over 30 years;
- Relieving localities of the growth in the Medicaid program, and all the costs of administering it;
- Controlling and targeting new borrowing to keep debt service affordable and within the State's debt limit; and
- Setting aside nearly \$800 million in reserves to reduce debt and meet unforeseen "rainy day" needs.

The policy of spending restraint – and the reforms that have accompanied it – have led to measurable improvements in the State's financial position.

- General Fund deficits totaling tens of billions of dollars have been eliminated and turned into operating surpluses. In the current year, the State is on track to record another surplus, estimated at \$525 million. The surplus, which excludes funds received in the current year from monetary settlements with financial institutions, will be used to make the maximum allowable deposit to rainy day reserves and to prepay high cost debt that is due in 2015-16.
- State debt measured as a percent of personal income stands at 4.9 percent – the most favorable debt to income ratio since the 1960s – and is expected to decline annually over the next decade, even as the State makes targeted capital investments for health care, transportation, and economic development.

- Total State debt has declined in each of the last two fiscal years, and will decline again in 2014-15. This is the first time in modern times that New York's debt has declined for three consecutive years. Debt outstanding at the end of 2014-15 is on track to be lower than when the Governor took office in 2011.
- The accumulated GAAP-basis deficit of \$3.5 billion inherited when the Governor took office has been reduced in just three years to less than \$600 million, and is on pace to be eliminated completely by the end of 2014-15.

In the summer of 2014, all three major credit rating agencies, Standard and Poor's, Fitch, and Moody's, recognized the State's outstanding financial performance by upgrading the State to its highest credit rating since 1972. The State now enjoys the second highest investment-grade credit rating possible from all three raters on its general obligation bonds (S&P rates the State's Personal Income Tax Bonds and Sales Tax Bonds at AAA, the highest rating possible).

### **2015-16 Executive Budget Highlights**

- The Executive Budget continues the disciplined approach to fiscal matters that has defined the Governor's first four budgets. It proposes recurring savings through targeted reforms, as well as continuation of the spending controls and cost-containment put in place in prior years.

Agency operations are generally expected to remain at current levels across the Financial Plan period. The projections for receipts and disbursements continue to be based on conservative assumptions.

- The Budget again limits the annual growth in State Operating Funds spending to 2 percent or less, consistent with the spending benchmark adopted in 2011-12. In addition, the Governor is expected to propose, and the Legislature is expected to enact, balanced budgets in future years that continue to limit annual growth in State Operating Funds to no greater than 2 percent.
- The \$5.4 billion windfall from settlements with financial institutions is set aside for one-time investments and reserves. The budget proposes \$3 billion in loans and grants for special infrastructure projects, including transportation, health care, disaster preparedness, and other one-time investments, and \$1.5 billion for competitive upstate revitalization grants. In addition, \$850 million is reserved to address risks.
- The combination of effective budget management and adherence to the 2 percent spending benchmark in each of the next four fiscal years will produce surpluses in future years, based on current projections. The Executive Budget proposes a multi-year property tax and business tax reduction plan, which has been sized to absorb much of the

surplus that would otherwise occur using current projections. The following table summarizes the multi-year impact of the Executive Budget Financial Plan on General Fund operations.

**GENERAL FUND BUDGETARY BASIS SURPLUS/(GAP) PROJECTIONS**  
**EXECUTIVE BUDGET**  
**GAP-CLOSING PLAN**  
(millions of dollars)

	FY 2016	FY 2017	FY 2018	FY 2019
<b>MID-YEAR BUDGET SURPLUS/(GAP) ESTIMATE<sup>1</sup></b>	<b>(1,814)</b>	<b>(2,578)</b>	<b>(4,034)</b>	<b>(5,777)</b>
<b>Spending Changes</b>	<b>1,441</b>	<b>2,913</b>	<b>5,018</b>	<b>6,420</b>
Agency Operations	92	13	79	257
Local Assistance	1,404	1,003	1,119	1,211
Capital Projects/Debt Management	121	385	329	335
Initiatives/Investments	(176)	(378)	(666)	(831)
Adherence to 2% Spending Benchmark <sup>2</sup>	n/a	1,890	4,157	5,448
<b>Resources</b>	<b>373</b>	<b>217</b>	<b>815</b>	<b>1,479</b>
<b>BUDGET SURPLUS/(GAP) BEFORE TAX ACTIONS</b>	<b>0</b>	<b>552</b>	<b>1,799</b>	<b>2,122</b>
Tax Reduction Plan	0	(386)	(989)	(1,492)
<b>EXECUTIVE BUDGET SURPLUS/(GAP)</b>	<b>0</b>	<b>166</b>	<b>810</b>	<b>630</b>

<sup>1</sup> Before actions to adhere to the 2 percent benchmark.

<sup>2</sup> Savings estimated from limiting annual spending growth in future years to 2 percent. Calculation based on current FY 2015 estimate. The Governor is expected to propose, and negotiate with the Legislature to enact, budgets in each fiscal year that hold State Operating Funds spending growth to 2 percent. Assumes all savings from holding spending growth to 2 percent are made available to the General Fund.

- Consistent with the Governor's approach in balancing his first four budgets, all of which emphasized spending restraint, the Executive Budget Financial Plan reduces spending in 2015-16 by \$1.4 billion compared to prior projections.
  - **Agency Operations.** Since the Governor took office in January 2011, State agency operating costs have been significantly reduced through ongoing State agency redesign and cost-control efforts. These efforts have included closures and consolidations of facilities to reduce excess capacity; strict controls on attrition and hiring; enterprise-wide consolidation of procurement, information technology, and workforce management functions; and a range of operational measures to improve efficiency. The 2015-16 Executive Budget overall holds spending for Executive agency operations constant over the Financial Plan period. In addition, the State's projected costs for health insurance and pensions have been lowered based on market conditions.
  - **Local Assistance.** General Fund savings are expected from, among other things, consolidation of certain local aid programs, targeted reforms to STAR, and updated cost estimates for a range of State programs, and reflect the impact of cost-containment and spending controls enacted in prior years.

Medicaid and School Aid are the State's largest aid programs, comprising over 40

percent of the State Operating Funds budget. Medicaid will grow at the indexed rate of 3.6 percent, consistent with the Global cap. In addition, the State will invest \$1.4 billion in capital resources to continue the transformation of the State's health care delivery system.

School Aid is recommended to increase by \$1.1 billion (4.8 percent) on a school year basis. The increase, which is in excess of the 1.7 percent rate driven by the current education aid index, is tied to the implementation of education reforms, including improvements to the systems for teacher evaluation, tenure, certification and preparation, as well as providing new authority to improve failing schools and providing increased support and accountability to charter schools.

- **Capital Projects/Debt Management.** Savings are expected through continued use of competitive bond sales, refundings, and consolidation of debt issuances.
- **Initiatives/Investments.** The Executive Budget proposes new initiatives that have a budgetary impact. Among the most significant is juvenile justice reform which, over time, will increase the age of juvenile jurisdiction to 18, establish a continuum of diversion services, and treat youth in age-appropriate OCFS facilities rather than in adult facilities. In addition, the Budget

proposes a new student loan forgiveness program that will allow New York residents who graduate from college and continue to live in the State to pay little or nothing on their student loans for the first two years out of school if their income is not high enough to cover their student debt burden without significant financial hardship.

- The forecast for tax receipts has been revised upward in each year of the Financial Plan, reflecting strong tax collections to date. However, estimates remain conservative for 2015-16 and beyond, reflecting volatile economic conditions at home and globally. In addition, new resources in 2015-16 include the savings from prepaying certain 2015-16 expenses in 2014-15.
- The Executive Budget proposes a real property tax relief credit for homeowners and renters that meet income and tax burden thresholds. The relief program is expected to cost approximately \$1.66 billion when it is fully phased in. In addition, the Budget includes a new Education Tax Credit, an Urban Youth Jobs Program tax credit, and a tax reduction for small businesses.

### **Annual Spending Growth**

The Executive Budget holds 2015-16 annual spending growth in State Operating Funds to 1.7 percent, below the 2 percent spending benchmark. All Funds spending, which includes spending from capital

funds and Federal funds, is expected to increase by 2.8 percent from the level estimated for 2014-15, excluding extraordinary aid.<sup>1</sup> The growth is driven in large part by increased capital investments.

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<sup>1</sup> Extraordinary aid consists of aid related to (a) Federal health care reform, which includes the Affordable Care Act, the new Basic Health Plan and the Federal waiver to transform the State's health care system, all of which increases the flow of Federal Funds through the State's Financial Plan; (b) Federal aid that is expected to pass through the State's Financial Plan to local governments, public authorities, and not-for-profits over the next three years for recovery from Superstorm Sandy; and (c) capital spending from windfall monetary settlements with financial institutions.

**TOTAL DISBURSEMENTS**  
(millions of dollars)

	FY 2014 Results	FY 2015 Current	Annual Change	% Change	FY 2016 Proposed	Annual Change	% Change
<b>STATE OPERATING FUNDS</b>	90,631	92,407	1,776	2.0%	93,984	1,577	1.7%
General Fund (excluding transfers)	52,148	54,877	2,729	5.2%	57,356	2,479	4.5%
Other State Funds	32,046	31,654	(392)	-1.2%	31,055	(599)	-1.9%
Debt Service Funds	6,437	5,876	(561)	-8.7%	5,573	(303)	-5.2%
<b>ALL GOVERNMENTAL FUNDS</b>	<b>135,874</b>	<b>137,744</b>	<b>1,870</b>	<b>1.4%</b>	<b>141,630</b>	<b>3,886</b>	<b>2.8%</b>
(EXCL. EXTRAORDINARY AID)							
State Operating Funds	90,631	92,407	1,776	2.0%	93,984	1,577	1.7%
Capital Projects Funds	7,751	7,995	244	3.1%	9,375	1,380	17.3%
Federal Operating Funds	37,492	37,342	(150)	-0.4%	38,271	929	2.5%



## **2. Tax Reform, Revenue Actions, and STAR**

### **Overview**

The Executive Budget creates a new program to provide direct property tax relief to those New Yorkers who need it most, continues efforts to improve New York's business climate, and simplifies the tax code. The Budget strengthens the State's tax revenue enforcement efforts and closes unintended tax loopholes to improve the fairness of the tax system. Actions in the Budget will provide \$386 million in relief to taxpayers in 2016-17, with the value increasing to nearly \$1.8 billion when fully annualized.

The Executive Budget builds upon four years of tax relief accomplishments, including the enactment of a property tax cap, the property tax freeze credit, the lowest middle class income tax rate in 60 years,

elimination of the MTA payroll tax for more than 700,000 small businesses and the self-employed, creation of a new family tax relief credit, tax cuts for small businesses and manufacturers, reforms to unemployment insurance and workers compensation insurance, new START-UP NY tax free zones, and the most important overhaul of corporate taxes in seven decades.

This Budget continues the effective fiscal management of the previous four years and adherence to the 2 percent spending limit which will further improve the State's fiscal position and allow for scheduled surpluses to be used for responsible levels of tax relief.

## **Tax Credits**

The Executive Budget presents five tax credit proposals that will provide \$386 million in direct tax relief by 2016-17, with the value increasing to nearly \$1.8 billion when fully annualized.

- **Provide Income Based Property Tax Relief Tied to the Property Tax Cap.** The property tax cap and the property tax freeze credit have been successful in constraining the growth of property taxes, but for many New Yorkers, property taxes

remain unaffordable. Building on these programs, the Executive Budget creates a new Real Property Tax Credit available to households with incomes below \$250,000 whose property taxes exceed 6 percent of their income. The credit is valued at up to 50 percent of the amount by which property taxes exceed the 6 percent burden threshold, depending on household income. When fully phased-in, more than 1.3 million State taxpayers will receive an average credit of \$950. Outside of New York City, only the taxes levied by a tax cap-compliant jurisdiction are included in the credit calculation.

The program also includes a renters' credit, based upon the assumption that a significant portion of annual gross rent is attributed to property taxes. The credit is available to taxpayers at incomes up to \$150,000 when the amount of rent attributed to property taxes exceeds 6 percent of their income.

All facets of the program will be phased in over four years, and only school taxes will apply in the first year. When phased-in, the program will provide \$1.7 billion in direct property tax relief. More than half of the full benefit will be phased-in by Tax Year 2016, and 81 percent will be phased-in by Tax Year 2017.

- **Establish the Education Tax Credit.** A new Education Tax Credit is created which reflects contributions to public education entities, school improvement organizations, local education funds, and educational scholarship organizations. The educational scholarship

organizations must provide benefits to pupils at three or more public or nonpublic schools. Corporation franchise and individual taxpayers will receive a nonrefundable credit equal to 75 percent of their authorized contributions, up to a maximum annual credit of \$1 million. The program will be capped at \$100 million in aggregate education tax credits annually. Half of the annual cap will be dedicated to public education entities, school improvement organizations, and local education funds. The other half will be allocated to educational scholarship organizations that provide support to low- and middle-income students to attend a public school outside of their district or a nonpublic school. The establishment of this credit is contingent on passage of the DREAM Act.

- **Create the Urban Youth Jobs Program.** This program builds and expands upon the success of the Youth Works Tax Credit Program, which provides a credit to employers who hire unemployed, at risk youth. The annual allocation is doubled to \$20 million for tax years 2015 through 2018 with a focus on jurisdictions with high youth unemployment.
- **Create the Employee Training Incentive Program (ETIP) Tax Credit.** The ETIP would help strategic businesses in New York State meet critical training needs by equipping them with the resources necessary to train employees to fill new jobs or to retrain existing employees to work with new, advanced technology where an employer must make a significant capital investment in order to remain competitive. ETIP

incentives will be available to offset employer training costs by providing up to \$5 million in tax credits out of existing Excelsior Jobs Program funding to support 50 percent of training costs. To be eligible to apply for the training tax incentive, an employer in a strategic industry must be creating at least 10 net new jobs or make a significant capital investment of at least \$1 million in new business processes or equipment that necessitate “upskilling.” Training programs must be approved by the State Department of Labor (DOL).

- **Extend the Excelsior Tax Credit Program to Entertainment Companies.** Eligibility for the Excelsior Jobs Program is expanded to include entertainment companies that create at least 100 net new jobs and makes a significant investment in New York.

## **Tax Cut and Reform Actions**

The Executive Budget presents seven tax cut and reform proposals that, together, would produce \$44 million in additional tax revenue on an All Funds basis in 2016-17.

- **Reduce the Net Income Tax on Small Businesses.** Small businesses account for 43 percent of all private sector jobs in New York. The Budget reduces the net income tax rate from the current 6.5 percent to 2.5 percent over a three year period for small businesses that file

under Article 9-A. The rate will be reduced to 3.25 percent for tax year 2016, to 2.9 percent for tax year 2017 and to 2.5 percent for tax years beginning after 2017.

For the purpose of this tax cut, the definition of “small business” is a business with fewer than 100 employees, with net income below \$390,000. To avoid a “cliff” and stay consistent with how the dual rates are treated under current law, the lowest tax rates would be available to small businesses having below \$290,000 in net income, and the rate is phased up to the standard rate applicable to businesses with net income of \$390,000 or more.

This cut follows four years of tax relief accomplishments helping small businesses, including the enactment of a property tax cap, the lowest middle class income tax rate in 60 years, elimination of the MTA payroll tax for more than 700,000 small businesses and the self-employed, tax cuts for small businesses and manufacturers, reforms to unemployment insurance and workers compensation insurance, and major corporate tax reforms.

- **Extend the Wine Tasting Sales and Use Tax Exemption to Other Alcoholic Beverages.** Currently, wine tastings are exempt from the sales tax. The Budget extends this exemption to include beer, cider and liquor. The beer, wine and spirits industry has created nearly 1,600 jobs since mid-2011.
- **Reform the Investment Tax Credit provided for Master Tapes.** Master tapes are an original version of a video tape of a film, television show

or commercial that can be used to produce other copies. Currently, the Investment Tax Credit applies to all costs associated with the production of master tapes regardless of where activities took place. The Budget would limit eligibility to costs associated with producing master tapes that were incurred in New York.

- **Reform the Industrial Development Authority (IDA) Program.** IDAs are intended to encourage economic development and job growth. However, IDAs provide State sales tax benefits without State oversight, and benefits are not currently returned when job targets are unmet. Under this proposal, the Empire State Development (ESD) Corporation will be authorized to approve any future IDA projects that contain State sales tax benefits based on job and/or investment targets. ESD will also consider whether benefits are being given that provide a competitive advantage over existing similar businesses. In order to receive assistance from an IDA, all newly participating businesses must be tax compliant, and will be subject to a clawback of State sales tax benefits if job/investment targets are not met.
- **Expand Sales Tax Collection Requirements for Marketplace Providers.** Online providers such as Amazon and eBay supply a marketplace for outside sellers to sell their products to consumers. Currently, such outside sellers are required to collect sales tax from New York residents if the seller is in New York. Many marketplace providers agree to collect the tax for the outside seller in this instance. Under this proposal, the marketplace provider would be

required to collect the tax when they facilitate the sale, whether the seller is located within, or outside, New York.

- **Exempt Solar Power Purchase Agreements from State and Local Sales Tax.** Electricity generated at the premises of, and sold to, a customer via solar equipment owned by the equipment vendor will be exempt from State sales and use tax (with local option).
- **Tax Law Article 9 Refunds and Section 184 Assessment.** The Budget requires telecommunications companies with wireless lines of business that are requesting a refund of prior-year Article 9 tax to provide customer refunds first. Article 9 gross receipts taxes are normally passed through to the customer, consistent with the State sales tax. Under State sales tax law, a company must first provide a customer refund of sales tax paid before receiving a refund from DTF. Additionally, the Budget requires that the Section 184 gross receipts tax, on telecommunications, be imposed on the wireless lines of business of telecommunications companies. This would preserve revenue currently in the Financial Plan.

### **Tax Simplification Actions**

The Executive Budget takes a number of actions that will simplify the tax and associated codes and reduce burdens on New York businesses.

- **New York City Corporate Tax Reform.** The Budget updates New York City's corporate tax structure by implementing reforms similar to those the State undertook one year ago. The City's Banking Corporation Tax is merged into the General Corporation Tax to provide tax simplification and relief, and improve voluntary compliance.
- **Combine the DOS Biennial Information Statement and Tax Return Filings and Repeal \$9 DOS Fee.** LLCs and corporations that currently file biennial information statements with the Department of State (DOS) will instead provide the information as part of their tax return. Additionally, the \$9 fee that accompanies the current biennial statement will be repealed.
- **Allow Petroleum Business Tax Refunds for Farm Use of Highway Diesel Motor Fuel.** Farmers who purchase taxable highway diesel fuel will be able to request a refund for the portion used for farm use. This will relieve farmers of the need to maintain separate tanks for taxable and non-taxable diesel fuel.
- **Impose Local Sales Tax on Prepaid Wireless Based on Retail Location.** The local sales tax collection for prepaid wireless will be based on vendor location, not the customer's residential location. This would align the tax treatment of prepaid mobile service and prepaid calling service.

## Enforcement Initiatives

The Executive Budget presents a set of 11 enforcement initiatives that will reduce the burden on honest citizens and recover outstanding State debts. These initiatives are expected to recover \$25 million in 2015-16 and \$39 million in 2016-17.

- **Lower the Outstanding Tax Debt Threshold Required to Suspend Delinquent Taxpayers' Driver's Licenses.** The 2013-14 Enacted Budget created a program to aid in the enforcement of past-due tax liabilities by suspending, with certain exceptions, the New York State driver's licenses of taxpayers who owed taxes in excess of \$10,000. This proposal will lower the threshold to \$5,000, which would encompass an additional 11,000 delinquent taxpayers.
- **Allow New York to Enter Reciprocal Tax Collection Agreements with Other States.** Tax authorities in cooperating states (currently Connecticut and California) will attempt to collect New York tax debt from former New York residents in exchange for reciprocal treatment by New York. This will allow New York to bypass the time-consuming and expensive process of seeking a warrant in the court of a cooperating state.
- **Close Certain Sales and Use Tax Avoidance Strategies.** Certain tax loopholes related to the sale for resale exemption, non-resident business

purchases and single-owner entity designation will be closed.

- **Authorize a Professional and Business License Tax Clearance.** In addition to the State's ongoing enforcement tools, the Executive Budget proposes a new program to create a professional and business license tax clearance process. To encourage taxpayers to pay their fair share, the State will be authorized to deny a professional or business license to an applicant who has over \$500 in outstanding tax liabilities.
- **Require New State Employees to be Compliant with State Tax Obligations.** State agencies and authorities will be precluded from hiring employees who are delinquent in their State tax obligations.
- **Require Practitioners to be Compliant with State Tax Obligations before Receiving Excess Medical Malpractice Coverage.** Doctors and dentists will be unable to procure State subsidized Excess Medical Malpractice Insurance if they are not compliant with their State tax obligations.
- **Require Grantees to be Compliant with State Tax Obligations before Receiving a State Grant from a State or Local Authority.** State authorities will be unable to provide a grant to a business which is not compliant with its State tax obligations.
- **Authorize Multi-Agency Data Sharing to Enhance Enforcement Initiatives.** The Department of Taxation and Finance (DTF), the Department of Labor, DOS, and State Insurance

Fund will share data to help these agencies target their audits. Strict confidentiality requirements will apply.

- **Extend Current STAR / Tax Delinquency Program and Convert It from Offset into a Tax Clearance Program.** Currently, if a taxpayer owes more than \$4,500 in tax debt, the taxpayer forfeits the STAR benefit, the value of which is used to offset taxpayer debt. This proposal will continue to eliminate the STAR benefit if debt exceeds \$4,500, but will not apply the value of the benefit towards the debt. The taxpayer can re-apply for STAR benefits once the tax debt is paid off.
- **Allow OCFS to Share Child Care Data with the Department of Taxation and Finance.** The Executive Budget authorizes OCFS to share child care data with DTF, which will allow legitimate credit claims to proceed without delays for additional documentation, and accelerate the auditing process for illegitimate claims.
- **Enhance Motor Fuel Tax Enforcement.** Wholesalers will be required to register and file monthly returns reporting gallons delivered and also to remit any additional prepaid sales tax due for fuel accepted in one prepayment zone but delivered into another. This will improve motor fuel tax compliance.

## Tax Law Extenders

- **Make Permanent the Limitation on Charitable Contribution Deductions for High Income New York State and New York City Personal Income Taxpayers.** The current charitable contribution deduction limitation of 25 percent allowed under State Tax Law is scheduled to expire at the end of tax year 2015. The Budget permanently extends this limitation on charitable contribution deductions for New York State and New York City taxpayers with adjusted gross income over \$10 million. The limitation has had no noticeable impact on charitable giving.
- **Make Warrantless Wage Garnishment Permanent.** The Budget makes permanent the authorization for DTF to garnish wages of delinquent taxpayers without filing a warrant with the Department of State or County Clerks. The current program, set to expire on April 1, 2015, has been successful in eliminating the unfunded mandate on counties to receive warrants from DTF. The program has also proven to be taxpayer friendly, since warrants appear on an individual's credit report for seven years, even if the delinquency has been resolved.
- **Extend and Reform the Brownfield Cleanup Program.** The Budget includes legislation to extend the Brownfields Cleanup Program for ten years, contingent upon important reforms to protect taxpayers and promote brownfield redevelopment, particularly Upstate. Under the reformed program the remediation tax credits will cover only the actual cleanup costs. The redevelopment credits will be limited to sites

that are located in economically distressed areas, worth less than the cost to cleanup, or will result in the development of affordable housing.

- **Extend Certain Tax Rates and Certain Simulcasting Provisions for One Year.** The pari-mutuel tax rate and other racing-related provisions are extended for one year.

### **School Tax Relief (STAR) Program Actions**

- **Convert the STAR Benefit into a Tax Credit for New Homeowners.** The Budget simplifies the STAR program by transforming the exemption into a refundable personal income tax credit, allowing school districts to collect revenue without having to wait for reimbursement from the State. This proposal will gradually phase-in for first-time homebuyers and homeowners who move and purchase a new home. Under current law, school districts collect reduced revenue as a result of the STAR exemptions, and the State compensates them for the cost of the exemption.
- **Cap Annual Growth in Basic and Enhanced Exemption Benefit.** This proposal maintains 2015-16 STAR exemption benefits at their 2014-15 levels. This reform is made possible by the significant reduction in property tax growth resulting from Governor Cuomo's property tax cap.
- **Eliminate the New York City PIT Rate Reduction Benefit for High Income Taxpayers.** New York City PIT STAR provides personal income tax relief to all New York City resident taxpayers – a benefit not directly related to

property taxes. Even residents with incomes above \$500,000 get a rate reduction benefit on the first \$500,000 of income. The latter is the only instance of a household with income above \$500,000 receiving a STAR benefit. Eliminating the NYC PIT rate reduction benefit for incomes exceeding \$500,000 makes NYC PIT STAR more consistent with the STAR exemption program outside of NYC.

- **Recoup Savings Retrospectively from Unlawfully Claimed Exemptions Removed during Re-registration Process.** This proposal allows DTF to recapture undeserved STAR benefits for years prior to 2014-15.
- **Allow Unenrolled Registrants to Receive the STAR Exemption Benefit for Tax Year 2014.** Allow homeowners who registered for the STAR exemption program with the Department of Taxation and Finance, but failed to file timely exemption applications with their local assessors, to receive the STAR exemption benefit for tax year 2014.

### **Technical Corrections**

- **Require Commercial Production Tax Credit Economic Impact Report.** Require Empire State Development to produce an annual report that includes information that can be used to assess the economic impact of the program. Information such as the amount of the tax credit, credit eligible man-hours and associated wages and the name of the taxpayer will be included in the annual report.

- **Amend the Corporate Tax Reform Statute for Technical Changes.** Various technical corrections would be made to Part A of Chapter 59 of the Laws of 2014.
- **Amend the Estate Tax Statute for Technical Changes.** Clarify that the 2014-15 Enacted Budget intended the recently adopted estate tax changes are to remain in effect permanently rather than erroneously be in effect only for tax year 2014.
- **Amend the Personal Income Tax, MTA Mobility Tax, and Credit for Disabled Workers Statutes for Technical Changes.** The Budget makes various technical corrections to Personal Income Tax and MTA Mobility Tax legislation, and the credit for employing disabled persons that was passed as part of the 2014-15 Enacted Budget.

## **Gaming Initiatives**

- **Extend the Video Lottery Gaming (VLG) Vendor's Capital Awards Program for One Year.** This proposal provides VLG operators one additional year to earn qualifying capital awards, which encourage facility upgrades and improvements.
- **Expand Electronic Gaming Offerings at Video Lottery Gaming (VLG) Facilities.** Expands the definition of "video lottery gaming" to include games where an element of skill and player interaction may be incorporated into games that determine winners to a material degree upon the element of chance.

- **Extend NYRA Reorganization Board.** The Executive Budget extends the maximum term of the NYRA Reorganization Board of Directors from three years to four years.

## **Repeal Nuisance Fees**

The Executive Budget proposes the repeal of 59 nuisance fees charged by seven different State agencies, saving New Yorkers over \$3 million annually beginning in 2015-16, while retaining the necessary functions that those fees supported.

- **Department of Agriculture and Markets.** Nine fees will be repealed, saving New Yorkers \$40,000 annually beginning in 2015-16.
  - **Commercial Feed License Fee.** This \$100 license fee is collected from manufacturers of commercial feed on an annual basis.
  - **Farm Product Dealer's License Fee.** This \$20 license fee is collected annually from farm product dealers.
  - **Food Salvage Fee.** This \$100 license fee is collected from Food Salvage Dealers every two years.
  - **Liming Brands License Fee.** This \$20 license fee is collected from suppliers of liming materials every two years.
  - **Refrigerated Warehouse Fee.** This \$200 license fee is collected from refrigerated warehouses every two years.

- **Rendering Plants Fee.** This license fee is collected from operators of disposal plants on an annual basis. The annual license fee for disposal plants is \$100, plus an inspection fee of \$10 for each vehicle. The annual license fee for transportation services is \$25, plus an inspection fee of \$10 for each vehicle.
- **Rendering Transportation Fee.** This license fee is collected from rendering (i.e. animal remains) transportation facilities on an annual basis. The fee amount is \$25 per service and \$10 per vehicle.
- **Seed Potato Inspection Fee.** This regulatory fee of \$34 is collected annually for the inspection of both seed potato plants and seed potato tubers for the NY Seed Improvement Project.
- **Soil and Plant Inoculants Fee.** This \$40 license fee is collected every two years for the purpose of selling product brands which contain microorganisms for inoculation purposes.
- **Department of Environmental Conservation.** Two fees will be repealed, saving New Yorkers \$6,000 annually beginning in 2015-16.
  - **Flood Control Permit Fee.** This is a \$25 regulatory fee that is levied upon application of a permit to determine if the proposed activity will impair the operation of flood control works or impede the maintenance thereof, including access for operation and maintenance.

- **Water Well Driller Registration Fee.** This is an application fee of \$10 per permit paid at the time of registration with DEC for water well drilling and/or well service companies.
- **Department of Labor.** A total of 30 fees will be repealed, saving New Yorkers \$243,000 annually beginning in 2015-16.
  - **Antique Boiler Inspection Fees (2).** These are \$25 fees charged to the owners of antique steam engines and other boilers which must be inspected both internally and externally on an annual basis.
  - **Boiler Certificate of Competency Fee.** This is a \$35 regulatory fee charged annually to Inspectors working for authorized insurance companies to obtain a certificate indicating their ability to inspect boilers on behalf of DOL.
  - **Boiler Shop Survey Fee.** This is a \$600 regulatory fee charged every three years to boiler manufacturers and repairers upon submission to DOL of the required plan detailing their quality control system.
  - **Building Plans Exam Fee.** This is a \$200 fee charged to property owners or contractors who submit plans to DOL for review and approval to build or alter a place of public assembly. The fee is based on the cost of the project with a maximum charge of \$200.

- **Commissary Operator Permit Fee.** This is a \$40 fee charged to commissary operators who apply for a one year permit to operate a commissary that serves migrant farm workers at the camp or processing plant where they are employed.
- **Day of Rest Easement Application Fee.** This is a \$40 fee charged to employers that apply for up to a one year exemption from the day of rest statute, which requires employees be given one 24 hour period off from work in each calendar week.
- **Defense Dispensation Fee.** This \$40 fee is charged to defense contractors and canneries that apply for a dispensation from certain provisions of the Labor Law.
- **Farm Grower Permit Fee.** This is a \$40 fee charged to agriculture growers who apply for a one year permit which allows the grower to employ more than five non-H2A migrant farm workers.
- **Farm Labor Contractor Permit Fee.** This is a \$200 fee charged to farm labor contractors that apply for a one year permit to transport and provide non-H2A migrant farm workers to a grower.
- **Industrial Homework Certificates Employer Application Fee.** This is a \$100 fee charged to manufacturers who apply for a one year permit that allows the manufacturer to distribute unfinished material, such as clothing or jewelry, to employees for completion at their homes.

- **Industrial Homework Certificates Homeworker Application Fee.** This is a \$25 fee charged to individuals who apply for a one year permit which enables the individual to accept and perform industrial work in their homes.
- **Laser Regulation Permit Fee.** This is a \$600 regulatory fee charged every three years to organizations that operate lasers, upon registration of mobile lasers and laser installations with DOL.
- **Miniature Boiler Inspection Fee.** This is a \$50 fee charged to the owners of miniature boilers which must be inspected annually.
- **Professional Employer Organization Exemption Fee.** This is a \$250 fee charged to professional employer organizations annually that are already licensed in another state. The organization must have no office and less than 25 employees in New York to qualify for this exemption.
- **Professional Employer Organization Initial Registration and Renewal Fees (2).** This is a \$1,000 initial registration fee charged to professional employer organizations to allow the leasing of employees to businesses in New York. An additional \$500 renewal fee is charged annually.
- **Scaffold Plan Examination Fee.** This is a \$1,000 regulatory fee charged to businesses for each required submission of detailed scaffold equipment plans that

will be used to perform work on buildings taller than 75 feet. DOL reviews the plans to ensure the safety of the equipment.

- **Ski Tows and Passenger Tramways Fees (2).** These \$50 (ski tow) and \$100 (ski lift) regulatory fees are charged to ski areas and other passenger tramway operators at the time of the annual DOL inspection.
- **Slot Machine Repair License Fees (2).** These fees are charged to approved apprenticeship training programs that possess slot machines for training purposes. These programs must seek a permit from DOL and pay a \$500 fee per machine and an additional \$100 fee per trainee every six months.
- **Workplace Safety and Loss Certification Application Fee.** This is a \$1,000 fee charged to individuals who apply and are certified to conduct workplace safety and loss prevention consultations. Fees are lower when multiple individuals apply.
- **Workplace Safety and Loss DOL Consultation Fee.** This is a \$350 fee charged to clients who receive a workplace safety and loss prevention consultation from DOL staff.
- **Workplace Safety and Loss Incentive Application and Renewal Fees (2).** This is a \$100 regulatory fee charged to individuals or businesses who apply for certification as a workplace safety and loss prevention management specialist

and work with employers to reduce workers compensation costs by implementing safety and health, return to work, and/or drug and alcohol prevention programs. The fee is assessed per program for a maximum of \$300 per individual applicant. A \$100 renewal application fee is charged per program every three years for a maximum of \$300.

- **Workplace Safety and Loss Recertification Application Fee.** This is a \$300 regulatory recertification fee charged every three years to individuals certified to conduct workplace safety and loss prevention consultations. Fees are lower when multiple individuals apply.
- **Workplace Safety and Loss Specialist Certification and Recertification Fees (2).** This is an \$800 fee charged to individuals who receive certification as a workplace safety and loss prevention management specialist. A \$600 recertification fee is charged every three years with \$100 charged for each additional recertification. Fees are lower when multiple individuals apply.
- **Written Assurances Fee.** This is a \$100 fee charged to apparel industry manufacturers or contractors when they apply for a one year written assurance from DOL that a subcontractor has complied with certain requirements of the Labor Law.

- **Department of State.** Three fees will be repealed, saving New Yorkers \$2.6 million annually beginning in 2015-16.
  - **Apartment Information Vendor License Fee.** This is a \$400 annual fee charged for the licensure of apartment information vendors.
  - **Biennial Statement Filing Fee.** This is a \$9 filing fee collected at the time of filing biennial statement amendments.
  - **Cease and Desist List License Fee.** This \$10 regulatory fee is collected from persons who wish to be added to the Cease and Desist List which prohibits real estate licensees from contacting or soliciting them.
  
- **Department of Transportation.** One fee will be repealed, saving New Yorkers \$40,000 annually beginning in 2015-16.
  - **Intrastate Authority Application Fee.** This is a one-time \$50 fee paid by new trucking companies, movers, ambulette providers and charter bus operators when applying for certificates or permits.
  
- **Justice Center for the Protection of People with Special Needs.** Two fees will be repealed.
  - **Conference Fee.** This fee was intended to allow the Justice Center (and former CQCAPD) to recoup costs when hosting various conferences or events. The fees were never instituted by the agency, thus never generating any revenue.

- **Technology-Related Assistance for Individuals with Disabilities Enterprise Fee.** This fee was to be paid by various health care, education and advocacy organizations when agency staff made presentations at their facilities. The fees were not instituted by the agency and subsequently generated no revenue.
- **Workers' Compensation Board.** A total of 12 fees will be repealed, saving New Yorkers \$95,000 annually beginning in 2015-16.
  - **Chiropractic Arbitration Request Fee.** This is a \$5 fee paid by a service provider related to any chiropractic dispute or arbitration of a bill handled by the Board.
  - **Claimant's Representative License Fee.** This is a \$100 fee paid from individuals who are licensed with the WCB and represent claimants before the Board.
  - **Hospital Arbitration Request Fee.** This is a \$5 fee paid by a service provider related to any hospital dispute or arbitration of a bill handled by the Board.
  - **Medical Arbitration Request Fee.** This is a \$5 fee paid by a service provider for any medical dispute or arbitration of a bill handled by the Board.
  - **Medical Center Authorization License Fee.** This is a \$200 license fee for compensation medical bureaus operated by qualified physicians for the diagnosis and treatment of industrial injuries or illnesses.

- **Medical / X-Ray Bureau Authorization License Fee.** This is a \$200 license fee paid by compensation medical bureaus operated by qualified physicians for the diagnosis and treatment of industrial injuries or illnesses.
- **Podiatry Arbitration Request Fee.** This is a \$5 fee paid by a service provider related to any podiatry dispute or arbitration of a bill handled by the Board.
- **Psychology Arbitration Request Fee.** This is a \$5 fee paid by a service provider related to any psychology dispute or arbitration of a bill handled by the Board.
- **Publication Fee.** This is a \$5 regulatory fee for purchasing Board publications.
- **Self Insurer's Representative License Fee.** This is a \$100 license fee paid by a third party administrator and/or self-insured employer. These entities represent employers at Board hearings.
- **Subpoena Fee.** This is a \$15 regulatory fee for subpoenas to obtain Board documents.
- **X-Ray Laboratory Authorization License Fee.** This is a \$5 license fee paid for a separate laboratory to engage in X-ray diagnosis or treatment of an injured worker.

### **Assure that Revenues from Fees Cover Associated Functions**

The Executive Budget includes proposals to eliminate the imbalance between fee revenues and cost

of functions associated with those fees. Funds were established to provide specific services for which the cost of providing the service is offset by fees imposed in statute. In certain cases, the existing fees are no longer sufficient to cover costs. Rather than shift the cost to taxpayers, these service fees are modestly increased.

- **Align DEC Fees with Service Levels.** Several DEC pollution control programs that were designed to be self-supporting are running in the red, even as DEC holds spending for these programs flat. This adjustment will better reflect the operational cost, and shift the burden from State taxpayers to the regulated community while obviating reductions to these important programs. Specifically, the Budget will increase certain fees related to air regulation and enforcement under Federal and State statutes, and oversight of hazardous waste, pesticides and water pollution discharge. The actions will raise approximately \$8 million annually to fund the programs.
- **Enhance Oil Spill Preparedness.** In response to the increased volume of crude oil being transported through New York State, the Executive Budget increases the fees for oil transported and transferred in the State to 13.75 cents per barrel, irrespective of whether the oil remains in the State or continues on to other states. These additional revenues will ensure solvency of the oil spill fund, provide the

necessary funding for staff and associated costs, and support compliance with Executive Order 125, which outlines steps the State is taking to improve oil spill response and prevention.

- **Impose Vehicle Safety Inspection Fee.** A new \$100 safety inspection fee will be charged to privately operated for-hire/for-profit passenger carriers for each inspection conducted by the Department of Transportation. Vehicles used for school transportation or public transit will be excluded. This fee will defray the costs of semi-annual inspections.

**TAX REFORM REVENUE ACTIONS, and STAR**  
(millions of dollars)

	General Fund		All Funds	
	FY 2016	FY 2017	FY 2016	FY 2017
<b>Tax Credits</b>	-	(360)	-	(360)
- Provide Income Based Property Tax Relief Tied to the Property Tax Cap	-	(350)	-	(350)
- Establish the Education Tax Credit	-	-	-	-
- Create the Urban Youth Jobs Program Tax Credit	-	(10)	-	(10)
- Create the Employee Training Incentive Program (ETIP) Tax Credit	-	-	-	-
- Extend the Excelsior Tax Credit Program to Entertainment Companies	-	-	-	-
<b>Tax Cut and Reform Actions</b>	4	39	4	42
- Reduce the Net Income Tax on Small Businesses	-	(26)	-	(26)
- Extend the Wine Tasting Sales and Use Tax Exemption to Other Alcoholic Beverages	-	-	-	-
- Reform the Investment Tax Credit provided for Master Tapes	-	-	-	-
- Reform the Industrial Development Authority (IDA) Program	4	9	4	9
- Expand Sales Tax Collection Requirements for Marketplace Providers	-	56	-	59
- Exempt Solar Power Purchase Agreements from State and Local Sales Tax	-	-	-	-
- Tax Law Article 9 Refunds and Section 184 Assessment	-	-	-	-
<b>Tax Simplification Actions</b>	-	-	-	-
- New York City Corporate Tax Reform	-	-	-	-
- Combine the DOS Biennial Information Statement and Tax Return Filings and Repeal \$9	-	-	-	-
- Allow Petroleum Business Tax Refunds for Farm Use of Highway Diesel Motor Fuel	-	-	-	-
- Impose Local Sales Tax on Prepaid Wireless Based on Retail Location	-	-	-	-
<b>Enforcement Initiatives</b>	20	30	24	38
- Lower the Outstanding Tax Debt Threshold Required to Suspend Delinquent Taxpayers'	9	3	9	3
- Allow New York to Enter Reciprocal Tax Collection Agreements with Other States	1	3	1	3
- Close Certain Sales and Use Tax Avoidance Strategies	5	10	5	10
- Authorize a Professional and Business License Tax Clearance	-	3	-	3
- Require New State Employees to be Compliant with State Tax Obligations	1	2	1	2
- Require Practitioners to be Compliant with State Tax Obligations before Receiving Excess Medical Malpractice Coverage	1	2	1	2
- Require Grantees to be Compliant with State Tax Obligations before Receiving a State Grant from a State or Local Authority	1	2	1	2
- Authorize Multi Agency Data Sharing to Enhance Enforcement Initiatives	-	-	1	1
- Extend Current STAR / Tax Delinquency Program and Convert it from Offset into a Tax	1	1	-	-
- Allow OCFS to Share Child Care Data with the Department of Taxation and Finance	-	2	-	2
- Enhance Motor Fuel Tax Enforcement	1	2	5	10
<b>Tax Law Extenders</b>	15	85	15	85
- Make Permanent the Limitation on Charitable Contribution Deductions for High Income New York State and New York City Personal Income Taxpayers	-	70	-	70
- Make Warrantless Wage Garnishment Permanent	15	15	15	15
- Extend and Reform the Bowfield Cleanup Program	-	-	-	-
- Extend Certain Tax Rates and Certain Simulcasting Provisions for One Year	-	-	-	-
<b>School Tax Relief (STAR) Program Actions</b>	192	205	-	(97)
- Convert the STAR Benefit into a Tax Credit for New Homeowners - Credit Portion	-	(97)	-	(97)
- Convert the STAR Benefit into a Tax Credit for New Homeowners - Spending Savings	97	197	-	-
- Cap Annual Growth in Basic and Enhanced Exemption Benefit at Zero Percent	54	54	-	-
- Eliminate the New York City PIT Rate Reduction Benefit for High Income Taxpayers	41	51	-	-
- Recoup Savings Retrospectively from Unlawfully Claimed Exemptions Removed During Re-	1	-	-	-
- Allow Unenrolled Registrants to Receive the STAR Exemption Benefit for Tax Year 2014	(1)	-	-	-
<b>Technical Corrections</b>	-	7	-	7
- Require Commercial Production Tax Credit Economic Impact Report	-	-	-	-
- Amend the Corporate Tax Reform Statute for Technical Changes	-	7	-	7
- Amend the Estate Tax Statute for Technical Changes	-	-	-	-
- Amend the Personal Income Tax, MTA Mobility Tax, and Credit for Disabled Workers	-	-	-	-
<b>Gaming Initiatives</b>	-	-	20	40
- Extend the Video Lottery Gaming (VLG) Vendor's Capital Awards Program for One Year	-	-	-	-
- Expand Electronic Gaming Offerings at Video Lottery Gaming (VLG) Facilities	-	-	20	40
- Extend NYRA Reorganization on Board	-	-	-	-
<b>Repeal Nuisance Fees</b>	(0)	(0)	(3)	(3)
- Repeal 59 Nuisance Fees Charged by Various State Agencies	(0)	(0)	(3)	(3)
<b>Assure that Revenue from Fees Cover Associated Functions</b>	-	-	21	21
- Align DEC Fees with Service Levels	-	-	8	8
- Enhance Oil Spill Preparedness	-	-	9	9
- Impose Vehicle Safety Inspection Fee	-	-	4	4
<b>TOTAL TAX REFORM REVENUE ACTIONS, and STAR</b>	<b>231</b>	<b>6</b>	<b>81</b>	<b>(22)</b>

**ENUMERATED LIST OF FEES FOR REPEAL**  
(thousands of dollars)

	General Fund		All Funds	
	FY 2016	FY 2017	FY 2016	FY 2017
<b>Department of Agriculture and Markets</b>	<b>(21)</b>	<b>(23)</b>	<b>(40)</b>	<b>(42)</b>
- Commercial Feed License Fee	(5)	(5)	(5)	(5)
- Farm Product Dealer's License Fee	-	-	(9)	(9)
- Food Salvage Fee	(3)	-	(3)	-
- Liming Brands License Fee	(1)	(7)	(1)	(7)
- Refrigerated Warehouse Fee	(8)	(1)	(8)	(1)
- Rendering Plants Fee	(2)	(2)	(2)	(2)
- Rendering Transportation Fee	(2)	(2)	(2)	(2)
- Seed Potato Inspection Fee	-	-	(10)	(10)
- Soil and Plant Inoculants Fee	-	(6)	-	(6)
<b>Department of Environmental Conservation</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>
- Flood Control Permit Fee	(1)	(1)	(1)	(1)
- Water Well Driller Registration Fee	(5)	(5)	(5)	(5)
<b>Department of Labor</b>	<b>(101)</b>	<b>(101)</b>	<b>(243)</b>	<b>(243)</b>
- Antique Boiler Inspection Fees (2)	-	-	(2)	(2)
- Boiler Certificate of Competency Fee	-	-	(10)	(10)
- Boiler Shop Survey Fee	-	-	(7)	(7)
- Building Plans Exam Fee	-	-	(1)	(1)
- Commissary Operator Permit Fee	-	-	-	-
- Day of Rest Easement Application Fee	-	-	(4)	(4)
- Defense Dispensation Fee	-	-	-	-
- Farm Grower Permit Fee	-	-	(9)	(9)
- Farm Labor Contractor Permit Fee	-	-	(14)	(14)
- Industrial Homework Certificates Employer Application Fee	-	-	-	-
- Industrial Homework Certificates Homeworker Application Fee	-	-	(1)	(1)
- Laser Regulation Permit Fee	(25)	(25)	(25)	(25)
- Miniature Boiler Inspection Fee	-	-	-	-
- Professional Employer Organization Exemption Fee	(11)	(11)	(11)	(11)
- Professional Employer Organization Initial Registration and Renewal Fees (2)	(65)	(65)	(65)	(65)
- Scaffold Plan Examination Fee	-	-	(28)	(28)
- Ski Tows and Passenger Tramways Fees (2)	-	-	(19)	(19)
- Slot Machine Repair License Fees (2)	-	-	-	-
- Workplace Safety and Loss Certification Application Fee	-	-	(18)	(18)
- Workplace Safety and Loss DOL Consultation Fee	-	-	-	-
- Workplace Safety and Loss Incentive Application and Renewal Fees (2)	-	-	-	-
- Workplace Safety and Loss Recertification Application Fee	-	-	(2)	(2)
- Workplace Safety and Loss Specialist Certification and Recertification Fees (2)	-	-	(8)	(8)
- Written Assurances Fee	-	-	-	-
<b>Department of State</b>	<b>-</b>	<b>-</b>	<b>(2,579)</b>	<b>(2,579)</b>
- Apartment Information Vendor License Fee	-	-	(9)	(9)
- Biennial Statement Filing Fee	-	-	(2,570)	(2,570)
- Cease and Desist List License Fee	-	-	-	-
<b>Department of Transportation</b>	<b>-</b>	<b>-</b>	<b>(40)</b>	<b>(40)</b>
- Intra-state Authority Application Fee	-	-	(40)	(40)
<b>Justice Center for the Protection of People with Special Needs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
- Conference Fee	-	-	-	-
- Technology-Related Assistance for Individuals with Disabilities Enterprise Fee	-	-	-	-
<b>Workers' Compensation Board</b>	<b>(20)</b>	<b>(20)</b>	<b>(95)</b>	<b>(95)</b>
- Chiropractic Arbitration Request Fee	-	-	(4)	(4)
- Claimant's Representative License Fee	(8)	(8)	(8)	(8)
- Hospital Arbitration Request Fee	-	-	(1)	(1)
- Medical Arbitration Request Fee	-	-	(43)	(43)
- Medical Center Authorization License Fee	-	-	-	-
- Medical / X-Ray Bureau Authorization License Fee	-	-	(10)	(10)
- Podiatry Arbitration Request Fee	-	-	-	-
- Psychology Arbitration Request Fee	-	-	(1)	(1)
- Publication Fee	-	-	(1)	(1)
- Self Insurer's Representative License Fee	(12)	(12)	(12)	(12)
- Subpoena Fee	-	-	(13)	(13)
- X-Ray Laboratory Authorization License Fee	-	-	(2)	(2)
<b>TOTAL FEES FOR REPEAL</b>	<b>(148)</b>	<b>(150)</b>	<b>(3,003)</b>	<b>(3,005)</b>



## **3. Investing in New York**

The State currently expects to receive approximately \$5.4 billion in 2014-15 from financial settlements with banks and insurers. The Executive Budget provides a plan for the investment of these funds that builds for the future, revitalizes our economies and helps New York prepare for future challenges.

The funds from these financial settlements are one-time resources; therefore, they can only be responsibly used to fund one-time expenditures. The Budget proposes \$3 billion in loans and grants for special infrastructure projects, including those related to transportation, health care, disaster preparedness, and other one-time investments. A total of \$1.5 billion will be made available for competitive upstate

revitalization grants. In addition, \$850 million is reserved to address financial risks.

### **Upstate Revitalization Program**

The Executive Budget funds a new \$1.5 billion Upstate New York Economic Revitalization Competition to help continue to restore economic opportunity to regions across Upstate New York. The Upstate Revitalization Fund (URF) is modeled on the proven framework and best practices established by the Buffalo Billion initiative. The URF will target investment within a set of economically-distressed upstate metropolitan areas and their surrounding regions, focusing on both catalytic infrastructure projects as well as quality of life initiatives to make upstate New York a better place to live, work, and visit.

Seven regions are eligible to compete for one of three \$500 million upstate revitalization funds: Mid-Hudson, Capital Region, Mohawk Valley, Central New York, North Country, Southern Tier and Finger Lakes. Because the challenges faced by Upstate regions and solutions for revitalizing them vary, the Upstate New York Revitalization Competition will provide an

opportunity for a range of projects to be eligible for funding.

### **Special Infrastructure Account**

The Executive Budget includes \$3.05 billion to create a new special infrastructure account that will guide investment across a wide range of projects throughout New York State, from large-scale complex projects to smaller strategically critical investments that leverage additional resources or fill gaps in project funding. Funds may also be used to provide low-interest loans with a focus on leveraging private capital and investment. In addition, the Executive Budget proposes to expand the authorization of design-build contracting to optimize the quality, cost and efficiency of suitable infrastructure investments across all State agencies and public authorities. This proposal will permit, but not in all instances mandate, Project Labor Agreements (PLA) to be used on design-build projects. PLAs are comprehensive labor agreements that establish the collective bargaining and labor parameters for a project. Funding is also provided to address structural challenges facing health care providers, encourage local

government efficiency and support disaster preparedness and response.

The Executive Budget includes specific allocations for the following programs:

- **Thruway Stabilization Program (\$1.285 billion).** A new \$1.285 billion Thruway Stabilization program that will help offset the impacts on toll-payers of major Thruway investments. These investments include the \$3.9 billion New NY Bridge project replacing the Tappan Zee Bridge between Rockland and Westchester, and meeting transportation needs on the rest of the Thruway's core system across the State.
- **Broadband Initiative (\$500 million).** A \$500 million New NY Broadband Fund is established to significantly expand the availability and capacity of broadband across the State. This comprehensive program will build on the success of the Connect NY Broadband Program and expand the creation of ultra-high-speed network and promote broadband adoption through a multi-pronged approach. Key elements of the program include: public/private sector partnerships; the ability to recoup State investment; unprecedented broadband speeds of up to 100Mbps; regional ground-up planning; leveraging existing State-owned assets; and streamlining the State regulatory process to speed up implementation and reduce deployment costs.

- **Hospitals (\$400 million).** \$400 million is reserved to support debt restructuring and other capital projects for hospitals in rural communities to facilitate health care transformation. Hospitals in Upstate are critical healthcare providers and some of the largest regional employers. However, financial challenges exist for smaller, community based and geographically isolated hospitals that could prevent their participation in critical State reform efforts.
- **Penn Station Access (\$250 million).** \$250 million in funding will advance MTA's Penn Station Access project, which will open a new Metro-North link directly into Penn Station, to provide critical system resiliency, improve regional mobility and construct four new Metro-North stations in the Bronx.
- **Statewide Infrastructure Improvements (\$115 million).** \$115 million for strategic capital investments in infrastructure, including State Fair, transit, rail, port and aviation facilities that promote economic development.
- **Transit-Oriented Development (\$150 million).** Up to \$150 million will encourage mixed-use development at key public transit facilities through the investment in vertical parking facilities such as the Ronkonkoma and Nassau Hub locations on Long Island, and the Lighthouse Landing in Tarrytown, Westchester County. These investments will ensure that real estate currently utilized primarily for parking

can be re-developed for mixed use – spurring investment in retail and residential developments and helping strengthen those local communities and their economies.

- **Resiliency, Mitigation, Security, and Emergency Response (\$150 million).** \$150 million in settlement funds will support preparedness and response efforts. These funds will also support efforts to prevent, prepare for, and respond to other public safety and health emergencies. Within the last four years, New York State sustained damage from Hurricane Irene, Tropical Storm Lee, and Superstorm Sandy – three powerful storms that crippled entire regions. These funds acknowledge that future extreme weather events and natural disasters are likely. These funds will also be available to ensure that New York has the resources needed to continue its aggressive counter-terrorism efforts.
- **Southern Tier and Hudson Valley Agricultural Enhancement Program (\$50 million).** \$50 million from the Special Infrastructure Account will assist farmers and other related businesses in the Southern Tier (\$30 million) and Hudson Valley (\$20 million) with maintaining and growing their businesses. Funding would be used for strategic farming initiatives, including preservation of farmland, to ensure that farms in the Southern Tier and Hudson Valley remain intact and vibrant for generations to come.

- **Municipal Restructuring (\$150 million).** \$150 million from the Special Infrastructure Account will fund and enhance programs that encourage local government efficiencies. These programs help lower the cost of government and reduce the burden placed on property taxpayers. Specific programs that are funded include:
  - *Transformational Grants.* Funding will be awarded for one-time costs related to transformational projects that reduce the long-term cost of local government and school district services. This includes financing the implementation of high quality proposals identified in the Government Efficiency Plans.
  - *Citizens Reorganization Empowerment Grants.* These grants provide funding of up to \$100,000 for local governments to cover costs associated with planning and implementing local government reorganization activities, such as consolidations and dissolutions. Expedited assistance is given to local governments that have received a citizen petition for consolidation or dissolution.
  - *Citizen Empowerment Tax Credits.* For cities, towns, or villages that consolidate or dissolve, these tax credits provide an annual aid bonus equal to 15 percent of the newly combined local government's tax levy. At least 70 percent of such amount must be used for direct relief to property taxpayers.

- *Local Government Efficiency Grants.* These competitive grants provide funding to help cover costs associated with local government efficiency projects, such as planning for and/or implementation of a functional consolidation, shared or cooperative services, and regionalized delivery of services. The maximum implementation grant award is \$200,000 per municipality/\$1 million per grant consortium, and the maximum planning grant award is \$12,500 per municipality/\$100,000 per grant consortium.



## **4. Restoring Public Trust**

The Executive Budget supports structural changes to reform campaign finance laws, including the public financing of campaigns.

### **Overview**

New York's reformation of ethics enforcement began in 2011 with passage of the Public Integrity Reform Act (PIRA). PIRA created the Joint Commission on Public Ethics (JCOPE), which provides a single investigative body with jurisdiction over both the Governor and the Legislature, and increased penalties for certain campaign finance violations.

In 2012, the Legislature passed a Constitutional amendment to reform the process, which occurs every ten years, by which State Legislative and Congressional

District lines are drawn. Approved by voters in November 2014, this amendment expressly prohibits partisan gerrymandering and creates a new commission to draw the district lines that will require approval by appointees of both the majority and the minority party leaders.

In 2014, Governor Cuomo passed the Public Trust Act to address ethics issues within New York's government and elections process. The Public Trust Act created a new class of public corruption crimes and enhanced New York prosecutors' ability to crack down on public corruption across the state. The Governor also created an independent division of Election Law enforcement within the State Board of Elections. This new, fully independent division, ensures vigorous enforcement of our election laws.

A pilot program which was designed to provide public campaign financing of state comptroller elections was enacted as part of the 2014-15 Budget. The 2015-16 Executive Budget will expand public financing of campaigns to all State offices beginning in 2018. This proposal aims to restore public confidence in the democratic election process and ensure that State

elected officials are accountable to all voters regardless of their position or wealth.

## **Campaign Finance Reform and Public Financing of Elections**

The Executive Budget includes comprehensive campaign finance reform and publicly financed elections reform to amplify the impact of smaller campaign donations and help enable a diverse pool of candidates.

- **Implement a Public Financing System.** The Executive Budget puts in place a public financing system modeled on New York City's, where contributions up to \$175 are matched \$6 to \$1. Strict limits will be in place to protect taxpayers. Currently, New York ranks last in the nation for percentage of population that contributes to a political campaign, meaning political candidates rely far more upon large donors than do candidates in other states.
- **Establish Limits on Campaign Contributions.** The Executive Budget regulates the bundling of campaign contributions for the first time and reduces the annual limit on aggregate contributions from a contributor to a party or constituted committee. Specifically, contributions to party "housekeeping accounts" will be limited to \$25,000 per year, party committee transfers to candidates will be limited to only small donations (less than \$500 per

contributor), corporate contributions will be limited to \$1,000 per year, and the LLC loophole will be closed so that LLCs will be treated as corporations rather than individual contributors. Candidates who receive the benefits of public matching financing will have to adhere to lower limits. Currently, large contributions to, as well as transfers from, political party committee accounts are unlimited.

- **Authorize Contributions for Campaign Finance Reform.** The Executive Budget contains provisions that will allow resident taxpayers to make a donation to a new Campaign Finance Fund through a check off box on their State income tax return.
- **Enhance Restrictions on the Personal Use of Campaign Funds.** The Executive Budget limits the use of contributions to expenses that are directly related to elections or public duties. Expenditures for the exclusive personal benefit of the candidate or office-holder will be prohibited and a long list of expressly prohibited expenditures will be memorialized in statute.



## **5. Economic Development**

The Executive Budget makes transformative investments in the revitalization of Upstate regions, job-creating programs and the expansion of high-speed broadband access across the State. This bold agenda will leverage the success of Governor Cuomo's regionally-focused economic development strategy to identify catalytic infrastructure projects, promote innovation and transform every sector of the economy.

### **Overview**

In the last four years, Governor Cuomo has completely redesigned the State's economic development strategy through his Regional Economic Development Councils (REDC) and fast-tracked economic revitalization by replacing New York State's traditional top-down development strategy with an

innovative approach that enables regional stakeholders to develop long-term plans based on regional priorities and unique assets. The REDCs have awarded over \$2.9 billion for job creation and community development projects that will create or retain over 150,000 jobs.

As part of this regional economic strategy, the State's unprecedented \$1 billion investment in the Buffalo area economy is helping to create thousands of jobs and spur new investment and economic activity.

START-UP NY, the groundbreaking initiative established in 2013 to transform SUNY and private college and university campuses and communities across the State into tax-free zones, is attracting new businesses and encouraging existing businesses to expand. To date, a total of 55 businesses have been approved for START-UP NY participation and are projected to create over 2,100 net new jobs and over \$98 million in investment.

The State has continued progress towards realizing the economic benefits of resort gaming destinations, as the Gaming Facilities Location Board has selected sites that will create thousands of local jobs and drive economic development in surrounding communities. Such destinations will support small

businesses and create new tax revenue to support local governments and school districts.

The 2015-16 Executive Budget builds upon this framework of success and launches the Upstate Revitalization Fund (URF) to inject \$1.5 billion of State resources to drive revitalization in major Upstate regions. The New NY Broadband Fund will complement this effort by making an historic \$500 million investment in universal broadband deployment to significantly expand the availability and capacity of high-speed broadband access through the State. High-speed broadband access, and its ability to electronically connect the State, is as important to the State's economy as was the Erie Canal's ability to physically connect the State when it opened in 1825. The State will also establish the Global NY Development Fund to help small- and medium-sized businesses develop global export and expansion opportunities and make targeted capital investments in projects with an Upstate focus.

### **Proposed 2015-16 Budget Actions**

- **Create an Upstate Revitalization Competition.** The Budget includes a new \$1.5 billion Upstate Revitalization Fund (URF) to help continue to restore economic opportunity to regions across

Upstate New York. This program is modeled on the proven framework and best practices established by the Buffalo Billion initiative, and the existing expertise and structure of the Regional Economic Development Councils. The URF will target investment within a set of economically-distressed upstate metropolitan areas and their surrounding regions, focusing on both catalytic infrastructure projects as well as quality of life initiatives to make upstate New York a better place to live, work, and visit. This investment utilizes one-time resources from financial settlements reached with several banks and insurance companies.

Funds will be awarded through a competition with priority given to projects exhibiting region-wide impact, focusing on strengthening critical infrastructure, revitalizing communities, bolstering workforce development, growing tourism, and improving quality of life. Seven regions are eligible to compete for one of three \$500 million upstate revitalization funds: Mid-Hudson, Capital Region, Mohawk Valley, Central New York, North Country, Southern Tier and Finger Lakes.

- **Establish the New NY Broadband Fund.** The Budget establishes a \$500 million New NY Broadband Fund to significantly expand the availability and capacity of broadband across the State. This comprehensive program will build on the success of the Connect NY Broadband Program and expand the creation of ultra-high-speed network and promote broadband

adoption through a multi-pronged approach. Key elements of the program include: public/private sector partnerships, the ability to recoup State investment, broadband speeds of up to 100Mbps, regional ground-up planning, leveraging existing State-owned assets and streamlining the State regulatory process to speed up implementation and reduce deployment costs. A private sector match of at least 1:1 for broadband providers seeking to access funding is expected to increase the size of the program to over \$1 billion. This investment utilizes one-time resources from financial settlements reached with several banks and insurance companies.

- **Create the Global NY Development Fund.** The Budget supports a \$35 million Global NY Development Fund to encourage more New York-based companies to export their products to established and emerging markets around the globe. The Global NY Development Fund will provide grants and loans to help New York State based small- and medium-sized businesses with financing to enable them to explore new exporting or global expansion opportunities to grow and compete.
- **Support Regional Economic Development Councils.** In 2011, Governor Cuomo established ten Regional Economic Development Councils (REDCs) to develop long-term regional strategic economic development plans. Since then, the REDCs have awarded over \$2.9 billion in State funding through a competitive process to spur job creation based on regional priorities. This

new strategy has resulted in 150,000 new or retained jobs in New York.

The 2015-16 Executive Budget includes core capital and tax-credit funding that will be combined with a wide range of existing agency programs for a fifth round of REDC awards. The Budget will continue to make resources available from other State agencies to support community revitalization and business growth consistent with the existing Regional Council plans through the Consolidated Funding Application process. The core funding includes:

- \$150 million to fund high value regional priority projects; and
  - \$70 million in State tax credits – set aside from the Excelsior Jobs tax credit program to fund regional priority projects.
- **Invest in Strategic Initiatives.** The Budget authorizes new funding for the following key economic development projects:
    - **New York Power Electronics Manufacturing Consortium.** As part of the State's \$135 million multi-year commitment, a \$33.5 million initial State investment will be provided to support the New York Power Electronics Manufacturing Consortium to develop and commercialize the use of wide bandgap power electronic devices.

- **Cornell University College of Veterinary Medicine.** An additional \$19 million State multi-year investment is provided to expand and upgrade infrastructure and teaching facilities at the Cornell University College of Veterinary Medicine to accommodate larger class sizes.
- **School of Pharmacy at Binghamton University.** The 2014-15 Enacted Budget provided \$10 million to begin the design and construction of a new School of Pharmacy at Binghamton University. The Executive Budget includes \$50 million to complete construction of the new School. This initiative will help Binghamton continue to build its stature as a premier research university, expand enrollment, create jobs, increase economic activity in the Southern Tier and help meet health care workforce needs.
- **Economic Development Initiatives.** The \$45 million New York Works Economic Development Fund Program will provide capital grants to support projects that facilitate an employer's ability to create new, or retain existing, jobs, or fund infrastructure investments necessary to attract new businesses or to expand existing businesses.

- **Provide for North Country Investments.** The Budget authorizes funding for the following priority projects in the North Country:
  - **Clarkson - Trudeau Partnership.** An additional \$5 million to support the partnership between the State, Clarkson University and the Trudeau Institute to form a world-class biotech enterprise and further establish the North Country Region as a premier center of biotechnology research and development.
  - **Olympic Regional Development Authority (ORDA) Capital Improvements.** \$10 million in new capital funding for ORDA, including \$7.5 million for critical maintenance and energy efficiency upgrades to the Olympic and ski facilities, and \$2.5 million appropriated from the Office of Parks, Recreation and Historic Preservation budget as part of the New York Works initiative.
- **Launch Another Round of NYSUNY 2020 and NYCUNY 2020.** To build upon the success of the Challenge Grants, the Budget includes \$110 million to launch another round of NYSUNY 2020 and NYCUNY 2020. Priority will be given to plans that use technology to improve academic success and job opportunities for students, leverage public-private partnerships through the START-

UP NY program, and better connect students to the workforce.

- **Support New York Open for Business.** Supported by \$50 million in New York Power Authority resources, the Open for Business initiative will continue to provide an enhanced marketing effort to demonstrate the benefits of investing and doing business in New York.
- **Promote Tourism.** The State's economic development agencies will implement a \$45 million tourism campaign in 2015-16 to attract visitors from around the world. The program includes a third round of \$5 million in competitive funding through the Market NY initiative to support tourism marketing plans that best demonstrate regional collaboration among counties to promote regional attractions.
- **Expand Venture Capital Funding.** The New York State Innovation Venture Capital Fund will be expanded from \$50 million to \$100 million. These funds will accelerate technology commercialization in New York State by making equity investments in high-growth technology companies that leverage the State's industrial and cluster strengths.

### **Other Budget Actions**

- **Fund the Innovation Hot Spots and Incubators Program.** The Executive Budget authorizes \$5 million in new funding, the fully annualized level, to continue to foster innovation

by offering start-up companies valuable business support services to help commercialize academic research and promote further collaboration between business and academia.

- **Continue Commitment to Critical Economic Development Investments.** The Budget includes nearly \$46 million to support ongoing economic development initiatives including the New York State Economic Development Fund, the Minority- and Women-Owned Business Development and Lending Program, the Urban and Community Development Program, the Entrepreneurial Assistance Program, tourism marketing initiatives, and international trade efforts.
- **Support High Technology Grants.** The Executive Budget authorizes over \$34 million to support ongoing university-based matching grants and other high technology and research and development programs administered by the Department of Economic Development's Division of Science, Technology and Innovation.
- **Support Community Revitalization.** The Budget also earmarks JPMorgan Chase mortgage settlement proceeds for community development and revitalization by providing \$50 million for the Restore New York Communities Initiative and \$15 million to support Community Development Financial Institutions.

- **Establish the Office of Faith-Based Community Services.** The State will establish a new Office of Faith-Based Community Services to assist and maximize community and faith-based organizations in providing education, health, workforce training, food programs and social services to communities. The Office will also work with ESD to help and encourage development of faith-based businesses.
- **Support the Office For New Americans.** Additional State-support of \$3 million will replace reduced Federal support and provide a net increase of \$1 million over last year's levels. These resources will be allocated to the Department of State's Office for New Americans that provides services to assist the State's immigrant communities.





## **6 ■ Education**

The Executive Budget reflects the Governor’s commitment to improving student outcomes by providing a \$1.1 billion increase in aid (4.8 percent) and conditioning it on the implementation of vital education reforms, including improvements to the systems for teacher evaluation, tenure, certification and preparation as well as providing new authority to improve failing schools and providing increased support and accountability to charter schools.

### **Overview**

Total spending on public education in New York exceeds \$60 billion. Not only is education the largest area of State spending, it is also the largest component of local property taxes.

New York's schools have maintained the highest per-pupil spending levels in the nation – even during difficult financial times. However, the State lags behind in graduation rates and college or career readiness. Only 76 percent of students graduate from high school in four years and only 38 percent of students are college or career ready. These facts, taken together, highlight that substantial progress requires more than money. To achieve real improvement in student outcomes, funding must be coupled with the implementation of reforms with proven track records.

The 2015-16 Executive Budget continues this work by proposing improvements to the systems for teacher evaluation, tenure, certification and preparation. In addition, the Budget provides new authority to truly improve failing schools and provides increased support and accountability to charter schools. The Budget supports new initiatives designed to strengthen the education system, such as better preparation of teachers, removal of financial barriers that keep talented individuals from teaching, rewarding highly effective teachers, and creation of a pre-kindergarten program designed to reach vulnerable 3-year-old children.

These initiatives, along with programs already underway, such as Statewide Universal Full-Day Pre-Kindergarten, will continue to transform public education across the State – reaching students earlier, providing more enrichment opportunities, and ensuring that the State’s students have access to highly effective teachers and schools.

### **Support for Public Education**

Several initiatives implemented over the past three years have improved the State’s ability to expand educational opportunities for young students and ensure all students have the greatest opportunity for college and career readiness. These major initiatives include:

- **Statewide Universal Full-Day Pre-Kindergarten.** The State currently spends over \$750 million on public pre-K programs for four year olds, serving over 116,000 students statewide. The 2014-15 Enacted Budget committed \$1.5 billion over five years to support the phase-in of the first-ever State-funded full-day pre-kindergarten program. In addition, in December, New York received a \$25 million grant award (\$100 million over four years) from the United States Department of Education to

expand access to full-day pre-kindergarten in high-need school districts.

- **Smart Schools Bond Act.** In November 2014, the Smart Schools Bond Act Referendum proposed by Governor Cuomo was approved by voters. The Smart Schools Bond Act provides \$2 billion in funding to schools to reimagine our classrooms and provide New York students with the technological resources, skills and safe learning environments necessary to succeed in the evolving 21st century economy. Bond proceeds will fund enhanced education technology in schools, including infrastructure improvements to bring high-speed broadband to schools and their surrounding communities and the purchase of classroom technology for use by students. Additionally, the Smart Schools Bond Act will enable long-term investments in full day pre-kindergarten through the construction of new pre-kindergarten classroom space, the replacement of classroom trailers with permanent classroom space and high-tech school safety programs.
- **Reforming Common Core Implementation.** The 2014-15 Enacted Budget put into law a series of recommendations to improve the implementation of the Common Core in New York State to protect students during the transition. The new law eliminates standardized “bubble tests” in kindergarten through third grade, and limits the amount of class time allowed for standardized testing and standardized test preparation for third through

eighth graders. Critically, this legislation also ensures that results from new tests over the next five years will not appear on students’ official transcripts or permanent records.

### Summary of Spending

Category	2014-15 (millions)	2015-16 (millions)	Change	
			Dollar (millions)	Percent
<b>Total Education Aid</b>	22,079	23,143	1,063	4.8

Category	Change (millions)
School Aid	1,013
Prekindergarten for 3- Year-Old Students	25
Other Education Reform Initiatives	25
<b>Total Education Aid</b>	<b>1,063</b>

### Proposed 2015-16 Budget Actions

The 2015-16 Executive Budget reflects a continued commitment to improved student outcomes and builds on the foundational work of prior years, including the implementation of key recommendations of the New NY Education Reform Commission’s Final Action Plan.

School Aid will continue to represent the largest State-supported program, accounting for roughly 28

percent of total General Fund spending. For the 2015-16 school year, the Budget recommends \$23.1 billion in total education aid, excluding funding from the Smart Schools Bond Act and the Statewide Universal Full-Day Pre-Kindergarten program. This amount represents a year-to-year increase of \$1.1 billion.

This increase, which exceeds the growth rate of general state spending, is appropriately tied to the legislative enactment of education reforms, including necessary improvements to the systems for teacher evaluation, tenure, certification and preparation as well as providing the authority to truly improve failing schools and providing increased support and accountability to charter schools. Absent these reforms, neither data nor experience suggests that New York will break from its historical standing as being the highest spending state per pupil with disappointing student outcomes.

The Budget also supports several initiatives totaling \$50 million that will focus on improving all aspects of the education system from the State's youngest learners to its college graduates; from the State's teacher pipeline to strategies to support struggling schools.

- **Expand Access and Quality of Pre-Kindergarten for 3-Year Old Children (\$28 million).** Building on the success of the Governor's previous pre-kindergarten expansions, the Budget invests \$25 million to expand high quality half-day and full-day pre-kindergarten programs to 3-year-old children in the highest-need school districts that develop a plan to deliver these services where they can be most beneficial. The State will also provide \$3 million to support the implementation of QUALITYstarsNY, a quality rating and improvement system intended to ensure that we offer our youngest children the highest quality programs possible.
- **Strengthen Accountability for Failing Schools and Educators (\$8 million).** The Budget provides \$8 million to support turnaround strategies modeled after the Massachusetts education receivership model. Under this model, the State Education Department (SED) will appoint a receiver to oversee a failing school or district.
- **Create Sustainable High-Quality Teacher Pipelines (\$6 million).** The Budget includes \$3 million to support the creation of the New York Teacher Residency (NYTR) program – a statewide teacher residency model that will combine Masters-level course work with a full year of supervised residency in an eligible school, akin to what is provided to doctors in training. Additionally, \$3 million is provided to

incentivize our highest-achieving students to pursue teaching as a profession. The Budget will provide full tuition scholarships for SUNY and CUNY graduate teacher education programs to top candidates who are New York residents and agree to teach in New York for five years following completion of their degrees.

- **Expand the Masters Teachers Program (\$5 million).** The Budget provides an additional \$5 million for the expansion of the Master Teacher program in two ways. First, eligibility is extended to teachers who are licensed to teach English as a Second Language (ESL) or bilingual education in recognition of the particular needs of this student population. Eligibility is also extended to teachers who have dual certifications in special education and general education. Second, the expansion increases opportunities for Master Teachers to provide ongoing mentoring to teachers in the early stages of their careers. The Master Teacher program provides a \$15,000 annual per teacher stipend for four years.
- **Support P-TECH Expansion (\$3 million).** The Budget provides \$3 million to expand the Pathways in Technology and Early College High School (P-TECH) program for a third round of awards. The rigorous, relevant and cost-free “grades 9 to 14” model is focused on the knowledge and skills students need for Science, Technology, Engineering and Math (STEM) careers. Graduates receive both a high school diploma and an associate’s degree at no cost to

the students' families. The program also boasts a commitment that students will be first in line for a job with the participating business partners following completion of the program.

## **Charter Schools**

The Executive Budget will increase the cap on charter schools by 100, remove regional barriers to expansion, and remove the caps specific to particular chartering authorities. School districts with the greatest demand for quality seats for students will be able to provide more educational opportunities. Going forward, charter schools no longer in operation which have previously counted towards the cap will be added back into the statewide pool.

In addition to cap-related reforms, the Executive proposes requiring charters to submit enrollment rates to SED for Free or Reduced Price Lunch (FRPL) students, English Language Learners and students with disabilities at the beginning and end of each school year during the five-year period in between reauthorizations. During reauthorization, a chartering authority must consider any pattern of noncompliance with stated enrollment targets when making its renewal decision.

Additionally, the Budget will increase the State-funded Charter School Supplemental Basic Tuition to \$425 per pupil in 2015-16 and \$575 in 2016-17. Prior to 2014-15, the Charter School Tuition paid by school districts was frozen at the 2010-11 levels.

### **Preschool Special Education**

New York State offers all-encompassing services to its students with disabilities, including services to children before they reach school age. The State's spending on Preschool Special Education is approximately \$1 billion. To improve service delivery and administration of the program, the Budget establishes regional rates for Special Education Itinerant Teacher (SEIT) providers.

SEIT providers are currently reimbursed based on their individual historical costs and rates for these services vary significantly, even within the same region. Establishing regional rates will rationalize the current payment structure by ensuring that all providers within a region are paid the same amount for providing these services. Implementation of regional rates will be phased-in over no more than four years.

## Other Budget Actions

- **Establish an Education Tax Credit.** A new Education Tax Credit, is created which reflects contributions to public education entities, school improvement organizations, local education funds, and educational scholarship organizations. The educational scholarship organizations must provide benefits to pupils at three or more public or nonpublic schools. Corporation franchise and individual taxpayers will receive a nonrefundable credit equal to 75 percent of their authorized contributions, up to a maximum annual credit of \$1 million. The program will be capped at \$100 million in aggregate education tax credits annually. Half of the annual cap will be dedicated to public education entities, school improvement organizations, and local education funds. The other half will be allocated to educational scholarship organizations that provide support to low- and middle-income students hoping to attend a public school outside of their district or a nonpublic school. The establishment of this credit is contingent on passage of the DREAM Act.
- **Support Non-Public School Programs.** The Executive Budget increases funding by 4.8 percent to reimburse non-public schools' costs for State-mandated activities. Approximately 400,000 elementary and secondary students attend more than 1,700 nonpublic schools in New York State.

- **Increase Funding for the Arts.** The New York State Council on the Arts awards approximately 2,000 competitive grants annually to arts and cultural organizations. This reflects the State's commitment to provide access to high-quality artistic programs, while also making investments in local initiatives with longstanding economic impacts, such as theatres, dance companies, museums and orchestras. The Executive Budget provides \$41 million in funding for arts grants, an increase of \$5 million.



## **7 ■ Environment and Energy**

The 2015-16 Executive Budget increases funding for the Environmental Protection Fund (EPF), maintains State funding for core environmental, parks and agricultural programs, expands outdoor recreational opportunities, provides a new round of capital funding for environmental facilities, and proposes the extension and reform of the Brownfields Cleanup Program. State agency and public authority funding will continue to make New York a leader in the clean tech economy, reduce emissions that contribute to climate change, and allow the transformation of our transmission system to a distributed smart grid network.

## **Overview**

The State's environmental, energy and natural resource agencies support programs including land use planning and preservation, recreation and tourism, agricultural development, protection of water resources, regulatory oversight of environmental laws and regulations, oversight of food supply and food safety programs, and regulation of the State's utilities and energy programs.

The Department of Environmental Conservation's (DEC) mission is to conserve, improve and protect New York's natural resources and environment and to prevent, abate and control water, land and air pollution, in order to enhance the health, safety and welfare of the people of the State and their overall economic and social well-being. DEC is responsible for administration and enforcement of the State's Environmental Conservation Law.

The Office of Parks, Recreation and Historic Preservation (OPRHP) provides safe and enjoyable recreational and interpretive opportunities for New York State residents and visitors and functions as a steward of our valuable natural, historic and cultural

resources. OPRHP operates the State park system that is comprised of 215 State parks and historic sites. In 2013, the system welcomed 60 million visitors to these sites.

Together, DEC and OPRHP oversee 5.1 million acres of open space statewide, including 2.6 million acres in the Adirondack Park and nearly 300,000 acres in the Catskill Forest Preserve.

The Department of Agriculture and Markets (Ag&Mkts) is charged with wide-ranging responsibilities including food safety inspection, agricultural economic development, farmland protection, animal and plant health surveillance, and the control of agricultural runoff (nonpoint source pollution) that can lead to the contamination of water.

The Department of Public Service (DPS), the staff arm of the Public Service Commission (PSC), regulates the rates and services of public utilities – an industry with an estimated \$33 billion in annual revenue – oversees the siting of major utility infrastructure, and provides oversight on cable franchise agreements and telecommunications service. Additionally, in conjunction with the New York State Energy Research and Development Authority (NYSERDA), DPS oversees the State’s energy efficiency and renewable energy

programs. The New York Power Authority (NYPA) supplies power statewide through two large hydroelectric facilities and more than 1,400 miles of transmission lines. NYPA does not receive support from the State.

### **Protecting the Environment**

In Governor Cuomo's first term, he committed more than \$16 billion to environmental and energy programs for infrastructure, resiliency, and clean energy programs. This investment directly benefits the State's economy and is the boldest commitment to the State's environment in any New York Governor's first term in a generation. In 2014, the Governor designated Buffalo Harbor State Park as the State's 180th State Park. This new State Park will transform the City's outer harbor waterfront. Since taking office, Governor Cuomo has made the most significant land acquisition in the Adirondack Forest Preserve in a century, streamlined and reduced hunting and fishing fees through the NY Open for Fishing and Hunting initiative and has opened dozens of new and improved sites to access the State's natural resources. The Executive Budget increases support for critical environmental protection and

energy programs. Funding for the Environmental Protection Fund (EPF), which provides dedicated funding to communities throughout New York to improve the environment, will be increased by \$10 million, to \$172 million. Since taking office, Governor Cuomo has increased annual funding for the Environmental Protection Fund (EPF) by a total of \$38 million. To address a backlog of environmental capital needs, the Budget includes \$155 million of new capital appropriations for DEC, OPRHP, Ag&Mkts, and the Olympic Regional Development Authority (ORDA). This reflects an increase of \$20 million from 2014-15 levels for OPRHP. This infusion of capital funds will accelerate capital infrastructure projects statewide, spur the creation of jobs, and leverage private sector and Federal investment.

## Summary of Spending (All Funds)

Category	2014-15 (millions)	2015-16 ( millions)	Change	
			Dollars (millions)	Percent
Total Environment and Energy Spending	1,417	1,434	17	1.2
Department of Agriculture and Markets	127	115	(12)	(9.4)
Department of Environmental Conservation	887	898	11	1.2
Office of Parks, Recreation and Historic Preservation	292	317	25	8.5

The Budget maintains funding at current levels for parks, environment, and agricultural operating programs. Inflationary factors are offset by administrative and operational efficiencies.

- Department of Agriculture and Markets.** Primarily due to the discontinuation of one-time local assistance program funds (\$6.9 million) and the completion of one-time capital spending (\$5.5 million), total funding for Ag&Mkts is decreased by \$12 million. State operations spending increases by \$700,000 (0.8 percent) due to increases in personal service expenses.
- Department of Environmental Conservation.** The Budget increases total funding for DEC by \$11 million, reflecting increases to the EPF and employee costs. These are offset by a decrease in

spending due to a discontinuation of one-time local assistance program funds.

- **Office of Parks, Recreation and Historic Preservation.** The Budget increases total funding for OPRHP by \$25 million, reflecting increases in capital spending and increases in staffing costs.

### Capital Investments

Proposal	2014-15 (millions)	2015-16 (millions)
<b>New Capital Commitments:</b>		
Environmental Protection Fund	162	172
Infrastructure Investment	135	155
State Superfund	0	100
<b>Total New Capital Commitments</b>	<b>297</b>	<b>427</b>

### Proposed 2015-16 Budget Actions

- **Environmental Protection Fund.** The Budget includes \$172 million for the EPF, an increase of \$10 million from 2014-15. Appropriations include \$15 million for solid waste programs, \$60 million for parks and recreation, and \$97 million for open space programs.
- **Brownfields Reform.** The Budget includes legislation to extend the Brownfields Cleanup Program for ten years, contingent upon important reforms to protect taxpayers and promote brownfield redevelopment, particularly Upstate. Under the reformed program the remediation tax credits will cover only the actual cleanup costs. The redevelopment credits will be

limited to sites that are located in economically distressed areas, are worth less than the cost to cleanup, or will result in the development of affordable housing.

- **Increase State Superfund by \$100 million.** The Budget includes a new \$100 million appropriation to extend the State Superfund cleanup program, including funding for the Environmental Restoration Program (ERP) to address municipally-owned brownfields. In place for over a decade, the Superfund program has been instrumental in improving public health and the environment by identifying, investigating and cleaning up hazardous waste sites. ERP effectively helps governments cleanup municipally owned brownfield sites, in order to remove blight and spur local economic development.
- **Enhance Oil Spill Preparedness.** In response to the increased volume of crude oil being transported through New York State, the Executive Budget provides DEC with eight new employees and the Division of Homeland Security and Emergency Services with six new employees dedicated to oil spill planning, training and response, and increases the fees for oil transported through New York to 13.75 cents per barrel, irrespective of whether the oil remains in New York or is transferred to another State. The additional revenues will ensure the solvency of the Oil Spill Fund and provide the necessary funding for staff and associated preparedness costs. The funding included in the

Executive Budget will support compliance with Governor Cuomo's Executive Order 125, which outlines steps the State is taking to improve oil spill response and prevention.

- **Southern Tier and Hudson Valley Farm Initiative.** The Budget includes \$50 million from the Special Infrastructure Account to assist farmers and other related businesses in the Southern Tier and Hudson Valley maintain and grow their businesses. Funding would be used for strategic farming initiatives, including preservation of farmland, to ensure that farms in the Southern Tier and Hudson Valley remain intact and vibrant for generations to come.
  
- **Infrastructure Investment.** The Budget provides \$155 million of new capital appropriations that will address a backlog of environmental capital needs and spur job creation and economic development. Specifically:
  - \$110 million is allocated to OPRHP to support health and safety projects and critical infrastructure rehabilitation.
  
  - \$40 million is allocated to DEC to address a variety of capital needs including public access projects to connect hunters, anglers, bird watchers and other outdoor enthusiasts to un-tapped State owned lands. This new funding will also provide for investments in information technology, and in health and safety repairs to State infrastructure,

including dams, wetland restoration, State lands and fish hatcheries.

- \$2.5 million is allocated for ORDA infrastructure, supplementing \$7.5 million of capital appropriations in the Authority's budget.
- \$2.5 million is allocated to the Department of Agriculture and Markets to improve and rehabilitate the State fairgrounds.
- **State Fair Revitalization.** In addition to capital funding and other sources, the State fairgrounds will receive \$50 million from the Special Infrastructure Account to improve the experience for visitors by making enhancements at the fairgrounds and in the surrounding area.
- **Expand Access to New York Grown Agricultural Products.** Building on last year's success, the Budget includes \$1.1 million for the "Taste NY" program. This program is branding and expanding New York's food and beverage industry by making the wide variety of foods and beverages grown and produced in the State readily available and recognizable to New Yorkers and the public nationwide. Taste NY products are available in over 25 retail locations statewide, and over 5.9 million people in 2014 attended the 55 events that Taste NY participated in. The Budget also includes \$350,000 for the FreshConnect farmers' market program, which benefits farmers' and consumers alike by awarding competitive grants to create and expand farmers markets in underserved communities throughout New York. To increase

the availability of locally grown hops for the State's growing craft brew industry, the Budget continues \$40,000 for a program to evaluate and test hop varieties in New York.

- **Commission to Study Protecting Dairy Farmer Profits.** The State will create a commission to evaluate dairy prices and programs that would help maintain dairy farm profitability, including options to encourage dairy farmer participation in a Federal Margin Protection Program. The Federal government recently unveiled a program to address the pricing hazards dairy farms face, and offers protection against losses due to declining milk prices. The Commission, chaired by the Commissioner of the Department of Agriculture & Markets, will develop recommendations intended to encourage farmers to purchase this coverage protection offered through the USDA. The Commission will submit its recommendations to the Governor by May 1, 2015.
- **Maintain Core Agriculture and Markets Local Assistance Funding.** Funding for core agricultural programs that protect health and safety, provide education, and support the promotion of New York State products will continue. These programs include the Migrant Childcare program, Cornell Veterinary Diagnostic Laboratory, Cornell Pro-Dairy, the Wine and Grape Foundation, and Farm Family Assistance.

- **Clean Energy Initiatives.** Under Governor Cuomo’s leadership, New York will continue to implement innovative clean energy programs to reduce air emissions, improve energy efficiency and grow the clean energy economy. Clean energy initiatives include:
  - \$20 million for a clean energy business competition designed to systematically generate new clean energy business ventures in the Southern Tier, while providing mentoring and additional aid for aspiring entrepreneurs, supporting business deployment, and attracting venture funding for early-stage firm growth.
  - A \$5 billion, ten year commitment through the Clean Energy Fund to support programs across the State and give the clean energy industries the certainty they need to invest, mature and become self-sustaining.
  - DEC, in collaboration with NYSERDA and NYPA, will initiate a pilot program in 2016 to ensure that at least 50 percent of new, administrative use vehicles will be zero emission vehicles, including battery electric, plug-in electric, or hydrogen fuel cell vehicles.
  
- **New York Green Bank.** The \$1 billion Green Bank, was launched by Governor Cuomo in 2013 to work in partnership with the private sector to remove market barriers in the clean energy sector. The Green Bank, financed through public

authority resources, will accelerate clean energy deployment and create jobs by partnering with private sector institutions to provide financial products such as credit enhancement, loan loss reserves and loan bundling. In October, the first planned transactions were announced with commitments being made for seven projects, which are expected to close in the first quarter of 2015.

- **Reduce the Cost of Long Island Power Authority (LIPA) Debt.** The Budget proposes Article VII language to allow LIPA to reduce costs by refinancing its debt. Similar to an authorization that was provided in 2013, LIPA would be authorized to issue special securitized restructuring bonds that would reduce the interest rates paid on LIPA's debt and thereby provide electric utility service savings on Long Island.
- **Utilize Regional Greenhouse Gas Initiative (RGGI) Funds for Green Energy and Environmental Programs.** Since its inception, RGGI, through a cap and trade auction program, has reduced carbon emissions in the State and generated over \$630 million for clean energy programs. In 2015-16, NYSERDA is expected to commit an additional \$110 million for these programs, including funding for initiatives such as Renewable Heat NY, NY Sun and Charge NY. In addition, the Budget will authorize the transfer of \$36 million of proceeds from the auction of RGGI carbon allowances to the State to finance the continuation of several green energy tax

credits and to bolster Environmental Protection Fund programs that contribute to carbon reduction.

- **Align DEC Fees with Service Levels.** Several DEC pollution control programs that were designed to be self-supporting are running in the red, even as DEC holds spending for these programs flat. This adjustment will better reflect the operational cost, and shift the burden from State taxpayers to the regulated community while obviating reductions to these important programs. Specifically, the Budget will increase certain fees related to air regulation and enforcement under Federal and State statutes, and oversight of hazardous waste, pesticides and water pollution discharge. The actions will raise approximately \$8 million annually to fund the programs.



## **8. Health Care**

The Executive Budget builds upon the historic Medicaid reforms of the Medicaid Redesign Team that are achieving better health care outcomes at a more sustainable cost. The Budget supports more effective models of care, sustains the State's health benefit exchange, encourages regional collaborations among providers and communities, promotes the State's Prevention Agenda, and makes investments in health care infrastructure and caregiver supports.

### **Overview**

The Department of Health's (DOH) mission is to ensure high quality health services are available to all New Yorkers. Consistent with this mission, DOH assures comprehensive health care and long-term care coverage for low- and middle-income individuals and families

through the Medicaid, Child Health Plus (CHP), and Elderly Pharmaceutical Insurance Coverage (EPIC) programs.

In addition to its health insurance programs, DOH protects public health, supervises public health activities throughout the State, and operates health care facilities including Helen Hayes Hospital, four veterans' nursing homes, and the Wadsworth Laboratories. The Department also oversees all other health care facilities in the State.

The Office of the Medicaid Inspector General, established as an independent entity in 2006, preserves the integrity of the Medicaid program by conducting and coordinating fraud, waste and abuse control activities for all State agencies responsible for Medicaid funded services.

The State Office for the Aging (SOFA) promotes and administers programs and services for New Yorkers 60 years of age and older. The Office oversees community-based services provided through a network of county Area Agencies on Aging and local providers.

## **Assuring Quality Health Care for All New Yorkers**

New York's Medicaid program is the State's largest payer of health care and long-term care. Each month, over six million individuals receive Medicaid-eligible services through a network of more than 60,000 health care providers and more than 16 managed care plans. Total Federal, State and local Medicaid spending is expected to be \$62 billion in 2015-16.

Despite years of attempted cost containment, prior to 2011 Medicaid spending had grown at an unsustainable rate while failing to deliver the quality outcomes for New Yorkers. In 2009, according to a Commonwealth State Scorecard of Health System Performance, New York State ranked 22<sup>nd</sup> among states in quality of health care measures and worst among all 50 states in avoidable hospitalization.

Recognizing the need to control spending growth and improve health results, Governor Cuomo commissioned the Medicaid Redesign Team (MRT), a new and inclusive approach to developing health care policy. Comprised of individuals representing virtually every sector of the health care delivery system, and with widespread public input, the MRT advanced

proposals that create models of care to significantly improve health outcomes and allow future spending to grow at a sustainable level tied to rational measures of growth – the 10-year rolling average of the Medical Consumer Price Index (currently estimated at 3.6 percent).

The MRT's innovative and collaborative work has bent the cost curve for the Medicaid program and has saved the State and Federal governments over \$17 billion each, through 2014-15. Building on this success, and through further collaborations, New York has the potential to completely transform health care for all payers and recipients. The Executive Budget advances the transformation through new investments that will help introduce integrated models to improve care delivery and health outcomes at lower cost through New York's recently approved Medicaid waiver.

**Summary of Spending  
(All Funds Unless Otherwise Noted)**

Category	2014-15 (millions)	2015-16 (millions)	Change	
			Dollars (millions)	Percent
Medicaid (Total All Funds)	58,752	62,046	3,294	5.6
Medicaid (Global Cap)	16,507	17,104	597	3.6
Department of Health Spending (Excluding Medicaid and BHP)	4,091	4,346	255	6.2
Basic Health Plan	0	1,679	1,679	NA
Office of the Medicaid Inspector General	57	54	(3)	(5.3)
Office for the Aging	222	227	5	2.4

**Proposed 2015-16 Budget Actions**

The Executive Budget reflects the continuation of the Medicaid spending cap enacted in 2011-12 and recommends funding consistent with its provisions. The Budget achieves \$54.7 million in savings from public health and aging programs through program reforms, enterprise-wide efficiency measures, and general cost-control efforts.

**Health Care Transformation**

The success of the MRT and other State initiatives demonstrates that through constructive

collaboration, unsustainable spending trends can be reversed while care delivery and health outcomes are improved. Recognizing the success of New York's efforts and the saving they have generated for the federal government, in April 2014 the federal government awarded New York State an \$8 billion, 5 year Medicaid waiver. In the first year under the waiver \$500 million was awarded to financially distressed safety net hospitals whose viability is critical to achieving ongoing reforms. Over the next year large consortiums of providers across the State will begin work as performing provider systems with the goal of reducing avoidable hospital use by 25 percent over the next five years. Through the new Delivery System Reform Incentive Payment (DSRIP) program, these systems will receive performance payments based upon achieving predefined results in system transformation, clinical management and population health.

In addition, the State was recently awarded \$100 million by the Federal government to implement the State Health Innovation Plan (SHIP). This plan will be implemented over a four year period to provide statewide access to high quality and coordinated care. The intent is to build upon Medicaid reform efforts and

translate these efforts to achieve similar outcomes across the State's entire health care system, both public and private.

The Executive Budget provides \$1.4 billion in new complimentary capital investments to make infrastructure improvements and provide additional tools to stabilize health care providers to advance health care transformation goals. This investment includes:

- **Brooklyn Health Care.** The health care needs of central and east Brooklyn communities are greater than can be accommodated by existing resources. \$700 million in capital funding is included to stabilize the health care delivery system in these communities, reduce unnecessary inpatient beds while improving the overall quality of inpatient and outpatient services and increase access to community-based primary and preventive health care services.
- **Upstate Health Care.** To meet the financial challenges that exist for smaller, community-based and geographically isolated hospitals and health care providers, the budget also reserves:
  - \$300 million to create an integrated health care delivery system in Oneida County to reduce unnecessary inpatient

beds and expand primary care services;  
and

- \$400 million to support debt restructuring and other capital projects to promote appropriate regional consolidations among health care providers and further health care transformation in rural communities.

### **Medicaid Redesign**

The Executive Budget continues the implementation of MRT recommendations. These reforms represent the most comprehensive Medicaid reform in State history, with initiatives designed to improve the full spectrum of health care delivery. A cost neutral package of new MRT initiatives is proposed to make critical investments in health care delivery and support health care transformation. This package includes:

- Implementation of the Basic Health Plan (BHP). The BHP is a new State health insurance option to cover low income individuals, authorized under the Affordable Care Act (ACA).
- Increased payments to essential community providers.

- Enhanced reimbursement to hospitals and nursing homes to promote continued reforms and performance improvements.
- Additional investments consistent with the State's Olmstead Plan, with Federal approval.
- Leveraging Health Homes – comprehensive care management entities – to establish better linkages and improve care coordination for children and the criminal justice population.
- Facilitating the coverage of new immigrant populations, in accordance with Federal requirements.
- Funding enhancements for medical transportation and services for those with traumatic brain injuries.
- Investments to continue Balanced Incentive Payment initiatives and provide additional community supports to the aged and disabled.

These investments are balanced by savings resulting from targeted Medicaid integrity initiatives to eliminate fraud and abuse, improvements in benefits design, greater controls on pharmaceuticals, and compliance with Federal law that requires spousal support.

## **New York Health Benefit Exchange**

In 2013, the Governor issued Executive Order #42 to establish a New York Health Benefit Exchange in accordance with the ACA. The Exchange – NY State of Health – serves as a centralized marketplace to shop for, compare, and enroll in a health plan. The health plans offered through NY State of Health are, on average, 50 percent less expensive than those available in 2013 prior to the creation of the marketplace. To date, over 1.9 million New Yorkers have enrolled in coverage through the marketplace. The Executive Budget proposes a modest change in health insurance premiums, for coverage both inside and outside the Exchange (averaging less than \$25, annually), to provide a dedicated and sustainable revenue source to support the continued operations of the Exchange.

## **Public Health and Aging Programs**

DOH and SOFA administer programs that support New York's public health and senior care systems. The Executive Budget makes necessary investments and reduces costs by restructuring programs and implementing administrative efficiencies

in government operations. These actions will save an estimated \$54.7 million in 2015-16 and \$54.9 million in 2016-17. Key items include:

- **Emergency Food Funding.** The Budget increases funding to the Hunger Prevention and Nutrition Assistance Program to allow the program to respond to emergency food needs of hungry New Yorkers. The budget adds \$4.5 million annually for this purpose, increasing support for the program to \$34.5 million.
- **Department of Financial Services (DFS) Program Funding.** The Budget increases funding for the Childhood Lead Poisoning Prevention and Lead Poisoning Prevention programs on the insurance industry assessment. Funding for the Childhood Obesity program is moved back to DOH.
- **Continue Support for the Spinal Cord Injury Research Program (SCIRP).** SCIRP supports peer reviewed research efforts designed to develop, test and validate therapies for the treatment of spinal cord injuries. The Budget continues SCIRP funding at \$7 million annually.
- **Investment in Caregiver Supports.** The Executive Budget invests \$25 million to support increased funding for caregiver respite services. In addition, funding is increased for Alzheimer's Disease Assistance Centers and the Alzheimer's Disease Community Assistance Program.

- **New York Connects.** NY Connects is a statewide, locally based point of entry system that provides one stop access to free, objective and comprehensive information and assistance on accessing long term care services and supports. The Budget provides additional State funding to maintain ongoing operational support to the New York Connects program and the “No Wrong Door” initiative as Federal Balancing Incentive Payments (BIP) funding is set to expire in October 2015. The Budget includes funding of \$8.2 million in 2015-16 and \$18.1 million in 2016-17.
- **Drinking Water Fluoridation Grants.** The Executive Budget invests \$5 million to provide assistance to community water systems incurring costs for the installation, repair, and upgrade of drinking water fluoridation systems.
- **Increased Funding for Indian Health Care Services.** The Budget includes additional funding to support Indian health care services in keeping with prior year spending levels. This reflects a \$6.4 million increase in program spending annually.
- **Adult Care Facilities Criminal History Record Check Funding.** The Executive Budget includes funding to support the administration of criminal history record checks for staff at adult care facilities. Funding of \$1.3 million annually is included for this purpose.

- **Better Target Health Care Spending.** The Budget consolidates 41 local assistance appropriations into five separate pools that serve similar functions or reflect common characteristics. Flexibility within the pools would allow spending to be targeted to best address current or emerging population health needs, achieving annual savings of \$21.3 million.
- **Roswell Park Cancer Institute Funding.** The Budget achieves savings and consolidates two appropriations for Roswell. The Institute will continue to receive annual State support of \$87.1 million or over \$650,000 per bed.
- **Reprogram Enhancing the Quality of Adult Living (EQUAL) Program Funding.** The Budget discontinues funding for the EQUAL program and reprograms approximately half of its funding into an initiative to support the move of adult home residents to supportive community housing. This results in a net annual savings of \$3.3 million.
- **Discontinue the Pilot Health Insurance Program.** The Budget discontinues the Pilot Health Insurance Program that supported the management and evaluation of public health insurance programs. This program is no longer necessary given the implementation of New York State of Health. This results in annual savings of \$1.1 million.

- **Discontinue Resident Working Audits.** The Budget discontinues a duplicative requirement that DOH conduct audits of medical residents' working hours. This results in annual savings of \$1.1 million.
- **Discontinue the Physician Profile Website.** The Budget discontinues the requirement that DOH maintain a physician profile website, as much of the information is duplicated on other publicly accessible websites. This results in an annual savings of \$1.2 million.

### **Other Initiatives**

- **Ending the AIDS Epidemic.** New York's successful investments in the prevention and care for individuals with HIV/AIDS places the State in the unique position of being able to advance a plan for the end of the epidemic. The Budget includes funding to identify undiagnosed persons, link them with treatment and facilitate access to necessary medications to keep them HIV negative and prevent the further spread of the disease. The Budget also includes legislation to reduce barriers to treatment and promote risk remediation.
- **Office for Community Living.** Services and supports to individuals with long term care needs are dispersed across various State agencies, fragmented and uncoordinated. Legislation will be advanced with the Budget to engage the various agencies and stakeholders in developing a plan for the creation of an Office of

Community Living. The goal of creating a new office is to improve service delivery and outcomes for older adults and disabled individuals that live in the community.





## 9. Higher Education

The Executive Budget strengthens the ability of New York's public system of higher education to excel both academically and as an economic engine. New strategic investments will yield further academic gains, create employment opportunities, and connect graduates to jobs.

### Overview

Each year, New York State's higher education institutions educate nearly 1.3 million students. The State University of New York (SUNY) and the City University of New York (CUNY) administer 47 four-year colleges and graduate schools that provide 403,000 full- and part-time students with an array of undergraduate, graduate, and first professional educational opportunities. SUNY and CUNY also support 37

community colleges, serving 328,000 students. In addition, 541,000 students attend the more than 100 private colleges and universities across the State. Over the past 10 years, total enrollment at New York's institutions of higher education has increased by 160,000 (14 percent).

The State University Construction Fund (SUCF), City University Construction Fund (CUCF), and the Dormitory Authority of the State of New York (DASNY) administer and oversee a capital program for over 3,000 academic, research, hospital, dormitory, and multi-use facilities, which make up the physical infrastructure of the university systems.

To help students obtain and afford a college education, the Higher Education Services Corporation (HESC) provides students and families with various types of financial aid services. HESC oversees numerous State-funded aid programs, including the Tuition Assistance Program (TAP), the Aid for Part Time Study program, and 16 scholarship and award programs. Together these programs provide more than \$1 billion in financial aid to over 343,000 students. HESC also partners with the Office of the State Comptroller in

administering the College Choice Tuition Savings program.

### **Higher Education: Developing a Modern Workforce**

In 2011, Governor Cuomo signed groundbreaking legislation implementing the NYSUNY 2020 Challenge Grant Program. This act strengthened New York State's system of higher education by introducing a rational and predictable tuition plan, a commitment to maintain State financial support, a competitive grant program making our State universities incubators of academic excellence and economic growth, and assistance to make college affordable for students with limited income.

The rational tuition policy replaced an era of unpredictable and sometimes extreme tuition increases by allowing each SUNY and CUNY campus to raise tuition by \$300 per year for five years. These modest tuition rates maintain the affordability of New York's public colleges and universities, and the predictability enables families to plan for college expenses.

Coupled with the NYSUNY 2020 commitment to provide a consistent level of State General Fund

support, the rational tuition policy makes it possible for the public university systems to add faculty, reduce class sizes, expand program offerings, and improve academic performance.

NYSUNY 2020 also maintains higher education affordability by augmenting the State's TAP program. Using a portion of the additional tuition revenue, students who receive TAP awards and attend SUNY State operated colleges or CUNY senior colleges also receive financial aid in the form of tuition credits ensuring students with limited economic resources continue to have access to educational opportunities.

Beyond establishing a stable system of State and tuition support, NYSUNY 2020 launched a competition-based challenge grant program. This program has made New York's public universities incubators of academic excellence and economic growth at the center of the State's regionally based economic revitalization strategy. These grants leverage State capital funding to incentivize bottom-up, individualized, long-term economic development plans on campuses and their surrounding communities.

Governor Cuomo built upon these initiatives by launching START-UP NY in 2013, a game-changing

strategy to create tax-free communities affiliated with our public and private universities, and bring new economic investment to New York, especially Upstate. The program offers businesses that locate or expand in New York the opportunity to operate completely tax-free for ten years on or near eligible campuses. This unique marriage between public and private entities will drive economic growth and foster innovative collaboration. Businesses that partner with these institutions will benefit from access to industry experts and advanced research laboratories. The colleges and universities benefit from the innovation-driven public-private partnerships that create new opportunities for students and researchers. To date, a total of 55 businesses have been approved for START-UP NY participation and are projected to create over 2,100 net new jobs and over \$98 million in investment.

Another significant enhancement to our higher education system in 2013 was Governor Cuomo's Next Generation NY Job Linkage Program. This innovative program connects degrees to careers by having community colleges partner with regional employers to provide students with improved opportunities for post-graduation employment in a field related to their

education. The Governor's initiative also provides \$5 million in incentive funding to reward community colleges based on the success of their students in job placement and academic performance.

In 2014, Governor Cuomo made strategic investments to make college more affordable and to encourage the best and brightest students to build their future in New York State and help to fill critical jobs. For the first time in 14 years, New York State increased the maximum TAP award from \$5,000 to \$5,165. The Governor also created a new scholarship program for the top 10 percent of students in each high school. These students receive full tuition scholarships to any SUNY or CUNY college or university if they pursue a Science, Technology, Engineering and Math (STEM) career and work in New York for five years.

Finally, both SUNY and CUNY have played key roles in implementing the New NY Education Reform Commission's recommended action plan to improve the quality of New York's education system. In particular, the university systems have taken action to raise admission requirements and strengthen the curriculum for teacher preparation programs.

## Summary of Spending (General Fund)

Category	AFY 2015 (millions)	AFY 2016 (millions)	Change	
			Dollars (millions)	Percent
<b>Higher Education</b>	<b>3,337</b>	<b>3,395</b>	<b>58</b>	<b>1.7</b>
SUNY Operating Support	980	987	7	0.7
CUNY Operating Support	527	537	10	1.9
Community Colleges	705	701	(4)	(0.6)
SUNY Hospital Subsidy*	88	69	(19)	(21.6)
HESC Grants and Scholarships	1,037	1,101	64	6.2

\* Returns to the FY 2014 funding level after accounting for non-recurring aid included in the FY 2015 Enacted Budget.

## 2015-16 Strategic Investments in Higher Education

The Executive Budget makes several new strategic investments in higher education to leverage greater academic achievement and economic development, with particular focus on improving the value of higher education.

To foster a culture of excellence, the Budget will begin to shift the basis of funding from enrollment to performance by having SUNY and CUNY colleges complete performance improvement plans that will serve as the basis for performance funding allocations in future years. These plans will establish ambitious goals to improve student outcomes and drive new initiatives to make experiential learning a requirement for graduation, create a Master Researcher Program,

and reward START-UP NY success with performance bonuses for college presidents.

The Executive Budget modernizes our community college system by establishing regional planning councils to ensure that the colleges within each economic development region are working together along with stakeholders from other State agencies, local governments and business and industry. In addition, a new Community College Community Schools program will be launched to provide our most disadvantaged students the tools and support they need to persist and graduate.

The Budget will also streamline the approval process for new programs and degrees to ensure SUNY and CUNY can respond quickly to employer demands and adapt their curriculum and degree programs to meet the needs of growth sectors.

In addressing the financial burden of college, the Executive Budget will create a standard financial aid award letter for colleges and universities to provide students and their families with information on the total costs of education and the success of other students after graduation. A new *Get on Your Feet Loan Forgiveness Program* will provide federal student loan

relief to New York residents who graduate from college and continue to live in the state for the first two years out of school if their income is not high enough to cover their student debt burden without significant financial hardship.

The Budget will support the advancement of undocumented immigrants by enabling them to apply for State college tuition assistance under a new DREAM Act initiative.

To build upon the success of the Challenge Grants, the Executive Budget includes \$110 million to launch another round of NYSUNY 2020 and NYCUNY 2020. In addition, the Budget includes capital resources to build a new School of Pharmacy at SUNY Binghamton.

Finally, consistent with the provisions of the NYSUNY 2020 Challenge Grant Program, the Budget provides on-going General Fund operating support for SUNY and CUNY colleges and accommodates 2015-16 tuition increases by providing \$155 million in additional spending authority for SUNY and \$61 million for CUNY.

## Major Initiatives

- **Shift Funding from Enrollment to Performance.** To promote student success and institutional excellence, the Budget will begin the process of shifting State support from an enrollment driven formula to one that bases a portion of State aid on performance targets. As a requirement to receive 10 percent of State support, SUNY and CUNY colleges will develop performance improvement plans to serve as the basis for performance funding allocations in future years. These plans will include goals to improve access, completion rates, academic and post-graduation success, research potential and community engagement. These plans will also drive new initiatives to: make experiential learning a requirement for graduation; create a Master Researcher Program that pays bonuses to successful professors who generate the most impactful research, development, and commercialization opportunities; and reward START-UP NY success with performance bonuses for college presidents who provide proven leadership resulting in commercialization of research. The Executive Budget includes \$30 million in new incentive funding to reward colleges who complete approved performance improvement plans.
- **Align Community Colleges within the Economic Development Regions.** The Executive Budget will create nine regional planning councils ensuring that the 29 community colleges outside New York City

cooperate with their neighboring colleges within the nine economic development regions of the State, and that the colleges, along with stakeholders from other State agencies, local government and business and industry in a region are working together. This initiative will limit competition by colleges for students within a region, better align education and training program offerings to regional economic development goals and activities, and improve student outcomes.

- **Create Community College Community Schools.** The Executive Budget includes \$2.5 million that will allow five community colleges to participate in a community schools initiative. This program will bring healthcare to campus, assist students with transportation, provide additional resources for child/elder care, and augment existing academic and career development supports. Community colleges serve some of the State's most disadvantaged students and communities, and are more likely than four-year institutions to attract part-time and nontraditional students who are trying to balance, work, family, and other obligations with their education. Through the community schools initiative, students will have the tools and supports they need, both in and out of the classroom, to persist and graduate.
- **Streamline New Education Program Approval to Meet Workforce Needs.** To ensure responsiveness to the rapidly evolving skills that

employers require of their employees, the Budget will streamline the process to approve programs and degrees at SUNY and CUNY. This change is will enable New York to better compete in the Global Economy.

- **Achieve Efficiencies Through Back Office Consolidation.** New York State operates and finances two distinct university systems – SUNY and CUNY. The Budget will begin to reduce higher education administrative costs by having these systems develop a back office consolidation plan to combine human resources, financial management, information technology services and other administrative functions.
- **Make the Dream of Higher Education Available to All.** The Executive Budget will support the advancement of undocumented immigrants by enabling them to apply for state college tuition assistance under a DREAM Act. This initiative continues the State's tradition of welcoming immigrants and honoring their contribution to our culture and economy. An Education Tax Credit will also be available once the DREAM Act is enacted.
- **Enact the Get on Your Feet Loan Forgiveness Program.** The Budget will allow New York residents who graduate from college and continue to live in the State to pay nothing on their federal student loans for the first two years out of school if their income is not high enough to cover their student debt without posing a

significant financial hardship. For students who attend colleges in New York State and continue to live in the State following graduation, participate in the new federal Pay As You Earn (PAYE) income-based loan repayment program and earn less than \$50,000 annually, New York State will cover 100 percent of their student loan payments for two years so they are not overwhelmed with debt repayments while they are working to get launched in the job market.

- **Standardize Financial Aid Letters.** Recognizing that the rising cost of college and sub-optimal student outcomes make college choice more critical than ever, the Budget will create a standard financial aid award letter for colleges and universities to use to provide data regarding institutional performance in the areas of student access, degree completion and post-graduation success. With this information, students and their families will know the total cost of an education, how much aid they will receive and how much needs to be repaid. They will also be able to see how well other students have done once they graduated from the college they are considering.
- **Launch Another Round of NYSUNY 2020 and NYCUNY 2020.** The Budget includes \$110 million for a new round of NYSUNY 2020 and NYCUNY 2020 grants, \$55 million for each university system. Funding will continue to be awarded through a bottom-up competitive process by which campuses develop plans for

improving academic outcomes, finding efficiencies, and promoting innovation and economic development. Priority will be given to plans that: use technology, including but not limited to the expansion of on-line learning, to improve academic success and job opportunities for students; leverage economic and academic opportunities through the START-UP NY program; and provide experiential learning opportunities that connect students to the workforce. This strategic investment will continue the Governor's initiative to make our university systems into incubators of academic excellence and economic growth.

- **Establish a School of Pharmacy at Binghamton University.** The 2014-15 Enacted Budget provided \$10 million to begin the design and construction of a new School of Pharmacy at Binghamton University. The Executive Budget includes \$50 million to complete construction of the School. This initiative will help Binghamton continue to build its stature as a premier research university, expand enrollment, create jobs, increase economic activity in the Southern Tier, and help meet health care workforce needs in the State.



# 10. Human Services

The Executive Budget increases the minimum wage, provides funding for core supportive services for needy populations, maintains funding for child care subsidies that allow low-income individuals to seek or maintain employment, and expands the availability of affordable housing across the State.

## Overview

New York's human services programs promote the safety and well-being of the State's most vulnerable residents.

Programs funded through the Office of Temporary and Disability Assistance (OTDA) and the Office of Children and Family Services (OCFS) include financial assistance to elderly and disabled persons who

are unable to work, supportive services to public assistance recipients to prepare for and secure employment, child support enforcement, child care subsidies to assist low-income working families, juvenile justice, and child and adult protective services.

Programs funded through the Department of Labor (DOL) protect workers and promote workforce development. DOL also operates the State's Unemployment Insurance System.

Programs funded through Homes and Community Renewal (HCR) preserve and create affordable housing.

Programs funded through the Division of Human Rights (DHR) protect civil rights in the areas of employment, housing, public accommodations, education and credit.

Programs funded through the Office of National and Community Service (NCS) support community service grants that provide youth education, assistance to individuals with disabilities, public health services, and disaster preparedness.

Programs funded through the Division of Veterans' Affairs (DVA) connect veterans, members of the armed forces, and their families to various

economic, medical, and social benefits and services available as the result of active duty military service.

### **Providing Opportunity for All New Yorkers**

Since the enactment of the landmark Federal Welfare Reform Act of 1996, the State's public assistance caseload has declined by approximately one million recipients. The 2015-16 caseload is estimated at 540,000 recipients.

New York's Supplemental Security Income (SSI) program supplements Federal SSI benefits to low-income elderly, blind, and disabled persons. The 2015-16 caseload is estimated at 710,000 recipients.

New York State's child welfare programs are monitored by OCFS and administered by 58 local social services districts (LSSDs). The LSSDs are responsible for conducting direct investigations of alleged child abuse, as well as providing services to prevent foster care placements for at-risk youth and families, and foster care services when out-of-home placement is necessary.

The Child Welfare Services program supports approximately 157,000 child protective services investigations with more than 44,000 cases receiving

protective and preventive services. Federal funds support approximately \$478 million of statewide program costs. The State supports 62 percent of non-federal costs, and LSSDs finance the remaining 38 percent. This funding approach, authorized in 2002-03 through Child Welfare Financing Reform, provides an incentive to use preventive services to keep families safely intact and to avoid unnecessary foster care placements. This front-end investment is paying dividends, as the foster care caseload has dropped by more than 45 percent since 2002-03, from 34,900 to approximately 18,900 in 2014-15.

The Executive Budget proposals provide for core supportive services for needy families, while limiting spending growth and implementing measures to improve program performance.

In Juvenile Justice, the 2015-16 Executive Budget reflects continued implementation of the Close to Home initiative. Under this initiative, in 2012-13, New York City youth requiring a non-secure placement were transferred from OCFS to New York City custody to receive services closer to their home community. New York City is working with OCFS on a plan to take custody of its youth that require a limited secure

placement. This phase of Close to Home is expected to be implemented during 2015-16.

In 2012, Governor Cuomo appointed the State's first-ever InterAgency Coordinator for Not-for-Profit Services, a cabinet-level position created to assist with contract reform and to address challenges that nonprofits face in their business relationships with the State. This effort was enhanced in 2014 with the creation of a new Nonprofit Coordinating Unit within the Division of Budget. The Nonprofit Coordinating Unit, which reports directly to the Governor's InterAgency Coordinator for Not-for-Profit Services, is focused on strengthening the working relationship between State government and nonprofit organizations and on developing initiatives that will strengthen the sector and enhance services for New Yorkers.

## Summary of Spending (All Funds)

Category	2014-15 (millions)	2015-16 (millions)	Change	
			Dollars (millions)	Percent
Human Services	9,289	8,937	(352)	(3.8)
OTDA	5,382	4,982	(401)*	(7.4)
OCFS	3,092	3,187	95	3.1
DOL	555	499	(56)	(10.1)
HCR	216	225	9	4.2
DVA	15	15	0	0
NCS	15	15	0	0
DHR	14	14	0	0

\*Year-to-year change primarily reflects a reduction in public assistance expenditures due to caseload changes.

## Proposed 2015-16 Budget Actions

### *Labor*

- Increase the Minimum Wage.** The 2013-14 Budget increased the minimum wage from \$7.25 to \$8.00 effective December 31, 2013 and to \$8.75 effective December 31, 2014, with a further increase to \$9.00 authorized for December 31, 2015. The Executive Budget builds upon these previous increases and includes provisions to further increase the minimum wage to \$11.50 in New York City and \$10.50 in the remainder of the State, effective December 31, 2016. This would bring the minimum wage more in line with the cost of living and the wage required to lift a family out of poverty.

The current minimum wage represents less than one-third of the average hourly wage in the State, which is almost \$29. Eight states currently have a

higher minimum wage than New York. A reasonable minimum wage increases the standard of living for workers, reduces poverty, and incentivizes fair and more efficient business practices. Since low-income individuals spend a larger percentage of their income on basic needs than higher-income earners, salary increases in low-wage occupations lead to increased demand for goods and services and help spur economic growth.

### ***Housing***

- **Expand Affordable Housing Opportunities.** The Executive Budget continues the landmark 2013-14 House NY program that is investing \$1 billion over five years to preserve and create 14,300 affordable housing units statewide, augmented by an additional \$130 million included in the 2014-15 Budget. This program is creating significant economic benefits for the State, including long-term stabilization of distressed neighborhoods and the creation of construction jobs. This multi-year initiative includes the revitalization of 44 Mitchell Lama affordable housing projects that suffer from significant physical deterioration and were transferred to the Housing Finance Agency from the Empire State Development Corporation in 2013-14. Additional affordable housing units will be created or preserved through various housing and community development programs. The 2015-16 Budget includes \$42 million in continued support for the Mitchell Lama portfolio and \$187.2 million for HCR and OTDA's capital programs that support the creation or

preservation of affordable and supportive housing across the State.

- **Utilize Mortgage Insurance Fund (MIF) Resources to Support Various Housing Programs.** The Budget utilizes \$50 million in excess reserves from the MIF to support the Neighborhood and Rural Preservation Programs (NPP/RPP) and the Rural Rental Assistance Program (RRAP) through the Housing Trust Fund Corporation, as well as homeless housing programs through the Homeless Housing and Assistance Corporation.
  
- **Utilize JP Morgan Settlement Funds to Support Various Housing Programs.** The Budget commits nearly \$440 million in JP Morgan mortgage settlement proceeds to help those negatively impacted by the mortgage foreclosure crisis. This is accomplished by investing in programs that would revitalize communities, preserve housing for existing residents, and create new housing for the State's most vulnerable populations, including those with special needs, the homeless, and those living with HIV/AIDS. Specifically, the Budget provides:
  - \$116 million for NY/NY IV, a new statewide program to support approximately 5,000 new supportive housing units;
  - \$100 million to preserve and create new affordable housing opportunities;

- \$70 million to revitalize commercial and residential properties, as well as encourage community renewal activities;
- \$40 million for homeless assistance efforts;
- \$27 million to support rental assistance to those with HIV/AIDS;
- \$25 million for improvements to public housing;
- \$25 million to improve seniors and veterans housing;
- \$22 million to help homeowners write-down mortgage payments; and
- \$15 million in low cost financing and access to capital through CDFIs.

### ***Human Services***

- **Raise the Age of Juvenile Jurisdiction.** New York is one of only two states in which the age of juvenile jurisdiction ends on a youth's 16<sup>th</sup> birthday. This means that all 16 and 17 year olds are processed in the adult criminal court system, and not through the Family Courts, regardless of the nature of their offense. All other states, except for North Carolina, set the age at 17 or 18 years old. Research has shown that incarcerating adolescents in adult jails and prisons has significant negative impacts, including higher suicide rates and increased recidivism. Experience in other states, such as Connecticut and Illinois, has shown that raising the age of juvenile jurisdiction can lower recidivism and juvenile crime rates through evidence based interventions that keep non-violent young

offenders out of the justice system and into needed services.

In 2014, the Governor established the Commission on Youth, Public Safety and Justice to make recommendations on how best to raise the age of juvenile jurisdiction to age 18, improve outcomes for youth, and promote community safety. The 2015-16 Executive Budget reflects the first steps to implement the Commission's recommendations with an investment of \$25 million to plan, create and expand services. This will include diversion and probation services for 16 and 17 year old youth who will be involved in the juvenile justice system and placing newly sentenced 16 and 17 year old youth with OCFS, rather than in adult correctional facilities beginning December 1, 2015. The age of juvenile jurisdiction will be raised to age 17 on January 1, 2017 and to age 18 on January 1, 2018.

- **Expand and Make Permanent the Educational Services Offered to Youth in OCFS Facilities.** In 2013-14, OCFS was authorized to enter into contracts with the Boards of Cooperative Educational Services (BOCES) for special education services at its youth facilities. The Executive Budget proposes to make permanent OCFS' authority to contract with BOCES and to expand OCFS' authority to contract with BOCES for additional areas such as foreign languages, music, art, career and technical skills and others that will increase educational opportunities for youth at the agency's facilities.

- **Create the Nonprofit Infrastructure Capital Investment Program.** The Executive Budget creates a \$50 million Nonprofit Infrastructure Capital Investment Program to make targeted investments in capital projects that will improve the quality, efficiency, and accessibility of eligible nonprofit human services organizations that provide direct services to New Yorkers. Targeted areas of investment include, but are not limited to, renovations or expansions of space used for direct program services; technology upgrades related to improving electronic records, data analysis, and/or confidentiality; modifications to provide for sustainable, efficient spaces that would result in overall energy and cost savings; and accessibility renovations.
- **Create a New Office of Faith-Based Community Services.** The Executive Budget authorizes the establishment of the Office of Faith-Based Community Services to assist and maximize community and faith-based organizations in providing education, health, workforce training, food programs and social services to communities.
- **Establish a New York City Share for Emergency Assistance to Needy Families (EAF) Expenditures.** The Budget establishes a 10 percent local share for New York City to support the EAF program, which provides short-term assistance in crisis situations to eligible families earning less than 200 percent of the Federal Poverty Level. The program is currently

fully supported with Federal resources but prior to 2011-12 all LSSDs, including New York City, had a 25 percent share in the EAF program. Between 2011-12 and 2013-14, when no local share was in place, New York City EAF expenditures increased 110 percent. This action will encourage fiscal discipline and will save approximately \$15 million in 2015-16.

- **Increase Foster Care Block Grant to partially finance Cost of Living Adjustment.** The Budget continues the commitment made in 2014 to provide a two percent salary increase for foster and adoptive parents as well as direct care and direct care support workers beginning January 1, 2015. The Budget also supports another two percent salary increase for those populations, as well as clinical staff, effective April 1, 2015. The Executive Budget provides a \$9 million increase to the Foster Care Block Grant in order to finance an estimated 50 percent of the cost. The remaining cost will be supported by local social services districts, consistent with current overall shares of Foster Care expenditures.
- **Support Investment in Homeless Services.** The Executive Budget caps OCFS youth facility billings to LSSDs at a cumulative \$275 million through 2018-19, saving local districts approximately \$425 million. New York City is required to invest its share of savings, estimated at \$220 million, in rental assistance programs or other homeless services to address the homeless population.



# 11. Local Government

## Overview

The 2015-16 Executive Budget continues Governor Cuomo's commitment to reducing property taxes, improving local government efficiency, and assisting distressed local governments, while maintaining core local government assistance.

Highlights include:

- **Providing Property Tax Relief to Those Who Need it Most.** Building on the success of the property tax cap and the property tax freeze credit, the Executive Budget creates a new Real Property Tax Credit available to households with incomes below \$250,000 whose property taxes exceed six percent of their income. This program will provide \$1.66 billion in direct relief to New York taxpayers.

- **Eliminating Duplicative and Overlapping Governments.** The Budget provides \$150 million from the Special Infrastructure Account to assist and encourage local governments and school districts to implement shared services, cooperation agreements, mergers, and other actions that permanently reduce operational costs and property tax burdens. This also includes continued funding for Financial Restructuring Board awards and other efficiency programs.

In addition to these reforms, the Executive Budget continues to provide \$715 million to local governments in unrestricted aid.

### **Keeping the Focus on Property Taxes**

New York residents face one of the country's highest property tax burdens. In his first year in office, Governor Cuomo advanced and secured approval of one of the strictest property tax caps in the country. In the first three years under the tax cap, property taxes grew an average of just 2.2 percent per year – less than half the average annual growth from 2000 to 2010.

Through the first three years of the cap, the average property tax payer has saved more than \$800, compared to if taxes had continued to grow at the

previous average rate of growth. If this trend continues, by 2017, the typical taxpayer will have saved more than \$2,100 in local property taxes.

The second phase of the Governor's property tax relief program was the Property Tax Freeze, enacted last year. The Property Tax Freeze provides direct relief to New York homeowners and addresses one of the drivers of the State's high property taxes – the outsized number of local governments. Over three years, the program will result in over \$1.5 billion in direct property tax relief, with the average New York taxpayer receiving approximately \$656. Equally important, the freeze is designed to incentivize local governments and school districts to seek efficiencies and share services to reduce their financial burden on the taxpayer.

In the first year (2014 for school taxes and 2015 for local government taxes), homeowners with incomes at or less than \$500,000 who reside in a school district or local government that stays within the tax cap will receive a State tax credit equal to the increase in property taxes. In order for their homeowners to get the tax credit in the second year, school districts and local governments must have continued to stay within the tax cap and have submitted a Government Efficiency Plan

that demonstrates savings through shared services, cooperation agreements, mergers, or efficiencies.

The 2015-16 Executive Budget takes the next step in reducing the property tax burden by creating a new Real Property Tax Credit available to households with incomes below \$250,000 and whose property taxes exceed six percent of their income. The credit is valued at up to 50 percent of the amount by which property taxes exceed the six percent threshold, depending on household income. When fully implemented, more than 1.3 million taxpayers will receive a credit averaging \$950, statewide. Outside of NYC, only the taxes levied by a tax cap-compliant jurisdiction are included in the credit calculation.

The Real Property Tax Credit also includes a renters' credit, based upon the estimate that 13.75 percent of annual gross rent is attributed to property taxes. The credit is available to taxpayers with incomes up to \$150,000 when the amount attributed to property taxes exceeds six percent of their income. This will ensure equity and fairness for approximately one million New Yorkers who – while not owning property – are still burdened by the State's high property tax rates.

## **Eliminating Duplicative and Overlapping Local Governments**

One of the drivers behind New York's high local government cost and property tax burden is its duplicative and overlapping local government structure. The property tax freeze attacks this issue by requiring local governments and school districts to develop a Government Efficiency Plan in order for their taxpayers to be eligible for the second year of the tax freeze. The Government Efficiency Plans are due in June 2015 and must identify recurring savings from shared services, cooperation agreements, mergers, and efficiencies.

The 2015-16 Executive Budget maintains and enhances the support for these activities through \$150 million from the Special Infrastructure Account. This will support:

- **Transformational Grants.** Funding will be awarded for one-time costs related to transformational projects that reduce the long-term cost of local government and school district services. This includes financing the implementation of high quality proposals identified in the Government Efficiency Plans.
- **Citizens Reorganization Empowerment Grants.** These grants provide funding of up to \$100,000 for local governments to cover costs

associated with planning and implementing local government reorganization activities, such as consolidations and dissolutions. Expedited assistance is given to local governments that have received a citizen petition for consolidation or dissolution.

- **Citizen Empowerment Tax Credits.** For cities, towns, or villages that consolidate or dissolve, these tax credits provide an annual aid bonus equal to 15 percent of the newly combined local government's tax levy. At least 70 percent of such amount must be used for direct relief to property taxpayers.
- **Local Government Efficiency Grants.** These competitive grants provide funding to help cover costs associated with local government efficiency projects, such as planning for and/or implementation of a functional consolidation, shared or cooperative services, and regionalized delivery of services. The maximum implementation grant award is \$200,000 per municipality/\$1 million per grant consortium, and the maximum planning grant award is \$12,500 per municipality/\$100,000 per grant consortium.
- **Financial Restructuring Board Awards.** Grants and/or loans of up to \$5 million per municipality may be awarded by the Financial Restructuring Board for Local Governments.

This support will empower local governments and school districts to implement actions in their Government Efficiency Plans that reduce the property tax burden on their taxpayers.

### **Restructuring Distressed Local Governments**

The Financial Restructuring Board for Local Governments was created in 2013 to help distressed local governments restructure and regain solvency before the strict enforcement of a control board is needed. The ten-member board is chaired by the Budget Director and includes the State Comptroller, the Attorney General, the Secretary of State, and six other members appointed by the Governor. Of these six appointees, one is recommended by the Temporary President of the Senate, and one is recommended by the Speaker of the Assembly.

Any eligible county, city, town, or village may request a Comprehensive Review from the Board. The Review will assess the local government's operations, finances, and management structure and, based on this information, make recommendations on restructuring municipal operations to improve its finances and efficiency. In addition, the Board can offer grants and/or

loans of up to \$5 million per municipality through the Local Government Performance and Efficiency Program for implementing the recommendations. If the local government agrees to undertake the Board's recommendations, it will be contractually bound to fulfill those terms in order to receive the aid.

The Board has undertaken Comprehensive Reviews for seven local governments - the Cities of Rochester, Albany, Jamestown, and Fulton, the Villages of Alfred and Wilson, and the Town of Fishkill. Additional Comprehensive Review requests are expected.

### **Relieving Local Government Mandates**

The burden of local government mandates has existed for decades. These requirements have grown over time and are woven throughout statute and regulation. Governor Cuomo made mandate relief a priority and cut away at dozens of burdensome and expensive requirements. Reforms that have been enacted or are being advanced with the 2015-16 Executive Budget include:

- **Local Youth Facility Costs.** The 2015-16 Budget caps the mandated costs imposed on counties and New York City for the operation of New York State Office of Children and Family Services juvenile facilities. Billings would be capped at \$55 million annually through 2018-19, providing total local savings of \$425 million over this time period. New York City's savings would be reinvested in homeless assistance programs and services.
- **Medicaid Relief.** Medicaid is one of the biggest costs for counties and New York City. The State has eliminated growth in the local share of Medicaid, saving counties and New York City \$2.8 billion over five years (2014-15 – 2018-19). For 2014-15 and beyond, the cost of Medicaid to counties and New York City will not increase. Along with the expense growth, the State is also assuming Medicaid administrative responsibilities for counties. This will result in greater efficiencies and help achieve State and Federal health care reform initiatives.
- **Pension Reform.** In recent years, pensions have been one of the fastest growing costs for local governments and school districts. In 2012, a new pension tier was created in the State pension system that will save the State, local governments, and school districts more than \$80 billion over the next 30 years. In 2013, local governments and school districts were given the option to have a more stable pension contribution rate, which has greater

predictability and allows for access to the savings from the 2012 reforms.

- **Binding Arbitration.** After decades of local government calls for change to the binding arbitration process with police and fire unions, reforms were enacted in 2013 to require arbitrators to give significant weight to a distressed local government's ability to pay and to consider the property tax cap when making awards. This will help ensure that awards reflect the high burden already faced by property taxpayers in these communities.

These important reforms will help local governments manage their budgets and reduce the burden placed on property taxpayers.

### **Maintaining Core Local Government Aid**

In addition to freezing property taxes and providing grants to help local governments consolidate and restructure, the 2015-16 Executive Budget proposes to maintain most direct local government aid programs, including the Aid and Incentives for Municipalities (AIM) program for cities, towns, and villages, at 2014-15 funding levels.

- **AIM for Cities, Towns, and Villages.** The 2015-16 Budget maintains \$715 million in

unrestricted AIM funding to cities, towns, and villages.

- **Consolidation and Restructuring Programs.** The Budget maintains funding to support the Citizens Reorganization Empowerment Grants, the Citizen Empowerment Tax Credits, and the Local Government Efficiency Grants. It also maintains funding to be awarded by the Financial Restructuring Board through the Local Government Performance and Efficiency Program.
- **Small Government Assistance.** The Budget maintains Small Government Assistance Grants for Essex, Franklin, and Hamilton counties at existing levels.

The 2015-16 Executive Budget discontinues funding for several legislative programmatic additions including Village Per Capita Aid, Miscellaneous Financial Assistance, and the 2014-15 increase to Video Lottery Terminal Impact Aid.

## Summary of Spending

Category	2014-15 (millions)	2015-16 (millions)	Change	
			Dollars (millions)	Percent
AIM – Cities Outside NYC	647.1	647.1	0	0
AIM – Towns and Villages	67.6	67.6	0	0
<b>Total AIM</b>	<b>714.7</b>	<b>714.7</b>	<b>0</b>	<b>0</b>
Citizens Empowerment Tax Credits and Grants	1.6	2.0	0.4	25
Local Government Performance and Efficiency Program	14.3	14.8	0.5	3
Local Government Efficiency Grants	6.4	6.6	0.2	3
VLT Impact Aid	29.3	27.2	(2.1)	(7)
Miscellaneous Financial Assistance	5.8	0.4	(5.4)	(93)
Village Per Capita Aid	2.0	0.0	(2.0)	(100)
Small Government Assistance	0.2	0.2	0	0
Buffalo/Erie Efficiency Grants*	3.2	0.0	(3.2)	(100)

\*Spending will be reduced to zero as the programs reach completion.

## Overall Fiscal Impact on Local Governments

The 2015-16 Executive Budget results in a year-to-year local impact of over \$1.1 billion for municipalities and school districts for their fiscal years ending in 2016. These savings are primarily the result of a statewide school aid increase of nearly \$1.1 billion. Local governments including New York City will also

benefit by \$54.4 million from various sales tax and income tax proposals, \$9.9 million from human services proposals, and \$15.6 million from higher Downstate transit assistance. These benefits will be partially offset by a \$3.7 million reduction in municipal aid and a \$600,000 public protection reduction.

<b>Impact of the 2015-16 Executive Budget on Local Governments (Local Fiscal Year Ending in 2016) (\$in millions)</b>					
	<b>Total</b>	<b>NYC</b>	<b>School Districts (non-NYC)</b>	<b>Counties</b>	<b>All Other</b>
School Aid*	1,063.5	TBD	TBD	0.0	0.0
Revenue Actions	54.4	22.6	0.4	26.7	4.7
Human Services**	9.9	(20.8)	0.0	30.7	0.0
Transportation	15.6	6.9	0.0	8.7	0.0
Municipal Aid	(3.7)	0.0	0.0	(0.6)	(3.1)
Public Protection	(0.6)	(0.6)	0.0	0.0	0.0
<b>Total 2015-16 Executive Budget Actions</b>	<b>1,139.1</b>	<b>8.1</b>	<b>0.4</b>	<b>65.5</b>	<b>1.6</b>

\* The specific distribution of this new aid will be determined in the Enacted Budget.

\*\*This does not reflect the \$220 million in savings for New York City through 2018-19 due to capping Youth Facility charge backs, as New York City would be required to reinvest these savings in homeless assistance programs.

Note: Due to the inability to determine the precise impacts by class of government as well as the anticipated timing by fiscal year, these totals do not include the following actions affecting local governments: Up to \$150 million in settlement funds for municipal restructuring, a potential \$10 million benefit from auditing NYSHIP dependent eligibility, and \$5 million in grants for local water fluoridation systems.





## **12. Mental Hygiene**

The Executive Budget supports expansion of community-based care, continues to strengthen the oversight of care provided to vulnerable persons, makes investments to improve the accountability of mental hygiene agencies, and ensures that individuals are served safely in the most integrated and cost effective setting possible.

### **Overview**

The mental hygiene agencies and associated not-for-profits provide services to individuals with mental illness, developmental disabilities, and addictions. These agencies are comprised of the Office of Mental Health (OMH), the Office for People With Developmental Disabilities (OPWDD), the Office of Alcoholism and Substance Abuse Services (OASAS), the

Developmental Disabilities Planning Council (DDPC), and the Justice Center for the Protection of People with Special Needs (Justice Center). The mental hygiene agencies support services for more than one million individuals, including more than 700,000 people with mental illness, 245,000 people with chemical dependencies or gambling problems, and over 125,000 individuals with developmental disabilities. In addition, OASAS serves over 400,000 youth in school and community based substance abuse prevention programs.

### **Caring for New York's Vulnerable Citizens**

The State's Mental Hygiene system provides care and services for individuals in institutional facilities, community residences and community settings. The State operates institutional and community-based services and research facilities, and oversees residential, outpatient, employment, clinic, habilitative, and treatment programs operated by not-for-profit provider agencies that help individuals live in the setting they desire and lead full and productive lives.

The Executive Budget reflects the Governor's ongoing efforts to fundamentally improve the

protection and care of vulnerable individuals. Strategic investments are funded by programmatic efficiencies and system-wide solutions to reduce State operations cost in service delivery, purchasing, business services, information technology, and other areas. To ensure that individuals receive appropriate services, the Executive Budget increases funding for community-based programs, and redirects funding from high-cost institutional services to more effective lower-cost program models that provide expanded services to more people.

Proposed actions for the Mental Hygiene agencies include enhancing community mental health services, right-sizing and improving State-operated inpatient services, utilizing less costly and more programmatically appropriate in-state community residential programs, enhancing employment opportunities for individuals with disabilities, improving the investigatory process for abuse and neglect complaints, placing aggressive cost controls on State agency operations, and maximizing payments from third-party payers.

The Executive Budget increases funding to help divert individuals from prison to OMH and OASAS

treatment programs, and assists with re-entry into the community when leaving prison. It also provides for additional community mental health services for certain nursing home and adult home residents, and supports expanded community residential and day services for individuals served by OPWDD. In total, this budget supports up to 3,500 new or expanded residential, day and other service opportunities for individuals with developmental disabilities, with funding allocated based on the specific needs of the individual. The budget also supports approximately 1,300 new OMH and OASAS NY/NY III and other priority beds; 400 new OMH supportive housing units; 250 new OMH Home and Community Based Waiver slots; and roughly 300 new OMH community opportunities, including intensive case management services.

The Executive Budget proposals result in Mental Hygiene system spending of \$7.2 billion in 2015-16, reflecting an annual spending decline of \$314.6 million (4.2 percent). Adjusting for the interaction with DOH Medicaid spending and the timing of Federal resources, annual spending actually increases by \$207.4 million, or 2.5 percent. Spending on New York's Mental Hygiene system ranks near the top nationally.

## Summary of Spending (All Funds)

Category	2014-15 (millions)	2015-16 (millions)	Change	
			Dollar (millions)	Percent
OPWDD	4,266.8	4,400.6	133.8	3.1
OMH	3,337.5	3,384.6	47.1	1.4
OASAS	578.1	600.6	22.5	3.9
JUSTICE CENTER	38.6	42.6	4.0	10.4
DDPC	4.2	4.2	0.0	0.0
<b>Subtotal</b>	<b>8,225.2</b>	<b>8,432.6</b>	<b>207.4</b>	<b>2.5</b>
Adjustments*	(757.0)	(1,279.0)	(522.0)	N/A
<b>Total</b>	<b>7,468.2</b>	<b>7,153.6</b>	<b>(314.6)</b>	<b>(4.2)</b>

\*Adjustments reflect spending of \$757 million in 2014-15 and \$957 million in 2015-16 for OPWDD services that are reflected in DOH Medicaid spending and new multi-year initiatives of \$322 million in 2015-16 (\$288 million in OPWDD; \$34 million in OMH) that are supported by Federal BIP resources.

## Proposed 2015-16 Budget Actions

### *OPWDD*

Over the past four years, Governor Cuomo has taken substantial steps to ensure the continued health and safety of individuals with developmental disabilities, and to improve the overall quality and cost-effectiveness of community-based, person-centered services. This budget continues the Governor's long-standing commitment to support individuals with developmental disabilities in the most appropriate

community-based settings, and reflects a 3.1 percent spending increase. Specifically, the Executive Budget will:

- **Include \$177 Million in Program Spending to Improve Services.** Investments from the Balancing Incentive Program (BIP) will enable the State to engage a broad network of providers, advocates, and community leaders to develop systematic improvements to delivery systems for individuals with developmental disabilities and enhance community integration. BIP funds will be used to make strategic investments to transform services and supports to more integrated, community-based opportunities; increase employment opportunities for individuals with developmental disabilities; implement electronic health record systems; and support the system's transition towards managed care.
- **Invest \$120 Million for New OPWDD Service Opportunities.** This money will support new service opportunities for individuals with developmental disabilities. Services will be based on OPWDD's person-centered processes, which include an individualized needs assessment and planning process. These new resources will support expanded services throughout OPWDD's continuum of care, including certified and non-certified residential opportunities, day programs, employment, case management, and respite services for qualifying individuals. This level of support would provide up to 3,500 new or expanded opportunities for

individuals with developmental disabilities, to support the array of services necessary to meet the specific needs of the individual.

- **Dedicate \$42 Million to Transition Individuals to More Appropriate Community-Based Settings.** Consistent with the Olmstead Cabinet report and the Federal Centers for Medicare & Medicaid Services (CMS) requirements, this budget continues to transition individuals from segregated settings, such as developmental centers (149 individuals) and intermediate care facilities (100 individuals) to more integrated, community-based support systems. As part of this effort, OPWDD will utilize a combination of not-for-profit and State-operated services to deliver appropriate community-based services specific to individualized needs. The Budget also makes a significant expansion of OPWDD's pilot program, using more than 100 State workers for the provision of person-centered, community integrated service models.
- **Generate Efficiencies to Hold Spending for Administration to Prior Year Levels.** Reductions in overtime and Non-Personal Service (NPS) will offset increased salary and facility costs.

## **OMH**

Over the past four years, Governor Cuomo has taken substantial steps to expand community services and transition individuals to more appropriate community settings. The Executive Budget continues to build on these efforts. Specifically, the budget will:

- **Provide \$68 Million to Improve Community Integration and Services.** Investments from BIP are designed to facilitate community integration and employment. Specifically, investments will be used to assist in the transition to managed care and the expansion of health home capacity; increase the number of children's community services with 250 additional Home and Community Based Services (HCBS) waiver slots; provide additional funding for community residences; and increase support for the Personalized Recovery Oriented Services program (PROS).
- **Invest \$22 Million to Expand Services to Individuals at Risk of Violence.** This investment will provide enhanced services to at-risk individuals with the goal of reducing recidivism and potential violence in the community. OMH will provide additional in-prison assessments and treatment for high risk inmates, maintain individuals in OMH facilities when appropriate, and provide more aggressive community services through the use of additional Assertive Community Treatment

(ACT) teams and supported housing and related services.

- **Dedicate an Additional \$20 Million for New Community Residential Opportunities.** This reflects funding for additional supported apartments to facilitate the transition of individuals from adult homes (400 individuals) and nursing homes (100 individuals) to the community, as well as 1,200 additional congregate care beds primarily associated with the NY/NY III program to reduce homelessness.
- **Invest \$15 Million in Additional Community Services.** These investments, which build upon \$44 million of enhancements that are continued from 2014-2015, will be used to expand a variety of community services based on regional needs reflecting stakeholder input, and are expected to reduce the need for more costly inpatient beds. These investments are in addition to the more than \$800 million, excluding Medicaid, spent for these services last year.
- **Provide \$10 Million to Strengthen Existing Supported Housing Programs.** To avoid the risk of homelessness and adverse outcomes, the Budget proposes to increase support for approximately 13,000 supported housing units by using a portion of JP Morgan settlement funds. These funds will be utilized to increase rental subsidy amounts (roughly \$750 annually on average) in areas facing the greatest fair market value cost pressures.

## **OASAS**

The Executive Budget includes new funding to support OASAS' continued efforts to better serve individuals with dependencies on alcohol and chemical substances and problem gambling issues.

- **Combat Heroin Initiatives.** New funding of \$5 million is included, in addition to last year's \$133 million in OASAS funding, which is strategically allocated to address the growing heroin and opiate epidemic in communities across the State. The Budget also continues \$2.8 million added when Governor Cuomo signed legislation in June 2014 to combat this crisis. Combined, these funds will continue to support treatment and prevention programs targeted toward opiate abuse, residential service opportunities, and public awareness and education activities.
- **Expand Community Services.** The Budget also includes funding for 80 new congregate care beds associated with the NY/NY III program, and \$1.9 million for additional community services that will be funded from a planned 5 percent reduction in OASAS-operated inpatient Addiction Treatment Center capacity.

The Budget supports OASAS' movement to a more coordinated system of care that addresses the behavioral and physical health care needs of individuals with substance use disorders and mental illness.

## ***Justice Center***

The Justice Center has primary responsibility for tracking, investigating and pursuing serious abuse and neglect complaints related to facilities and provider agencies that are operated, certified, or licensed by: OMH, OPWDD, OASAS, the Department of Health (DOH), the Office of Children and Family Services (OCFS), and the State Education Department (SED). Since opening in June 2013, the Justice Center has worked to establish the necessary resources, systems and infrastructure to accomplish its core mission of protecting the health and safety of vulnerable individuals in the State's care.

In 2015-16, the Justice Center will fully assume investigative responsibility for all cases of abuse and neglect in State-operated programs. The agency will also deliver statewide training to law enforcement officials to facilitate effective interviewing techniques of individuals with special needs and disabilities, and evaluate the use of a universal incident management system to provide a single, statewide platform to improve the accuracy, consistency and quality of incident reporting, tracking, and data analysis.

The Budget reflects \$692,000 in savings from operational efficiencies that will be used to offset increased costs related to transferring positions to the Justice Center.

### ***Multi-Agency Budget Actions***

The Executive Budget includes \$84 million to support compensation increases for direct care and clinical staff at not-for-profits within OPWDD, OMH and OASAS. This reflects the continuation of the 2014-15 Enacted Budget commitment to provide increases for State-funded programs to help support a 2 percent compensation increase for direct care and direct support workers beginning January 1, 2015. The 2015-16 Budget also provides funding to support an additional 2 percent increase for those same workers, including a first time 2 percent compensation increase for clinical staff, effective April 1, 2015.

The Budget also directs \$750,000 within DOH in order to enhance community mobility and transportation services for the elderly and individuals with disabilities. These funds will be used to hire a transportation management expert to perform a cross-agency mobility management needs assessment

designed to improve transportation services for people served by these agencies so they can live in the most integrated setting possible.

Additionally, legislation is proposed to require that the ambulatory behavioral health fees paid through 2017 by managed care organizations for patients enrolled in Child Health Plus be equivalent to those paid under Medicaid managed care.



# **13.**    **Public Safety**

The Executive Budget provides resources to make New York more prepared for and resilient to future man-made and natural emergencies. Equally important, it reflects an approach to public safety that is tough, smart and fair. These priorities, taken together, will better protect New York families and their property.

## **Overview**

The State spends \$4.8 billion annually to protect New York's residents. The public safety agencies assist local communities with crime prevention, supervise criminal offenders both in prison and in the community, patrol the highways, protect critical State assets, and respond to natural disasters and terrorist threats.

## **Focusing on Emergency Preparedness and Crime Prevention**

### ***Emergency Preparedness***

Within the last four years, New York State sustained damage from Hurricane Irene, Tropical Storm Lee, and Superstorm Sandy – three powerful storms that crippled entire regions. Recognizing that future extreme weather events and natural disasters are likely, the Executive Budget supports a series of emergency preparedness initiatives to prevent loss of life and damage to our communities. These initiatives include establishing a statewide emergency preparedness system, continuing efforts to prepare citizens for emergencies, and enhancing oil spill preparedness. In addition, the Executive Budget makes available \$150 million from the Special Infrastructure Account to support preparedness and response efforts in counter-terrorism and natural disasters including severe weather events, as well as public safety and health emergencies. In concert, these actions will result in a world-class emergency management and response network in New York.

## ***Criminal Justice***

New York has one of the lowest crime rates in the country, and also has the lowest imprisonment rate of any large state. From 2004 to 2013, the crime rate in New York declined 15 percent, with a continued decline in the first six months of 2014. In 2013, the number of major crimes committed reached the lowest levels ever recorded, when there were 68,297 fewer major crimes reported statewide than in 2004. Simultaneous with this significant decline in crime, the State's prison population has fallen from a peak of 72,600 in 1999 to a current population of approximately 53,000 – the lowest level in more than two decades.

Last year, the Governor established the Commission on Youth, Public Safety and Justice to make recommendations on how best to raise the age of juvenile jurisdiction to age 18, improve outcomes for youth, and promote community safety. The 2015-16 Budget will begin to implement the Commission's recommendations.

### Summary of Spending (All Funds)

Category	2014-15 (millions)	2015-16 (millions)	Change	
			Dollar (millions)	Percent
Department of Corrections and Community Supervision	3,003	3,045	42	1.4
Division of State Police	690	708	18	2.6
Division of Criminal Justice Services	254	226	(28)	(11.1)
Division of Homeland Security and Emergency Services	638	621	(17)	(2.7)
All Other	260	255	(5)	(1.9)
<b>Total Public Safety</b>	<b>4,845</b>	<b>4,855</b>	<b>10</b>	<b>0.2</b>

Spending for public safety agencies is projected at \$4.8 billion for 2015-16. The year-to-year change in the Department of Corrections and Community Supervision is primarily attributable to an additional institutional pay period in 2015-16. The reduction in the Division of Criminal Justice Services primarily reflects the elimination of spending on non-recurring items directed by the Legislature.

In addition, the Executive Budget also reflects \$3.4 billion in Federal aid which will flow to local governments, public authorities, and not-for-profits

over the next three years to continue the State's recovery from Superstorm Sandy.

## **Proposed 2015-16 Budget Actions**

### ***Disaster Recovery and Preparedness***

- **Establish a Statewide Emergency Preparedness System.** To strengthen and better coordinate response across all levels of government, the State will build a world-class emergency management and response network. New protocols, business processes and enterprise solutions will be created to ensure the most efficient and coordinated response to emergencies. Local governments will be trained on new processes and systems to ensure seamlessly integrated efforts. Systems development will be supported through the State's IT Innovation Capital Fund.
- **Prepare Citizens for Emergencies.** The Division of Homeland Security and Emergency Services, in collaboration with the National Guard, has provided in-person training to 37,800 citizens this past year. In addition, 2,800 citizens have completed an online course in preparedness. With the continued goal of preparing 100,000 citizens for emergencies, Homeland Security and the National Guard will provide further trainings in 2015-16. The Executive Budget makes \$3.2 million in new funding available to support this effort.

- **Enhanced Training for Oil Spill Preparedness.** In response to the increased volume of crude oil being transported through New York State, the Executive Budget includes funding to ensure a well prepared and coordinated response to an oil spill. As part of this effort, the Office of Fire Prevention and Control (OFPC) within the Division of Homeland Security and Emergency Services, will train career fire departments and purchase emergency equipment and supplies. These resources will be strategically positioned throughout the State, which will be available to local and State emergency responders in the event of an oil spill.
- **Continue Counter-terrorism Efforts.** The Governor has taken significant counter-terrorism actions in 2014-15. Most notably, the Governor has: implemented a counter terrorism surge that has doubled the size of the National Guard's Joint Task Force Empire Shield; and ordered a significant increase in the number of uniformed officers from the New York State Police, the Metropolitan Transit Authority and the Port Authority to patrol train platforms, stations and trains. The 2015-16 Executive Budget provides funding to continue counter-terrorism efforts, including the convening of an International Security Task Force, in order to incorporate the most cutting edge security enhancements into the State's planning and deployment.

## ***Criminal Justice***

- **Raise the Age of Juvenile Jurisdiction.** New York is one of only two states in which the age of juvenile jurisdiction ends on a youth's 16th birthday. This means that all 16 and 17 year olds are processed in the adult criminal court system, and not through the Family Courts, regardless of the nature of their offense. All other states, except for North Carolina, set the age at 17 or 18 years old. Research has shown that incarcerating adolescents in adult jails and prisons has significant negative impacts, including higher suicide rates and increased recidivism. Experience in other states, such as Connecticut and Illinois, has shown that raising the age of juvenile jurisdiction can lower recidivism and juvenile crime rates through evidence based interventions that keep non-violent young offenders out of the justice system and into needed services.

In 2014, the Governor established the Commission on Youth, Public Safety and Justice to make recommendations on how best to raise the age of juvenile jurisdiction to age 18, improve outcomes for youth, and promote community safety. The 2015-16 Executive Budget reflects the first steps to implement the Commission's recommendations with an investment of \$25 million to plan, create, and expand services. This will include diversion and probation services for 16 and 17 year old youth who will be involved in the juvenile justice system, placing newly sentenced 16 and 17 year

old youth in OCFS facilities. The age of juvenile jurisdiction will be raised to age 17 on January 1, 2017 and to age 18 on January 1, 2018.



# 14. State Workforce

## Overview

State employees deliver services to the public and manage a range of facilities and provider networks. They oversee and administer billions of dollars in program funding and capital projects. There are 180,119 State employees employed in Executive agencies, the SUNY and CUNY systems and in the Offices of the Attorney General and State Comptroller. Between December 2010 and the end of 2015-16, positions in Executive-controlled agencies will have been reduced by 6.5 percent.

Approximately 94 percent of the State workforce is unionized – there are 10 employee unions and 14 negotiating units. In addition, approximately 10,800 unrepresented employees are designated Management/Confidential (M/C).

State employees receive an average compensation (salary and other pay) of \$68,001 plus fringe benefits, totaling \$107,720. The largest State employers are:

<b>Agency</b>	<b>Workforce (3/31/15 Estimate)</b>
State University of New York	43,576
Department of Corrections and Community Supervision	28,821
Office for People With Developmental Disabilities	18,605
Office of Mental Health	14,380

## **Maintaining a Cost-Effective State Workforce**

### ***Closing Excess Facilities***

Hundreds of millions of dollars have been saved by closing unnecessary or redundant State facilities. State employee jobs have been protected through a job placement initiative for employees impacted by facility closures and restructurings. Since 2011, the reduction of 5,519 prison beds and closure of 13 underutilized prisons has resulted in an estimated \$162 million in annual savings for New York taxpayers. In addition, the Office of Children and Family Services has closed 13 residential facilities, one group home, and three Day Placement/Evening Reporting Center programs, and has downsized four of its remaining 12 facilities. This

has resulted in a reduction of 531 beds and nearly \$50 million in savings. The Office for People with Developmental Disabilities and the Office for Mental Health have transitioned over 1,000 individuals from State institutions to more integrated community-based settings and closed five under-utilized facilities without layoffs. The roughly \$150 million in annual Mental Hygiene savings from these efforts have been reinvested to ensure that individuals with developmental disabilities and mental illness can live safely in the community, provided for a significant expansion of community services, and supported salary increases for State and not-for-profit workers.

### ***Collective Bargaining***

The Executive Budget reflects a series of historic collective bargaining agreements with 97 percent of employees in agencies subject to direct Executive control. These agreements have saved the State hundreds of millions of dollars during one of the most difficult economic periods in our nation's history. A new round of bargaining will commence in 2015-16 with expiring contracts associated with employees represented by the New York State Public Employees

Federation (PEF) and the Police Benevolent Association of New York State.

Across all previously settled unions, the last round of bargaining agreements included significant wage and benefit concessions, including:

- A two-year reduction in employee compensation which temporarily saved \$300 million;
- Increases to employee/retiree health benefit premium shares, copays, out-of-network deductibles and coinsurance that save nearly \$230 million annually; and
- No general salary increases for three years (2011-12 through 2013-14).

Represented employees received job security during the recession and a two percent general salary increase in 2014-15. Additionally, employees whose contracts continue in 2015-16 will receive another two percent increase -- this group includes commissioned and non-commissioned officers in the Division of State Police and employees represented by CSEA, NYSCOPBA, Council 82, UUP, GSEM and DC-37 (Housing).

### ***Pension Reform***

In 2012-13, the State enacted Tier VI pension reform to help control escalating retirement costs for State government, local governments and school

districts. As of April 1, 2012, all newly hired public employees belong to Tier VI. This new pension tier requires employees to contribute, depending upon annual salary, between 3 percent and 6 percent of their salary toward their pension; raises the retirement age for non-uniformed employees from 62 to 63; reduces the pension multiplier so that, for example, a 30-year employee, will have a 55 percent pension benefit instead of a 60 percent benefit; extends the Final Average Salary period from 3 to 5 years; and places a cap on overtime factored in the calculation of Final Average Salary. In addition, Tier VI provides new employees who do not belong to a bargaining unit and earn more than \$75,000 per year the option of enrolling in a defined contribution plan. It is estimated this reform will significantly diminish long-term pension costs, saving the State, local governments and school districts more than \$80 billion over the next 30 years.

### ***The New York State Health Insurance Program***

The State's employee and retiree health plan, the Empire Plan, is now self-insured. The medical component of the Plan became self-insured on January 1, 2013, and the hospital, prescription drug and mental

health components became self-insured on January 1, 2014. Previously, the State paid a set annual premium to its health insurance carriers to fund benefit claims. Under the new arrangement, the State assumes full responsibility for the payment of benefit claims. This allows the State, local governments and public authorities (and their employees and retirees) to avoid paying annual New York State and certain Federal Affordable Care Act taxes, fees and assessments.

### **Proposed 2015-16 Budget Actions**

- **NYSHIP Dependent Eligibility Audit.** The Department of Civil Service will oversee an external audit of dependent eligibility in the employee and retiree health plan (NYSHIP). The removal of ineligible dependents (e.g., ex-spouses) from NYSHIP could save the State \$13 million annually or more if savings from public authorities and local governments are included. Importantly, the Executive Budget provides legislation for a special amnesty period which would protect employees who voluntarily identify ineligible dependents during the amnesty period.
- **General Salary Increases for Management/Confidential Employees.** The Executive Budget advances legislation to gradually increase the salaries of M/C employees over the next four State fiscal years to provide for previously authorized increases that were withheld, and to

reach parity with unionized employees. Cumulatively, these increases will total 7.18 percent and will be absorbed within agencies' existing budgets so as not to represent a new cost to taxpayers.

- **Commission on Executive and Legislative Compensation.** The Executive Budget advances legislation to establish a commission to examine, evaluate and make recommendations with respect to adequate levels of compensation and non-salary benefits for the Governor, Lieutenant Governor, Attorney General, State Comptroller, Commissioners and Agency Heads as well as Legislators.
- **One-Time Payments for Information Technology Skills and LEAN Certification.** To develop high-demand skills within the State workforce and to better compete with the private sector for such skilled employees, the Executive Budget authorizes one-time payments to employees in the Office of Information Technology Services with specific, high-demand technical certifications. Additionally, to improve business processes in the State, the Executive Budget authorizes one-time payments to individuals with LEAN certifications significantly engaged in agency sponsored LEAN projects. The costs of these payments will be offset in the long-term by reduced reliance on consultants and greater productivity.

## Workforce Summary

Category	2015-16				Change	
	3/31/15 Est.	Attrition	New Fills	3/31/16 Est.	#	%
Workforce Subject to Direct Executive Control	118,304	(1,887)	2,743	119,160	856	0.72
University Systems	57,339	0	0	57,339	0	0.00
Departments of Law and Audit and Control	4,476	(10)	0	4,466	(10)	(0.22)
<b>Grand Total</b>	<b>180,119</b>	<b>(1,897)</b>	<b>2,743</b>	<b>180,965</b>	<b>846</b>	<b>0.47</b>

## Other State Workforce Actions

Minimal job growth is expected next year, as follows:

- The Department of Health, the Office of Mental Health, and the Office for People with Developmental Disabilities will reduce overtime expenses by continuing to enhance efforts that ensure there is sufficient staffing in locations which account for the majority of such expenses.
- The Office of Mental Health and the Department of Corrections and Community Supervision will collaborate to improve the provision of mental health treatment at both DOCCS and OMH facilities and transitional living residences.
- The Office for People with Developmental Disabilities and the Civil Service Employees Association will expand pilot programs which will utilize State staff to provide person-centered,

community-integrated service models to individuals with developmental disabilities.

- The Department of Health will be staffed to continue the take-over of Medicaid Administration from the counties.
- The Office of General Services will be staffed to support human resource and finance operations for agencies through the Business Services Center.





## **15. Transportation**

The Executive Budget makes new capital investments to improve the State's transportation system, enhance its resiliency and create jobs. The Budget also delivers an increase in aid for transit systems, and continues to implement initiatives to improve customer service at the Department of Motor Vehicles. \$1.5 billion in new funding is directed to the State's core transportation programs over the next 5 years, including \$750 million for the Metropolitan Transportation Authority (MTA) capital program and \$750 million for the Department of Transportation (DOT) capital program. In addition, funds from the Special Infrastructure Account will be available for investments in transportation.

## **Overview**

The State's transportation system is operated, maintained and administered by a network of State and local agencies and public authorities. The Department of Transportation (DOT) is responsible for construction, reconstruction, maintenance, and snow and ice removal for more than 43,000 State highway lane miles and more than 7,800 bridges. In addition, DOT provides funding for rail, airport, bicycle, pedestrian, and canal programs as well as local government highway and bridge construction.

The Department also provides coordination and funding for more than 130 public transportation operators including the Metropolitan Transportation Authority (MTA), the four Upstate regional transportation authorities, and other (usually county-sponsored) transit systems. These systems provide bus, subway, commuter rail and light rail services as well as "paratransit" services designed to meet the needs of the disabled. The MTA provides transit and commuter services in the New York City region to over two and a half billion passengers riding the subways, buses and commuter rail systems each year.

The State's transportation programs also include the Department of Motor Vehicles (DMV), which operates 27 district and branch offices and provides services via county clerk offices acting as DMV agents at 102 locations throughout the State. DMV issues licenses, non-driver identification cards and vehicle registrations, conducts road tests, monitors driver training, and performs enforcement activities. DMV conducts more than 20 million customer transactions annually, and is projected to collect more than \$1.7 billion in revenue for the State and localities in 2015-16. New Yorkers rely on credentialing and identification documents issued by DMV to conduct financial transactions, obtain employment, and board aircraft, among other uses.

The Thruway Authority operates a 570-mile highway system, including the 426-mile mainline from Buffalo to New York City. Its subsidiary, the New York State Canal Corporation, operates the 524-mile navigable waterway. The New York State Bridge Authority is responsible for five bridges spanning the Hudson River. These and other transportation-related authorities are primarily financed through toll revenue.

## **Investing in a Safe, Reliable Transportation System**

### ***Department of Transportation***

The Executive Budget provides funding for a DOT capital program of over \$3.5 billion in 2015-16, facilitating capital improvement of highways, bridges, rail, aviation infrastructure, non-MTA transit, and DOT facilities. The 2015-16 program will utilize the first \$150 million of a new \$750 million 5-year investment for a State and local bridge initiative, which will strategically accelerate the rehabilitation, reconstruction or replacement of approximately 100 bridges serving critical freight, agricultural and commerce corridors. Funding for local highway and bridge projects under the Consolidated Highway Improvement Program (CHIPS) and Marchiselli program is maintained at a record high of \$477.8 million.

DOT's capital program is supported by Federal aid, State capital projects funds, dedicated taxes and fees deposited in the Dedicated Highway and Bridge Trust Fund, and a significant subsidy that the Trust Fund receives from the General Fund. These monies support projects that improve and rehabilitate highway,

bridge, aviation infrastructure, rail, transit, port, bicycle and pedestrian facilities throughout the State.

The Executive Budget also proposes to permanently authorize design-build contracting and to extend the provisions to award construction projects that optimize quality, cost and efficiency to all State agencies and public authorities. The proposal will permit Project Labor Agreements (PLA) to be used on design-build projects. PLAs are comprehensive labor agreements that establish the collective bargaining and labor parameters for a project. For projects that exceed \$50 million, a feasibility study is required to examine potential project efficiencies and labor savings to determine if a PLA should be utilized. Since being signed into law in 2011, DOT has awarded ten design-build contracts valued in excess of \$811 million, including the Department's largest ever single contract, the \$550 million Kosciuszko Bridge. In addition to these ten contracts, there are currently 13 more in various phases of procurement, totaling an additional \$290 million. The most prominent example of the savings achieved using design-build contracting is the \$3.9 billion New NY Bridge project which will replace the existing Tappan-Zee Bridge at a cost that is \$1.5 billion less than was

previously estimated. Design-build projects are underway throughout the State, and the results are overwhelmingly positive – not only are these projects creating jobs, but they are being delivered sooner, and on-budget.

### ***Mass Transit***

Since 1975, New York State has provided transit system operating assistance through the Statewide Mass Transportation Operating Assistance (STOA) program. Today this multi-billion dollar aid program reflects the importance of the services provided by transit systems to an annual ridership of more than 2.8 billion passengers. In 2014-15, State transit aid accounted for approximately 38 percent of the operating resources used to support the State’s transit systems.

The Executive Budget provides operating support totaling \$4.8 billion to transit systems. The MTA will receive over \$4.35 billion, an increase of almost \$37 million from 2014-15. Other transit systems will receive over \$464 million, which reflects no change from prior year operating aid levels. The Budget also includes \$309.2 million in General Fund support for the

MTA to fully offset the revenue impact of the 2011 payroll tax reform.

The Executive Budget includes a new appropriation of \$121.5 million in resources drawn from downstate mass transportation operating assistance funds to pay for needed capital expenses of the MTA and the Non-MTA Downstate systems.

In addition, the Executive Budget includes a new \$750 million State contribution to assist in funding the MTA's 2015-19 core capital program. These funds will create jobs and improve the MTA's core infrastructure. Spending will also continue from the State's \$770 million 2012-13 appropriation for MTA capital and the \$1.45 billion dedicated to the MTA from the 2005 Transportation Bond Act.

The new Special Infrastructure Account program also includes \$250 million to advance the MTA's Penn Station Access project, which will open a new Metro-North link directly into Penn Station, providing critical system resiliency, improvement in regional mobility and construction of four new Metro-North stations in the Bronx.

## ***Department of Motor Vehicles***

As DMV transactions have increased steadily in volume and complexity, DMV has utilized electronic and internet-based services to increase the efficiency of transaction processing and to provide customers with a convenient alternative to visiting DMV offices. Currently, more than four million transactions per year are processed through the DMV website, and this number is expected to continue to rise as customers take advantage of online transactions. Building on the success of previous customer service initiatives, DMV will continue to enhance the customer experience, employing office kiosks, an improved queuing system, and the use of greeters to answer questions, review paperwork, and direct customers to the most expedient means of completing their transaction. DMV's website has also been substantially improved to provide a more "responsive design."

## ***Thruway Authority***

The 2015-16 Executive Budget includes a new appropriation of \$1.285 billion from the Special Infrastructure Account for a new Thruway Stabilization

program that will help offset the impacts on toll payers of major Thruway investments. These investments include the \$3.9 billion New NY Bridge project replacing the Tappan Zee Bridge between Rockland and Westchester, and meeting transportation needs on the rest of the Thruway's core system across the State.

In 2012, the Thruway awarded a \$3.9 billion design-build contract for the replacement of the Tappan Zee Bridge. The New NY Bridge will form the centerpiece of the region's transportation system, ensuring the connection of communities and economic centers across the Hudson River for generations to come. In addition to resources from the Thruway Stabilization program, funding sources for the Bridge project include a \$1.6 billion Federal TIFIA loan, the largest in TIFIA program history. Construction began in the Spring of 2013 and is expected to take approximately five years. The Bridge is on budget and on schedule for completion in 2018.

The Executive Budget also continues to provide operations support for the Thruway Authority. The support, which began in 2013-14 to offset the need for a commercial toll increase, will total \$85 million for 2015-16, including the ongoing State takeover of personnel

costs of the Division of State Police Troop T which patrols the Thruway and the waiver of certain annual billings due from the Authority to the State.

### Summary of State Funds Spending

Category	2014-15 (millions)	2015-16 (millions)	Change	
			Dollar (millions)	Percent
Transportation Spending	7,638	8,125	487	6.4
Department of Transportation	2,828	2,853	25	0.9
Metropolitan Transportation Authority <sup>1</sup>	4,502	4,972	470	10.4
Department of Motor Vehicles	282	277	(5)	(1.8)
Thruway Authority	26	23	(3)	(11.5)

<sup>1</sup> The year-to-year increase in MTA spending is primarily due to the \$104.1 million of new capital drawn from mass transportation operating assistance funds, the \$36.7 million increase in state operating aid, and the spend-out of previously committed State funded capital.

### Proposed 2015-16 Budget Actions

The Executive Budget provides capital funding to restore and improve the State's transportation infrastructure, increases transit aid to support the vital role that transit systems play in the State's economy and continues investments that will support DMV's efforts to better serve its customers.

## Department of Motor Vehicles Operations

- **Eliminate Cost Growth Through Operational and Administrative Efficiencies.** The Budget reduces DMV's personal service expenses by over \$3 million through attrition of 42 staff positions. Those savings are anticipated to be achieved through administrative and operational efficiencies, including online transactions. The remainder of DMV's year-to-year spending change is principally due to shifts to enterprise programs.

## DOT Capital Highlights

- **Invest in Infrastructure.** The Budget implements a DOT capital program of over \$3.5 billion in 2015-16 that will provide for capital improvement of all modes of transportation infrastructure, including highways, rail, aviation, ports, local roads and bridges and non-MTA transit. It provides an additional \$750 million for a State and local bridge improvement initiative, which will strategically accelerate the rehabilitation, reconstruction or replacement of approximately 100 bridges serving critical commercial, travel and agricultural corridors.
- **Preserve Local Capital Aid.** Capital aid to local governments for highway and bridge projects is preserved at record-high 2014-15 levels, with \$438.1 million provided for the Consolidated Highway Improvement Program (CHIPS) and \$39.7 million for the Marchiselli program.

- **Upgrade DOT Fleet.** DOT will invest \$50 million to accelerate planned fleet upgrades including the purchase of new snow plows, up-fitting heavy pickups that can assist with snow removal with plows and the installation of GPS/Vehicle Management Systems in DOT vehicles involved with snow management. This investment coupled with the installation of additional traffic cameras in critical areas throughout the State will assist DOT in responding quickly and in a coordinated fashion to the most severe weather events.

## **Transit**

- **Increase Transit Aid Levels.** The Budget proposes \$4.8 billion of transit operating aid for systems throughout the State. The MTA will receive over \$4.35 billion, an increase of almost \$37 million from 2014-15. Other transit systems will receive over \$464 million, which reflects no change from prior year operating aid levels.
- **Create a Downstate Transit Capital Program.** The Budget proposes \$121.5 million in resources drawn from downstate taxes dedicated to the mass transportation operating assistance fund to pay for capital expenses of the MTA and the non-MTA Downstate Transit Systems.
- **Clarify Funding Source for Verrazano Bridge Rebate Programs.** Language submitted with the Budget will clarify that existing commercial and Staten Island resident rebate programs are funded in accordance with the original

agreement between the Executive and the Legislature.

- **Use Transit Funds to Pay Transit Debt Service Costs.** The Budget will continue the use of \$20 million in surplus mass transportation operating assistance funds to pay for a portion of the debt service associated with previously issued MTA service contract bonds.

### **Thruway Authority**

- **Invest in Infrastructure.** The Executive Budget includes a new capital appropriation of \$1.285 billion to fund the Thruway Stabilization Program for expenses related to both the New NY Bridge, and the statewide system.
- **Mutual Aid and Shared Services.** Proposed legislation will authorize DOT and the Thruway Authority to provide mutual aid and enter into shared service agreements that will improve emergency response and allow for efficiencies between the agencies.
- **Operational and Administrative Efficiencies at the Thruway Authority.** The Budget reduces the amount of the State's subsidy to the Thruway by \$2.5 million on a recurring basis in anticipation of management and cost efficiencies attained by the Authority. The State will continue to provide \$85 million in overall support to the Authority, including \$21.5 million via direct appropriation.





# 16. Legislation Required for the Budget

## Education, Labor and Family Assistance

- Amend the Education Law and make other changes necessary to implement the Education Opportunity Agenda.
- Streamline new education program approval to meet workforce needs.
- Enact the Get On Your Feet Loan Forgiveness Program.
- Enact the New York State DREAM Act
- Establish the Education Tax Credit.
- Standardize college financial aid award letters.
- Allow public accounting firms to have minority ownership by individuals who are not Certified Public Accountants.
- Implement uniform prevention and response policies and procedures relating to sexual violence in all colleges and universities.

- Authorize the pass-through of any Federal Supplemental Security Income Cost of Living Adjustment which becomes effective on or after January 1, 2016.
- Raise the Age of Juvenile Jurisdiction.
- Provide for the issuance of adoption assistance payments for the private adoption of children with special needs only when the adoptive parents reside in New York State at the time of application.
- Make statutory changes to comply with the federal Preventing Sex Trafficking and Strengthening Families Act.
- Utilize excess Mortgage Insurance Fund reserves.
- Increase the minimum wage.
- Provide healthcare professionals who volunteer to fight the Ebola virus overseas with a Bill of Rights and authorize leaves of absence
- Repeal of various Department of Labor fees.
- Make experiential learning a graduation requirement at SUNY and CUNY.

## **Health and Mental Hygiene**

- Amend various statutory provisions to achieve savings reflected in the 2015-16 Health Budget.
- Make statutory changes necessary to continue implementation of Medicaid Redesign Team recommendations.
- Make statutory changes necessary to align Child Health Plus rates with Medicaid managed care rates for certain providers.

- Extend various provisions of the Public Health, Social Services and Mental Hygiene Laws, including continued authorization of previously enacted Medicaid savings initiatives.
- Make statutory changes related to the payment of indigent care pool funds over the next three years.
- Make statutory changes necessary to implement Value Based Payments within the Delivery System Reform Incentive Payment program.
- Make statutory changes necessary to implement a health insurance assessment to support the operational costs of the New York State of Health.
- Modify provisions regarding establishing and operating limited services clinics, standardizing urgent care centers, eliminating certain upgraded diagnostic and treatment centers; and charging the Public Health and Health Planning Council with reviewing sedation and anesthesia procedures in outpatient settings.
- Modify various provisions of law to remove barriers to obtaining HIV/AIDS treatment and to engaging in appropriate risk reduction activities to limit the spread of HIV/AIDS.
- Provide an exemption to the Nurse Practice Act for advanced home health aides to authorize such individuals to perform advanced tasks in home care and hospice settings with appropriate training and supervision.
- Implement various provisions related to streamlining the Certificate of Need (CON) process for hospitals and diagnostic and treatment centers.

- Modify various provisions of the public health law to expand office-based surgery requirements to include office-based anesthesia, to standardize and limit the procedures permitted in such settings, and to strengthen accreditation requirements.
- Require local governments to notify the public and the Department of Health of their intent to discontinue water fluoridation, and establish a grant program to provide assistance to local governments to cover the cost of installing, replacing, repairing, or upgrading water fluoridation equipment.
- Authorize the State Office for the Aging to seek public input on the creation of an Office of Community Living to address the expansion of community living integration services for older adults and disabled individuals.
- Authorize the Office of Mental Health to continue to recover Medicaid exempt income from providers of community residences.
- Extend pilot program to restructure educational services for children and youth residing in Office of Mental Health hospitals.
- Establish a private equity pilot program, allowing up to five business corporations to make private capital investments to assist in restructuring the health care delivery system.
- Authorize the Office of Mental Health facility directors who act as representative payees to continue to use funds for care and treatment consistent with federal law and regulations.

- Make technical amendments required to implement the Nurse Practice Act exemption for direct care staff in non-certified settings funded, authorized or approved by the Office for People with Developmental Disabilities.

## **Public Protection and General Government**

- Extend various criminal justice and public safety programs that would otherwise sunset.
- Authorize the transfer of Division of State Police employees engaged in certain finance and human resource functions to the Office of General Services.
- Authorize the Commissioner of the Department of Corrections and Community Supervision to make the final determination regarding the medical parole release of certain non-violent offenders.
- Repeal miscellaneous fees levied by the Workers' Compensation Board while retaining the necessary functions associated with those fees.
- Campaign Finance Reform and public financing of campaigns.
- Eliminate costly and unnecessary election law printing and publication requirements.
- Implement changes supporting the previous consolidation of information technology staff and services within the Office of Information Technology Services.
- Phase in Management/Confidential salary parity.

- Create a salary commission to make recommendations on executive and legislative compensation.
- Establish amnesty periods in the New York State Health Insurance Program.
- Increase permissible deposit and fund balance in the Rainy Day Reserve Fund, expand and modify reporting requirements for pension contribution rates and consulting services spending.
- Return Video Lottery Terminal aid to 2013-14 levels.
- Extend and increase the authority of the Office of General Services to promptly enter into construction contracts during emergencies.
- Increase the ability of the Office of General Services to delegate the responsibility of executing small capital projects to agencies and departments.
- Create the Dedicated Infrastructure Investment Fund.
- Authorize transfers, temporary loans, and amendments to miscellaneous capital/debt provisions, including bond caps.

## **Revenue**

- Cap annual growth in STAR exemption benefit at zero percent.
- Eliminate entirely the NYC STAR PIT rate reduction benefit for taxpayers with incomes above \$500,000.
- Convert current STAR delinquency/offset program into a tax clearance program.
- Convert the STAR benefit into a tax credit.

- Recoup improperly granted STAR exemptions.
- Allow homeowners who registered for the STAR exemption with the Department of Taxation and Finance, but failed to file timely exemption applications with their local assessors, to receive the benefit of the exemption for tax year 2014.
- Create real property tax relief credit.
- Make permanent the limitation on charitable contribution deductions for high income New York State and New York City personal income taxpayers.
- Amend the personal income tax and MTA mobility tax statutes for technical changes.
- Require commercial production tax credit economic impact report.
- Amend excelsior tax credit qualifying business language.
- Reform the investment tax credit provided for master tapes.
- Expand the Urban Youth Jobs Program tax credit.
- Reduce the net income tax on small businesses.
- Create the Employee Training Incentive Program (ETIP) tax credit.
- Continue taxation under Tax Law Sections 184 and 184-a on wireless telecommunications businesses.
- Impose sales tax refund requirements on Article 9 taxpayers.
- Extend and reform the Brownfield Cleanup Program.

- Combine the Department of State biennial information statement and tax return filings and repeal \$9 Department of State filing fee.
- Amend the corporate tax reform statute for technical changes.
- Extend the wine tasting sales and use tax exemption to other alcoholic beverages.
- Impose local sales tax on prepaid wireless based on retail location.
- Reform the Industrial Development Authority program.
- Expand sales tax collection requirements for marketplace providers.
- Close certain sales and use tax avoidance strategies.
- Exempt solar power purchase agreements from State and local sales tax.
- Allow petroleum business tax refunds for farm use of highway diesel motor fuel.
- Amend the estate tax to implement technical changes.
- Enhance motor fuel tax enforcement.
- Make warrantless wage garnishment permanent.
- Lower the outstanding tax debt threshold required to suspend delinquent taxpayers' driver's licenses.
- Require practitioners to be compliant with State tax obligations before receiving excess medical malpractice coverage.
- Require grantees to be current with State tax obligations before receiving a State grant from a State or local authority.

- Authorize New York to enter reciprocal tax collection agreements with other states.
- Authorize multi-agency data sharing to enhance enforcement initiatives.
- Authorize a professional and business license tax clearance.
- Require new State employees to comply with State tax obligations.
- Allow OCFS to share child care data with the Department of Taxation and Finance.
- Extend the Video Lottery Gaming vendor's capital awards program for one year.
- Extend certain tax rates and certain simulcasting provisions for one year.
- Expand electronic gaming offerings at Video Lottery Gaming facilities.
- Extend the term of the Reorganization Board of the New York Racing Association, Inc. for an additional year.
- Implement New York City corporate tax reform.

### **Transportation, Economic Development and Environmental Conservation**

- Make permanent certain provisions of law relating to the revenues and expenses of the Dedicated Highway and Bridge Trust Fund and the Dedicated Mass Transportation Trust Fund.
- Make the Infrastructure Investment Act permanent, expand the definition of authorized state entity, and increase threshold amounts for projects utilizing design-build contracts.

- Repeal the Intrastate Authority Application Fee and authorize the Department of Transportation to charge safety inspection fees for certain types of vehicles.
- Include the Ontario County transit system within the Rochester-Genesee Regional Transportation Authority district.
- Create the Transit Assistance for Capital Investments Fund.
- Authorize the Commissioner of Transportation to extend the “hold-harmless” provision of the Statewide Mass Transportation Operating Assistance program for one additional year.
- Authorize the Department of Transportation and the New York State Thruway Authority to provide mutual aid and enter into shared services agreements with each other.
- Eliminate the requirement for registrants of overweight vehicles to amend their registration after having received an overweight permit from the NYS Department of Transportation.
- Bring New York State into compliance with federal regulations regarding commercial learners’ permits.
- Reduce funding for State expenses previously paid by the Thruway Authority.
- Increase fines and penalties for toll evasion on all roads, bridges and tunnels operated by public authorities.
- Extend for four years various procurement rules of the Metropolitan Transportation Authority, and the New York City Transit Authority.

- Extend the authorization of the New York State Urban Development Corporation to administer the Empire State Economic Development Fund.
- Extend the general loan powers of the New York State Urban Development Corporation.
- Authorize and direct the Comptroller to receive for deposit to the credit of the General Fund a payment of up to \$913,000 from the New York State Energy Research and Development Authority.
- Authorize the New York State Energy Research and Development Authority to finance a portion of its research, development and demonstration, and policy and planning programs, and to finance the Department of Environmental Conservation's climate change program, from an assessment on gas and electric corporations.
- Extend the authorization for the Minority and Women-owned Business Enterprise statutes and the due date of the Disparity Study.
- Authorize the Department of Health to finance certain activities with revenues generated from an assessment on cable television companies.
- Extend the authorization for the Dormitory Authority of the State of New York to enter into certain design and construction management agreements.
- Extend for one year the authority of the Secretary of State to charge increased fees for expedited handling of documents.
- Eliminate the fee associated with licensing apartment information vendors/sharing agents.

- Repeal nuisance fees and restructure license periods for certain licenses administered by the Department of Agriculture and Markets.
- Reduce the cost of Long Island Power Authority's debt.
- Increase license fees and surcharges for major facilities which store or transfer petroleum and shift the administration of the Environmental Protection and Spill Compensation Fund from the Office of the State Comptroller to the Department of Environmental Conservation.
- Increase and simplify fees to ensure that sufficient funds are available for Department of Environmental Conservation program management.
- Repeal a nuisance fee associated with water well driller registrations administered by the Department of Environmental Conservation.
- Create a new Habitat Conservation and Access account to support fish and wildlife habitat management and public access projects.
- Increase the number of years a municipal transit system may finance bus purchases from five years to ten years.



# **17. The Citizen’s Guide to the Executive Budget**

The Executive Budget process and key budget document formats are governed by the State Constitution, with additional details and actions prescribed by state laws and practices established over time. The State’s budget process is governed primarily by Article VII of the New York State Constitution. Article VII requires the Governor to submit a budget detailing a plan of expenditures and an estimate of revenues for the upcoming fiscal year, bills containing all proposed appropriations and reappropriations, and other legislation needed to implement the Executive Budget.

To fulfill these requirements, this budget includes materials accessible to the general public through the Budget Division’s official website

[\(http://www.budget.ny.gov/\)](http://www.budget.ny.gov/). This year, the central volume, *Executive Budget Briefing Book* is included in the Governor's State of the State Book. It contains the Budget Director's Message, which presents the Governor's fiscal blueprint for 2015-16 and explains the State's Financial Plan. It also includes highlights of major initiatives, and a list of the legislative proposals needed to implement the proposed budget.

The *Five-Year Financial Plan* summarizes the Governor's Executive Budget and describes the "complete plan" of spending and revenues required by the Constitution.

The *Economic and Revenue Outlook* volume explains the specific sources of State revenues and presents the economic outlook for the nation and the State.

The *Five-Year Capital Program and Financing Plan* highlights major capital initiatives and objectives, and describes the approach to financing the capital program.

The website includes links to the mission and functions of each State agency, descriptions of major budget actions and tables that summarize the agency's spending by program and category. Also included is a

“User’s Guide” which provides background information on State government and the budget process, and explains how to interpret the agency budget tables. This portal also includes the budget requests of the Legislature and Judiciary, which are submitted without revision as required by the Constitution.

This year, continuing under Governor Cuomo’s Open New York and Open Budget initiatives, substantial and detailed budget data are available through both New York’s Open Budget (<http://openbudget.ny.gov/>) and Open Data (<https://data.ny.gov/>) portals. These portals open appropriation, budgeting and actuals spending data to researchers, taxpayers and the public to add to their field of knowledge, spark innovation and help improve government.

Two types of legislation are required for budget enactment. Appropriation bills provide the legal authorization for all spending from the funds managed by the State. These bills encompass the recommended funding for State Operations, Aid to Localities, Capital Projects, Debt Service and the Legislature and Judiciary. Other bills amend state law governing programs and revenues. These “Article VII bills,” and all Executive Budget appropriation bills, are available online at the

Budget Division's official website (<http://www.budget.ny.gov/>) or in print from the Senate and Assembly document rooms located in the Capitol and the Legislative Office Building.

The Constitution authorizes the Governor to amend the Executive Budget within 30 days of submission, allowing for technical corrections and revisions based on the latest information. However, to help achieve timely budgets, the 2007 Budget Reform Act requires the Executive, to the extent practicable, submit any necessary amendments within 21 days. Any amendments are made available on the Budget Division's website when submitted to the Legislature.

The legislative review process includes public hearings on the Governor's budget. These hearings are scheduled by the Senate Finance and Assembly Ways and Means Committees, which are responsible for coordinating each house's action on the budget.

The Budget Reform Act mandated the use of conference committees as part of the legislative budget process. These committees, which have been used in various forms in the past, must now be formed early in the process to facilitate agreement on a budget between the two houses. The two houses ultimately develop joint

recommendations, amend the Governor's proposed bills to reflect their decisions, and pass the amended bills. These final bills are available from the legislative document rooms.

Except for appropriations for the Legislature and the Judiciary, appropriations proposed by the Governor become law immediately when passed by the Legislature. However, all items that have been added by the Legislature, and all appropriations for the Legislature and the Judiciary, must be sent to the Governor for his approval or veto. The Constitution grants the Governor "line item veto" power, permitting the Governor to veto such items selectively, while approving the remainder of the bill.

Chapter numbers are assigned to bills that become law. For any bill or item of appropriation that is vetoed, the Governor provides a "veto message" to the Legislature stating his reasons for the veto. Vetoes may be overridden by a two-thirds vote of each house of the Legislature, in which case the vetoed item or bill becomes law despite the Governor's objections.

After enactment of the budget, the Legislature is required to summarize its changes to the Executive Budget. This summary is presented in the "Green Book,"

which is available from the Senate and Assembly document rooms. The Governor is required to revise the Financial Plan to reflect the Enacted Budget. Like the original Executive Budget and any amendments, this revised plan and subsequent updates are also made available on the Budget Division's website.

*Note: Readers are encouraged to visit the New York State Budget Division's website (<http://www.budget.ny.gov/>) and the Open Budget website (<http://openbudget.ny.gov/>) to access the latest information and documents related to the Executive Budget proposal and the Enacted Budget. Virtually all materials are made available on the website, either on the day of release or within 24 hours.*