Built to Lead

2016 State of the State

Governor Andrew M. Cuomo

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GOVERNOR ANDREW M. CUOMO

NEW YORK: BUILT TO LEAD

New York State has been transformed from a state of despair to a state of opportunity. Now, working together, New York is leading the nation to a smarter tomorrow, guided by a bold vision and galvanized by where we've been.

In 2010, 852,000 New Yorkers were unemployed, the most since the Great Depression. Six years later, we have 7.87 million private sector jobs, the most in our state's history. Unemployment has fallen from a distressing 8.9 percent in 2010 to 4.8 percent today.

New York State was in trouble. A dysfunctional state government spent more than it earned, driving taxes to unsustainable levels for citizens and businesses. Jobs left by the thousands—with upstate bearing the brunt of the loss—thus creating a vicious cycle of decline that kept young people away and the state's credit ratings down.

In six years, we reversed the cycle of decline in upstate and turned New York around. We right-sided a $10 billion budget deficit and recovered $7.2 billion in financial settlements. We passed five balanced budgets in a row and held spending well below 2 percent for the first time in modern political history. Because we spend less, we tax less—at the lowest rates in a century. Today, everyone in New York pays a lower income tax rate than they did six years ago. Jobs are at record levels and we have the best credit ratings in decades.

For upstate, regional economic development councils are strategically reviving communities from the bottom up. We have embraced entrepreneurial government by building tax-free zones to combine the ambition of the private sector with the capacity of our public research institutions, creating jobs and driving investment across the state. The economic renaissance in Western New York, from downtown Buffalo to its industrial district, is dramatic and it is fundamental.

We have proven what is possible in a short amount of time.

We constructed 30,000 units of affordable housing, redesigned LaGuardia Airport, and made the new Tappan Zee Bridge the largest highway

infrastructure project in North America. We achieved record funding for education, created statewide universal pre-k, and helped a full 2 million New Yorkers enroll in health insurance. We are investing $16 billion in environmental and clean energy programs, committing to a goal of 50 percent renewable electricity by 2030, and funding the largest MTA capital program in history.

New York State has regained its footing—now we must regain our ambition.

The Statue of Liberty stands in our harbor as an emblem of opportunity, welcoming the masses with open arms. Yet, too many New Yorkers live within a system that fails to provide reasonable pay, adequate housing or equal justice under the law. It must be fixed. We must provide the best education to our children. The threat of terrorism is omnipresent to New Yorkers and demands that we take action to protect our interests. And we need to drive smart economic growth by investing in our state's most vital infrastructure.

These problems are not unique to New York. But when the nation faces a challenge, New York shows the way forward. Just as we did with marriage equality, fingerprinting for food stamps, sexual violence on college campuses and common-sense gun control, we will work

together with a common purpose that is to make New York a better place. That is what we will do to lead the nation into a smarter tomorrow.

1. ECONOMIC AGENDA

When Governor Cuomo took office in 2011 the nation was in the midst of a recession, the state economy lagged behind the rest of the nation, and uncontrolled government spending was crippling state and local budgets. In five short years, New York has turned itself around.

Unemployment is down, businesses are growing and staying in New York, and upstate has seen historic revitalization. The Governor and Legislature have put the state on a course of fiscal stability with 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.

Sustaining New York's infrastructure will be a key pillar of economic development during Governor Cuomo's second term. New York has a rich history of great builders and 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—require renovation, expansion, and repair. To remain competitive, promote

economic development, and create jobs, New York must continue to rebuild and modernize critical infrastructure across the state.

Since taking office, Governor Cuomo has invested over $54 billion in infrastructure projects across New York and coordinated capital planning across 45 agencies and authorities through the creation of the New York Works Task Force. Along with making ongoing financial commitments to infrastructure, Governor Cuomo has embraced innovative building and financing mechanisms to upgrade New York's 20th century infrastructure to meet the demands of the 21st century economy. New York State will expand on its significant accomplishments and undertake a number of major new infrastructure projects that will transform the state for generations to come.

The state will also continue to build smart when it comes to job creation. Governor Cuomo will further embrace the successful paradigm of entrepreneurial government that has helped the economy grow to 7.87 million private sector jobs, the most in our state's history. Building off successes in the dairy, yogurt, and craft beverage industries, Governor Cuomo will partner with the private sector to modernize New York's

economy and cultivate growth in the technology, energy, and agriculture sectors.

The Governor will also continue to support a regional approach to economic development that leverages the state's creative, intellectual, and natural resources. Through targeted programs and investments, the state will maximize its competitive advantages to foster industry growth and vibrant downtown development. These new strategic and coordinated efforts will ensure that growth and prosperity extend to all corners of the state.

PART ONE: CONTROLLING SPENDING, REDUCING TAXES, AND IMPROVING EFFICIENCY

Since 2011, the Governor and Legislature have steered the state along a course of fiscal responsibility with five on-time, balanced budgets that have held state spending growth under two percent for the longest period of time in more than 50 years. This joint fiscal stewardship has reversed decades of overspending whereby the annual State Budget grew faster than income 60 percent of the time. 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 FY 2017 Executive Budget.

Governor Cuomo's fiscal reforms have reduced volatility related to the budget-making process. Rather than large spending increases in good economic times that cannot be sustained when the economy turns, the past five budgets have been sustainable and affordable in the long term.

The combination of budget reforms and spending restraint has 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 used to bolster reserves to the highest levels on record.[1] Total state debt has declined in each of the last three fiscal years, and will decline again in the current year. Never before in modern times has New York's debt declined for four consecutive years.[2] state debt measured as a percentage of personal income has decreased from 6 percent in FY 2010 to 4.6 percent—the most favorable debt to income ratio since the 1960s.[3] Our debt ratio is expected to continue to improve, even as the state makes targeted capital investments for housing, health care, transportation, and economic development.

In 2014, all three major credit rating agencies—Standard and Poor's, Fitch, and Moody's—recognized New York'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).[4]

Governor Cuomo has championed significant tax relief in the last five years, including the enactment of a two percent property tax cap; the lowest middle-class income tax rate in over 60 years; the 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; the launch of START-UP NY tax-free zones; and the lowest corporate income tax rate since 1968.[5] Last year, the Governor worked

Today, New York has the lowest middle-class income tax rate in over 60 years.

with legislative leaders to extend the Property Tax Cap for an additional four years. In 2015 alone, the Property Tax Cap saved taxpayers $4.5 billion. The "Circuit Breaker" tax relief was also extended for four years, helping qualifying New York City homeowners and renters with a refundable tax credit against the personal income tax when their property taxes or rent exceeds a certain percentage of their income.

Proposal: Keep State Spending Under Two Percent

The Executive Budget will continue the disciplined approach to fiscal matters that has defined the Governor's first five budgets. For a sixth time, the Budget again limits the annual growth in State Operating Funds spending to 1.7 percent.

Proposal: $300 Million Small Business Tax Cut

Small businesses are the backbone of the state's economy, accounting for 43 percent[6] of all private sector jobs in New York. During the last five years, Governor Cuomo has worked tirelessly to bolster the competitiveness of small businesses by lowering their tax burden. Since taking office in 2011, he has advanced a series of cuts that will save small businesses across the state $3.8 billion by 2021.[7]

To continue the growth of the small business sector and help further the expansion of New York's economy, taxes are being lowered both for small businesses who pay via the corporate tax and for those who pay through personal income taxes. Approximately 1.1 million small businesses statewide will benefit from the Governor's 2016 proposal.

For small businesses that file under the corporate tax code, the Governor proposes to reduce the net income tax rate from the current 6.5 percent to 4 percent effective January 1, 2017. For the purpose of this tax cut, the definition of "small business" is a business with less than 100 employees, with net income below $390,000. Small businesses have traditionally paid a lower rate than large corporate taxpayers, but tax cuts passed in 2015 lowered the corporate tax rate to the level currently being paid by small businesses. Governor Cuomo proposes to preserve the small business tax advantage by lowering their rate even further. To avoid a "cliff" the lower 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.

For small businesses owners who pay taxes via the personal income tax, the Governor proposes new and expanded tax cuts. Currently, sole proprietor and farm small businesses can subtract five percent of their income from tax calculations. The Governor proposes to increase the exclusion to 15 percent of income. Further, to create tax parity between small business types, the Executive Budget also extends this tax cut to other types of small businesses. Members of partnerships, S-corporations, and LLCs will be able to exclude 15 percent of business income as long as some of their business income is derived from a business entity with less than $1.5 million in New York gross receipts, and their total business income from these sources is below $250,000.

Proposal: Launch a $20 Million Municipal Consolidation and Efficiency Competition

In 2010, before Governor Cuomo took office, homeowners in 33 of New York's 62 counties had a property tax burden that surpassed the national median. From 1980 to 2010, New York's local property taxes grew by an unsustainable average rate of 5.7 percent per year. [8]

To reduce homeowners' property tax burden, the Governor enacted a series of property tax relief

programs in 2011, 2014 and 2015. In 2011 the Governor enacted the Property Tax Cap that requires local governments to limit the annual growth in property taxes to no more than two percent. Since the enactment of the cap, the typical property owner has saved more than $800, and by 2017 that number will grow to $2,100. In 2014, the Governor enacted the Property Tax Freeze Credit, a tax relief program that reimburses qualifying New York State homeowners for increases in local property taxes on their primary residences. This tax freeze credit will save property taxpayers more than $1.3 billion over three years. In the first year of the program, 97% of school districts in New York State complied with the property tax cap and more than 2.3 million homeowners were reimbursed for $220 million in direct tax relief. The Governor provided further relief in 2015 by enacting the Property Tax Relief Credit, which progressively targets an additional $1.3 billion in property tax relief for New York homeowners over the next four years. [9]

To cut costs and permanently lower property taxes municipalities must find opportunities for shared services between and among different units of government. To incentivize local governments to work

together to share services, cut costs, and lower property taxes the Governor proposes the creation of a new $20 million Municipal Consolidation and Efficiency Competition. The Competition will challenge municipalities to develop innovative consolidation plans that yield significant property tax reductions and the proposal that can demonstrate the greatest dollar value of permanent reductions in property taxes for taxpayers will receive a $20 million grant. The Competition seeks to stimulate local governments to undertake serious, innovative consolidation efforts that can serve as a model for other local government units across New York State.

PART TWO: BUILT TO LEAD: INFRASTRUCTURE PROGRAM

From the Erie Canal—the nation's first "mega" project—to the New NY Bridge—one of the nation's largest ongoing construction projects—New York has a storied history of transformative infrastructure projects. To remain competitive, promote economic development, and create jobs, New York must continue to rebuild and modernize its roads, bridges, broadband networks,

public buildings, and other critical infrastructure across the state.

Since taking office, Governor Cuomo has invested over $54 billion in infrastructure projects across New York and reinvented the state's approach to economic development by coordinating capital planning across 45

Since taking office, Governor Cuomo has invested over $54 billion in infrastructure projects across New York and coordinated capital planning across 45 agencies and authorities through the creation of the New York Works Task Force.

agencies and authorities through the creation of the New York Works Task Force. Since 2012, the New York Works program has driven hundreds of infrastructure projects to completion, including the resurfacing of over 2,000 miles of roadway, rehabilitation of over 100 bridges, improvements at 133 State Parks and recreational sites, and repairs at more than 140 dams and flood control structures.

In his first year in office, the Governor spearheaded the effort to authorize the use of the "design-build" procurement method at five state

agencies, which encourages innovation and creativity from the private sector in the engineering and construction of major infrastructure projects. This legislation, which was renewed in 2015, has been utilized by state agencies and authorities to accelerate the completion dates for dozens of stalled projects and has saved taxpayers billions of dollars. The design-build approach also helped the Governor to move the New NY Bridge project from dysfunction to construction in just 14 months. The twin spans of the bridge between Rockland and Westchester counties are already rising out of the Hudson River and are on time and on budget, with the first span scheduled to open next year.

Since 2011, Governor Cuomo has awarded over $70 million for broadband projects across the state, reaching approximately 160,000 households, 8,000 businesses, and 400 anchor institutions across more than 6,000 square miles of New York. In 2015, the Governor made the nation's largest and most ambitious state investment in broadband with the commitment of $500 million for the New NY Broadband Program to deliver high-speed broadband to New Yorkers by December 31, 2018. The program launched in January 2016 and will achieve its goals through public-private

partnerships, which require a private sector co-investment targeted to match the state's commitment across the program.

Governor Cuomo will continue to implement his long-term vision for bold, innovative infrastructure investment in 2016 with a record $26 billion commitment to the MTA Capital Program; a record $22 billion investment in roads and bridges and other transportation infrastructure, expansion of the Long Island Railroad; rebirth of Penn Station, the world's busiest multimodal transportation facility; redevelopment of the Javits Center, the nation's busiest convention center; and a $200 million Upstate Airport Economic Development and Revitalization Competition that will complement the ongoing transformation of JFK and LaGuardia Airports.

Taken together, these historic capital investments will create hundreds of thousands of new jobs and provide the framework to support New York's growing and dynamic economy.

Proposal: Invest a Record $26.1 Billion in the MTA

The Metropolitan Transportation Authority (MTA) is the largest transportation network in North

America with 2,069 miles of track connecting 736 stations—more stations than any other rapid transit system in the world. Every day, MTA subways, buses, and commuter rail lines move 8.7 million people to work, school, healthcare, and cultural attractions.[10] The MTA is a nearly trillion-dollar asset[11] that serves as the lifeblood of New York City and enables the region's $1.5 trillion economy to function and grow.[12] With another 1.6 million people expected to live in the MTA region by 2040, the state must do more than simply maintain the current system.[13]

The Governor proposes the state's largest contribution in history to the MTA Capital Program. The proposed program totals $26.1 billion and outlines five years' worth of vital investments to renew, enhance, and expand the MTA network. This investment will make the system smarter and more resilient. The program supports the replacement of over 3,100 buses and 1,400 subway cars; invests $2.8 billion in subway station improvements; implements a new fare payment system and new technology and communications systems; completes installation of Positive Train Control on Metro-North Railroad (MNR) and Long Island Rail Road (LIRR); brings countdown clocks to more stations than

ever before; begins work on extending the Second Avenue Subway to East Harlem; builds a new LIRR station in Elmhurst, Queens; and constructs four new Metro-North stations in underserved areas of the Bronx.

This historic spending program will also benefit New York transit-related manufacturing firms that make rail cars, buses, and needed electronic components. A recent study found that this fully-funded capital program will create more than 400,000 jobs across the state and generate nearly $52 billion in economic activity.[14]

The MTA has already cut more than $1.3 billion in costs from its annual spending, and those recurring savings are projected to increase to $1.8 billion a year by the final year of the plan in 2019. To build on this progress, the Governor will direct the MTA to spend and operate smarter through innovative methods such as design-build, negotiated procurement processes and public-private partnerships to operate more efficiently, spread risk more broadly, and take advantage of innovative techniques. The MTA will also transform how it works with contractors on projects to bring down costs.

Proposal: Enhance MTA User Experience with New Technology

To enhance the transit system and expand services to meet customer demand, the MTA Capital Program will invest billions in new technology projects that make it easier to purchase tickets and access the system, deliver Wi-Fi and cellphone service, enhance the customer experience, make operations safer, and make the system greener.

The MTA will give LIRR and MNR customers the ability to purchase tickets on their mobile devices in the next six months. The MTA will also accelerate the process of bringing mobile payment methods to subways and buses, allowing riders to pay their fares by waving a cellphone a bankcard or another payment device. Subways and buses will start using contactless payment methods in 2018. To enhance communications, the MTA will install Wi-Fi service in all 278 underground subway stations by the end of 2016 and cellphone service in every station in early 2017. To provide customers the ability to charge their smartphone, the MTA will install USB charging ports on 200 subway cars in 2016 and 400 in 2017, while all new buses delivered later this year will have Wi-Fi hotspots.

The MTA will also install countdown clocks this year on the 7 line as well as the lettered subway lines, and accelerate delivering real-time arrival data for all 469 subway stations, which will be available on the MTA's SubwayTime app. The MTA will also more than double the number of On The Go Travel Station kiosks that feature digital information screens that display information about stops and service from 169 kiosks in 31 subway stations today to 359 kiosks in 20 additional stations by the end of 2016. The MTA will also install similar technology on 200 buses beginning in 2016.

The MNR and the LIRR will also accelerate installation of Positive Train Control on their entire routes, a state-of-the-art system for monitoring and controlling train speed and operation that will make rail travel safer by stopping trains before certain accidents occur. The MTA will also invest in providing a safer environment for customers. The MTA will continue to expand Communication-Based Train Control, a system that provides precise real-time information and control over the location and operation of subway trains. All new buses will be delivered with cameras pre-installed, and the use of surveillance cameras in subways cars will be tested for the first time later this year.

The MTA Capital Program will invest billions in new technology projects that make it easier to purchase tickets and access the system, deliver Wi-Fi and cellphone service, enhance the customer experience, make operations safer, and green the system.

The MTA avoids some 17 million metric tons of greenhouse gas emissions annually by moving nearly nine million people via transit every day. The MTA has established a goal of operating the nation's largest fleet of all-electric buses. The Capital Program will also fund more than 100 MTA energy-efficiency projects, and will test ten all-electric buses powered by solar energy and charging stations.

Proposal: Renovate and Upgrade 30 MTA Subway Stations

The MTA will revamp its subway station renovation approach to rapidly redesign and completely renew 30 existing subway stations across its system. The MTA will use design-build procurements to deliver the projects more quickly, at a lower cost, and with better

quality. The length of time to complete a station redevelopment will shrink from two to three years to six to twelve months. The MTA will complete work on the majority of these 30 stations by 2018, and will finish all by 2020.

Proposal: Modernize JFK and LaGuardia Airports

Governor Cuomo will also revitalize New York's major airports, including LaGuardia and John F. Kennedy (JFK) International Airport. These two airports serve over 80 million passengers a year and support more than $50 billion in economic activity for the region[15] but are outdated relics of a bygone era. The Governor has committed to demolishing LaGuardia and will replace it with a new, unified world-class terminal, as well as building a new AirTrain that will increase access to the airport. In addition, Governor Cuomo will overhaul JFK Airport according to a new master plan currently under development.

Proposal: Build a New Empire Station Complex to Replace Penn Station

Pennsylvania (Penn) Station is New York City's transportation hub and America's busiest passenger transportation facility. More than 650,000 passengers

pass through Penn on any weekday.[16] To most travelers, Penn is a confusing subterranean maze plagued by aging infrastructure and multiple design and operational deficiencies. The station already operates well beyond capacity and will experience a growing passenger load in the coming years thanks to the growth of the Midtown Manhattan business district and new development on the West Side at Hudson Yards.

Governor Cuomo proposes the construction of a new $3 billion Empire Station Complex that will expand and re-imagine Penn Station and create a world-class transportation hub befitting the Empire State. The Empire State Development Corporation, in cooperation with Amtrak and the MTA, will increase capacity at Penn by redeveloping the entire complex through a series of improvements, including a new train hall in the James A. Farley Post Office across Eighth Avenue. Amtrak will relocate the majority of its passenger operations to the new train hall, which will also include services for LIRR and New Jersey Transit, easing passenger congestion in Penn Station.

The state will also dramatically renovate the existing Penn Station facility. The project will widen existing corridors, reconfiguring ticketing and waiting

areas; improve connectivity between the lower levels and street level; bring natural light into the facility, improve signage; simplify navigation and reduce congestion; and expand and upgrade the retail offerings and passenger amenities on all levels of the station. The new station will include Wi-Fi, modernized train information displays, and streamlined ticketing. Several design alternatives will be considered, including major exterior renovations involving 33rd Street, Seventh Avenue, Eighth Avenue, and potentially, the Madison Square Garden Theater.

The simultaneous redevelopments will be advanced by a public-private partnership that will operate on an unprecedented scale. The state will issue solicitations to developers in January and will request responses back in 90 days, with groundbreaking targeted for late 2016. The construction cost is expected to be in excess of $3 billion, including $2 billion to redevelop Farley and Penn and at least $1 billion for ancillary retail and commercial developments between Seventh and Ninth avenues. Government sources including the U.S. Department of Transportation, Port Authority, and Amtrak will contribute $325 million in investment and the remaining cost will be funded by

private investment, in exchange for an interest in the long-term revenue stream generated by the retail and commercial rents.

Proposal: Expand and Enhance the Javits Center

Since its opening in 1986, the Jacob K. Javits Center has been called the "Marketplace of the World," generating $1.8 billion in economic activity and

Governor Cuomo proposes the construction of a new $3 billion Empire Station Complex that will expand and re-imagine Penn Station and create a world-class transportation hub befitting the Empire State.

supporting 17,500 jobs.[17] With 840,000 square feet of flexible exhibition space, it occupies six city blocks along the scenic Hudson River and in 2014-2015, hosted 177 events that attracted more than two million visitors.[18]

Governor Cuomo will dramatically expand Javits to cement New York's status as the premier destination for large scale, world-class events and promote long-term economic growth in the region. The $1 billion redevelopment project will increase the size of the Javits Center by 62 percent, from 2.1 million gross square feet to 3.3 million gross square feet. The project will include five times more meeting room space and the largest ballroom in the Northeast. The proposal includes the installation of a 34,000 square-foot solar energy array, the largest of its kind on a public building in New York. As part of the project, the Javits Center will seek LEED Platinum certification. The expansion will generate $393 million annually in new economic activity and create 4,000 full-time jobs, 2,000 part-time jobs, and 3,100 construction jobs.[19]

The Javits Center expansion will generate $393 million annually in new economic activity and create 4,000 full-time jobs, 2,000 part-time jobs and 3,100 construction jobs.

Proposal: Jumpstart the Gateway Tunnel Project

The two rail tunnels under the Hudson River, used by approximately 200,000 passengers daily,[20] were considered a marvel of engineering construction when first built more than 100 years ago. Over the decades, these tunnels have served as the lynchpin of Amtrak's heavily traveled Northeast Corridor and a vital link for daily commuters between New York and New Jersey. These essential pieces of infrastructure, however, have been deteriorating for years and were inundated with corrosive saltwater during Superstorm Sandy.

Governor Cuomo recognizes that these tunnels are critical to the future of New York and the regional economy. Along with his counterpart in New Jersey and members of the U.S. Senate, the Governor prodded leaders in Washington, D.C. to split the project's estimated $20 billion cost, with $10 billion to be paid for by the federal government and $5 billion each from the two states. This year, at the direction of the two governors, the Port Authority of New York and New Jersey will create the Gateway Development Corporation to oversee the financing and jumpstart the construction of this massive passenger rail project.

Proposal: Add Track and Passenger Capacity to the Long Island Rail Road

For more than 175 years, the LIRR has served as the essential component of Long Island's transportation network and spurred economic development in Nassau and Suffolk counties. Despite growth in population and economic activity, track capacity on Long Island itself has not expanded in decades. To ensure Long Island's future prosperity, the Governor will undertake a series of efforts to modernize and expand the capacity of the LIRR transportation network.

The Main Line Corridor through Nassau County is one of LIRR's oldest and busiest segments. Reliability is a daily concern for the 120,000 passengers (41 percent of LIRR ridership) who travel this section each day.[21] The high volume of trains operating through this corridor means that one incident often causes ripple effects across four railroad branches. The new LIRR Expansion Project will increase capacity on the Main Line, easing the bottleneck that chokes traffic between Floral Park to Hicksville, allowing the LIRR to increase service, reduce congestion and train delays, and enable "reverse-peak" trains to take people to jobs on Long Island during traditional business hours.

The project will focus heavily on minimizing impacts to the community, including environmental reviews, grade crossing safety reviews, and robust community engagement. Unlike previous plans, the Governor's proposal significantly reduces the number of required property acquisitions from about 200 to 50.

The proposal also includes an innovative landowner protection program. Residential land owners will be offered the choice of compensation for the strip of land (on average five feet) or a full buyout while commercial landowners will be offered assistance from Empire State Development Corporation and compensation to remain in the community.

Proposal: Explore Feasibility of New Transportation Access Points to Long Island

To further meet the unique transportation needs on Long Island, the Governor proposes investing $5 million to commission a study that examines the feasibility of a tunnel connecting Long Island to either the Bronx, Westchester County, or Connecticut, which could reduce travel times for Long Island Residents commuting to destinations beyond New York City.

Proposal: $1 Million Deep Water Port Study at Old Shoreham Power Plant

The Governor also proposes investing $1 million to study the potential for a deep water port at the old Shoreham Power Plant. If feasible, a new intermodal facility on Long Island for receiving imports and distributing local goods to distant markets has the potential to remove commercial traffic from the island's congested roadways, improve air quality, and create jobs.

Proposal: $50 Million Ronkonkoma Hub Expansion

Transit-oriented development projects ease movement throughout the state. The projects also drive economic development by rebuilding and expanding infrastructure to improve job access and attract and retain businesses and high-skilled workers. Governor Cuomo will invest $50 million in parking, sewers, and infrastructure at Ronkonkoma Hub; Long Island's busiest train station. The investment will leverage at least $600 million in private investment and create more than 1,000 jobs while creating a vibrant new downtown of mixed-use buildings on the once blighted 50 acre plot. The Hub will connect major employers including Stony

Brook University and Hospital, Suffolk County Community College, and MacArthur Airport.

Proposal: $6 Million MacArthur Airport Modernization and Revitalization

The Governor recognizes the vital services that New York's Long Island airports provide residents and businesses. MacArthur Airport is the busiest commercial airport on Long Island with nearly 650,000 enplanements in 2014.[22] Currently, MacArthur only serves the domestic flight market, forcing Long Island's more than three million residents to travel to New York City for international travel. The state will close a $6 million funding gap to support a $10 million project to convert an existing facility at MacArthur Airport into a United States Customs Federal Inspection Station (FIS). The Customs FIS facility will enable MacArthur to attract and accommodate international passenger flights from Europe and the Western Hemisphere and provide capacity to process international air travelers. Adding international flights to MacArthur will improve convenience for Long Island travelers and create 1,200 new jobs from adding airlines, a new federal government presence, and increased regional tourism.

Proposal: Promote Economic Development at Republic Airport

To encourage economic development around the airport, the state designated Republic Airport as a tax-free site through the START-UP NY initiative. In 2016, the state will market the site to attract new business opportunities and will offer five sites to use for aviation or aviation-related commercial development activities, and a sixth as a new, 12.5 acre mixed-use development that will include a new LIRR stop. This investment at Republic will benefit the surrounding community by helping qualified companies start, expand, or relocate to the area.

Proposal: Launch $200 Million Competition to Revitalize Upstate Airports

Building on the successful international airport design competition to transform and modernize LaGuardia and JFK airports for the twenty-first century, the Governor proposes the creation of a $200 million upstate Airport Economic Development and Revitalization Competition to accelerate investments in commercial passenger and cargo service airports that will create thousands of well-paying jobs and promote additional upstate economic development.

The competition is open to 74 public-use airports and will award funding to implement innovative, comprehensive, and forward-looking development plans. The state will award capital funding of approximately $40 million to five winning airports to fund projects that enhance safety, improve operations and access, reduce environmental impact, and create better passenger experiences. The state will prioritize funding for proposals that create jobs, incorporate sustainable green building techniques, use renewable energy, demonstrate support from airlines and the community, leverage private investments, and demonstrate cost effectiveness.

Proposal: $22 Billion Capital Plan for New York's Roads and Bridges

To continue building smarter and better than before, the Governor is unveiling a record $22 billion multi-year capital plan—the largest in the state's history—to upgrade critical roads, bridges, and other vital transportation infrastructure throughout the state, especially upstate. The program includes a five-year DOT capital plan, which will fund improvements such as the new BRIDGE and PAVE NY programs, rail and transit investment, and a new upstate airport design

competition. The Governor will also provide unprecedented aid to the Thruway Authority to continue construction of the New New York Bridge, make vital investments in the Thruway's core system, and hold tolls down for all users.

Proposal: Enact the Thruway Toll Reduction Plan

Over 145 million vehicles use the Thruway annually, including 128 million passenger vehicles and almost 16 million commercial vehicles.[23] To ease the financial burden of passenger and commercial traffic, the Governor proposes a three-part Thruway Toll Reduction and Protection Plan, that will keep tolls flat until at least 2020 for all users, cut tolls in half for nearly one million frequent travelers, and eliminate tolls for farm vehicles. Reducing the Thruway's toll costs will strengthen New York's regional economies that rely on the Thruway to move goods to markets and people to places of employment.

First, the Governor proposes a new tax credit that will cut tolls in half for New York residents and businesses who frequently travel the Thruway. This credit will benefit nearly one million passengers and will apply to: 1) passenger vehicle owners using E-ZPass and

paying $50 or more in annual tolls and 2) businesses and commercial vehicle owners using E-ZPass and paying between $100 and $9,999 in annual tolls.

Second, the Governor proposes a new 100 percent tax credit that will eliminate tolls for vehicles using EZ-Pass that bring farm goods to market. This credit will save the agricultural sector $5 million annually.

Third, the Governor proposes a $700 million investment in Thruway infrastructure, on top of last year's commitment of $1.285 billion. This combined investment will allow the Thruway to freeze tolls for all drivers until at least 2020 and continue construction of the New NY Bridge which will fully replace the Tappan Zee Bridge in 2018. The $3.98 billion design-build project championed by Governor Cuomo and overseen by the New York State Thruway Authority remains on schedule and on budget. The project continues to have a significant economic impact for New Yorkers. More than 5,000 people and 622 New York-based subcontractors and suppliers have worked on the project to date.[24]

Proposal: Launch the $1 Billion New BRIDGE NY Program to Fix Bridges

Villages, towns, cities, and counties maintain approximately 8,600 bridges, 34 percent of which are in poor condition.[25] Municipal governments struggle to find the necessary funding to maintain the condition of these bridges and recent changes in federal eligibility have made that challenge even more difficult. As a result, every year, many bridges on local roadways must be load

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posted or closed, which limits traffic to lighter vehicles or requires lengthy detours. When bridge traffic is restricted or halted, emergency vehicles cannot pass, evacuation routes are cut off, commercial vehicles must find other routes. Public safety and critical commerce are jeopardized.

To upgrade our bridges, the Governor proposes BRIDGE NY, a new $1 billion initiative that will provide $500 million to help municipal governments replace, rehabilitate and maintain vital local bridges and invest $500 million in state-owned bridges. BRIDGE NY will help expand and protect public safety and critical economic growth and commercial activities across the state. Projects will be selected based on the bridge's condition rating, economic impact, environmental benefits, and reduced risk of flooding.

Proposal: Launch the New $1 Billion PAVE NY Program to Build and Fix Roads

Approximately 1,600 municipalities are responsible for maintaining more than 97,000 centerline miles of pavement, 48 percent of which has been rated in fair or poor condition.[26] Without intervention and investment, continued deterioration of pavement condition will result in road closures or abandonment and impede efforts to attract economic activity.

To pave roads around the state, the Governor proposes PAVE NY, $1 billion initiative that will invest $500 million to pave local roads and $500 million to pave state roads. To gain the great return on state investment dollars projects will, where appropriate, incorporate use

of recycled/reclaimed materials and permeable pavements. This massive proposed investment in paving projects will ensure smoother rides for passenger and commercial traffic and fewer costly delays and slowdowns.

Proposal: Launch a New $500 Million Infrastructure Hardening Program

With the increasing frequency of extreme weather events, the resiliency of New York's roadways has never been more important. For example, the Saw Mill River Parkway, between the Taconic State Parkway and Pleasantville Road, is one of the most congested state roadways in Westchester County. This section of the Saw Mill serves approximately 51,000 vehicles daily and provides critical connections from northern Westchester County to the Cross Westchester Expressway, Tappan Zee Bridge, and New York City.[27] Yet, the Parkway is subject to severe and recurring flooding. Since 2011, this segment of the Saw Mill has been closed due to flooding from extreme weather events more than 15 times. A DOT estimate puts the cost of these delays and closures at $5 million annually to the traveling public.[28] The Governor proposes the $500 million Extreme Weather Infrastructure Hardening Program to make safety and

resiliency enhancements to roadways across the state, that have proven to be susceptible to flooding and other extreme weather related events.

Through the Extreme Weather Infrastructure Hardening Program, DOT will construct a new roadway on the Saw Mill that will sit above the flood plain. This $60 million investment will mitigate the frequent need to divert traffic through local communities, provide better access to local emergency responders, and prevent the isolation of more rural parts of the region from hospitals, food, and other supplies and services. The Program will also invest an additional $440 million on other such projects throughout the state.

Proposal: Create the Design and Construction Office

The state is in the midst of an enormous capital investment in infrastructure and economic development projects and must do all that it can to reduce the time and cost of construction.

To curtail the loss of state dollars caused by avoidable construction delays, the Governor proposes the creation of the New York State Design and Construction Corporation (DCC), a new subsidiary of the Dormitory Authority of the State of New York

(DASNY). DASNY is one of the state's largest public authorities in terms of its construction and financing output and has played a vital role in supporting the state's economic development and infrastructure since 1944 through its project management and construction services.

The DCC's primary purpose will be to provide additional project management expertise and oversight on significant public works projects undertaken by state agencies, departments, public authorities and public benefit corporations throughout the state. The DCC will be able to collaborate with agencies and authorities to ensure that construction projects are managed efficiently and comply with construction deadlines and budget limits specified at the onset of these projects. Adding this layer of management will provide the state with additional costs savings on many of its large scale publicly-funded construction projects.

PART THREE: UPSTATE ECONOMIC GROWTH

New York State has created more than 759,000 private sector jobs since December 2010.[29] The state's private sector job count is at an all-time historic high with more than 7.9 million jobs.[30] Unemployment

continues to decline in every region – from 8.4 percent in December 2010 to 4.8 percent as of November 2015 – the lowest level in eight years.[31]

The state achieved these impressive results through the Governor's new regional approach to economic development and groundbreaking entrepreneurial government paradigm. In 2011, Governor Cuomo replaced the state's previous top-down approach to economic development with a new bottom-up approach driven by a competition organized around ten Regional Economic Development Councils (REDCs). Each region of the state has a REDC that convenes stakeholders from higher education, business, and government to develop long-term economic development strategic plans that leverage each region's unique resources and identify areas of opportunity for investment. To date, the state has awarded nearly $4 billion through five rounds of the REDCs for more than 4,100 projects and created and retained more than 200,000 new jobs across the state.[32]

The Governor applied the same bottom-up approach utilized by REDCs to spur an economic renaissance in Buffalo, a city that has suffered since the collapse of its manufacturing economy in the late twentieth century. The Governor has committed $1 billion to the Buffalo area and worked with its Regional Economic Development Council, as well as experts from The Brookings Institution, McKinsey & Company, and the University of Buffalo's Regional Institute to shape the future of the region. Major projects are underway, including the development of several industry innovation and advanced manufacturing hubs anchored by private companies such as IBM and AMRI. Solar power provider SolarCity will anchor the Buffalo High Tech Manufacturing Innovation Hub at RiverBend with a ten-year, $5 billion investment that will create approximately 3,000 permanent jobs in Buffalo and 2,000 jobs elsewhere in

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the state. Overall, the Buffalo Billion will generate a total investment of over $8 billion and create approximately 14,000 direct and indirect jobs.[33]

The state is investing more than $108 million in workforce development, tourism plan development, waterfront development, and other strategic community revitalization projects in the city of Buffalo and in Western New York.

Overall, the Buffalo Billion will generate a total investment of over $8 billion and create approximately 14,000 direct and indirect jobs.

To replicate the success of the Buffalo Billion model, the Governor launched the Upstate Revitalization Initiative (URI) in 2015, a $1.5 billion investment designed to promote the growth and sustainability of seven upstate regions. The URI awarded three regions – Central New York, Finger Lakes, and Southern Tier – $500 million each over five years to support projects and strategies that create jobs, strengthen and diversify economies, and generate economic opportunity within the region. These communities are now working with the state to

implement their strategic plans and will be identifying projects for funding in 2016.

Establishing regional industry clusters is recognized as an effective way for states to coordinate their economic development efforts.[34] According to prominent economist Michael Porter, clusters allow regions to coordinate existing resources in industry, academia, and government, driving innovation, productivity, and efficiency while reducing the cost of doing business.[35] In 2015, Governor Cuomo established the Regional Economic Cluster Program, which directed each region to complete an inventory of their industrial and innovation assets and submit strategic plans to target growth in a single economic cluster. All ten regions submitted Cluster Plans through Round V of the REDCs and cluster proposals ranged from cyber technology to advanced manufacturing to food and beverage manufacturing. The Governor has bolstered these efforts by investing in strategic industries that will modernize the state's economy and give New York a competitive edge.

After decades of false starts and promises, Governor Cuomo succeeded in making upstate Resort Gaming Destinations a reality in 2014. In 2015, the New

York State Gaming Commission unanimously approved licenses for resort gaming destinations in Sullivan, Schenectady, and Seneca Counties. These world-class facilities will include new hotels, restaurants, and other attractions that will bring tourists, including the more than 50 million individuals who visit New York City every year, to upstate regional attractions. [36]

All of New York State will benefit from these gaming resorts: 80 percent of the gaming revenue will support public education (in addition to existing aid) or provide property tax relief statewide. Ten percent will provide local government assistance to each county in the three upstate casino-eligible regions, and the final ten percent will be split between the gaming facility's host municipality and county.[37]

Proposal: Invest $750 Million through Round Six of the Regional Economic Development Councils

In 2011, Governor Cuomo created the Regional Economic Development Council competition to develop regional economic development plans through a bottom-up approach that brought together higher education, industry, and government leaders to plan the future of their region. The state has invested nearly $4 billion through the REDCs that has funded more than 4,100

projects and created more than 200,000 new jobs across the state. To build on the success of the REDC program, the Governor proposes continuing this regional economic development approach with a sixth round of the REDC awards with $750 million to fund regional priority projects.

Proposal: $200 Million for URI Runner Ups to Fund Top Projects

The Upstate Revitalization Initiative will invest $1.5 billion in the Central New York, Finger Lakes, and Southern Tier regions over the next five years. Building on the success of this model, the Governor proposes funding an additional $50 million to each of the four additional upstate regions that did not win the Upstate Revitalization Initiative competition (Mohawk Valley, North Country, Capital District, and Mid-Hudson) to fund priority economic development projects and support implementation of each region's strategic plan for economic growth. In total, the average investment in each of these regions will be nearly $145 million.

Proposal: Invest $100 Million in Downtown Revitalization Program

According to Smart Growth America, companies in the United States are increasingly seeking to relocate and invest in walkable downtown locations in an effort to attract and retain talent, build brand identity, and foster company culture.[38] Downtown revitalization also attracts more residents by creating a sense of place and affordable living.[39] According to the Brookings Institute, investing in urban centers can improve economic performance, reduce infrastructure costs, and enhance the economic well-being of surrounding areas.

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To revitalize ten struggling downtown communities the Governor proposes the $100 million Downtown Revitalization Initiative (DRI), a comprehensive approach to transform long-forgotten areas into vibrant neighborhoods where tomorrow's

workforce will want to live, work, and raise a family. The DRI will invest in housing, economic development, transportation, and community projects. Each REDC will select a community that is losing population or in economic decline to work with outside policy and planning experts and planners from the Department of State and Housing and Community Renewal to create a strategic downtown revitalization plan as part of the 2016 REDC process. Eligible projects will include those that grow small businesses and employment, expand housing, improve transportation, and partner with large institutions such as universities and hospitals.

Proposal: Bring Mixed Martial Arts to New York

New York is the only state in the nation that does not allow professional Mixed Martial Arts (MMA) contests. Thousands of New Yorkers attend dozens of unregulated amateur MMA events in New York each year[40] and unlicensed promoters organize and promote amateur MMA contests in all corners of New York State. The Governor seeks to authorize both amateur and professional MMA and will ensure that contests happen under either the supervision of the New York State Athletic Commission or an alternative authorized

sanctioning entity. It will place firm controls on MMA, its participants and promoters that ensure the protection of fighters and fans.

PART FOUR: TOURISM: I LOVE NY

Tourism is New York's fourth largest industry, responsible for over 883,000 jobs and an economic impact that grew to over $100 billion in 2015 for the first time in the state's history. Governor Cuomo has tripled support for tourism, investing over $100 million since 2011—New York's largest tourism effort in decades and one of the biggest public commitments to tourism in the nation. Over the same period, the number of international visitors has increased 12 percent and direct visitor spending has grown by 16 percent. Last year, overseas travelers visited New York more than any other state for the fourteenth year in a row. [41]

This investment has included the launch of a cutting-edge digital marketing strategy, including an award-winning promotional campaign and the state's I LOVE NEW YORK mobile app, downloaded 41,000 times. These efforts have resulted in 1.6 million visits to iloveny.com, a 79 percent growth in the last eighteen months.[42] To bring further attention to all that New York

has to offer, Governor Cuomo has hosted a series of special events across the state, from the Adirondack Summer and Winter Challenges, to the Bassmaster Governor Challenge, to the Governor's Cup Beverage & Culinary Tours.

The New York State Fairgrounds are a key driver of tourism in Central New York. The Fairgrounds deliver an average annual economic impact of over $100 million and serve as an integral part of New York State's tourism economy. In 2015, events held at the Fairgrounds attracted roughly 1.4 million visitors, including more than 908,000 for the Great New York State Fair alone.[43]

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Last year, the state embarked on a $50 million renovation of the Fairgrounds—the first renovation in over 100 years.[44] This summer, the Great New York State Fair will open with a new Main Gate; modern RV facilities that will offer upgraded water, sewer and electric hook-ups; an expanded, state-of-the-art Midway; and wireless

internet across the Fairgrounds. In 2017 and 2018, the state will continue this transformation with a rebuilt Chevy Court outdoor concert venue, new equine facilities, a large Expo Center, and new festival grounds featuring recreational space, a pond, and a replica of the historic Erie Canal.

Proposal: Expand Tourism Investment to $50 Million

Governor Cuomo proposes to invest an additional $5 million in New York's booming tourism economy to bring the state's investment to an unprecedented $50 million. The state will invest $25 million in the I LOVE NEW YORK marketing campaign and $13 million in Market NY to support improvements to hotels, convention centers, and other attractions. To shine a spotlight on regional attractions the Governor will host another round of special events including winter and summer events in the Adirondacks, fishing tournaments in the Finger Lakes, and wine cups upstate.

Proposal: Adirondack and New Challenges

Governor Cuomo will host his first annual Catskill Challenge this summer. Modeled after the successful annual Adirondack Challenge, the Governor will invite state and local officials, tourism industry

representatives, and outdoor enthusiasts to engage in a day of world-class outdoor activities, while showcasing the recreational opportunities the region has to offer—including fly fishing, paddling, hiking, and mountain biking.

Proposal: Invest $5 Million to Promote Outdoor Recreation in the Catskills

Working with the Department of Environmental Conservation, the Empire State Development Corporation will launch a $5 million tourism advertising campaign this year to promote the Catskills region to visitors from around the world. The effort will include print and television ads, expanded services for the I LOVE NY bus, and a Catskills concierge program. This campaign will also promote Governor Cuomo's "Ride the Catskills" tourism website, an online resource that features a series of itineraries and trips for visitors and locals to enjoy while traveling by motorcycle, car, bike, boat, or foot.

New York will also further its long standing partnership with the Open Space Institute to invest $7.3 million to transform Minnewaska Preserve State Park, on the Shawangunk Ridge, into a world-class tourism destination. The project will feature a 6,000-square-foot

visitor center, improved parking, better parking, and space for exhibits and education services.

PART FIVE: PRODUCING NEW YORK'S BEST

Since taking office, Governor Cuomo has made growing New York's agricultural economy a top priority. To this end, the Governor has launched a series of initiatives that support agricultural research, promote locally grown and produced foods, help to market the booming craft beverage industry, and connect our farmers and agri-businesses to new markets through farmers' markets, Taste NY stores, and increased procurement opportunities. Over the past five years, the state's REDC process has also awarded over $275 million in funding to agri-business enterprises across the state from the east end of Long Island to the wine region along the shores of Lake Erie.

These investments are already paying dramatic dividends. Last year, farmers in New York State set an all-time sales record, with $6.4 billion in cash receipts.[45] This is a 36 percent increase since 2010 -- stronger growth than the nation as a whole.[46] New York remains a leader in Greek yogurt production, producing more each day than Greece does.[47] We lead the nation in

sour cream and cottage cheese production; second in apples and maple syrup; third in grapes and cauliflower; fourth in milk and cheese production, pears, and squash; and fifth in the nation in sweet corn, onions, and tart cherries.[48]

Protecting and Enhancing Farmland and Agri-business

Since taking office, Governor Cuomo has invested historic levels of funding to protect farmland and support agri-business across the state. As part of this effort, the state is investing $20 million to protect farmland in the Hudson Valley—the first-ever regional farmland protection initiative of its kind. The state is also providing $30 million in grants to farms and agri-businesses throughout the Southern Tier to increase production, spur economic development, and introduce environmental stewardship best practices.

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Streamlining Regulations to Aid Farmers

In 2014, Governor Cuomo created the SILO Task Force (Strategic Interagency Task Force on Lessening Obstacles to Agriculture) to identify and remove regulatory and administrative barriers that farmers face when they interact with state government. In 2015, the state adopted a recommendation of the Task Force and streamlined farming regulations for pesticide registration and certification while maintaining environmental protections.

Supporting Clean Energy and Climate Adaptation for Agriculture

The state is taking a series of actions at the intersection of climate change and agriculture including a $500,000 pilot program to help farmers adapt agricultural practices to climate change, a collaboration with Cornell University to design a new farmer education program on climate resiliency, and a new Clean Energy for Agriculture Task Force charged with developing a strategic plan to address the opportunities and challenges of widespread deployment of clean energy technologies on farms.

Expand New York's Craft Beverage Industry

New York has emerged as a national leader in craft beverage manufacturing. The state is now home to nearly 900 wineries, breweries, distilleries, and cideries.[49] When combined with distribution and retail, producers account for more than $27 billion in annual economic impact and support tens of thousands of jobs statewide.[50]

Over the last five years, the Governor has collaborated with the craft beverage industry to achieve business friendly reforms that have resulted in remarkable growth. He created the One Stop Shop, which has provided individual attention to almost 800 businesses, and he has committed $9 million to promote and advertise the industry. New York State now ranks third in the nation in wine and grape production, second in apple production, and is home to three of the 20 top-producing breweries in the country. Since 2010, the number of farm wineries in New York has increased by over 60 percent and the number of microbreweries has increased by 233 percent. Since Governor Cuomo took office, farm-based beverage licenses have more than doubled and the new Farm Brewery Law has already

resulted in 106 new licensees. In 2015 alone, the State Liquor Authority issued 141 new manufacturing licenses, including eight cidery licenses, 35 distilleries, 25 winery licenses, and 73 brewers.

In 2015, Governor Cuomo hosted the state's third Wine, Beer, Spirits, and Cider Summit, where stakeholders and state officials identified new opportunities to build on this remarkable progress including: funding for additional marketing and promotional activities, support for expanded education and research; and a further reduction in paperwork and other state regulatory barriers.

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Proposal: Expand the Taste NY Program and Open Four New Stores

Governor Cuomo launched Taste NY in 2013 to highlight and encourage the purchase of New York-made foods and beverages.[51] Taste NY opened its first free-standing store in 2013 in the historic Todd Hill building along the Taconic Parkway. Just two years later, Todd

Hill exceeded $1 million in revenue.[52] In 2015, Taste NY opened its eleventh store – and the first outside New York State – in San Juan, Puerto Rico in the New York State Office of Trade and Tourism and tripled sales to $4.5 million in revenue over 2014 revenue. The program also showcased more than 1,100 producers at Taste NY-sponsored marketplaces, events, and through partnerships.

The Governor proposes to double Taste NY revenue to $9 million in 2016 by investing $1.1 million to add four stores, increasing concession partnerships at sports and entertainment locations, and expanding sales displays at high-traffic transportation hubs and other venues. To drive revenues Taste NY will open four new freestanding stores in White Plains along the Hutchinson Parkway, at the Lock E-13 Rest Area on the Thruway in the Mohawk Valley, at the Niagara Falls Amtrak Station, and at Pier A in Battery Park. Taste NY will also open concessions in four additional sports venues, in every State Park, and recruit 100 new high-quality producers to join the program.

Taste NY will be strategically featured in 2016 at the Barclays Center in Brooklyn at a premium bar that will increase brand exposure for New York craft

beverage producers and provide access to approximately two million guests per year.

Proposal: Modernize and Simplify the Alcoholic Beverage Control Law

The Alcoholic Beverage Control (ABC) Law dates back to 1934 and is a puzzling web of rules that confuses potential and existing licensees, regulators, and even attorneys. For example, the ABC Law makes multiple licenses available for the retail sale of alcoholic beverages that depend on the type of beverage being sold and whether it is sold "to go" or "by the glass."[53] It is nearly impossible for a new craft beverage entrepreneur to determine what license is needed. The ABC Law creates confusion that often results in delays, financial hardship, and loss of revenue to businesses that attempt to navigate the system. The ABC Law still contains arcane restrictions that date back to the end of Prohibition.[54]

While the Governor enacted The Craft Act in 2014 to take steps to modernize the ABC Law, the Law requires further modification. The Governor formed a working group of industry stakeholders to provide recommendations to revise and modernize the ABC Law. In 2016, the Governor will introduce legislation to

modernize the ABC Law by addressing the issues stated above along with those identified by the working group.

Proposal: Update the Alcoholic Beverage Control Law to Grow E-Commerce

U.S. e-commerce retail sales of alcoholic beverages totaled nearly $88 billion in the third quarter of 2015 alone.[55] This platform presents a tremendous opportunity for New York craft beverage producers and suppliers. To increase e-commerce revenues for New York alcoholic beverage producers and suppliers, the state will work with industry stakeholders to develop and introduce legislation in 2016 that will amend the ABC Law to create a clear legal framework for Internet sales and reduce confusion within the industry. This legislation will also include proposals to standardize practices for third-party providers who facilitate transactions that connect alcoholic beverage retailers to consumers.

Proposal: Cut Taxes for Craft Beverage Producers

Under current tax law, breweries that produce less than 60 million gallons of beer per year are eligible for a tax credit that provides $2 million in benefits every year. To encourage the growth of start-up craft beverage

producers, the Governor proposes to expand eligibility for this tax credit beyond breweries to cideries that produce less than 60 million gallons annually, wineries that produce less than 20 million gallons annually, and distilleries that produce less than 500,000 gallons annually. These proposals will provide $2 million in savings to these producers that will allow them reinvest and grow their companies in New York.

Finally, the Governor also proposes exempting breweries, distilleries, cideries, and wineries from alcoholic beverage taxes associated with free tastings, lowering costs for hundreds of craft producers and allowing them to better market their products and reinvest in their businesses. The state collected $251 million in these taxes last year and the craft industry accounts for $10 million of the total. This change means that an additional $2 million will remain in the pockets of these producers.

PART SIX: BUILDING A CLEAN ENERGY ECONOMY

Since taking office, the Governor has created and pursued the most aggressive environmental and sustainability agenda of any state in the country to mitigate climate change. This bold agenda drives and

complements the state's efforts to foster and expand New York's growing clean energy economy.

Greenhouse gas emissions are driving up air and water temperatures and altering the earth's climate.[56] New Yorkers have already begun to face the long term effects of global climate change, dealing with unprecedented extreme weather events like the historic snowfall in Western New York in 2014, tornadoes in Central New York in 2013, and the billions of dollars of damage and loss of life that resulted from Hurricanes Irene, Lee and Super Storm Sandy.

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In the wake of 11 presidentially-declared natural disasters in his first five years in office,[57] the Governor has shifted away from an outdated approach to the energy sector to one that pushes our private sector partners to step up and accelerate the deployment of energy efficiency, solar, wind, and other clean technologies. This strategy, called Reforming the Energy

Vision (REV) is a multifaceted regulatory approach designed to spur private investment in clean energy, build a thriving clean tech economy, strengthen our communities, and provide universal access to clean, affordable power. Since taking office the Governor has invested in the Western Hemisphere's largest $5 billion solar panel gigafactory in Buffalo, a new $700 million large-scale commercial silicon wafer manufacturing facility in Genesee County, and $35 million to build a research and development hub that will help researchers and companies turn their ideas into commercialized technologies and products.

The New York State Energy Plan established an aggressive goal for New York to rely on 50 percent renewable energy for its total energy needs by 2030.

In 2015 New York advanced an aggressive State Energy Plan that called for a statewide reduction of greenhouse gas emissions 40 percent by 2030 and for 50 percent of our electricity to come from renewable resources by 2030. Today, 25 percent of New York's energy consumption is comprised of renewable energy resources such as solar, wind and hydropower.[58] This

goal requires the state to double its consumption of renewable energy in 15 years.

The Governor will continue efforts to build a clean energy industry in New York that will help the state to tackle the challenges posed by climate change while creating tens of thousands of jobs and generating billions of dollars in economic activity.

Proposal: Adopt an Aggressive Clean Energy Standard

Today, 25 percent of New York's energy consumption is comprised of renewable energy resources such as solar, wind and hydropower.[59] The New York State Energy Plan established an aggressive goal for New York to rely on 50 percent renewable energy for its total energy needs by 2030.[60] This goal requires the state to double its consumption of renewable energy in 15 years.

The Governor knows that mandates drive change and has called on the Department of Public Service (DPS) to work with the Public Service Commission (PSC) to formally adopt this Clean Energy Standard, among the highest in the nation. Adoption of this enforceable standard will drive change in the private sector as companies work to develop more sources of renewable

energy for New Yorkers and energy markets are provided with the clear direction and long-term stability necessary to invest in the development of new clean energy solutions.

As the state works to meet this aggressive goal it must support upstate nuclear power plants that provide important sources of carbon-free energy. If any one of those plants were to close the market would likely rely on fossil fuel-fired plants to replace their energy source which would set back the state's attempt to reduce carbon emissions. As DPS works to support the development of new sources of renewable energy it will also develop market mechanisms to provide financial support for safely operating upstate nuclear power plants. These efforts will ensure that safely operating, fully licensed nuclear power plants are able to provide a necessary bridge to help New York achieve its 50 percent renewables goal by 2030.

Proposal: Adopt the Clean Energy Fund

The state will advance a ten-year, $5 billion Clean Energy Fund (CEF) to support clean energy projects and programs that will help New York to partner with the private sector to achieve the goal of having 50 percent of

our energy come from renewable resources by 2030. The CEF is funded by surcharges on utility bills, and in 2016, will include an immediate decrease of $90 million in ratepayer collections, and a total reduction of $1.5 billion by 2025.

CEF-funded programs will increase deployment of clean energy solutions and renewable energy to millions of homes, buildings and communities in New York; invest $700 million in cutting edge research and development to accelerate homegrown innovation in the clean energy industry; invest $1 billion to deploy enough solar to equal the amount of energy generated by six coal-fired power plants through the Governor's NY-Sun initiative; and capitalize the nation's largest Green Bank to partner with the private sector to finance clean energy projects like wind and solar farms and energy efficiency retrofits.

Proposal: Increase Renewable Energy Consumption at State Owned Facilities and on SUNY Campuses

In 2012, Governor Cuomo launched the BuildSmart initiative aimed at improving energy efficiency and reducing emissions at state facilities by 20 percent before 2020.[61] As a result of this program, New York State reduced energy bills at numerous public

buildings by nearly $40 million.[62] In 2016, state agencies will aggressively increase their renewable electricity consumption to reduce emissions.

To help invest in retrofits and the deployment of renewable energy on public facilities, NYPA will finance $1.5 billion of clean energy projects across state-owned buildings and local and municipal properties by 2020. This investment will help government entities complete energy efficiency, renewable distributed generation, microgrids, and other smart grid technology projects. NYPA will also work with state agencies to use state property for community solar projects that will allow private consumers who live nearby to access clean, renewable energy.

In 2015 the Governor announced that Robert Moses State Park will become the first energy-neutral state park in the nation with the construction of a $1.7 million, 500 kilowatt solar project. In 2016, the Governor will continue to utilize state-owned properties to achieve our emissions reductions goal with the construction of up to five additional megawatts of solar at Jones Beach, Sunken Meadow and Robert Moses State Parks. Together, these solar investments will generate approximately 50 percent of the electricity demand for

Long Island State Parks and reduce carbon emissions by 5,000 metric tons per year.

The State University of New York (SUNY) is the largest comprehensive university system in the country with 64 campuses across the state and consumes 1.2 million megawatts of energy every year. To help the state meet its renewable energy goals, SUNY will install solar and other renewable energy sources on each of its 64 campuses by 2020, with the Governor calling on private colleges and universities to join the SUNY in this effort.

Proposal: Make 500,000 Homes and 20,000 Businesses More Energy Efficient By 2020

The least expensive and most effective way to meet our state energy goals is simply to reduce the overall energy consumption of New York's homes, businesses, and institutions by making them more efficient.[63] Increasing energy efficiency also lowers utility bills for customers and enables businesses to reduce their operating costs.

The state will increase the energy efficiency of 500,000 homes and 20,000 businesses by 2020, reducing their carbon emissions and utility bills by $1.5 billion. The state will invest part of the Clean Energy Fund to help property owners and renters audit their current

energy use and identify energy savings opportunities, and replace inefficient systems and appliances with high-efficiency models wherever possible.

Proposal: Install Solar on 150,000 New Homes and Businesses by 2020

Today, 28,000 homes and 2,000 businesses have installed solar.[64] To increase these figures and reduce emissions from privately owned homes and businesses, the state will leverage the growth in New York's solar industry and provide technical and financial support to install solar panels on 150,000 additional homes and businesses. The state's Shared Renewables Program will also allow nearby community members to share in the solar power generated by projects on commercial properties, further reducing emissions across private residences.

Proposal: Build 300 Additional Wind Turbines by 2020 and Create a Master Plan for Offshore Wind

Today, over 1,000 large-scale wind turbines have been built throughout upstate New York. Spread across 19 wind farms, these massive turbines generate over 1,600 megawatts of capacity, enough to power over 600,000 homes.

To meet the requirements of the Clean Energy Standard, New York will need even more of our power to come from carbon-free wind farms. To jumpstart this growth, the state will invest $150 million in 2016 for a solicitation to support the construction of large scale renewable projects such as solar, wind, hydro, and fuel cells. This financial support, along with new activities spurred by the Clean Energy Standard, will help build an additional 300 wind turbines and increase New York's wind production by nearly 40 percent by 2020 for a total generating capacity of 2,200 megawatts, enough wind to power nearly 800,000 homes.[65]

New York has 127 miles of coastline[66] that present an enormous opportunity to generate energy through the deployment of offshore wind turbines. As the state advances a strategy to capture this potential, it is critical to ensure that offshore wind does not come at

New York has 127 miles of coastline that present an enormous opportunity to generate energy through the deployment of offshore wind turbines.

the expense of vital coastal habitats and economies, including tourism, fishing, and boating.

To develop a path forward for the siting of offshore wind turbines, the state will engage community members, environmental advocates, and government partners at all levels to create the New York Offshore Wind Master Plan that will serve as a blueprint for the future of offshore wind in New York. The state will provide $5 million to support the planning effort.

Proposal: Invest $8 Million to Build Out Community Microgrids

The Clean Energy Fund has invested $10 million to date to help local communities and municipalities develop community microgrids—energy systems that provide customers with an ability to operate independently in the event of a power outage. The state awarded 83 first round winners with $100,000 in 2015 to conduct feasibility studies for the construction of microgrids.

This year the state will invest $8 million to provide $1 million grants to eight projects that will help communities take the next step toward building microgrids. These funds will pay for audit-grade engineering designs and business plans so communities

can then commission bids to construct the microgrids and increase energy resiliency.

Proposal: Launch the $3 Million "Energy to Lead" Competition for Colleges and Universities

There are more than 270 colleges and universities in New York that enroll over 800,000 students.[67] Higher education institutions consume a great deal of energy, produce a lot of waste, are hotbeds of innovation and next-generation discoveries, and educate the leaders of tomorrow. To capitalize on these opportunities the state will launch the $3 million Energy to Lead Competition as part of its broader REV Campus Challenge program. The Competition will award three $1 million prizes to the most ambitious, student-led proposals for improving energy efficiency, installing renewables, and reducing emissions on their campuses and in their communities.

Proposal: Invest $75 Million in Affordable Housing and Retrofit 100,000 Units by 2025

Emissions from residential and commercial buildings in New York contribute 40 percent of the state's overall greenhouse gas emissions.[68] New York's government-subsidized affordable housing stock—hundreds of thousands of public and subsidized

units[69]—represents a huge opportunity to reduce energy consumption, costs, and greenhouse gas emissions.

As a part of the state's goal to make 500,000 homes more energy efficient by 2020, the state will work with the Department of Homes and Community Renewal and other public and affordable housing agencies to bring even higher efficiency retrofits to 100,000 multifamily housing units by 2025, cutting costs to customers, making their homes more comfortable, and reducing emissions from our building stock. To jump-start progress toward this goal, the Clean Energy Fund will invest $75 million over the next three years to help offset the costs of efficiency upgrades in multifamily affordable housing. These investments will include grants and a design competition that will incentivize the private sector to retrofit affordable housing units to the highest energy efficiency standards, producing energy savings of approximately 70 percent below typical consumption.

The state will also take steps to ensure that all new affordable housing construction is energy efficient. To achieve this goal, HCR will modify its programs and funding allocations to incentivize energy efficient construction and develop mechanisms to monetize

future savings and incorporate into the affordable housing financing capital structure.

Proposal: Create Clean Energy Workforce Opportunity Program and Train 10,000 Workers by 2020

New York State's clean energy sector has grown nearly 15 percent and added more than 12,000 jobs since 2010.[70] The state has driven this growth through investments to bring cutting edge clean energy companies like SolarCity, 1366 Technologies and Soraa to New York. These companies alone will generate over 6,000 new jobs. As the clean energy sector continues to grow the state must take steps to ensure that we have people with the right training to fill these jobs.

To train 10,000 more workers for jobs in the clean energy sector, the Governor proposes a new $15 million Clean Energy Workforce Opportunity Program at the State University of New York (SUNY) that will work with clean energy companies to develop a new job training and certification program that will make New York a leader in clean tech workforce development. Industry partners identified through the Regional Economic Development Councils and other industry associations

will develop the credentials and certifications that workers need and develop and offer apprenticeships.

The Workforce Opportunity Program will allow SUNY colleges, especially technical and community colleges to expand their capacity to offer industry-relevant training programs and will offer a unified, industry recognized certification credential to SUNY students. The Program will provide funding to train and hire new faculty and purchase cutting-edge equipment such as such as Electro-Mechanical and Mechatronic simulators that will be used in new academic programs.

2. EDUCATION: A LADDER TO OPPORTUNITY

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.

When we invest in education, we invest in our future as a state and nation – and New York has one of the largest educational investments in the country.[71] It is critical that this investment provide quality educational programs that lead to greater opportunities for every student in the state. In his first term, Governor Cuomo has implemented reforms and policies to increase access to early education, supply schools with 21st century learning technology and internet connectivity, recognize and leverage our best teachers, and make college more affordable. These initiatives have served to improve access to a high-quality education from a student's first day in pre-school all the way through to success in his or her chosen profession.

Building on the successes of his first term, Governor Cuomo's Education Transformation Act of 2015 and Opportunity Agenda raised the bar for the education of every child in New York. From providing the highest level of state aid to public schools in history, to ensuring that all students have a prepared and effective educator, by increasing educational opportunities for the state's youngest learners, by beginning the transformation process of failing schools to successful ones, and by helping to alleviate the financial burden of the state's college students, this agenda improved educational opportunities in the state across the board.

The Governor proposes a suite of new initiatives for 2016 that help learners from early childhood to college and also embraces the recommendations of the New York Common Core Task Force that he will work to implement over the next several years. Taken together, these proposals will ensure that education in the State of New York remains a national model of educational excellence for all children.

PART ONE: HIGHER EDUCATION

New York currently has over 1.2 million students enrolled in higher education programs annually across all sectors. This includes 455,000 students enrolled in the State University of New York (SUNY), 275,000 students enrolled at the City University of New York (CUNY), and 532,000 students enrolled in private colleges and universities across the state.[72]

The state currently provides approximately $7 billion in total support for colleges and universities. This includes $3.9 billion in funding for operations and employee fringe benefits at SUNY state-operated campuses and CUNY senior colleges, $1.2 billion in debt service to pay for capital improvements on SUNY and CUNY campuses, $1.1 billion in financial aid to students through the Tuition Assistance Program, various scholarships and loan forgiveness programs, over $700 million in support for community colleges and approximately $100 million for higher education opportunity programs and aid to

New York State support for colleges and universities: approximately $7 billion.

private colleges administered by the State Education Department.[73]

Leveraging Higher Education for Economic Development

A strong higher education pipeline is the critical component that connects our state's P-12 public education system to a New York State workforce prepared for 21st century demands. Since 2011, Governor Cuomo has advanced initiatives that modernize and streamline higher education in our state with an eye towards economic development and developing a modern workforce.

The Governor's E^2 initiative is a prime example of this shift in focus. This new way of thinking treats education and economic development as linked – as they clearly are in our ever-changing world. Today's invention or development on a college campus can, and should, generate new industries and job demands tomorrow—across the state and across the world.

Linking Employers to the Classroom

The Governor has also focused new initiatives on bringing industry input and needs to bear on college program offerings across the state. The Next Generation

NY Job Linkage Program, first launched in 2013, realigns community college offerings to ensure that in-demand skills are being taught by building regional partnerships between employers, Regional Economic Development Councils, and community colleges. The Job Linkage program also ties certain funds to successful outcomes, rewarding community colleges that best prepare students for graduation and the job market.

In a similar effort to align community college offerings with regional needs, the Governor directed SUNY to create regional planning councils to ensure that the 29 community colleges outside of New York City collaborate with employers, local government, state agencies, nearby colleges, and other stakeholders. These councils are setting regional academic and employment goals, thereby better aligning program offerings to the job needs of the region.

Making College Affordable

The Governor also rolled out several new initiatives in 2015 that directly help current and former students deal with financing costs of college attendance. First, in December, the Governor formally rolled out the Get on Your Feet Loan Forgiveness Program. For

students who recently graduated college in New York and earn less than $50,000 annually, this program will cover 100 percent of their student loan payments while students begin their careers. In order to qualify, students must continue to live in New York and enroll in the new federal Pay as You Earn loan repayment program.

Finally, the Governor has created a Standardized Financial Aid Letter for students enrolling in college in 2016-17 or thereafter. This standard letter will include information on student access, degree completion, and post-graduation success. It will also provide information on total costs of attendance, total aid offered, and total amount that will need to be repaid after graduation. As college costs continue to rise it is critical that students and their parents are able to compare the full cost of attendance across different colleges and universities to make an informed choice.

In 2016, Governor Cuomo proposes that we build on this progress to modernize our public university systems, align college offerings with workforce needs, incentivize success, and expand college access to students across the state. The Governor will also continue to implement his E^2 strategy to leverage our higher education system to drive economic

development. As part of this strategy the state has sought to link higher education to industry and has invested in efforts to commercialize research and technology from our colleges and universities to bring new products to market through programs such as the Innovation Hot Spots/Business Incubators and START-UP NY.

Proposal: Extend the NYSUNY 2020 and NYCUNY 2020 Program

Comprising the backbone of New York's two public systems of higher education, the 47 four-year colleges and universities of State University of New York (SUNY) and the City University of New York (CUNY) together annually enroll 396,000 full- and part-time degree seeking students.

The state established the public-private NYSUNY 2020 and NYCUNY 2020 Challenge Grant Program in 2011 to link the higher education system to economic development. The program incentivizes bottom-up, individualized, long-term economic development plans on SUNY and CUNY campuses that include public-private partnerships to benefit the campuses and surrounding communities. Projects must demonstrate measureable impact on both the academic experience of students and lasting economic impact through workforce

development and research activities with the potential to lead to commercialization. Since its inception, the Program has provided $470 million in new capital matching grant funding through Empire State Development to implement winning plans.

SUNY is applying the $305 million in award funding it has received to date to enhance the academic and economic impact its campuses have on the state. Awards are being used to fund innovative programs at both SUNY State-Operated campuses and community colleges, modernizing the academic experience of all New York students. Such projects include the creation of a SUNY Manufacturing Alliance for Research and Technology Transfer between 7 community colleges and Morrisville State College, an engineering innovation hub through SUNY New Paltz, and a Manufacturing and Technology Resource Center for the North County. These game changing awards also support projects at CUNY, which to date, has provided $165 million in funding for a new Science and Resilience Institute at Jamaica Bay, Allied Health Training for Employment in the Bronx and a New Media Jobs Incubator and Innovation Hub, among others.

In 2011, Governor Cuomo established the NYSUNY 2020 and NYCUNY 2020 program to keep tuition increases low and predictable while providing $470 million in additional resources to New York's public colleges and universities. NYSUNY 2020 and NYCUNY 2020 fixed an unpredictable tuition rollercoaster that prevented students and their families from being able to plan for the full cost of their education and ended the days of drastic tuition spikes upward of 45 percent. After five years of predictable tuition, New York's public four-year resident rates remain the lowest in the northeast and in the lowest quartile nationally.[74]

This legislation also allowed campuses to better plan and leverage the state's investments for student success. For instance, since the enactment of this legislation, SUNY has used the proceeds from tuition increases to hire more than 520 net new instructional staff (270 of whom are full-time faculty), and to establish over 100 new degree programs in high-need fields to ensure New Yorkers are prepared for the jobs of the future.[75] Importantly, pursuant to legislation, SUNY and CUNY also invested nearly 30 percent of these proceeds to provide tuition credits to students eligible for the Tuition Assistance Program. These new SUNY and CUNY

investments in a TAP Tuition Credit ensured that the neediest students can attend college tuition-free.

To keep tuition low and predictable and infuse additional funds into our SUNY and CUNY systems, the Governor proposes extending the 2011 legislation for an additional five years. Under this rational tuition proposal, SUNY and CUNY will be able to raise tuition up to $300 annually, provided they are able to demonstrate considerable efforts to reduce spending and that any increase is tied to appropriate inflationary indices. Additional revenue generated by any tuition increase would need to be put in a "lockbox" to support faculty, improve instruction and provide tuition credits for TAP-eligible students. A $300 annual tuition increase would raise $89 million annually for SUNY and $51 million for CUNY. This program will continue to provide $110 million in new capital matching grant funding through Empire State Development for the NYSUNY 2020 and NYCUNY 2020 Challenge Grant Program and will be coupled with an additional projected increase of $400 million in public funding over the next five years.

Proposal: Expand SUNY and CUNY Performance Initiatives

In 2013, Governor Cuomo began the process of partially shifting funding for SUNY and CUNY from enrollment-based funding to an approach linked to campus performance with the initiation of the Next Generation Jobs Linkage Program. This innovative program has provided $5 million annually in incentive funding to SUNY and CUNY community colleges that help students get jobs upon graduation.

In 2015, Governor Cuomo extended this concept with the inception of the $30 million SUNY and CUNY Investment and Performance Fund. Under this plan, colleges are required to complete performance improvement plans subject to Board of Trustee approval. Based on identified goals, each system allocates funds to the colleges' prioritized projects with the goal of improving outcomes in student access, completion, and post-graduation success.

This year, the Governor will continue both of these performance incentive programs and proposes that SUNY and CUNY combine campus performance plans into a comprehensive system-wide plan.

Proposal: Expand Commercialization Opportunities—Launch Bio-Science Venture Capital Competition

New York universities rank second nationally in total research spending, with over $4 billion spent annually[76] but New York continues to lag behind California and Massachusetts in commercializing research and generating new economic activity.[77] New York also has tremendous intellectual capital and infrastructure in the bio-sciences, ranking third among states in National Institutes of Health (NIH) research funding at $2.1 billion in 2014.[78] In 2014, the bio-sciences industry represented 41,554 jobs in the state, comprising $7.5 billion of the state's overall economy.[79]

To inspire more startup companies, like Regeneron, to start and expand in New York, the Governor will launch the $1 million Bio-Science Venture Capital Competition. The competition will stimulate growth in the bio-science industry through a multi-year venture capital contest focused on selecting the most promising startups and providing funding to support the commercialization of technologies developed within New York State universities and research labs.

Proposal: BioElectronic Facility at Nassau Hub

To leverage Long Island's existing higher education science and research assets, the Governor proposes to invest $50 million to build a state-of-the-art BioElectronic research and development facility at the Nassau Hub, a new mixed-use retail and commercial development project at the site of the former Nassau Coliseum. The facility will generate cutting-edge research that marries the disciplines of Neuroscience, Electronics with Computing and Molecular Medicine and commercialize the research into new medicines.

The Center will build upon the state's model of public-private partnerships for higher education-based economic development and will be anchored by Hofstra University, in collaboration with North Shore LIJ, the Feinstein Institute, and Stony Brook University. The project will leverage $300 million in private sector investment to support 650 jobs in the region.

Proposal: Create the New York State Innovation Database

New York now ranks second nationally in total university R&D spending. But, under current practice, too many new discoveries remain "on the shelf" in university patent offices. To address this, New York will

establish a statewide database managed by Empire State Development that will make unused university R&D discoveries searchable—connecting discoveries with those who can apply them commercially. This new database will improve the tech transfer process for public and private research institutions by making it easy for entrepreneurs to access research discoveries and intellectual property, incorporating them into new companies.

Proposal: Expanding Educational and Economic Opportunity to All by Expanding Access to Early College and CTE Programs

Governor Cuomo recognizes that the traditional pathway from high school to a job or college is not always the best option for students. He has consistently supported innovative alternate routes for students to enter college or start a career after graduation. New York is a national leader in the Early College High School movement and in Career and Technical Education for high school students. In 2016, Governor Cuomo proposes a three-part plan to strengthen and expand these programs for thousands of students.

The state has more than 65 early college high schools that currently enroll more than 7,300 students;

enrollment will climb to more than 15,000 students by the 2020-2021 school year.[80] These high schools utilize one of two models. The first is the Smart Scholars Early College High School model, which was established in 2010 to provide students with the opportunity to earn a minimum of 24 transferable, general education college credits while they are in high school. There are currently 23 Smart Scholars schools in New York. The second is the career oriented grade 9-14 Pathways to Technology Early College (P-TECH) High School model, which was first established in 2013 to provide students access to a high school diploma and associate degree in one integrated program. P-TECH High Schools also bring businesses to the educational process and provide students with internships and access to post-graduation job opportunities. Both models target students from low-income backgrounds and populations traditionally under-represented in college. Since 2010, the state has invested over $28 million in these innovative programs.[81]

New York's Early College High Schools have been highly successful in helping students get a jump start on college by helping thousands of students earn college credit while still enrolled in high school. One of the

strengths of the P-TECH program is that it not only allows students to earn college credit in high school, but also connects graduates directly to jobs. However, most students in the Smart Scholars schools are unable to complete an associate degree by graduation. They often enroll in community college to complete their associate degree, but may fail to complete an associate degree or go on to receive a four-year degree. The Governor seeks to ensure that Smart Scholars programs provide participating students with an associate degree as well as a direct link to further study and a higher-level degree.

First, the Governor proposes investing $3 million to create the Smart Transfer Program. This new initiative will transform certain existing Early College high schools into Smart Transfer high schools. Smart Transfer high schools will partner with a four-year college or university and re-structure their academic program to ensure that students can complete an associate degree while in high school, at no cost to the student, and then successfully transfer to a four-year college. The partnering higher education institution will provide transfer students with cohort-based student supports and academic advising, and will pledge that participating students will be able to complete a bachelor's degree

within two years of transfer. The Smart Transfer Program will improve the high school to college pipeline for these students by easing roadblocks to successful transfer to, and graduation from, a four-year college or university.

In 2014, the New York State Board of Regents approved a Career and Technical Education pathway to high school graduation. In this new pathway, students enrolled in approved CTE programs could use an approved industry standard certification exam to replace one Regents exam in graduation requirements.[82]

Second, to ensure that this pathway leads to both college and career readiness, Governor Cuomo will invest $1 million to support a package of reforms to the CTE sector that will ensure access for unique student populations as well as ensure that professionals are in the classrooms. First, the Governor proposes that the New York State Education Department Office of Career and Technical Education eliminate barriers to Students with Disabilities and English Language Learners by requiring CTE providers such as large school districts and Boards of Cooperative Educational Services (BOCES) to demonstrate that all CTE programs and activities are ADA, IDEA and Section 504 compliant and that the needs

of English Language Learners are met through bilingual programs and materials where applicable and that language instruction be integrated with content. A successful model for this is the Integrated Basic Education and Skills Training (I-BEST) model developed in Washington State, which contextualizes language and math instruction into CTE courses.

Next, the Governor proposes that CTE providers expand their programs and engage with local workforce development agencies, the Regional Economic Development Councils, and the Community College Regional Planning Councils to ensure that these new programs align with local needs and opportunities for additional training, and that industry partners are at the table when additional credentials are developed or identified.

Finally, the Governor proposes that the State Education Department update its regulations to remove the requirement that CTE teachers must also satisfy the certification requirements needed for an initial teaching license. This change will reduce the amount of time and overly burdensome certification requirements for CTE teachers and ensure that we have professionals with the right skills and desire in our classrooms.

Proposal: Expand Community College Community Schools

In 2015, Governor Cuomo extended the community schools concept to five community colleges – recognizing that many times, student success is tied to factors that are outside the college classroom itself. Under this new $2.5 million funding stream, participating colleges work with community based service providers, state and local agencies and others to bring coordinated services inside the college walls to meet the needs of distressed students and their families. Interest in this program was strong, with 15 colleges applying for five awards.

This year, Governor Cuomo will extend the work begun last year to include three additional community college community schools. These new programs will address student needs such as child and elder care, transportation, health care services, family counseling, and employment assistance. Through this effort, more students and their families will have the support they need to reach their educational goals.

Proposal: Enact the DREAM Act

As the face of America changes, at no time in our history has the meaning of the Statue of Liberty been

more important. No different than our forefathers and mothers over two centuries ago, new Americans are establishing their roots and livelihoods in New York every day.

Currently, across our state, undocumented immigrant students graduating from New York high schools face an uncertain future. These students are unable to receive state financial aid, often making it impossible to attend college and prepare for their chosen career. The Governor again proposes passing the DREAM Act, which will support the advancement of undocumented immigrants by enabling them to apply for state college tuition assistance. This initiative continues the state's tradition of welcoming immigrants and honoring their contribution to our culture and economy.

As the face of America changes, at no time in our history has the meaning of the Statue of Liberty been more important.

PART TWO: PRE-KINDERGARTEN-12 EDUCATION

Over the last five years, Governor Cuomo has maintained unprecedented support and commitment to ensure that every child in New York State receives a high-quality education. Under the Governor's leadership, high school graduation rates have increased,[83] the highest number of four year old students are enrolled in pre-kindergarten in the state's history,[84] and outstanding teachers are recognized while holding failing schools and struggling educators to high standards. The Governor has ended the educational status quo and provided unprecedented levels of support for public schools. Under the Governor's leadership, School Aid has increased year after year, reaching a historic high of $23.5 billion in 2015, and the state has supported educational innovations such as the state's 282 approved charter schools[85] and 62 community schools.

Under Governor Cuomo, funding for public schools is at the highest level in history: $23.5 billion in 2015.

To build on this success, the Governor proposes an increased level of support for schools, families and teachers through increased school aid and the Education Tax Credit, the removal of the barriers between schools and the community by ensuring the transformation of failing schools into community schools and supporting the expansion of successful programs, such as pre-kindergarten.

The Governor will also continue to expand the New York State Mentoring Program, chaired pro-bono by Mrs. Matilda Raffa Cuomo. This critical program matches children facing personal, economic, and social obstacles with volunteers from businesses and organizations in all regions of the state to encourage social and emotional growth, to improve confidence and strength of character, and to foster better outcomes within underserved communities.

Finally, the Governor will continue to support testing reduction, the development of high quality teaching and learning standards that are periodically and transparently reviewed by educators, stakeholder engagement in the development and review of tests, and flexibility for local districts to individualize curriculum and instruction.

Proposal: Increase School Aid to Highest Level in History

Last year, New York State enacted a budget that raised funding for public school districts to the highest level in history--$23.5 billion. That money supported almost 700 school districts, [86] and 2.8 million students in grades pre-kindergarten through twelve.[87] New York State spends more per pupil than any state in the nation, at an average of $19,818, almost double the national average of $10,700.[88] New York is proud of its commitment and investment in its public schools as they continue to innovate, educate, and provide the greatest known equalizer in history—a quality education.

However, the Governor recognizes that although many of our schools are offering a great education, the very real issues of poverty and inequality faced by many students are barriers to students receiving an excellent education. Issues of hunger, homelessness, and feeling unsafe threaten our great public schools' abilities to educate our young learners, and to prepare them with the skills and knowledge necessary to achieve their goals.

Our public schools are being asked and expected to do more to prepare students for a changing world.

Accordingly, the Governor proposes to significantly increase the state's investment in public schools—an increase of $2.1 billion over two years, including a nearly $1 billion increase this year alone. The Governor's proposal will provide operating aid increases to every school district in the state, and will once again move statewide education support to record levels.

Proposal: Eliminate the Gap Elimination Adjustment

This $2.1 billion school aid increase will also allow the state to eliminate the outstanding $434 million Gap Elimination Adjustment (GEA) over two years, as well as provide an operating increase to every school district in the state. The GEA was first enacted in 2009 in order to combat the drastic world-wide financial recession. Under Governor Cuomo's leadership, the state has been diligently working to restore the GEA for every school district affected. The Governor proposes that over the next two years, the GEA will be entirely eliminated once and for all. This two-year plan to eliminate the GEA allows school districts a predictable revenue stream to enhance long-term financial planning and support responsible budget practices.

Proposal: Establish the $100 Million Community Schools Transformation Fund to Transform Failing Schools

Under the Governor's leadership in last year's budget, legislation was enacted to identify 144 of the lowest performing schools in the state,[89] and the superintendents of those schools were given unprecedented powers to support their efforts in promoting the rapid maximization of student achievement. Schools identified as failing must show demonstrable improvement on several indicators such as improving student achievement and reducing chronic absenteeism. In addition, $75 million was made available to support the turn-around efforts in those schools identified by the State Education Department (SED) as being in the lowest accountability status for a decade, identified as the persistently failing schools.

This funding was made available for persistently failing schools to employ community school coordinators, for additional instruction time during and after the school day, to reduce class sizes, and additional staff for mathematics and literacy intervention, bilingual programming, counselors and other staff. In addition, the

funding supports the transformation of these 20 persistently failing schools into community schools.

Community schools address issues of poverty by working together with government and nonprofit service providers to ensure that every student is prepared, safe, healthy and ready to learn. This new investment in community school transformation will build on the Governor's 2013 initiative that invested $30 million to develop 62 community schools in high-need school districts.[3] Schools transforming into community schools were allowed to use grant funds of up to $500,000 to support activities such as the hiring of a community school coordinator, before-and-after school mentoring, summer learning activities, and referrals and connections to medical, dental, and other social services.

Building on these past successes, the Governor proposes that all failing schools be transformed into community schools and that other high-need school districts will be eligible to access the $100 million to transform their schools to community schools. There are still approximately 90,000[90] students enrolled in schools identified as failing. These students require and deserve immediate action. The Governor therefore proposes that of the new $100 million for the Community Schools fund,

a fund of $75 million be specifically allocated amongst the 17 school districts which currently house a failing or persistently failing schools to support their efforts to turn around the school through the establishment of a community school model.

Proposal: $200 Supplies Credit for Teachers

Governor Cuomo has long supported initiatives designed to attract and retain excellent teachers in New York schools. Teachers work hard and support their students, and the state should encourage and support these teachers. In order to give back to teachers who purchase instructional materials or other supplies for their classrooms, the Governor proposes $10 million in tax credits to reimburse teachers up to $200 for their purchases of classroom materials and supplies.

Proposal: Establish an Education Tax Credit

Currently, there are over 400,000[91] children in non-public schools in New York. To support choice and innovation in education, Governor Cuomo proposes to create a $150 million Education Tax Credit. Under this proposal, taxpayers will be able to claim a tax credit for eligible contributions to scholarship organizations and public schools. This initiative would also support a new

tax credit directly to families to offset nonpublic school tuition expenses.

Proposal: Support School Choice

All students and families should have choices regarding what is the best school for the individual student. In order to protect and expand school choice for parents and students, 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. In addition, the Governor has increased the charter cap in New York City and increased flexibility for charter school authorizers. Charter schools are an important component of our school system and the Governor will continue to encourage their development in this budget.

Proposal: Examine Enrollment and Retention Policies in Charter Schools

The Governor remains committed to expanding a family's choice in education, but these choices must be fair and equal. Schools are the center of a community, and public schools, including charter schools, must be designed to serve all children across that community.

Current law includes significant parameters and requirements to ensure that charter schools institute fair and transparent enrollment and retention practices. However, over the past several years, anecdotal evidence of troubling practices has occasionally arisen. As is true in all areas of government, the perception of a problem can be a problem in and of itself. Accordingly, the Governor proposes that the state examine charter school enrollment and retention issues in the coming year – including current law, current regulations, and current practices – and take all necessary steps to improve the fairness and transparency of the system.

Proposal: Restoring the Trust in Education: The Common Core Task Force

Responding to the confusion and chaos related to past implementation of the Common Core, Governor Cuomo appointed a 15-member Task Force to review state standards, curriculum, and assessments. In December 2015, the Task Force issued a 50-plus page report and 21 recommendations based on feedback received from parents, teachers, students, and other education experts across 12 public engagement sessions, as well as on over 2,000 comments and conversations with stakeholders.

Likewise, we will not rest until our K-12 education system is the best in the nation. Last year we made dramatic changes. We reduced testing, increased parental participation and empowered local districts. These reforms were essential because we saw parents losing faith in the system. Roughly 20 percent of students opted out of exams and in some districts it was as high as 90 percent. Simply put, the education system fails without parental trust. To restore the trust we said we would correct the State Education Department's Common Core curriculum implementation mistakes and testing regimen. Time has shown that this is the right decision and we urge the State Education Department to do it right this time and are all fully available to assist in and monitor that effort.

After careful review, the Governor accepts all 21 recommendations of the Common Core Task Force report. The Task Force recommendations include the use of developmentally appropriate standards infused with stakeholder input which will be periodically reviewed and updated; shortening the number of test days and test questions; increasing transparency of assessments and assessment reports; expanding support and development for educators to create or adapt

curriculum to meet the needs of individual students; and protecting students with disabilities and English language learners from inappropriate testing. In addition, the task force recommended – and the Regents adopted – a transitional period until 2019 during which the results of the third through eighth grade ELA and Math State standardized assessments will be advisory only for individual students and teachers.

The Governor urges the State Education Department (SED) to implement each of these recommendations through administrative action, while maintaining an open and transparent dialogue with education stakeholders across the state. Governor Cuomo stands ready to assist in and monitor these efforts, as it is of critical importance that we get it right this time.

Proposal: Expand Pre-Kindergarten for Three Year Olds

Early education is the pathway to future success. When we in invest in our youngest New Yorkers, we invest not only in their growth but in our own future. Research has demonstrated that high-quality pre-kindergarten, especially for high-need students, has one of the greatest returns on investment of any social

policy.[92] Due to the Governor's unwavering belief in the importance of the investment in our youngest learners, the state has more than doubled its annual commitment to pre-kindergarten during Governor Cuomo's time in office from 385 to 785.[93] There are now nearly 120,000 students served in the state's pre-kindergarten programs, many in full-day spots.[94] This has created unprecedented access to early childhood education in the state.

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.

The Governor invested an additional $30 million last year to support pre-kindergarten for 3,000 additional three year or four year olds in high-need districts. Research has suggested that access to high-quality early childcare education, especially in the younger years, has substantial effects on a child's long-term brain development.[95] However, more districts applied for state funds to offer a program for three year

olds than could be supported by last year's funding. To serve that need, the Governor proposes an additional $22 million investment in pre-kindergarten for three year olds that will support the provision of early childhood education to an additional 2,000-2,500 three year old students and ensure that these children will have even earlier access to high-quality instruction during the critical brain and language development years, along with opportunities to build confidence and social skills through activity and play.

Proposal: Expand Quality Monitoring and Improvement in Pre-Kindergarten

Last year, Governor Cuomo established the first state-level funding commitment to ensuring quality in early childhood settings by allocating $3 million for QUALITYstarsNY, the state's tiered quality rating and improvement system. The Governor proposes allocating an additional $2 million to support the work of QUALITYstarsNY to allow even more early childhood settings to be monitored, reviewed, and given the tools they need to succeed in providing high-quality early education. In addition, QUALITYstarsNY also provides necessary transparency to the system, as it gives parents

a clear way of understanding the quality of the education and care received at the early childhood setting.

In the past, participation in QUALITYstarsNY has been voluntary. However, some of the state's most vulnerable children are served in early childhood care and education settings that may deeply benefit from quality monitoring and improvements, and have not yet volunteered. In order to ensure high-quality education and care for vulnerable students, settings identified by licensing agencies such as the Office of Children and Family Services, the State Education Department, or the New York City Department of Health and Mental Hygiene as needing extra support will be required to participate in QUALITYstarsNY as a condition of receiving state funds.

Proposal: Extend Mayoral Control in New York City

New York City has had mayoral control over its public school system since 2002; the authority is currently set to expire in 2016. Governor Cuomo supports a three-year extension of New York City mayoral control this year. In addition, Governor Cuomo encourages mayors of other cities across the state to

examine whether mayoral control of schools would help to support and enhance student achievement.

Proposal: Make Schools Safer

In an emergency situation, seconds matter. There cannot be even momentary confusion over what to do or who is in charge in an emergency when children are involved. In order to prevent this confusion, the Governor proposes legislative changes to overhaul and modernize the current section of law that governs school safety plans. These changes will clarify the difference between district and school safety plans, especially in regard to protecting confidential information, and will ensure that all school staff undergo mandatory annual training on district safety and school emergency plans. In addition, the Governor proposes that each district be required to designate a school or district employee as Chief Emergency Officer to ensure that there is a clear point person responsible for all emergency coordination and training, all communications, and all school and district safety plan monitoring.

The Governor also proposes to modernize the current fire drill law to replace a small number of currently required fire drills with practice and

preparation sessions tailored to other types of emergency situations, such as lock-down drills. Under current law, schools are required to hold 12 fire drills every year to keep New York children safe. However, New York and the nation are consistently faced with new and evolving threats to student safety that may require a different type of response than that required during a fire-related emergency. Shifting the focus of some currently required fire drills to allow for other emergency preparation has the support of the New York State Police, the New York Division of Homeland Security and Emergency Services, and the New York Safe Schools Task Force.

Finally, the Governor proposes that SED be authorized to administratively forgive a school day shortfall when a school closes in an emergency situation after a credible threat to student safety. Under Education Law, in order to receive the full amount of State Aid, school districts must operate for 180 school days.[96] In recent years, school districts have had to petition the legislature for specific acts of legislation to initiate aid forgiveness for instances when a school had to close its doors late in the school year under the advisement of law enforcement professionals. We must enable school

district personnel to make decisions that protect students' safety without putting state aid to school districts in jeopardy, and the Governor's proposal would ensure that safety is the first and only consideration in any emergency.

3. PRESERVING OUR ENVIRONMENT AND OPEN SPACE

New York is home to remarkable environmental assets; from the forty six peaks of the Adirondacks, to the shores of Lake Erie and Lake Ontario, to the rolling hills of the Finger Lakes and Susquehanna Basin, to the Mohawk River corridor through the Hudson Valley and the Catskills, to New York Harbor and Long Island. No other state in the nation can compete with New York's natural resources.

Over his first five years in office, Governor Cuomo has dedicated historic levels of investment to protect, expand and enhance the state's unparalleled air, land and water resources. Since taking office in 2011, Governor Cuomo has worked in partnership with the State Legislature to provide unprecedented capital funding to State Parks, water and wastewater infrastructure and land preservation while also restoring funding to the Environmental Protection Fund (EPF). Early in his tenure, Governor Cuomo signed power plant siting

legislation that had been stalled for years that ensures no new coal fired power plants will be constructed in New York State. Governor Cuomo also leveraged the success of his Regional Economic Development Councils by investing $100 million dollars in the state's multi-year Cleaner, Greener Communities Program to develop regional sustainability planning and implement projects that drive investments in renewable energy, smart growth, and local parks and trails systems.

In 2014, at the direction of Department of Environmental Conservation (DEC) Commissioner Joe Martens and Department of Health Commissioner Dr. Howard Zucker, New York State announced a ban on high-volume hydraulic fracking of natural gas. The Governor has also prioritized reducing the state's carbon footprint while also adapting our response efforts and infrastructure to better withstand severe weather like Hurricane Irene, Tropical Storm Lee, Superstorm Sandy, and the 2014 Buffalo snow storm that brought eight feet of snow to southern Erie County. The State Energy Plan, issued in 2015, helps to further these goals through a focus on reducing carbon emissions by 40 percent below 1990 levels by 2030 and ensuring that 50 percent of the energy used by New Yorkers come from renewable

resources by the same date. The State Energy Plan reinforces and builds upon ongoing work to Reform the State's Energy Vision (REV) and develop a 21st century power grid.

In December, Governor Cuomo reinforced his commitment to the goals outlined in the State Energy Plan and directed the Department of Public Service to advance a proceeding before the Public Service Commission to mandate that 50 percent of the state's energy come from renewable sources by 2030. This mandate will ensure that New York achieves its aggressive emissions reduction goal and will drive billions of dollars of investment into the state's clean energy economy as companies develop new technologies and install new sources of renewable energy.

Over his first five years in office, Governor Cuomo has dedicated historic levels of investment to protect, expand and enhance the state's unparalleled air, land and water resources.

In 2016, Governor Cuomo is committed to build on previous environmental accomplishments with historic investments in the state's parks, recreation, and

tourism assets and increased funding for the state's program that supports critical water infrastructure improvements. The Governor will also advance a renewed and aggressive environmental justice agenda.

Proposal: Increase the Environmental Protection Fund to $300 Million

When Governor Cuomo took office in 2011, the State's Environmental Protection Fund (EPF) stood at $134 million, nearly 50 percent lower than its historic high of $255 million in 2008. Over the past five years the Governor has worked tirelessly to restrain government spending and maintain fiscal discipline while restoring EPF funding to its current level of $177 million. To provide increased funding for investments in land acquisition, farmland protection, invasive species prevention and eradication, waterfront revitalization, and environmental justice programming the Governor proposes an unprecedented and historic $300 million investment in the EPF. This long aspired, yet never achieved funding milestone will set a new benchmark for environmental protection in New York State, one that Governor Cuomo is committed to preserving throughout his tenure and beyond.

Year	State EPF Allocation
2011-12	$134M
2012-13	$134M
2013-14	$153M
2014-15	$162M
2015-16	$177M
2016-17	$300M

In addition to expanding investment in existing EPF funding categories, the Governor proposes the creation of a new Climate Change Mitigation and Adaption category in the EPF. Climate change is a generational and existential problem that requires billions of dollars of investment to limit and reduce the severe impacts of sea level rise and extreme weather. While the state has made strides in reducing greenhouse gas emissions from the power sector through the multi-state Regional Greenhouse Gas Initiative (RGGI), new EPF funding will support the state's aggressive efforts to reduce emissions from sources not included within the RGGI platform, including landfills, water treatment facilities, and commercial buildings. Funds in the

proposed Climate Change Mitigation and Adaption category will support investments in priority projects that address sea level rise, enhance resiliency against extreme weather, and increase flood mitigation and coastal protection.

Proposal: Make New York Coal Free By 2020

Coal is one of the highest greenhouse gas emitting and environmentally harmful fuel sources for power generation. While coal supplied the bulk of our energy needs up until the 1950s,[97] the nation now enjoys access to cleaner, greener and more sustainable energy resources for power production. In fact, today, New York State has only three active coal fired power plants that produce less than 4 percent of the state's energy load and one plant is scheduled for closure in 2016.

To achieve the state's goal of reducing carbon dioxide emissions from the energy sector 40 percent by 2030 the Governor seeks to close or repower the two remaining coal burning power plants to natural gas by 2020. To accomplish this goal, the Governor will direct the Department of Public Service and the DEC to work with the New York Independent System Operator to develop a regulatory framework that will ensure system

reliability while facilitating repowering to cleaner fuel or closure no later than 2020.

To minimize economic impact on communities and workers the Governor will draw upon the state's existing $19 million mitigation fund to offset financial losses associated with the retirement of aging or obsolete power plants. Governor Cuomo is committed to working with plant owners and host communities to achieve his objective in a manner that will preserve jobs or retrain current employees for new jobs in New York's clean energy economy and provide tax revenue stabilization assistance to local governments and school districts.

Proposal: Advance $7 Million for Environmental Justice Programming

Minority and low-income communities are too often disproportionately impacted by air pollution, contamination from power plants, landfills, and former industrial sites as well as harmful emissions from high volumes of automobile traffic. The state has already invested $3 million in 89 different environmental justice focused initiatives through the DEC's Office of Environmental Justice. Moreover, Governor Cuomo's Parks 2020 initiative includes $42 million in state

funding and $45 million in Sandy recovery funds to enhance Riverbank and Roberto Clemente State Parks, which together serve more than 4 million visitors, many of whom live in underserved and low income neighborhoods in Harlem and the Bronx.

This year, Governor Cuomo will launch a statewide environmental equity and justice framework that reaches beyond DEC's current program. This framework will ensure that all state agencies align their operations with environmental justice and equity principles, simultaneously addressing a broad range of issues affecting the health, economic, and social stability of low-income and minority communities, which are disproportionately impacted by environmental burdens.

To further advance the state's environmental justice priorities, the Governor proposes $7 million in funding from the Environmental Protection Fund to expand environmental justice programming. This investment will double the state's environmental justice grant program and provide direct funding for improved air quality monitoring, citizen science, outdoor recreational access and education and outreach efforts designed to improve the environmental and public health of disproportionately impacted communities.

Through these efforts, the state will build upon regional and local initiatives, and ensure meaningful involvement from community leaders in environmental decision making.

The EPF will also provide inner-city and underserved communities with a record $10 million for waterfront revitalization planning and projects as well as $10 million for municipal park improvements.

Proposal: Increase Water Infrastructure Investment Act of 2015 to $300 Million

To protect New York's water resources, community health, and prospects for future economic growth the state must rehabilitate and modernize our aging drinking water and wastewater infrastructure. Last year, Governor Cuomo joined with the State Legislature to enact the Water Infrastructure Improvement Act (WIIA) of 2015 that provides $200 million over three fiscal years to fund critical water and wastewater system improvements. In 2015 the Environmental Facilities Corporation awarded the first $50 million from WIIA to forty five water and wastewater infrastructure projects across the state. This $50 million investment, when combined with low interest loans from existing state revolving loan funds,

leveraged more than $440 million in water infrastructure projects that saved New York taxpayers $200 million in avoided municipal debt service.

Due to the early success of this effort and the oversubscription of the first round of WIIA funding, Governor Cuomo proposes an increase of $100 million under the Water Infrastructure Improvement Act that will bring total funding to $300 million. These additional funds will allow the state to issue an additional $250 million in grants to municipalities over the next two years that will leverage more than $1.5 billion in local water infrastructure investments and create an estimated 24,000 jobs.[98]

Governor Cuomo proposes an increase of $100 million under the Water Infrastructure Improvement Act that will bring total funding to $300 million.

Proposal: Accelerate $500 Million Nitrogen Pollution Prevention Program on Long Island

Nitrogen pollution is one of Long Island's most pressing environmental challenges. Excess nitrogen in waterways severely impacts water quality, degrades

critical ecosystems, threatens public health, harms vital and protective coastal wetlands and hinders marine economies.[99] Investing in both traditional and green infrastructure to control and treat wastewater and stormwater runoff will help keep nitrogen out of our waterways.

The state has taken a series of steps to reduce nitrogen levels on Long Island, including a transformative $388 million initiative to connect nearly 10,000 Suffolk County households to modern sewer systems and treatment plants and $3.9 million in grants to seven targeted projects aimed at reducing nitrogen pollution in the Peconic Estuary watershed. In Nassau County, the state is investing more than $190 million to advance an effluent outfall pipe at the Bay Park wastewater treatment plant, a long overdue project that will ensure Long Island's Western Bays are free from harmful nutrients.

To build on the success of these combined efforts, the Governor proposes an additional $10 million investment to support wastewater and stormwater projects in Nassau and Suffolk counties through the EPF's Water Quality Improvement Program.

Proposal: Invest $9 Million to Build Advanced Zero Emission Vehicle Charging Stations

New York's transportation sector accounts for approximately one-third of the state's greenhouse gas emissions.[100] In order to achieve significant reductions from this sector, the state has invested heavily to remove barriers that hinder widespread consumer adoption of zero emission vehicles. When the Governor took office in 2011, there were only 500 electric vehicles on the road compared to 14,000 today.[101] New York has increased the number of electric vehicle charging stations from fewer than a dozen in 2009 to over 1,200 today.[102]

New York has increased the number of electric vehicle charging stations from fewer than a dozen in 2009 to over 1,200 today.

In order to further increase the number of zero emission vehicles on our roads, New York State Energy Research and Development Authority (NYSERDA) will invest an additional $9 million in the state's Charge NY program. This investment will help to build up to 800 additional charging stations around the state. In 2016, the New York Power Authority and the Thruway

Authority will also unveil the state's first high speed electric car charging stations on the Thruway at rest areas between New York City to Albany that will provide a full charge in just 30 minutes to facilitate long-distance travel.

Proposal: Reduce Organic Waste to Lower Methane Emissions

Getting food from the farm to our dinner tables is an expensive, resource intensive process—yet 40 percent of food produced in the United States today goes uneaten.[103] Much of that organic waste is disposed of in municipal landfills and its decomposition accounts for over 15 percent of our nation's methane emissions.[104] Methane is a greenhouse gas that has twelve times the atmospheric impact of carbon dioxide.[105] Meanwhile, an estimated 2.8 million New Yorkers are facing hunger and food insecurity. [106]

To address this dual social justice and environmental challenge, the Governor will work with the legislature in 2016 to pass a bill requiring large generators of food waste to donate edible food and compost or recycle what is not donated. This legislation will require New York's 1,200 large food waste generators, such as grocery stores, colleges, hospitals,

and restaurants to donate or recycle the estimated 275,000 tons of food waste annually.[107] This will help to reduce the amount of organic waste sent to landfills and reduce methane emissions while ensuring that hungry New Yorkers have improved access to quality food. The state will phase in implementation of any program over several years to allow for the state-supported development of food donation programs and recycling infrastructure. This sequencing will ensure excess food is donated to feed hungry New Yorkers, used to generate energy, repurposed as animal feed, or composted.

These efforts will dovetail with the state's $40 million investment in waste-to-energy infrastructure and the expanded food waste audit program at the New York State Pollution Prevention Institute that takes inventory of operations at large generators to identify opportunities to reduce waste and increase recycling.

Proposal: Invest $125 Million to Rebuild State Parks

Governor Cuomo has made historic commitments to improve and expand access to recreational opportunities in New York's State Parks. In 2015, the Governor launched NY Parks 2020, a multi-year commitment to leverage $900 million in funding for

State Parks improvements. To date, these funds have supported more than 225 projects to revitalize and rejuvenate more than 130 State Parks and Historic Sites. In 2016 the Governor will formally open the Thacher Park Visitors Center and Letchworth State Park Nature Center, start construction of the Cave of the Winds experience at Niagara Falls State Park and complete recreational enhancements at Buffalo Harbor State Park—New York's newest state park.

This year, the Governor proposes $90 million to further this initiative added to an additional $80 million investment of storm recovery resources in our State Parks. In 2016 the Office of Parks Recreation and Historic Preservation (OPRHP) will continue to debut new gateways and restore long-treasured flagships throughout the state with a focus on investments on Long Island. In 2016, OPRHP will increase its overall investment in Long Island Park facilities to $182.5 million, including $54.5 million in new investments. This new investment includes a $34.5 million investment at Hempstead Lake State Park and an $18 million project to build the Jones Beach Marketplace that will provide a variety of food and beverage offerings—including healthy, local Taste NY options.

Last April, Governor Cuomo announced that Robert Moses State Park will become the first energy-neutral state park in the nation—this month, the state will break ground on the construction of a 500 kilowatt solar project to achieve that goal. State Parks will further advance this initiative with the construction of up to 5 additional megawatts of solar at Jones Beach, Sunken Meadow State Parks, and Robert Moses State Park. These solar investments will generate approximately fifty percent of the electricity demand for Long Island State Parks and result in the reduction of nearly 5,000 metric tons of CO2 emissions per year.

Proposal: Launch "Connect Kids" Parks Access Program and Provide Free Parks Entry for 220,000 Fourth Graders

Sixty two million New Yorkers visited the State Park system in 2015, an eight percent increase from 2011.[108] Despite record breaking attendance, many of New York's most vulnerable populations, including children who live below the poverty line, lack sufficient access to outdoor recreational assets. This year, as a component of the state's enhanced Environmental Justice programming, Governor Cuomo will launch the "Connect Kids" program, a partnership between State

Parks and the Departments of Environmental Conservation and Health that will provide direct grants to school districts through the Environmental Protection Fund's Environmental Justice Program to cover the costs of transporting 4,000 school children to State Parks.

In 2016, New York State will also partner with the National Park Service to extend free entry to State Parks for all 220,000 fourth grade students and their families in 2016.

4. PUBLIC SAFETY

Recent terrorist attacks in Paris, France, and San Bernardino, California, as well as the arrest of a Rochester man attempting to support the Islamic State (ISIL), are tragic reminders of global terrorism. These attacks have revealed a trend toward coordinated, homegrown assaults that, in the 21st century, can be exacerbated by social media and networked technology. Cyber-crime and cyber-terrorism are an increasingly common threat to the personal and financial safety of New York's citizens, government, and businesses. This new normal of domestic terrorism and cyber-crime require an expanded approach to the state's counter terrorism efforts.

Under Governor Cuomo's leadership, the state has worked closely with federal and other state officials to implement new strategies to protect New York from emerging threats. In 2015, the Governor called on the federal government to prevent known or suspected terrorists from purchasing guns in New York State. The Governor also directed state agencies, including the Division of Homeland Security and Emergency Services

(DHSES), the New York State Police, the National Guard, the MTA, and the Port Authority of New York and New Jersey to identify threats and deploy enhanced security measures to detect and deter acts of terrorism. To curtail the financing of worldwide criminal and terrorist networks, the Governor also proposed new anti-terrorism and anti-money laundering regulations to prevent illicit transactions.

In 2015, the Governor announced that New York would create the first-in-the-nation College of Emergency Preparedness, Homeland Security and Cybersecurity at the University at Albany-SUNY to train the next generation of emergency managers and security professionals. The state also launched NY Responds, a comprehensive response to emergency situations and disasters. DHSES has completed the first phase of NY Responds and phase two of is underway to deliver additional upgrades to the incident management system.

The Governor has also initiated important measures to ensure that New York remains at the forefront of combating cyber security threats. In 2013, the Governor created the state's first Cyber Security Advisory Board, consisting of several of the country's foremost cyber security experts. Since its creation, the

Board has advised the Governor on developments in cyber security and has provided recommendations to protect the state's critical infrastructure and information systems. In 2014, the New York State Police established the Cyber Analysis Unit at the New York State Intelligence Center to monitor cyber threats and collect and disseminate vital intelligence on these threats. The Cyber Analysis Unit is fully staffed with expertly trained cyber security professionals and will provide timely, sector specific intelligence reports to law enforcement, private businesses, and government entities.

To help businesses develop the tools they need to defend against cyber intrusions the Governor has directed the Department of Financial Services to join with their regulatory partners on the state and federal level, and with representatives from the financial services industry, to establish concrete industry standards for the protections of consumers' personal information and critical economic data. The Cyber Security Advisory Board is also partnering with the Department of State to develop a comprehensive program of public talks, public service announcements, and online informational resources to educate New

York's citizens and businesses on the cyber security threats they face and how they can protect themselves.

While these initiatives will go far to protect New York's citizens, the state must do more to combat ever-evolving, complex threats and prevent future attacks.

Proposal: Establish Permanent Statewide Law Enforcement Presence to Combat Terrorism

Understanding the need for increased protection of its citizens in the wake of heightened terrorist threats, the Governor initiated a counterterrorism surge in the New York City metro area in 2014 that provided an increased State Police, MTA Police, and National Guard presence. The state also launched the "See Something, Send Something" mobile application in 2015 that allows New Yorkers to report suspicious activity.

To protect against the increased threat to transit hubs and critical infrastructure, the state will establish a permanent State Police presence in New York City. These specially-trained, uniformed State Troopers will partner with dozens of investigators to strengthen the law enforcement presence in and around New York City. Moreover, the Governor has called for a total investment of $40 million, which will expand the current surge to critical infrastructure throughout the state.

Proposal: Consolidate the Office of Counter Terrorism with the State Police

In 2015, the Governor announced that former New York City Police Department Commissioner Ray Kelly would conduct an in depth assessment of the state's existing counterterrorism preparedness and prevention efforts. Commissioner Kelly has proposed a preliminary recommendation for the state to consolidate the operational components of the Office of Counter Terrorism in DHSES within the New York State Police's Office of Counter Terrorism. This shift will increase the efficiency of the state's counterterrorism functions by consolidating all intelligence and analysis resources within the New York State Intelligence Center, under the singular command of the New York State Police. The enhanced unit will monitor all known threats and identify emerging targets using the latest technology and techniques. This effort will continue to support federal, state, local, tribal, and private sector efforts to prevent, protect against and prepare for acts and threats of terrorism.[109]

Proposal: Provide Enhanced Training and Equipment to State Troopers

Recent terror attacks have revealed a trend towards coordinated strikes using military-style assault weapons, as well as home-grown extremists committing lone-wolf attacks. These attacks are easier to carry out on American soil and can occur anywhere within New York State.[110] This new normal of terrorism requires an expanded approach to the state's counterterrorism efforts.

The Governor will invest $4 million to prepare New York State Troopers to respond to this emerging threat, both in New York City and throughout the state. This investment will provide rifles, body armor, and ballistic helmets to all on-duty uniformed troopers, along with the necessary training to prepare them to respond to this evolving threat of terrorism.

Proposal: Close the Terror Gap

We know that terrorists are within our borders and we know that they can and do purchase firearms from licensed and presumably law abiding firearms dealers. In fact, a study by the federal government concluded that 91 percent of firearm and explosives purchases attempted by individuals on the terror watch

list were permitted to proceed.[111] Yet our federal gun laws do not currently enable states to prevent the sale of weapons to potential terrorists. It is reckless and irresponsible not to share information about possible terrorists within our borders.

Today, states cannot use the federal government's Terror Watch List to determine who may be licensed to own or permitted to buy a firearm and Washington D.C. can't agree on the use of intelligence information concerning terrorists in gun background checks. The Governor calls upon the federal government to officially add the U.S. Terror Watch List to the criteria it uses for federal background checks in New York State. This would prevent known or suspected terrorists from legally purchasing guns and would cross-check the terror watch list with a National Instant Criminal Background Check System request, effectively closing the terror gap within the state and barring individuals on federal terror watch lists from legally arming themselves.

Proposal: Protect Critical Infrastructure through Targeted Security Assessments

The Critical Infrastructure Protection Unit coordinates the protection of the state's most vital assets.

The Unit partners with both public and private sectors to conduct assessments of critical infrastructure and key resources, such as power plants and transportation hubs. These assessments help local governments and businesses develop comprehensive protection strategies against evolving threats.

In light of the attacks in Paris and San Bernardino, as well as the recent revelation that the command center of a dam within New York State was hacked[112], the Governor will direct the Unit to expand the number of annual security assessments and response exercises and ensure they occur in all areas of the state, including rural and suburban locations. These assessments will not only reveal potential weaknesses and help prevent attacks, they will also teach us how to respond and mitigate any damage in the unlikely event of a successful attack. The Governor proposes to invest $1.3 million to fund these assessments and exercises to reduce the state's vulnerability to terrorism by strengthening readiness and response.

Proposal: Establish Best-Practice Industry Standards to Prevent Against Cyber Attacks

It is estimated that cyber-crime costs the global economy over $445 billion dollars annually and that data

breaches alone resulted in losses of over $1.3 billion to New York businesses. Understanding the importance of developing cyber security standards within New York's vital industry sectors, the Governor will direct the Cyber Security Advisory Board to develop industry-specific cyber analysis and protection consortiums comprised of representatives from across the state. These consortiums will serve as distribution hubs for industry-specific cyber security intelligence, and provide a forum where small and large businesses alike can exchange information on cyber threats, vulnerabilities, and available resources to better respond to cyber incidents. In the coming months, the state will engage with an array of private industry leaders to develop cyber security best practices, intelligence on cyber threats, and analytic and recovery support to minimize the damage cyber-security breaches cause. By providing the tools and a forum for collaboration, the state can help promote economic

It is estimated that cyber-crime costs the global economy over $445 billion dollars annually.

growth and confront a vulnerability that affects all businesses.

Proposal: Create the Cybersecurity Research Scholarship to Train the Next Generation of Security Analysts

New York is home to some of the world's leading businesses and public-sector organizations. Our reliance on networked technologies makes it critical for the state to do all it can to protect its infrastructure from pervasive cyber threats.[113] The cyber security sector is growing and the nation's first College of Emergency Preparedness, Homeland Security, and Cybersecurity located at the University at Albany, as well as the cyber security programs at other SUNY institutions, are well positioned to help meet this workforce demand.[114] To ensure that we are training the next generation of cyber security professionals, the Governor will create a new Scholarship Program for Analysis and Research in Cybersecurity (SPARC) to provide full tuition support for students seeking degrees in the field of cyber security at any SUNY institution. The program will provide fifty eligible students with a full tuition scholarship toward a relevant degree in exchange for an equivalent number of

years of employment in a cyber security position in New York's state or local governments. This scholarship builds upon the Governor's continued commitment to provide the talent and tools needed to protect the state's cyber infrastructure.

5. SOCIAL JUSTICE

As Franklin Delano Roosevelt said, “The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.” Since taking office, Governor Cuomo has been a steadfast advocate for the most vulnerable New Yorkers.

New York State is fueled by the hard work and contributions of its diverse residents—from upstate farmers to downstate urbanites, from generations-old families to those brand new to our country’s shores. We live and grow as one, operating according to America’s motto, *E Pluribus Unum*, "out of many, one." By lifting each other up, we fortify the fabric of our communities.

Since his first term in office, Governor Cuomo has worked to empower all New Yorkers by dismantling barriers to economic mobility. He has increased public assistance grants, expanded the reach of community-driven support networks that provide basic supports like food and shelter, empaneled an anti-poverty task force, advanced job-creating tax credits, and leveraged the power of philanthropy to promote job creation. Each

step has struck down impediments to individual success, and made economic mobility possible for all New Yorkers.

Governor Cuomo will continue to promote reforms that help working families achieve independence, security, and prosperity. He will create a more integrated approach to public assistance programs to improve access to food, shelter, and employment. He will build stronger relationships with business, public, and nonprofit community partners and encourage coordination between state and local anti-poverty efforts. The Governor will also fight for essential protections for hardworking New Yorkers to ensure equality of opportunity for all those who strive for a better future. Through these existing and new initiatives, the Governor will help all New Yorkers maximize their personal economic potential, and enjoy safe and healthy communities.

PART ONE: HUMAN SERVICES AND POVERTY

Since taking office, Governor Cuomo has undertaken proactive initiatives to combat hunger and poverty. He increased public assistance grants in 2012 by 10 percent, fulfilling the final phase of a multi-year

commitment to increase aid to needy New Yorkers. To maximize the impact of these investments, the Governor also created a new Cabinet-level position of Interagency Coordinator for Nonprofit Services to improve how the state and nonprofit agencies that deliver human services to needy New Yorkers work together. The Governor also approved a new "Nonprofit Unit" at the Department of Budget to address nonprofit issues.

The Administration launched a new Grants Gateway, the state's portal through which nonprofits apply for grants and contracts. Once fully implemented, the Grants Gateway will cut the length of time from point of award to contract execution by up to two months.[115]

To further support the work of the state's nonprofit partners, the Governor created a $50 million Nonprofit Infrastructure Capital Investment Program to make targeted investments in capital projects that will improve the quality, efficiency, accessibility, and reach of human services organizations serving New Yorkers. Applications are due at the end of January, with awards scheduled to be announced in the spring.

The Governor also created a new Office of Faith-Based Community Development Services, headed by former Assemblyman Karim Camara, to leverage and

assist community and faith-based organizations in the delivery of education, health, workforce training, food programs and social services to communities, particularly those most in need. The new Office, in partnership with Homes and Community Renewal, hosted a first-ever series of Housing, Community, and Faith-Based Development Conferences to empower nonprofit organizations to partner with New York State to meet their communities' needs. Sessions in Utica and in Rochester drew hundreds of local organizations; additional regional conferences are planned for 2016.

Putting the state's strength behind an unprecedented effort at the community level, Governor Cuomo appointed the Rochester Anti-Poverty Task Force in 2015 to work with local public, business, and civic leaders to end poverty in Rochester and Monroe County. More than 20 state agencies are leveraging resources to build a comprehensive, integrated support system that empowers impoverished families to succeed. The region's success in the Upstate Revitalization Initiative led to a five-year, $500 million state investment that will increase prosperity through economic growth.

In 2015, Governor Cuomo signed into law important reforms creating a new "conciliation process"

in New York City whereby a person on public assistance will have an opportunity to re-engage with their work requirements before being subject to debilitating sanctions. Under the previous system, New York City residents on public assistance who missed as little as a *single* day of work faced automatic suspensions of benefits for six months as part of a "sanctions process." The system also included "auto-posting" whereby a recipient was sent a computer-generated sanction, without any human review as to whether the sanction being imposed was warranted. This system is now in the past.

Governor Cuomo has made it a priority for state agencies to operate more efficiently, and New York has had tremendous success utilizing technology to improve citizen services. Last year, the state set out to significantly expand upon the success of the New York State of Health insurance marketplace – which has enrolled more than 2.7 million New Yorkers in coverage – by creating a simple, seamless "no wrong door" system for health *and* human services programs. The state is working to implement an "Integrated Eligibility System" (IES) by 2018. Leveraging significant federal funding, the IES will be a flexible, statewide solution that improves

coordination among programs, reduces costs, and increases efficiency. The IES will enable service providers to view real-time data in a single place, ensuring that programs and services are tailored to suit individual needs.

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Continued Support for At Risk Families and Children

Governor Cuomo has shown ongoing support for programs for low-income families, such as home visiting, through the continued funding of Healthy Families NY (HFNY), via the Office of Children and Family Services (OCFS), as well as the Nurse-Family Partnership, via the Department of Health (DOH). These evidence-based programs have shown positive outcomes in the communities where they are

implemented, including improved mother and child health, reductions in poverty status, and improved academic outcomes for children.[116] HFNY focuses on the safety of children by supporting families in targeted high risk communities. Services include educating families on parenting and child development; connecting families with medical providers for prenatal/well-baby visits and immunizations; assessing children for development delays; and helping families access community referral resources and services. Positive evaluation outcomes for HFNY include:

- A 48% reduction in low birth weight deliveries among women who enrolled before the 31st week of pregnancy;
- Children were 70% more likely to score above grade level in first grade on three behaviors that promote learning,
- HFNY children are 2.7 times more likely to be participating in a gifted program by age 7.

OCFS currently funds 36 HFNY programs across the state with an average of 5,600 families receiving services on an annual basis. New York will continue its support of these critical home visiting programs, and work to ensure connection in those cities participating in the expanded anti-poverty

initiative, expanded Pre-kindergarten, and additional community schools initiative to maximize the state's support for at-risk families.

Important work remains. Too many New Yorkers have yet to participate fully in the economic prosperity spreading across the state. Still too often, the investments we make don't accomplish everything they should, and the design of public assistance programs often have unintended consequences and introduce new barriers to self-sufficiency rather than reward success. We need a more integrated approach to better support working families on their path to independence.

Proposal: Expand MWBE Goals to State-Funded Contracts

Since taking office in 2011, Governor Cuomo has transformed the State's Minority and Women-owned Business Enterprise (MWBE) Program. In 2014, the Governor increased the MWBE goal for state contracting from 20 to 30 percent—the highest in the nation. Since 2011, state-certified MWBEs have won more than $6.3 billion in state contracts and the state has certified more than 4,300 MWBEs and re-certified more than 3,600 MWBEs. In the last two years alone, the state has certified over 2,000 MWBEs.

In order to continue building on this promise, Governor Cuomo will propose legislation during the 2016 session that will expand the MWBE Program to more contracts entirely funded by the state. Under current state law, MWBE goals only apply to state-funded contracts issued by state agencies and authorities, but do not attach to contracts issued by localities and other entities which are funded by the state. The legislation will require MWBE goals on state funds used for contracting purposes on the local level. This will leverage the largest pool of state funding in history to combat systemic discrimination and create new opportunities for MWBE participation. In doing so, the state will further its goal to help minority and women business owners overcome entrenched barriers to success.

Proposal: Create the $25 Million Empire State Poverty Reduction Initiative

Despite historic economic progress in New York State, pockets of concentrated poverty persist and require integrated solutions that address employment, housing, health and other issues. The statewide poverty rate is 15.9 percent but communities such as Buffalo, Schenectady, Jamestown, and Utica have poverty rates as

high as 31 percent. This year, the Governor is launching the Empire State Poverty Reduction Initiative (ESPRI), a new initiative that will provide $5 million in operating aid and a pool of $20 million in capital funding to assist 10 high-poverty communities around the state to create and implement comprehensive plans to reduce poverty.

ESPRI is modeled on the state's Rochester Anti-Poverty Task Force, which is adding the state's power behind a broad coalition of local government, business and nonprofit representatives who are redesigning and coordinating efforts to address extreme poverty in the Rochester area. ESPRI will replicate this model around the state by providing $500,000 planning and implementation grants to communities along with access to a grant pool of $20 million that will make targeted investments in capital projects that improve the quality, efficiency and reach of services that address poverty, and state agency assistance to communities with high rates of poverty. Communities will partner with nonprofit organizations and government stakeholders to:

- Identify specific, measurable objectives to improve residents' well-being and quality of life;
- Better align public and private resources with community-based interventions that are successful in improving outcomes for residents;

- Develop strategies that match promising practices to the unique challenges of each particular community;
- Build partnerships among public and private, municipal and community-level organizations to provide a continuum of solutions.

Each selected community will launch its planning process with a needs assessment and evaluation of existing plans and priorities, and strategic objectives. The state will provide access to a dedicated team of state agency officials who will partner with the community to provide data, review various program models that address the community's priority needs, help develop proposals or applications for state funding based on needs and opportunities, and structure a framework to evaluate effectiveness of interventions. Each community will receive an implementation grant to launch programs to reduce poverty and grants from the $20 million capital fund for essential infrastructure investments to improve service delivery.

ESPRI will focus on using existing resources more effectively and purposely to end poverty, strengthen relationships between the business, public and nonprofit sectors in each community, and ensure coordination between state and local efforts to fight poverty.

The Empire State Poverty Reduction Initiative (ESPRI) will provide $5 million in operating aid and a pool of $20 million in capital funding to assist ten high-poverty communities to create and implement comprehensive plans to reduce poverty.

Proposal: Improve Transportation Access to Work

Lack of transportation is a major barrier to employment for low-income households, particularly those with children. Lower-income workers in many urban and suburban areas can only access 22 percent of the jobs for which they may be qualified, according to the Brookings Institution.[117] The challenge is even greater in rural and other areas with limited public transportation, especially for parents struggling to reach a child care provider before and after work without access to reliable personal transportation. No one should be trapped in poverty because he or she cannot afford to get to work.

Governor Cuomo will propose New York Work Access grants to help low-income workers in highly-distressed neighborhoods and rural areas access a car through assistance with down payments, low-interest loans, repairs, insurance, license or registration fees, and driver's education.

Work Access grants will provide reliable transportation for families and provide additional related services, such as car insurance, driver's education, or a child safety seat. Low-interest auto loans will enable low-income families to establish a positive credit history as well as get reliable transportation to work. The initiative is modeled on the national nonprofit Ways to Work program, which helps 94 percent of its participants maintain or improve their employment; 82 percent to sustain themselves without publicly funded cash assistance; and returns $2.48 in benefits for each $1 invested.[118]

Proposal: Launch Empire Corps: A New Youth Corps to Help New Yorkers in Need

Last year, the Governor built on the legacy of President Franklin Delano Roosevelt's Civilian Conservation Corps, one of the enduring landmarks of the New Deal, and launched the New York State's

Excelsior Conservation Corps, a new environmental education and stewardship program for 18 to 25-year olds. This 50-person service program demonstrates a truth the Governor knows well—community service is a muscle that grows with use.

This year Governor Cuomo proposes to expand this model further by launching Empire Corps, a new effort that will enable up to 150 AmeriCorps members to join front line efforts to address poverty, hunger and homelessness across New York. Empire Corps members will serve with direct-care agencies in pockets of upstate where poverty is concentrated. Empire Corps members will be placed in nonprofit agencies providing critical services such as health care, education and mentoring, financial literacy and skills development for disadvantaged New Yorkers and will receive extensive training from the state in partnership with SUNY and community service organizations.

Empire Corps will help to foster and leverage community spirit among young New Yorkers while providing them with the skills, financial stipends, and educational financial awards that further their path to college and a career, while addressing priority needs of the state.

Proposal: Implement Recommendations of the Anti-Hunger Task Force

For nearly three million New Yorkers, food is unaffordable or inaccessible. Benefits meant to help can be difficult to reach, and can fall far short of the high cost of living many New Yorkers face. The consequences of hunger are far reaching: leading to negative health outcomes, decreased performance at school and work, mental and emotional distress, especially among children and the elderly.[119] Since coming to office, Governor Cuomo has made alleviating hunger and increasing access to healthy food key priorities for New York. In 2011, he launched the FreshConnect Program, which brings fresh, locally-grown farm products to communities with limited access to them through support for farmers markets, youth markets, and box delivery projects. As an added benefit, the FreshConnect Checks Program provides a 40 percent increase in buying power for SNAP recipients who use their benefits at FreshConnect farmers markets. During calendar year 2015, over 150,000 checks have been issued to 180 sites across the state to help eligible New Yorkers access fresh, healthy food.

In 2012, Governor Cuomo eliminated the stigmatizing requirement of being finger imaged as a condition of SNAP eligibility and began an aggressive outreach program to enroll people who are eligible. Select school districts in New York State began providing free school meals to all students through SNAP's Community Eligibility Option. In 2013, New York launched a Farm to School program to bring healthy, locally-grown food to school cafeterias, starting with Broome and Tioga Counties.

In 2013, Governor Cuomo established the Anti-Hunger Task Force—a group of 31 government and external leaders in healthcare, education, social services, agriculture, the food industry, and organizations serving populations most affected by hunger—to identify additional steps the state can take to combat hunger and improve access to local and fresh foods. The Task Force was chaired by Margarette Purvis, of the Food Bank for New York City, and co-led by Arva Rice, of the New York Urban League; Beth Finkel, of AARP New York, Joel Berg, of the New York City Coalition Against Hunger; Julie Suarez, of the Cornell College of Agriculture and Life Sciences; Linda Bopp, of Hunger Solutions New York; and Stephen Cook, of the University of Rochester. In response

to the task force's recommendations, Governor Cuomo invested $4.5 million in 2015 to bolster the state's emergency food system which helped 2,500 emergency food providers serve more than 225 million meals to New Yorkers who access emergency food programs each year. In addition, state agencies have stepped up efforts to increase enrollment in the federal Child and Adult Care Food Program, leading to an almost 6 percent increase in healthy meals and snacks for needy New Yorkers in 2015.

In 2014, Governor Cuomo dedicated $6 million to protect approximately 300,000 New York families who would have lost benefits under the federal Farm Bill, an action that preserved $457 million a year in federal SNAP benefits.[120]

The Anti-Hunger Task Force has worked tirelessly since 2013 to research issues related to hunger in New York and has developed a series of smart recommendations for the state to pursue, many of which are adopted below.

Proposal: Commit $22.5 Million to Improve Access to Emergency Food

The state's emergency food system helps 2,500 emergency food providers serve more than 225 million

meals to New Yorkers who access emergency food programs each year. To build on the state's 2015 $4.5 million investment in this system, the Governor proposes an additional $22.5 million to extend his $4.5 million annual investment through 2020.

The Governor proposes an additional $22.5 million to extend his $4.5 million annual investment in emergency food programs through 2020.

Proposal: Establish New York State Council on Hunger and Food Policy

To establish a permanent focus on anti-hunger issues in the state, Governor Cuomo will establish the New York State Council on Hunger and Food Policy. The Council will be composed of 26 members appointed by the Governor and chaired by the Commissioner of the Department of Agriculture and Markets. Other members will include commissioners from relevant state agencies and private individuals with significant experience in the various facets of combating hunger. The Council will play a key role in advising the state on policies and programs

to improve access to food, including healthy, locally-grown food.

Proposal: Extend SNAP Benefits to 750,000 Households

The federal Supplemental Nutrition Assistance Program (SNAP) provides eligible individuals and households with monthly electronic benefits that can be used to purchase food from approved stores. The program is funded by the federal government and administered by both New York State and county governments. Eligibility for SNAP is determined by income and household size, although other factors, such as age and disability of household members, can also impact benefit levels. During October 2015, approximately three million New Yorkers received SNAP benefits totaling $418 million.[121]

People trying to get help from the nation's largest anti-hunger program – the Supplemental Nutrition Assistance Program, or SNAP— must first pass a two-part test to determine eligibility for the program. However, even before there is a careful eligibility review of a person's actual, or net, income and expenses. But first, there is an initial hurdle—the Gross Income Test (GIT) —which requires that a person's total household

income, without any exclusions or adjustments, must be less than 130 percent of the federal poverty level. The GIT prevents otherwise eligible people from accessing the help they need from SNAP.[122]

Governor Cuomo will adopt the recommendation of the Task Force and will raise the Gross Income Test level to 150 percent of poverty for all households with earned income—a move that will extend eligibility to an estimated 750,000 households currently not participating in SNAP. This change will deliver an estimated $688.5 million in additional federal SNAP benefits to New Yorkers, with an estimated economic impact of $1.27 billion, without any attendant increase in state or county costs.[123]

Proposal: Leverage Federal Nutrition Programs & Eliminate Barriers to Benefits

With hunger affecting nearly three million New Yorkers, this state simply cannot afford to leave available federal resources for nutrition assistance on the table. This is especially true for key entitlement programs that can expand to meet needs, but are currently undersubscribed in New York. The Child and Adult Care Food Program (CACFP) is a federal program that provides reimbursement for healthy meals served in

child care programs, adult day care centers, afterschool programs, and shelters, amounting to approximately 340,000 meals to children and adults each day.[124] But many eligible organizations are unaware of the program or find enrollment too burdensome. As recommended by the Anti-Hunger Task Force, Governor Cuomo will continue to support $250,000 in grants to help child and adult care programs maximize federal funds that subsidize free food for children and adults in those programs.

To better ensure that people in need of help from SNAP are able to access that essential anti-hunger program, the Governor will also drive program enrollment by building on the state's Nutrition Outreach and Education Program, one of the most extensive such programs in the country, and increase its reach through coordinated efforts with local State Offices for the Aging and the Office for New Americans, agencies that work most closely with groups that have particularly low rates of participation in federal nutrition programs.

Proposal: Redesign Electronic Benefits Card

The stigma associated with using SNAP can "deter new or potential applicants, cause dissatisfaction among

participants, and even contribute to participants' exit from the program."[125] Under Governor Cuomo's leadership, New York has taken important steps toward reducing stigma including the 2012 elimination of the finger imaging requirement for SNAP applicants and recipients. To further reduce stigma, the Governor will adopt a recommendation from the Task Force and will direct the Office of Temporary Disability Assistance to issue a redesigned Electronic Benefits Card in 2016 that looks like a credit card and maintains appropriate security safeguards.

Proposal: Support Young Adults Transitioning from Foster Care

In New York State, approximately 4,000 youth and young adults are discharged annually from foster care, and about one in six are discharged to independent living.[126] National research shows that youth who "age out" of foster care face enormous challenges, as they are expected to make it on their own long before the majority of their peers.[127] These youth are more likely to trail in educational advancement and economic achievement.[128]

To give these vulnerable young people better opportunities for success as they age into adulthood, Governor Cuomo will establish Pave the Road to

Independence, a public-private partnership to promote educational, economic, housing, and vocational success for youth leaving foster care. The partnership—joining business leaders and the Office for Children and Family Services, Office of Temporary and Disability Assistance, Department of Labor, Housing and Community Renewal, Office of Mental Health, Office of People with Developmental Disabilities, and institutions of higher education—will:

- Certify 1,000 vulnerable youth a year as eligible participants for Urban Youth Jobs Program and priority for related job readiness and support assistance;
- Prioritize foster care youth in the Governor's "New New York Leaders: Student Intern Program" and connect up to 200 eligible youth with state internship opportunities; and
- Identify pathways across various state programs and services for stable living supports and employment opportunities for children with developmental disabilities as they age out of care.

Governor Cuomo's Pave the Road to Independence initiative will coordinate early interventions to help young New Yorkers transitioning

from foster care to obtain the education and employment opportunities they need for a path to success.

Proposal: Strengthen Penalties for Child Abuse

Each year in New York State, about 8,500 children are alleged to have been abused by their parents or caregivers.[129] Nationwide, 679,000 children were subjected to substantiated child maltreatment in 2013.[130] A nationally representative study of children aged 0–17 reported that 10.2 percent of children in the United States experienced some form of maltreatment.[131] According to the Center for Disease Control, the problem is more alarming than we know, since many cases of child maltreatment are not reported to police or social services.[132]

In too many cases, child abusers do not receive prison sentences even after committing disturbing, violent crimes against children. To protect vulnerable children from maltreatment and abuse, Governor Cuomo will propose the creation of a new felony offense for endangering the welfare of a child, where a serious offense has occurred or where the individual has a history of committing crimes against children. The new offense would be a class D felony and bring with it

increased sentences up to 7 years prison. Under current law, endangering the welfare of a child is only a misdemeanor, which can receive the maximum sentence of 1 year in county jail. By strengthening the penalties for abusing children, New York will better protect children and prevent future violence against young people.

PART TWO: RIGHT PRIORITIES

There are currently 53,000 people incarcerated in New York State prisons.[133] In 2015, New York took bold actions to improve the conditions for these people including groundbreaking reforms in the use of solitary confinement. The Governor has outlawed placing minors in solitary confinement and also signed an Executive Order to move certain juvenile offenders from adult prison facilities into age-appropriate alternatives.

The Governor has also taken critical steps to increase the ability of formerly incarcerated individuals to contribute positively to their families and communities when they return home. The Governor has offered pardons for people convicted of non-violent crimes committed when they were 16 or 17 years-old, and who have since lived crime-free for ten or more years. To ensure that formerly incarcerated individuals

are able to find a place to live, the state adopted guidance that forbids discrimination based on a criminal conviction alone when applying for New York State-financed housing. To ensure that this population is able to secure employment, the state issued uniform guidelines for state occupational licenses that create a presumption in favor of granting a license to qualified applicants with criminal convictions, unless an individualized consideration of the applicant's criminal history weighs against it.

In 2014 the Governor created the Council on Community Re-Entry and Reintegration to further these efforts and its work has resulted in a series of administrative actions taken to help formerly incarcerated individuals re-enter society. These actions include regulatory and policy changes that make it easier for the formerly incarcerated to secure necessary personal identification documents, health care coverage, and documents that demonstrate rehabilitation when seeking jobs and licenses.

To make New York the national leader in criminal justice and re-entry reforms, the Governor proposes a comprehensive seven point "Right Priorities" initiative that will help keep vulnerable youth and people of all

ages from entering the criminal justice system, while providing those who do enter prison with the opportunity to rehabilitate, return home, and contribute positively to their communities.

Proposal: Expand Community Schools

As discussed more thoroughly in Chapter Two, the Governor will invest $100 million to support the transformation of failing schools and other high needs schools into community schools so that issues of poverty can be addressed with communities working together to ensure that every student is prepared, safe, healthy and ready to learn. This investment is critical to providing students early opportunities to build positive future and breaking the trend of higher crime rates among underserved youth.

Proposal: Urban Youth Jobs Program and Workforce Training

Research published by the United States Department of Health and Human Services has shown that providing at-risk youth with jobs is an essential way to steer them away from the criminal justice system.[134] As discussed more thoroughly in Chapter 7, Governor Cuomo will invest $50 million to significantly expand the

size of the Urban Youth Jobs Program, and will institute a $5 million dollar program to train at-risk youth to join the workforce.

Proposal: Expand Alternatives to Incarceration to Reduce Incarceration

New York State has used alternatives to incarceration (ATI) programs to reduce jail and prison overcrowding for more than 30 years.[135] These programs provide diversionary services to people who face a high likelihood of jail and prison time but do not pose a threat to public safety, such as counseling, cognitive behavioral therapy and substance abuse treatment. These services are designed to keep people out of prison and improve public health and safety while saving the state money. ATI programs have been proven to reduce recidivism, but have been traditionally limited to participants with alcohol and substance abuse issues.[136]

To expand the scope of the program and ensure appropriate candidates receive the support and programs s/he needs to avoid engaging in future criminal activity, the Governor will invest an additional $1 million to expand the use of ATI programs upstate and will target the program to a broader group of individuals

who are at high risk of otherwise going to prison. This investment will keep more people out of prison, further reduce New York's reliance on prisons, and allow individuals to avoid needless prison sentences while also keeping individuals who pose a threat to society off of the streets.

Proposal: Reduce Criminal Behavior through Education

Research shows that educational programming in prison yields benefits. According to a recent study by the RAND Corporation, participants who complete education programs in prison are over 40 percent less likely to reoffend upon release and return to prison, and participants are 13 percent more likely to obtain post-release employment.[137] Providing access to education in prison is crucial to supporting an individual's reentry into the community and reducing the rate of recidivism.

This proposal will help more qualifying individuals earn college degrees, enhance educational offerings to help people with learning difficulties achieve high school diplomas, and bring vocational training into the 21st century.

- **College-Level Courses with Private Funding**: Currently in New York State, approximately 1,000 individuals enroll each year in privately-funded college classes in prison.[138] A host of organizations teach these classes, including local community colleges, well-known institutions such as Cornell and New York Universities, the John Jay College of Criminal Justice, and Bard College through its distinguished Bard Prison Initiative, whose debate team recently defeated Harvard's.[139] The Governor will partner with Manhattan District Attorney Cyrus R. Vance, Jr., SUNY and CUNY to invest $7.5 million to expand college in prison programming in state prisons. The expansion will utilize $7.5 million of criminal forfeiture funds obtained by District Attorney Vance and will provide approximately 1,000 individuals with the opportunity to receive college-level instruction and earn an Associate's degree, Bachelor's degree, or industry-recognized certificate. Classes will begin in the fall of 2016.

- **Specialized Education for People with Learning Disabilities***:* Forty percent of people currently enter prison lacking a high school diploma or equivalent. Only 25 percent of this population will leave prison with this credential[140] that is essential for many basic jobs. Many people in prison also have an undiagnosed learning disability.[141] To help more learning

disabled incarcerated individuals achieve a high school degree or equivalent, the Governor proposes investing $2.5 to pay for trained staff who will test individuals for learning disabilities and provide small group and individualized instruction.

- **Modernized Prison-Based Vocational Training**: To ensure that people leaving prison have the technological skills needed to secure 21st century jobs, the state will invest $430,000 to update existing printing workshops in prisons to a digital platform and train individuals in computer coding. The coding training will deliver highly marketable skills to graduates and will be safely done in prisons in a manner that does not utilize the Internet.[142] The Department of Corrections and Community Supervision and the Department of Labor will also work together to help recently released individuals access registered apprenticeships in the skilled trades, among other areas, by ensuring that the skills taught in DOCCS vocational labs meet the requirements for pre-apprenticeship training.

Proposal: Provide Transitional Support upon Release

The six months immediately after a person's release from the criminal justice system is the most critical time period. In this period, people are most likely to recidivate and are most susceptible to harm.[143] To

break this cycle, the Governor will provide more support to this population through expanded services and stronger coordination and of efforts through investing $1 million to expand the County Re-Entry Task Forces to provide enhanced case coordination for these services. Expanded supports include:

- **Transitional Housing***:* The Governor will include formerly incarcerated as a target population for housing assistance. This housing will be for people who need time to connect with family, get a job, or qualify for high need housing. Without housing assistance, returning citizens add to our homeless population and the possibility of finding a job and being accepted into a family's home decrease.

- **Connections to Employment**: Employers can be reluctant to hire returning citizens, even though they can be among a business' most hard working and loyal employees. Therefore, the state will provide over $5.8 million to support connections to employment. This will include more than $3 million for employment services programs for high-risk parolees in both New York City and upstate urban areas and over $2 million for employment services programs for low-risk alternatives to incarceration program participants statewide. DCJS will issue a request

for proposals this summer and select new grant contracts to begin January 1, 2017.

- **Provide Seamless Provision of Medical and Mental Health Services from Prison to the Community**: The state will use Medicaid interventions to serve those released from prison to the community with addiction, mental health needs and chronic medical conditions, to ensure continuity of care. These conditions, left untreated, would lead to overdose, grave illness and risk of homelessness.

Proposal: Raise the Age of Criminal Responsibility

The Governor will introduce legislation to raise the age of criminal responsibility from age16 to age 18, so that children are not subject to adult criminal proceedings except for serious crimes. Currently 16 and 17 year old youths end up with life-long adult criminal convictions, unlike in juvenile court, where records are generally sealed.

Further, at the Governor's request, the Office of Court Administration will also expand statewide the fast-tracking criminal cases involving 16 and 17 year olds who are detained in jail while their cases await trial.

Proposal: Enhance the Rights of Pardoned Individuals

In 2015 the Governor announced that he will offer conditional pardons to people convicted of nonviolent offenses at age 16 and 17 who have been conviction-free for 10 years. To complement and bolster this effort, at the Governor's request the Office of Court Administration will restrict public access to the state court system's criminal history database when the Governor grants a pardon under this program. Currently, OCA sells criminal history information to individuals[144] and companies that is typically used by employers and landlords to screen job applicants or potential tenants.[145] Going forward, the court system will no longer sell criminal history information pertaining to individuals pardoned under this new program.

PART THREE: FAIRNESS FOR ALL

The nation faces a deepening lack of confidence in the criminal justice system in the wake of recent tragedies involving the deaths of unarmed civilians. In 2015, the Governor took action to restore New Yorkers' trust in the system by issuing an executive order that appointed the Attorney General as a special prosecutor

in matters relating to the deaths of unarmed civilians caused by law enforcement officers.[146] Since taking office in 2011, the Governor has also bolstered trust in the criminal justice system by closing more prisons than any Governor in state history and supporting alternatives to incarceration that reduce crime and the over-incarceration of non-violent offenders.[147]

Positive relationships between police and the populations they serve are crucial in creating safer communities for everyone.[148] In 2014, Governor Cuomo launched the Gun Involved Violence Elimination (GIVE) initiative, to encourage law enforcement in high-crime counties to focus on reducing and preventing shootings and firearm-related homicides. In 2015, the Governor announced $13.3 million for participating law enforcement agencies. In 2015, county partners also participated in a two-day symposium on procedural justice that featured presentations from state and national leaders in law enforcement, clergy and community organizations on the success of procedural justice efforts in their communities. Procedural justice is a law enforcement principle that focuses on ensuring that citizens perceive their interactions with the police to be fair and respectful. Studies have shown that when

police implement procedural justice practices, the public's view of the police is improved, willingness to obey the law is greater and crimes rates go down.[149]

Proposal: Institute Bail Reform

Under current law, a judge must consider a number of factors before making the decision to release a defendant or set bail.[150] These factors include, among others, employment and financial resources, criminal history and family ties. They do not include, however, arguably the most important one: whether the defendant, if released, would present a danger to specific individuals or the general public. New York is one of only four states in the nation that does not allow public safety to be taken into consideration in release and bail decisions.[151] This approach means that people in New York who do not present a risk to public safety are detained while people who may present a risk to public safety are able to post bail and gain release.

Governor Cuomo will introduce legislation to require judges to consider public safety when making release and bail decisions. The legislation will also permit judges to use research-based, accepted risk assessments when considering a defendant's threat to

public safety.[152] Other states and cities are using these risk assessments with good results: more people are released from jail before trial, without any attendant rise in crime.[153]

The legislation will also reform bail bondsman practices. Currently, bail bondsman are subject to little regulation, and as a result some bad actors engage in predatory pricing and contracting practices.[154] These issues have a disproportionate negative impact on low-income people and the legislation will allow the Department of Financial Services to exercise greater control over this industry.

Proposal: Require Stronger Pretrial Procedures

Current New York State law does not require that law enforcement videotape statements made by a person while in custody. To prevent wrongful convictions based on false confessions, as well as to protect law enforcement from erroneous allegations of coercion, the Governor proposed in 2013 the video recording of criminal interrogations. This proposal led to an historic agreement between New York State's District Attorneys and the Innocence Project, which was facilitated by the New York State Bar Association.[155] This

agreement will require statements to be videotaped and will permit reliable identification evidence to be introduced at trial. The Governor has previously dedicated nearly $1.7M in grant funding to help localities purchase video equipment. Now, Governor Cuomo will push for legislation to require recording of interrogations for serious cases and reform New York's use of identification procedures. These practices are widely recognized as enhancing the fairness and effectiveness of the criminal justice system and will make all New Yorkers safer.

Proposal: Increase Opportunities for Families to Stay Close During Incarceration

Research shows that incarcerated individuals who stay in regular contact with family members have a better re-entry transition and lower rates of recidivism upon release.[156] Children of incarcerated individuals also benefit from maintaining ties with their parents.[157]

To help maintain these incarcerated individuals ties with family, the Governor will invest $300,000 to expand a successful video visitation program between incarcerated parents and their children. The state will also explore the use of secure e-mail communication

tools for use by incarcerated individuals and their families.

Proposal: Work Release and Parole Board Reforms

In 2015, Governor Cuomo created a Pro Bono Clemency Program that pairs volunteer lawyers with applicants seeking clemency who have used their time in prison to turn their lives around and are seeking release on that basis. To build on this work the Governor will pursue additional avenues to help individuals get out of prisons and back contributing to society.

Work release allows incarcerated individuals close to release to secure employment outside of prison while still continuing to live in prison. The program allows these individuals to earn money and begin to adjust to the outside world while being closely monitored. To qualify for work release an individual must complete required behavioral programs and demonstrate good behavior. This year, Governor Cuomo will revive New York's use of this program to save the state money and help incarcerated individuals get back on their feet, while preserving public safety.

The Parole Board is an independent entity with members appointed by the Governor. It is charged with

making release determinations for incarcerated individuals in cases that require discretion. More than 10,000 people are denied parole annually in New York State and only one in five have it granted.[158]

To expand the Parole Board's rate of discretionary release, the Governor will call on the Parole Board to explore actions that will result in greater use, including training incarcerated individuals and their advocates about how to prepare strong Parole Board presentations, opening Parole Board interviews with applicants to the public, and requiring the Parole Board to articulate on the record for each case how it weighed evidence of rehabilitation and current risk in making its decision about release. The Governor will also explore statutory changes to institute a rebuttable presumption of release for people at low risk of reoffending.

Proposal: Reward Success after Release

In addition to 16 and 17 year olds pardoned under the Governor's action, people who lead law-abiding lives for a lengthy period of time after a low level brush with the criminal justice system have earned the right to a clean slate. However, under current law there

is no provision to seal criminal records for the majority of individuals who have a conviction.

To make it easier for these individuals to move on with their lives and contribute to society, the Governor will introduce legislation to allow conditional sealing of minor crimes for people of all ages. This legislation will allow the state to seal records for low-level criminal convictions after an individual has demonstrated that they haven't engaged in criminal activity for 10 years. Records would remain unsealed for law enforcement and for state-run background checks if a person seeks access to vulnerable populations.

Proposal: Deploy New Technologies to Improve Safety in Prisons

Prisons are inherently difficult and dangerous environments. To ensure the safety of New York's correctional staff and inmate population, the Governor will propose to invest $25 million to ensure that correctional facilities and officers will be outfitted with the latest technologies available in the field. These include fixed cameras, thermal imaging, and heartbeat monitors that increase an officer's situational awareness and can better detect the presence of an inmate. DOCCS

will also launch a body camera pilot program to improve corrections officers' visual coverage of prisoner movement and ensure accountability of behavior. These tools will provide better information to correctional professionals and decrease the likelihood of violent incidents among incarcerated individuals.

Proposal: Establish the Office of an Independent Special Counsel

In 2015 the Governor signed Executive Order 147 which appointed the Attorney General as a special prosecutor in matters relating to the deaths of unarmed civilians caused by law enforcement officers. This Executive Order was an important step in restoring public confidence in the existence of an objective and transparent review of these tragic occurrences. However, this is a temporary solution and more needs to be done. The Governor will propose the creation of an Office of an Independent Special Counsel. This Office will be independent of any existing relationship with law enforcement, thereby avoiding any appearance of favoritism or partiality. With an Independent Special Counsel appointed, these tragic occurrences will continue to receive a fair and

independent review that they deserve, while also increasing the public's understanding and faith in the process.

6. ECONOMIC JUSTICE

Since taking office, Governor Cuomo has fought to reduce economic inequality across the state and protect the rights of all workers. The Governor is also committed to protecting and supporting our most vulnerable citizens from those living in poverty to new Americans to those who struggle to put a roof over their family's heads.

Governor Cuomo believes that every New Yorker who works full-time should be able to stay out of poverty, take care of their family, and live with dignity and respect. President Franklin Roosevelt first honored this social compact in 1938 when he established the nation's first minimum wage. Yet in the past several decades, national income disparities have grown and we have lost our way from the path set by FDR. Today, across the country many people working full-time jobs struggle to simply keep a roof over their heads.[159]

Proposal: Increase the Minimum Wage to $15 per Hour for All New Yorkers

Governor Cuomo has consistently fought to restore justice to hard working New Yorkers. In 2013, the Governor signed legislation that raised the minimum wage from $7.25 to $9.00 as of December 31, 2015.[160] The Governor also secured minimum wage increases for fast food workers – from $8.75 to $15 per hour[161] – and for tipped workers – from $4.90 to $7.50 per hour[162] – which began to be phased in on December 31, 2015. Most recently, the Governor announced that the state would raise the minimum wage for state workers to $15 per hour, affecting approximately 10,000 workers and making New York the first state to set such a high wage for public employees. Additionally, the Governor announced that the State University of New York will raise the minimum wage for more than 28,000 employees to $15 per hour.

"I mean more than a bare subsistence level – I mean the wages of a decent living." – Franklin Roosevelt's Statement on the National Industrial Recovery Act, June 16, 1933

While the Governor has made great strides on minimum wage, we must go further. The minimum wage is only one-third of the average hourly wage in New York State, now over $27.[163] A full-time job at the current minimum wage pays only $18,720 per year.[164] For a single parent with two children, that is below the official poverty line.[165]

In order to raise earnings, reduce income disparities, and increase consumer spending to spur job growth, Governor Cuomo will push this year to make New York the first state in the nation to enact a $15 hourly minimum wage for all workers. To give businesses the time to plan, the increase will be phased in incrementally, reaching $15 on December 31, 2018, in New York City, and on July 1, 2021, in the rest of the state.

The scheduled increases will take place as follows:

New York City		**Statewide (excluding NYC)**	
Min. Wage	Effective Date	Min. Wage	Effective Date
$10.50	7/1/2016	$9.75	7/1/2016
$12.00	12/31/2016	$10.75	12/31/2016
$13.50	12/31/2017	$11.75	12/31/2017
$15.00	12/31/2018	$12.75	12/31/2018
--	--	$13.75	12/31/2019
--	--	$14.50	12/31/2020
--	--	$15.00	7/1/2021

Raising the minimum wage to $15 will directly benefit over 2.3 million New York workers[166] – about a quarter of the total workforce – and will lift more than 250,000 people in about 110,000 New York families out

of poverty.[167] The increase to $15 will bring the minimum hourly wage up from 32 percent to 55 percent of the state average wage. [168] It restores the promise of fairness: $15 is about where New York's minimum wage in 1970 would be, if adjusted for inflation.[169]

Not only will raising the minimum wage help keep New York workers and their families out of poverty, it will also increase their spending power,[170] helping to spur the consumer demand that is critical to new hiring and business growth. The New York State Department of Labor estimates the increase to a $15 minimum wage will result in more than a $15.7 billion boost for New York's economy. [171]

While opponents argue that a minimum wage increase leads to job loss, an independent review of 70 studies on minimum wage increases found no discernable negative effect on employment, and instead, researchers have found evidence of increased employment from increasing the minimum wage.[172] Economists at Goldman Sachs found that the thirteen states – including New York – that increased their state minimum wage in 2014 had higher rates of employment growth than the national average.[173] We know this to be true from our own experience: New York has increased

its minimum wage eight times from 1991 through 2015, and six of those times, employment rose following the increase. When the minimum wage rises, productivity tends to increase, and increased worker retention saves employers recruitment and training costs.[174]

Proposal: $20 Billion Housing and Homelessness Plan

New York has led the nation in affordable housing preservation and construction over the past five years. Since taking office Governor Cuomo has committed to preserve or build 14,300 units of affordable housing through the landmark $1 billion House NY initiative and also created the Tenant Protection Unit, which has returned more than 50,000 housing units to rent regulation, preserving the affordability of those homes for years to come. Yet even with these investments, New York has not been immune to rising housing costs across the state and must take steps to deliver more affordable housing to those who need it.

$10 Billion Affordable Housing Program

To add critical supply to the state's stock of affordable housing the Governor proposes House NY 2020, a new, $10 billion, five-year affordable housing

plan that will create and preserve 100,000 units across the state. This historic investment offers a transformational blueprint to address the diversity of housing need across the state, strengthen protections for tenants, and create new opportunities for low-to-moderate income households. The Plan —which boosts state spending on housing programs by nearly $5 billion—will build and preserve affordable units and individual homes; make homeownership affordable for first-time buyers; increase investments in the revitalization of our communities; promote housing choice opportunities for all New Yorkers; revamp services in ways that better serve clients including New Yorkers seeking affordable housing; and directly support permanent housing programs for those struggling with homelessness as described below.

The comprehensive House NY 2020 Plan will be released in the coming weeks and will be include multiple strategic initiatives to prevent more New Yorkers from getting priced out of their communities. These strategic initiatives will include:

- **<u>Build NY</u> through the creation of new affordable housing** including significant investments to create new units of affordable

rental and single family housing to ensure young professionals can start families in the communities where they were raised.

- **<u>Preserve NY</u> to extend affordability of existing units including** new resources to create a large scale financing program that specifically supports public housing authorities utilizing HUD's Rental Assistance Demonstration program which ensures long term viability for this critical housing resource that serves many extremely low income New Yorkers.

- **<u>Welcome Home NY</u> to combat neglect in distressed communities and increase access to housing** through new State of New York Mortgage Agency (SONYMA) initiatives to facilitate the purchase and rehabilitation of foreclosed properties in targeted, economically-distressed communities, with the ultimate goal of rebuilding home values and owner-occupancy in neighborhoods.

- **Ensure State investments benefit all New Yorkers through the launch of <u>Opportunity NY</u>** which will include initiatives that promote and protect housing opportunities including the initiation of Undercover Fair Housing Testing to identify and address housing discrimination, especially in higher income areas.

$10 Billion Homelessness Action Plan

New Yorkers should be and are profoundly troubled by the large number of families and adults who are homeless today and the conditions in which they live. As New Yorkers, we will answer the call to assume greater responsibility and step up to help our neighbors in need.

Each night in New York, more than 75,000 people sleep in homeless shelters of various types, and more than 4,000 homeless people sleep on the street.[175] This number does not represent only families and single adults – last year, more than 8,000 victims of domestic violence were rendered homeless and nearly 4,000 adolescents and young people accessed the runaway and homeless youth shelter system.[176]

Homeless people often choose to live on the street rather than seek shelter because too many homeless shelters around the state are unsafe or have other health violations that render them out of compliance with state and local laws and regulations. Since April 1, 2015, state inspectors identified 2,508 health and safety violations at homeless shelters across the state.[177] At the same time, New York taxpayers spend $1 billion to fund the shelter system. These problems would be bad enough if

families and individuals were only in shelters for short time. Unfortunately, due to a lack of affordable housing supply, families with children stay in shelters an average of 430 days.[178] Living on the street, particularly in harsh weather conditions, should never be a better choice than living in shelter.

Governor Cuomo proposes an historic $10 billion commitment to combat homelessness. The Governor proposes $2.6 billion for 6,000 new supported beds, 1,000 emergency shelter beds and other homeless services. Moreover, the Governor's plan will fund the construction of 20,000 new supportive housing beds across the state.

This more than $2.6 billion in funding for permanent supportive housing and other services over the next five years is in addition to the $7.8 billion we expect to spend over the next five years through our continuing commitments in support of 44,000 supportive housing units, 77,000 shelter beds around the state, and other homelessness-related services. New York's total financial commitment to address homelessness over this five-year period will be more than $10.4 billion.

New York will also invest new resources over three years to specifically address vulnerable populations experiencing homelessness. To coordinate this and other funding the state will utilize the existing federal Department of Housing and Urban Development Continuum of Care model that engages localities and not-for-profit providers in developing and implementing data-driven strategies to address homelessness in specific populations such as victims of domestic violence, runaway and homeless youth and formerly incarcerated individuals. Each jurisdiction will be required to demonstrate that their proposals are consistent with their most recent HUD Continuum of Care reports and have the support of their local Continuum. For those areas of the state without a Continuum of Care, the state will partner with them on the necessary planning and engagement processes to ensure local level partnership.

To restore the public's trust in the shelter system the state must improve the conditions of the shelters it supervises and regulates. The state will partner with State Comptroller Thomas DiNapoli to audit shelters statewide, New York City Comptroller Scott Stringer to review and inspect New York City shelters, and Buffalo Comptroller Mark J.F. Schroeder to review and inspect

Buffalo shelters. They will do on-site inspections and review operating and financial protocols.

Shelters determined to be unsafe or dangerous will either immediately add local police protection or be closed. If a shelter is determined to be unsanitary or otherwise unfit it will be subject to contract cancellation, operator replacement or closure because there are many qualified nonprofits that are capable of running a good operation. If an operator's management problem is systemic, a receiver will be appointed to run the system. In addition, the state will require all social service districts to comply with the laws and regulations of New York State or be subject to sanctions.

Proposal: Enact Paid Family Leave for New York Workers

The composition of America's workforce has changed drastically since the 1950s: 47 percent of the state's workforce is now female,[179] people are working longer hours and retiring later, and families frequently rely on dual earners to make ends meet.[180] Families must still balance work and home responsibilities including childcare and childbirth, tending to sick family members, and eldercare. Federal law currently provides only for *unpaid* family leave,[181]- and creates a dilemma for those

caught between the need to care for a sick relative or newborn and the pressure to return to work and earn money. Moreover, federal unpaid family leave only covers approximately 60 percent of all workers.[182]

To help workers care for their families while protecting their earnings and job security, the Governor proposes a new paid family leave program for New York workers. New York State's Paid Family Leave Program will provide twelve weeks of job-protected, employee-funded leave to be used for bonding with a new child or caring for a sick relative.

Statewide paid family leave will particularly benefit low-income workers who often lack benefits or job security, and for whom access to any leave, even unpaid, is often not available or cost prohibitive.[183] Paid family leave also has the potential to serve as a great equalizer for women. This is so because in many instances, women who leave the workforce to care for a newborn not only forfeit their existing salaries in the short-term, but also suffer diminished future earnings and career trajectories in the long term.[184] Establishing paid family leave marks a pivotal next step in the pursuit of equality and dignity in both the workplace and the home.

Proposal: Ensure Financial Security for Retirees

Americans face a growing retirement crisis. Nearly 40 million households in the United States do not have retirement accounts. Traditionally, retirement savings have relied upon a combination of personal savings, Social Security, and employer-sponsored retirement savings plans or pensions. However, increasing numbers of employees work for a company that does not offer a retirement plan.[185]

Approximately 3.5 million private sector workers aged 18 to 64 in New York lack access to an employer-sponsored retirement savings program.[186] Many of these workers face delayed retirements and reduced standards of living, and will be forced to rely on the state's taxpayer-funded social safety net.

To address this growing problem and provide input into future legislation, Governor Cuomo will create the NY SMART Commission ("Saving More to Achieve Richer Tomorrows"). Carl H. McCall, Chairman of the State University of New York Board of Trustees, will chair the Commission. Chairman McCall has deep expertise in the financial sector, having served as Comptroller of the State of New York, Vice President of Citibank and Corporate Director of the New York Stock

Exchange. The Commission will consist of additional experts from the financial services industry, consumer advocates, public officials, and state regulators. The Commission will partner with state agencies, financial services professionals, consumer advocates, and academics to study available options for the creation of a state-administered retirement savings program for workers whose employers do not offer a retirement plan.

7. CLOSE THE SKILLS GAP AND TRAIN YOUTH

New York State has created more than 759,000 private sector jobs since December 2010.[187] The state's private sector job count is at an all-time historic high with more than 7.9 million jobs.[188] To date the state-funded economic development projects have created more than 200,000 jobs through the Regional Economic Development Councils and unemployment continues to decline in every region – from 8.4 percent in December 2010 to 4.8 percent as of November 2015 – the lowest level in 8 years.[189]

However, assuming current education and labor market trends continue into 2020, New York State will face a shortage of as many as 350,000 workers for jobs that require more than a high school diploma but less than a four-year degree – commonly referred to as "middle-skill" jobs.[190] These jobs include electricians, dental hygienists, elevator installers and repairers, paralegals, and radiation therapists, among many other professions. A large number of these jobs will potentially remain vacant because of a lack of adequately trained

candidates. Many manufacturing jobs also now require workers to hold some form of rigorous post-secondary education, either a certificate or an associate degree, in addition to on-the-job training.[191] According to a nationwide survey, 67 percent of employers surveyed indicate a moderate or severe shortage of adequately trained workers.[192]

This "skills gap" is one of the greatest challenges facing New York State's economic development goals.[193]

There are 2.5 million youth aged 16-24 in New York State. About 1 million of them are employed; however, approximately 170,000 or 14.5 percent are unemployed.[194] Governor Cuomo is committed to helping New York's youth obtain work skills and employment opportunities, and believes they can play a central role in New York's current and future economy. That's why he has doubled funding and has enabled a two-thirds increase in youth participating in New York State's Summer Youth Employment Program, which provides valuable work experience to low-income young people ages 14 to 20. More than 83,000 youth have benefitted from this program since Governor Cuomo came to office, and he proposes an additional $31 million to enable another 19,000 youth to participate in the

coming year. To ensure that our disadvantaged youth benefit fully from New York's growing economic prosperity the state will further expand availability of incentives and skills training programs for this population and link them to services available through different state agencies.

Proposal: Invest $5 Million to Launch Apprentice SUNY

Advanced manufacturing jobs are booming in New York, with some occupations projected to grow by 29.5 percent between 2012 and 2022.[195] When hiring, employers place high value on on-the-job training in addition to a degree. To meet the growing need for a skilled workforce, Governor Cuomo will work with New York's community colleges to develop one of the largest statewide public-private apprenticeship programs in the country to help students complete degrees while participating in registered apprenticeships and generate thousands of new employment opportunities for community college graduates.

The Governor proposes Apprentice SUNY, a new $5 million program that builds on the infrastructure developed with the $15 million USDOL TAACCCT grant awarded to Monroe Community College in 2013. The

TAACCCT grant in advanced manufacturing created degree and certificate programs at the College in occupational areas such as Mechatronics, a combination of mechanics, hydraulics, control systems, electrical technology and computer technology used in a wide range of contemporary advanced manufacturing facilities. While the College exceeded its three-year goal of enrolling 3,000 students to 3,100 in 18 months, the TAACCCT grant program benefits end at job training and do not help students secure a job upon graduation.

Apprentice SUNY will help 2,000 students receive classroom and practical training through new registered apprenticeships linked to degrees that provide participants with paid on-the-job skills training, a degree or certificate, a portable, national industry recognized credential, and a full-time job upon graduation. Apprentice SUNY will work with employers to leverage the Urban Youth Jobs Program to provide tax credits for employing eligible youth and will establish a new pathway to high demand jobs with competitive wages in New York over the next five years and beyond.

Apprentice SUNY will develop a two pronged approach to expand registered apprenticeships for 21st century jobs. One part of the program will serve the

needs of large semi-conductor manufacturers by linking existing community college certificates and degrees with on-the-job training opportunities at these employers. The second part of the program includes a partnership with regional private sector employers to develop a pilot program that will partner employers with higher education institutions to develop a new apprenticeship model and access tax credits for employees through the State Urban Youth Jobs Program. The pilot program will consist of a new Department of Labor-approved Regional Business Intermediary model that addresses the needs of small and medium sized advanced manufacturers who often find it difficult to participate in the New York State Registered Apprentice program on their own.

Proposal: Create the $3 Million Middle-Skill Jobs Gap Training Fund

New York State is ranked number one among all states for having one of the best federal Workforce Innovation and Opportunity Act (WIOA)[196] adult and dislocated worker programs that placed more than 260,000 jobseeker customers in jobs in the 2014-15 program year.[197] While New York only receives 6 percent of total available federal workforce funding,[198] New York accounts for roughly 30 percent of the nation's

placements.[199] Under WIOA, Department of Labor (DOL) oversees New York's network of Career Centers, and works in coordination and collaboration with local government agencies to provide employment services throughout the state. New York direct and funded job training programs train more than 20,000 people each year.[200]

Several factors contribute to the state's skills gap challenge, including: more jobs available than the number of individuals with the required skills to fill those openings; geographic discrepancies between where jobs are created and where the workers qualified to fill them are located; and the broader shift in the state's economy from an industrial-focused economy to one driven by the service-based innovation and technology sectors.

To close the skills gap, Governor Cuomo will dedicate $3 million of discretionary WIOA funds to create the New York Workforce Training Fund. The Fund will work with the Regional Economic Development Councils to provide funding to training providers, not-for-profit organizations, and private sector entities to provide skills-based job training to new and incumbent workers. The Fund will ensure that New York has a pool

of middle-skill workers available to meet the business needs specific to each region, and innovation-based businesses will continue to bring their employment opportunities to New York.

Proposal: Modernize the New York Apprenticeship and Training Council

2016 marks the 75th year of the New York State Registered Apprenticeship program. This time-honored training system administered through the Department of Labor combines structured on-the-job training with classroom instruction to ensure that workers gain specific, job-related skills. This program has seen significant growth over the last five years, from 3,419 newly enrolled apprentices in 2010, to nearly 5,200 in 2015.[201] Governor Cuomo will build upon the success of this model to ensure that New York has the best prepared workforce in the nation by engaging educators and creating innovative public/private partnerships to modernize the system.

Under Article 23 of New York State Labor Law, the governor appoints the New York Apprenticeship and Training Council to advise the Commissioner of Labor on issues related to apprenticeship, including supplemental classroom instruction, quality standards for registered

programs, relationships between government and the private sector and to identify trends related to apprentice training. In the past, we have looked to experts, employers, and labor organizations for advice on apprenticeships. The seven member Council is currently comprised of three representatives each from labor organizations and employer organizations, as well as a single member representing the public at-large.

To ensure that registered apprenticeships in New York State reflect the training needs of the new economy and link to our educational institutions, the Governor will modernize the Registered Apprenticeship Program in New York by adding council members from public colleges, community colleges or boards of cooperative educational services (BOCES) who have experience providing related instruction for apprenticeship programs. These members will bring the higher education skills and training perspective to the table and advise the Commissioner on how best to leverage the sector to train future apprentices.

Proposal: Deploy the Unemployment Strikeforce to Western New York

In May 2014, the Governor implemented the Unemployment Strikeforce in the Bronx to boost

employment through intensive job placement services and workplace training. The Bronx has seen a dramatic decrease in the unemployment rate, which has dropped from 11.1 percent in November 2013, before the Strikeforce launched, to just 6.9 percent in November 2015.[202] There are now more Bronx residents (572,000) working than at any point in the borough's long history.[203]

In January 2015, the Governor expanded the Unemployment Strikeforce's efforts to focus on nine additional counties with high unemployment rates: Franklin, Jefferson, Kings, Lewis, Montgomery, Orleans, Oswego, St. Lawrence, and Steuben Counties. Over the past year, each of those 10 counties experienced dramatic drops in their unemployment rate – averaging more than 2.5 times the average statewide improvement.[204]

There are now more Bronx residents working than at any point in the borough's long history: 572,000.

To ensure continued progress, Governor Cuomo will extend the reach of the Unemployment Strikeforce, expanding to Western New York to focus on the cities of Buffalo, Lackawanna, and Niagara Falls. The Strikeforce

will target jobseekers in this new region that are facing barriers to employment, such as residents in economically distressed communities, disconnected youth, the formerly incarcerated, long-term unemployed, individuals on public assistance, those lacking a high school diploma or equivalency, and individuals with no employment experience to ensure they have access to and the skills required for local jobs.

Proposal: Transform New York State's One-Stop Career Centers

The New York State Department of Labor operates 96 One-Stop Career Centers across the state that offer job placement services, career counseling, resume development and vocational training to jobseekers. Although Career Centers are state-funded they are often co-located with local workforce and social services agencies, often poorly branded and sometimes difficult to find.

While the overall unemployment rate has fallen steadily over the past four years, it remains persistently high for underserved populations and communities. Oftentimes, jobseekers are unaware of job training and placement resources available at the state Career Centers. Building upon the success in transforming the

DMV experience, Governor Cuomo will rebrand and modernize the state's 96 Career Centers. The effort will begin with a select group of "pilot" facilities that will serve as models for a subsequent statewide roll-out. The offices will be attractive and easily recognizable to businesses and jobseekers alike. They will leverage and complement online resources as well as those provided by other governmental entities and private providers.

To be effective, these re-imagined career centers will be citizen-centric approach and provide the highest levels of customer service. This includes appealing to and supporting both traditional jobseekers as well as underserved populations facing barriers to employment, such as individuals with disabilities, veterans, formerly-incarcerated persons, disconnected youth, low-income individuals, the long-term unemployed, adults with limited literacy, and/or immigrants.

Proposal: $50 Million Urban Youth Jobs Program

Governor Cuomo launched the Urban Youth Jobs Program in 2012 to combat unacceptably high unemployment rates among inner-city youth. The initial launch of the program in 2012 included $62 million to support job-training programs and $25 million in tax credits to encourage businesses to hire unemployed, disadvantaged youth in selected cities. Since its launch, the program has helped secure more than 31,000 jobs for youth at more than 1,500 New York businesses across targeted urban communities with high youth unemployment.[205]

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In response to the continued success of and demand for this program, the Governor proposes expanding the Urban Youth Jobs Program to $50 million to accommodate 10,000 youth job placements and expanding the program to employers in additional areas.

Proposal: Create the First State Pre-Apprenticeship Program

Apprenticeship programs combine classroom instruction with paid, on-the-job training. Participants earn decent wages that increase as they gain more experience.[206] Apprenticeship programs create an opportunity for working age youth to obtain meaningful, permanent employment. Pre-apprenticeship programs give participants the necessary training and exposure to different trades, like construction and manufacturing, as well as direct access to positions in registered apprenticeship programs.[207]

However, disadvantaged youth have been underrepresented in apprenticeship programs and too often do not have the skills or opportunities to benefit from the jobs available from state-funded projects. Governor Cuomo will lead the nation by creating the first State Pre-Apprenticeship Program that will leverage state contracts to ensure that youth in need of work are connected with businesses in need of middle skill workers.

This initiative will first recruit approximately 100 young adults between the ages of 18 to 24. The state will provide these youth with direct entry into a state-

registered apprenticeship program such as the LaGuardia Airport reconstruction project.

8. PROTECTING NEW YORK'S WORKERS

Governor Cuomo is building a better New York by ensuring that workers have access to job opportunities at businesses that provide safe and healthy work environments for their employees. Since taking office, the Governor has signed the Wage Theft Prevention Act to increase penalties against employers who violate workers' rights, instituted regulations in the mold abatement industry, and made a commitment to aggressively enforce the state's prevailing wage laws.

In 2015 the Governor launched the Nail Salon Industry Enforcement Task Force, a multi-agency effort to address and prevent unlawful practices within the industry. The Governor then successfully proposed legislation, promulgated regulations, and advanced administrative reforms to address problematic issues within the nail salon industry, including wage theft, retaliation, and unsafe working conditions, as well as obstacles to obtaining a nail specialty license.

The Governor next expanded his focus beyond the nail salon industry and created a first-of-its-kind Task Force to Combat Worker Exploitation across multiple industries in New York. The Governor's Task Force to Combat Worker Exploitation (Task Force) is comprised of 12 state agencies and is closely supported by an Advisory Committee of representatives from the labor, advocacy, academia, and business communities. The Task Force is charged with examining and ending worker mistreatment in industries with the highest rates of labor law non-compliance, including restaurants, home health care, and construction. Employees in these industries are often recent immigrants, who are isolated geographically, work off the books, and have limited English-language abilities.

Proposal: Protect the Rights of World Trade Center Rescue and Recovery Volunteers

After one of the most tragic events in the history of New York and our country, thousands of workers and volunteers stepped in to help with the rescue, recovery, and clean-up efforts at the World Trade Center.[208] Since then, many of these heroes have developed health conditions linked to the toxic dust and debris at the

World Trade Center that has drastically changed their lives forever.

While affected workers were covered by their employers' workers' compensation insurance, volunteers were left out in the cold. In 2002, Congress authorized $25 million for New York to establish the WTC Volunteer Fund ("Fund") to provide volunteers with medical benefits and indemnity (cash) payments to compensate for lost wages and other non-medical treatment needs (such as home health aides and handicap accessible retrofits to homes).[209] While Congress increased the funding to $50 million in 2005,[210] the Fund is expected to run out in April 2016.

In 2015, Congress reauthorized the Zadroga Act, originally authorized in 2011,[211] to provide funding for 9/11-related health problems for volunteers and workers for the next 75 years.[212] However, the Zadroga Act only covers costs associated with medical treatment, it does not cover lost wages or other non-medical treatment needs.

To honor our heroes, the Governor will step in to fill the gap left by the Zadroga Act and take care of our selfless 9/11 volunteers. The Governor proposes to commit $9 million to sustain the WTC Volunteer Fund to

ensure that 1,900 volunteers will continue to receive the coverage they deserve.

Proposal: Make the Exploited Workers Task Force Permanent

Since its inception, the Exploited Workers Task Force has launched more than 450 comprehensive statewide investigations into multiple industries, identifying more than 2,700 violations, including theft of wages, failure to protect workers with mandatory workers' compensation coverage, and retaliation against workers who complain about violations of the law. The cases affect more than 2,000 workers in New York State.[213]

To ensure that the work of these groundbreaking initiatives continues and expands, the Governor will make the Exploited Worker Task Force permanent. The Task Force will also join two other worker protection initiatives, the Joint Enforcement Task Force on Employee Misclassification and the Nail Salon Industry Enforcement Task Force, ensuring that their missions and activities continue.

The permanent Task Force will partner with advocates and business representatives to make sure that workers understand their rights and businesses

understand their obligations. Additionally, the Task Force will enhance communication, collaboration, and training among member agencies to promote best practices, appropriate enforcement, and inter-agency referrals for workers who experience abuse.

Proposal: Protect Immigrant Crime Victims through Increased Access to U-Visas

Governor Cuomo is a longtime defender of immigrant rights and vulnerable populations. Since taking office, he has rescinded the Secure Communities program; required state agencies to provide interpretation and translation services; proposed and signed legislation that cracks down on those who commit immigrant assistance services fraud; made national history by making the Office for New Americans the first state-level immigrant office created by statute; and pushed for the adoption of the New York State DREAM Act. Furthermore, the rights of many immigrant workers will be protected as a result of the work of the Nail Salon Industry Enforcement Task Force and the Exploited Workers Task Force.

Undocumented persons are at higher risk of exploitation at work and are often reluctant to report violations or otherwise cooperate with law enforcement

out of fear of deportation.[214] Currently, there are approximately 900,000 undocumented individuals living in New York State, including 522,000 undocumented workers.[215] New York State laws protect all workers, regardless of immigration status, against workplace discrimination, wage theft, misclassification, retaliation, human trafficking, and other labor standards violations.

In 2002, Congress created the U Nonimmigrant Visa (U Visa) to protect workers who assist with the detection, investigation, or prosecution of a crime by providing them with temporary lawful status while they assist with the detection, investigation, or prosecution of a crime. The U Visa is an important tool both for protecting immigrant crime victims and for strengthening the ability of law enforcement agencies to investigate and prosecute crimes. U Visa holders are eligible for lawful status for up to four years and can receive an automatic grant of work authorization. Holders are also eligible to adjust status to lawful permanent resident after three years. Additionally, immediate qualifying family members may receive derivative visas.[216]

Governor Cuomo recognizes that a U Visa is a particularly powerful tool for agencies tasked with

enforcing laws that protect vulnerable undocumented New Yorkers. In the spring of 2011, he directed the New York State Department of Labor to certify U Visas in agency investigations for claimants and witnesses who met certain criteria and demonstrated that they had been victims of qualifying crimes.[217] To help detect and prosecute crimes, the Governor will direct the New York State Police and the Division of Human Rights to establish official protocols and begin receiving and processing U Visa certifications for claimants, victims, and witnesses. Additionally, the Governor will direct the Office of Children and Family Services, through its oversight of local departments of social services, to advise districts of their responsibility as the investigating entities, to certify U Visas, as provided for in law.

9. KEEPING NEW YORKERS HEALTHY

Under the Governor's leadership, New York State has established a reputation as a national leader in health reform. A major component of New York's success story is its Medicaid reform efforts, which have gained national recognition. When the Governor took office five years ago, New York possessed the largest and most expensive Medicaid program in the nation.[218] Today, Medicaid spending per recipient has dropped to its lowest level in 13 years while savings have been reinvested into the health care system, thereby improving quality of care even as enrollment in Medicaid continues to grow.[219] But the Governor's health care agenda extends well beyond controlling Medicaid costs.

Three crucial elements of this health care agenda include expanding access to care, transforming the health care delivery system to improve quality and lower costs, and using Health Information Technology in a strategic way to support this health care system transformation. Over the last five years, health care in New York State has become more affordable for families

and businesses because of the New York State of Health marketplace and more affordable for taxpayers because of the far-reaching transformation efforts of the Medicaid Redesign Team and the related "DSRIP" process. These crucial ongoing initiatives reached important milestones in 2015.[220]

New health care initiatives begun in 2015 included legalizing medical marijuana with the Compassionate Care Act, providing support for individuals living with Alzheimer's disease and their families, and supporting family caregivers by requiring hospitals to provide instruction on how to perform medical tasks at home. These ongoing and new 2015 initiatives are described below.

Expanding Access to Health Care

Expanding access to health care by making affordable health insurance available is one of the critical accomplishments of the Governor's health care agenda. Through the New York State of Health, the state's official health plan marketplace, New Yorkers now have access to high quality, affordable health care coverage from more than two dozen health insurance plans.[221] As of January 2016, more than 2.7 million New Yorkers were

enrolled in coverage and 92 percent of those enrolled reported being uninsured at the time of application.[222]

As of January 2016, more than 2.7 million New Yorkers were enrolled in coverage, 92 percent of whom report being uninsured at the time of application.

As a result, New York's uninsured rate has fallen to less than 6 percent as of June 2015 - its lowest point in decades.[223] Additionally, the health insurance premium rates for individuals for 2014 and 2015 were 50 percent lower than what individuals would have paid before creation of the marketplace in October 2013.[224] For 2016, New York State of Health has introduced an even more affordable health insurance option for New Yorkers whose income is at or below 200 percent of the Federal Poverty Level, or $40,180 for a family of three - the new Essential Plan. The Essential Plan lowers premiums to $20 or less a month (with no deductibles and low co-pays) and provides comprehensive benefits for hundreds of thousands of New Yorkers.[225]

Transforming the Health Care Delivery System

Due to reforms implemented by the Medicaid Redesign Team (MRT), New York is uniquely positioned to lead the nation in health care system innovation. In April 2014, the federal government approved a waiver that allowed New York State to reinvest $8 billion in savings generated by the MRT to transform New York's health care system and enhance services for New York's Medicaid members.[226] The transformation plan that is being financed through these new federal funds is being implemented through the Delivery System Reform Incentive Payment (DSRIP) program. DSRIP incentivizes coordinated care for patients among large regional networks that include hospitals, primary care providers and other community-based organizations – all with the goal of improving wellness and health while controlling health care costs. To date, New York has awarded almost $1.7 billion to 25 of these regional provider networks across the state to implement projects that further this goal.[227]

In 2016, DSRIP will move to the next phase of transforming the health care delivery system in New York by implementing pilot programs to replace

expensive fee-for-service payments with "value-based" payments that reward providers for successful patient outcomes and help to achieve one of the core DSRIP goals of reducing avoidable hospital admissions by 25 percent over five years. [228]

Continuing Innovation in Health Information Technology

The availability of timely, accurate and comprehensive health information is foundational to improving New Yorkers' health, transforming the health delivery system, and improving health care efficiency. Including an investment of $40 million in 2016, the state will have invested $116 million to develop a health information technology infrastructure capable of sharing information to support and inform consumers, providers, payers, and other health care stakeholders.

The first part of this investment developed the Statewide Health Information Network of New York (SHIN-NY), which is an interconnected, statewide health information exchange that enables physicians and other health care providers to share health information over a secure network. Strict security and privacy policies include requirements for obtaining patient consent

before providers are allowed to share patient-specific information using this system. Today, health records for more than 32 million patients are available to be shared by healthcare providers with the consent of these patients, far more than any other state in the country.[229] At the end of 2015, more than 90 percent of acute care hospitals and 86 percent of community health centers statewide are connected to the SHIN-NY.[230]

The second part of this investment will create an All Payer Database (APD), a comprehensive information repository that will collect and integrate health care data from all public and private payers and providers. Among other uses, health data collected through the APD will be used to evaluate healthcare outcomes and support value-based payment models, and promote or incentivize higher quality and lower cost treatments. The state will invest $10 million in 2016 to advance the functionality of the APD, with additional support provided by federal funding.

Implementing the Compassionate Care Act

In July 2014, Governor Cuomo signed the Compassionate Care Act, establishing a medical marijuana program for New York State. The state's

carefully crafted program design will allow access to patients to help alleviate pain and enhance the quality of life for individuals suffering from such diseases as Multiple Sclerosis, Lou Gehrig's disease (ALS), Parkinson's disease, epilepsy, cancer, HIV/AIDS, and neuropathies, while protecting public health and safety through strict security requirements.

In 2015, the New York State Department of Health awarded licenses to five organizations in different regions of the state to grow marijuana and manufacture it into approved forms. Each of those licensed organizations is authorized to manufacture medical products and sell its product at four sites, which will provide for 20 dispensaries around the state. In addition, this program creates a practitioner education course, practitioner registration program, and a patient certification system.

On January 7, 2016 the Department of Health launched the opening of the state's Medical Marijuana program, just 18 months after the Governor signed the Compassionate Care Act. Dispensaries are now open across the state, and physicians are registering for the program and certifying their patients who might benefit from the treatment.

Supporting Individuals with Alzheimer's Disease and Family Caregivers

The 2015-2016 Budget included $25 million in funding toward care and support services for individuals living with Alzheimer's Disease and other Dementias (AD/D) and their caregivers. This investment is helping to reduce preventable emergency department visits and hospitalizations as well as delay or eliminate the need for institutional placement. Under this program, the Regional Caregiver Support Initiative awarded $1.5 million per year over five years to each of nine organizations to support caregivers through care and family consultations, support groups and training, and respite services.

While caregivers may be able to manage the everyday tasks required to maintain older persons with chronic illnesses or disabilities in their homes, figuring out how to address an illness or injury after a hospitalization can be confusing and distressing. Hospital staff often do not provide instruction or information on what to expect and what tasks will need to be performed.[231]

In 2015, Governor Cuomo signed the Caregiver Advise, Record and Enable Act, which requires that hospitals allow patients to formally designate a caregiver before they leave the hospital or are transferred to another facility. It also requires hospital workers to provide the caregiver with instruction or training on how to perform tasks for the patient at home, such as changing bandages or administering medication.

Ending the HIV/ AIDS Epidemic

In June 2014, the Governor announced New York's three-point plan to end HIV/AIDS as an epidemic by the end of 2020. A primary goal of the Governor's plan is to reduce the number of annual new HIV infections to 750, which would achieve the state's first-ever decrease in HIV prevalence.[232] New York State's successes to-date include the elimination of mother-to-child transmission, with no new cases of

For the first time since the outbreak of the AIDS epidemic in New York State, there have been no new cases of mother-to-child transmission in the state for over a year.

mother-to-child transmission in this state for over a year. This is the first time this achievement has been reached since the outbreak of the AIDS epidemic in New York State.[233] In addition, the state has seen dramatic reductions in cases among injection drug users, and new infections have been reduced significantly in almost all categories of race and risk.[234]

Proposal: New York State Certified High Quality Foods

Public interest in safe and healthy foods continues to grow yet consumer trust in food has eroded significantly – for good reason.[235] The Centers for Disease Control and Prevention estimates that more than 48 million people in the United States suffer from foodborne illnesses every year.[236] In addition, the marketplace is flooded with claims such as "made with goodness" or "natural," many of which are neither verified nor have real meaning. New York consumers deserve better.

New York's vibrant agriculture and food industries position the state to set a national example for providing consumers with transparent and meaningful information about the food they purchase and eat. In 2015, the Governor created an Advisory Committee on

Safe and Healthy Foods to convene the nation's top experts in food production and food advocacy to examine food safety and misbranding issues and to identify ways for consumers which of New York's food is the best available.

The Governor will build on this work to launch the New York State Certified High Quality Initiative – a comprehensive plan to restore consumer confidence in New York products, ensure that products are accurately labeled, and identify New York producers who adhere to best practices in food handling and environmental stewardship.

The New York State Certified High Quality initiative comprises five elements:

- *Branding & Marketing*: The state will create a New York State Certified seal and make it available to producers who maintain a certified Good Agricultural Practices plan and demonstrate good environmental stewardship. The seal will signal to consumers which foods are the best to buy and eat. Building on the success of the Taste NY program, New York will launch a full-scale advertising campaign to inform consumers that they can trust foods that bear this seal.

- *Enforcement*: The state will increase its ability to enforce laws against misbranding and deceptive business practices. This will protect not only consumers, but the integrity of the vast majority of honest producers as well.
- *Monitoring:* Inspectors from the Department of Agriculture & Markets will conduct improved, risk-based food safety on-site inspections and will increase the number of food samples to test. Further, the Department of Health Wadsworth Center Lab and the State Food Lab will partner to increase testing capacity.
- *Training & Industry Support:* The state will invest more than $4 million to train farmers in safe food handling practices and environmental stewardship through the Agricultural Environmental Management Program and the Integrated Pest Management Program. The state will also leverage the Taste NY and Farm-to-School initiatives to promote consumer interest in local, New York State Certified products.
- *Investment:* The state will work with the Regional Economic Development Councils to invest in local food distribution hubs that will improve access to fresh and healthy food for residents and promote local products to restaurants and institutional buyers. New York will also invest in farms that opt to convert to organic grain production.

Proposal: Launch Statewide Effort to Increase Awareness and Screening for Breast and Prostate Cancer

Breast cancer is the most commonly diagnosed cancer and the second leading cause of cancer death among women in New York State – responsible for almost 15,000 diagnoses and 2,700 deaths each year.[237] Breast cancer screening has been credited with reducing breast cancer mortality.[238] Screening can increase the likelihood of identifying cancer at an early stage, when treatment is most successful. As a result, a top priority in the fight against breast cancer is to achieve earlier detection by getting more women screened. In 2014, about 78.6 percent of age-appropriate women in New York State reported receiving a mammogram at least every other year, while approximately 576,000 women had not.[239]

Excluding skin cancer, prostate cancer is the most common cancer among men in New York State – each year, over 15,000 men are diagnosed with prostate cancer and over 1,700 men die of the disease.[240]

The Governor is committed to increasing the state's breast cancer screening rate by 10 percent over the next five years. As a result of the Governor's

initiative, more than 212,000 additional women will be screened for breast cancer by December 2020. [241] Further, 25,000 men will receive peer education and outreach services that will encourage them to discuss their risk for prostate cancer with their health care providers in order to make an informed decision about whether to be screened.

To achieve this objective, the Governor will launch a $91 million comprehensive, statewide plan to increase rates of breast cancer screening, help women access the treatment they need, and educate thousands of men about the risks associated with prostate cancer. The state will increase women's access to screening facilities and services across the state, and also work to ensure women receive any necessary assistance in scheduling and keeping their mammography appointments. Additionally, peer outreach efforts will be enhanced to help more women understand the importance of regular

The Governor is committed to increasing the state's breast cancer screening rate by 10 percent over the next five years.

breast cancer screening and to inform men of their risks regarding prostate cancer.

Proposal: Launch a $15 Million Public-Private Outreach and Public Education Campaign for Cancer

To encourage more women to get screened for breast cancer and men to be informed of prostate cancer risks, the state will implement a two-pronged public awareness campaign that focuses on underserved communities.

Every person has unique circumstances that influence whether or not they get screened regularly for breast or prostate cancer. To encourage more women to get mammograms, and men to discuss their risks for prostate cancer with their health care providers, the state will fund 10 community-based peer education programs throughout the state. Peer educators that are trusted community members will deliver culturally-relevant cancer screening messages. Breast cancer peer education programs have been found to increase cancer screening rates and are recommended by the Community Preventive Services Task Force.[242]

The state will also partner with the Healthcare Education Project to raise breast cancer awareness through a media campaign that will target low income,

underserved populations and encourage them to get screened. The campaign will address commonly cited patient barriers, including fear of the test, and women not knowing they should be screened. In conjunction with this campaign, the Department of Health will establish a website containing a breast cancer hotline and additional means of connecting women with the component programs in the Governor's breast cancer initiative. The state will complement these efforts with a $5 million education and public awareness media campaign across the state over the next five years.

Proposal: Increase Access to Breast Cancer Screening

The Community Preventive Services Task Force, an independent panel of experts appointed by the federal Centers for Disease Control and Prevention, recommends various actions that can help women overcome obstacles to obtaining breast cancer screening appointments. These actions include modified hours of operation at screening facilities to accommodate patient needs, reducing the time or distance women must travel to get screened, and providing assistance for scheduling and traveling to mammography appointments.[243] In addition to these general recommendations, a recent

survey conducted by the Department of Health determined that approximately one-third of hospital-based mammography facilities in New York do not offer alternative hours of services (early morning, evening or weekend).[244]

Based upon these recommendations and feedback, the Governor is proposing the following four initiatives to help additional women schedule and travel to their mammograms.

Currently, New York State employees receive four hours of annual leave for breast cancer screening. Many private sector employees do not have access to this type of benefit. The state calls upon private sector employers to provide their employees with four hours annual leave for breast cancer screening and is happy to announce that the following employers have already agreed to provide this leave to their staff:

- Eastman Kodak Company
- Amneal Pharmaceuticals LLC
- D'Addario & Company, Inc.
- Lago Resort & Casino
- M&T Bank
- The Pike Company
- Paychex, Inc.
- Nazareth College

- Wilmorite Management Group, LLC
- Dixon-Schwabl Inc
- LeChase Construction Services LLC
- Hueber-Breuer Construction Company, Inc.
- Eric Mower & Associates
- Le Moyne College

To increase women's access to mammography services, the Department of Health will require hospital-based screening facilities that already offer mammograms to offer service hours at least once a week during the early morning, evening or weekend. This action will assist women who have difficulty scheduling their mammograms during the typical 9am-5pm work day.

To provide access to mammography services to homebound patients or those who otherwise lack access, the state will invest $59.5 million to help community providers purchase and operate mobile mammography vehicles. Mobile mammography services will be targeted in areas with a high number of unscreened women per FDA-approved mammography facility and will provide convenient, high-quality screening services for women who may have difficulty getting to a fixed location for an appointment.

Many women make a mammography appointment and fail to arrive or get screened and do not follow up for further consultation or treatment. To address this issue and provide coordinated care to women across New York, the state will invest $11.6 million to hire additional health care workers at cancer treatment and other health care facilities to identify and conduct outreach to patients due for breast cancer screening, address barriers to facilitate screening completion such as transportation, and assist with securing any subsequent needed diagnostic follow-up and treatment services.

Proposal: Dedicate $5 Million in Venture Capital Funding for Cancer-Related Research and Technology

Governor Cuomo has prioritized the state's fight against cancer since taking office in 2011, investing over $29 million in cancer research alone. These investments include: $5 million to prevent, treat and cure breast cancer; $3 million to improve our knowledge about the prevention, detection and treatment of prostate cancer; and almost $21 million to advance scientific discoveries in stem cell biology that aim to address cancer.

Developing viable digital health and cancer screening technologies can be costly. Equally challenging for businesses are the high costs of bringing cancer treatments to the market.[245] To assist with these hurdles, the state will invest $5 million from the New York State Innovation Venture Capital Fund (NYSIVCF) to support the commercialization of promising cancer-related technologies. Funding could support products that help increase the number of women screened for breast cancer, in addition to innovations that improve the diagnosis or treatment of breast and prostate cancer.

Up to ten companies will receive state investments of $500,000 to $1 million to support research that has entered the early stages of the commercialization process. To support New York Ventures in identifying and evaluating investment opportunities, the state will establish an Advisory Board consisting of top oncologists, researchers and bioscience investors. This investment initiative will increase the opportunity for more businesses to commercialize their early innovations in cancer research.

Proposal: Extend the Upper Age of the Current HIV Testing Guidelines Beyond 64

New York State law requires hospitals and primary care providers to offer an HIV test to persons ages 13 to 64. For older or younger patients, hospitals and providers must assess these patients for risk before offering them a test. There is no science supporting the current age limit of 64.[246] In fact, many older adults beyond the age of 64 are at risk of HIV and other STD infections. In fact, half of all people living with diagnosed HIV infection in this state are age 50 and older,[247] and approximately 200 cases of HIV are diagnosed each year in persons age 60 and older.[248] To address this problem, the Governor will introduce new legislation to extend the upper age for the offer of an HIV test beyond the age of 64.

Proposal: Broaden HIV Testing and Treatment Consent Laws for Minors

Under current state law, minors can consent to STD and HIV testing and to treatment for STDs without parental or guardian consent. However, treatment without parental consent for HIV is not explicitly permitted in statute, even in cases where the young person has been abandoned or abused by his parents.

Young persons (those between 20-29) have the highest rate of newly diagnosed HIV infection in New York State.[249] Once diagnosed, young people often face additional barriers that can prevent or delay access to care, including denial and fear of their HIV infection, misinformation, HIV-related stigma, low self-esteem, lack of insurance, homelessness, substance use, mental health issues, and lack of adequate support systems.[250] Because of these factors many young people need to have the ability to consent to their own HIV treatment. The proposal to expand minor consent ensures more young people have optimal health outcomes for themselves and do not transmit the virus to others.

In addition to consenting for health care, young people should have the ability to consent for HIV related preventive services. Young people at high risk who are negative for HIV should be able to consent to pre-exposure prophylaxis (PrEP) just as they can for other reproductive or sexual health related services so they can remain negative.

The Governor will address both prevention and access to care by introducing new legislation to allow minors determined to have capacity to give informed consent for HIV treatment and prophylaxis and to be

granted expanded confidentiality protections on explanation of benefits forms.

Proposal: Link Individuals to HIV Treatment and Improve Viral Suppression

Viral suppression is the ultimate goal for persons with HIV, as it improves health and virtually eliminates the possibility of further transmission of HIV.[251] However, thousands of HIV-infected New Yorkers are not linked to care and as a result do not achieve viral suppression.[252] In 2014, a change in state law allowed medical providers to receive information from the Department of Health on HIV-infected patients. The Department of Health can now match HIV data with Medicaid data to identify HIV-positive Medicaid recipients who are not being treated. The state then can notify providers and Medicaid managed care plans of these individuals, thereby linking them to treatment.

A significant component of the Governor's plan is to identify individuals who remain undiagnosed or out of care for purposes of engagement and retention in care. The Governor will introduce new legislation that expands the existing statute to allow HIV -related information to be shared with care coordinators and care managers. This expansion will increase the state's ability

to identify HIV-positive individuals, connect them with treatment, and suppress the development of their virus.

Proposal: Remove Limitations on the State's Expanded Syringe Access Program

Since the 1990s, there have been dramatic reductions in HIV cases among injection drug users. In 1990, drug users represented 54 percent of newly diagnosed cases; in 2013, it was less than 3 percent.[253] This success is attributed to the implementation and expansion of syringe exchange and the Expanded Syringe Access Program (ESAP). ESAP reduces the transmission of blood borne diseases, including HIV and hepatitis, by enhancing access to sterile syringes. As of April 2015, there were more than 3,000 ESAP-registered providers in New York State.[254]

Under the existing statute, a maximum of ten syringes may be sold or furnished to a person 18 years of age or older without a prescription. However, limiting the number of syringes available for purchase may encourage individuals to re-use or share their syringes – a behavior that leads to transmission of HIV and hepatitis.[255]

To further the state's efforts to reduce HIV and hepatitis transmission among injection drug users, the

Governor will propose legislation to lift the ten-syringe limit, which in turn will increase the visibility and scope of ESAP. This legislation also will allow for syringe exchange and for ESAP participants to provide syringes to other injectors who otherwise would reuse syringes or share contaminated supplies. Finally, this legislation will lift a current ban on advertising by pharmacies and will allow them to publicize the availability of syringes without a ceiling on the number that can be purchased.

Proposal: Increase Funding and Expand Services for Children's Mental Health

Mental and behavioral health problems among children are a large and growing challenge. While existing mental health problems become increasingly complex and intense as children transition into adolescence[256] even very young children are affected. Addressing mental health problems early is critical to children's success in school and beyond.

To more effectively address these problems, the Governor proposes $7.5 million in new funding, growing to $30 million in 2017-18 , to establish six new children's mental health services in the state's Medicaid program. These services will become available starting January 1, 2017 and include services related to:

- Crisis Intervention;
- Community Psychiatric Support and Treatment;
- Psychosocial Rehabilitation Services;
- Non-physician Licensed Practitioners;
- Family Peer Support Services; and
- Youth Peer Training and Support Services.

These new services will place an emphasis on early intervention for children experiencing mental or behavioral health challenges before they rise to the level of needing high intensity clinical services in treatment, emergency rooms and hospital settings that are more costly and detrimental to home and community based living outcomes.

The introduction of these six new children's services also represents a critical first step in preparing the children's behavioral health system for integration into Medicaid managed care. One of the obstacles to delivering effective mental health and substance abuse services for children and adolescents in New York is that these services have been delivered in a fragmented and inefficient manner. Integrating these services into the Medicaid managed care program will ensure intense care coordination of physical, mental and behavioral

conditions by case managers with significant mental health experience.

Proposal: Implement the Developmental Disabilities Transformation Panel Recommendations

New York's Office for People With Developmental Disabilities (OPWDD) provides services for 130,000 New Yorkers with developmental disabilities. The work of OPWDD plays a crucial role in the quality of life of individuals with developmental disabilities and plays a critically important role in supporting the families who are caring for developmentally disabled loved ones.

The Governor is leading the transition of service delivery for those with developmental disabilities from a traditional system of supports provided in group residential and day programs to a more individualized and flexible service model that seeks to maximize individuals' opportunities to live and work as independently as possible.

OPWDD invested $65 million in federal funds as part of this long-term transformation effort in 104 initiatives that seek to promote improved outcomes for individuals with developmental disabilities related to employment, transition supports and establishing community partnerships. To help guide this far-reaching

redesign, OPWDD in 2015 convened a Transformation Panel comprised of individuals receiving services, parents and industry experts. To implement important recommendations of the Transformation Panel, the Governor will direct OPWDD to undertake the following initiatives:

- **Allocate $120 million in new funding** for new services to support up to 6000 individuals with developmental disabilities.

- **Ensure that residential placements will be devoted to individuals currently living at home based on need**, which will provide relief for caregivers who are unable to continue the care they have been providing to their child.

- **Invest $15 million in capital for supportive housing options,** which will both create more opportunities for people with developmental disabilities to live in affordable housing in the community.

- **Design a flexible home-based service model** to allow people to get the hours of support that work best for them and the ability to modify these services as their needs change.

- **Provide more flexibility in day services options for people,** including more opportunities for employment, through creation

of a day service model that offers caregivers the security of a dependable schedule but also allows for internships, volunteerism and part-time work.

- **Create value-based reimbursement models** that offer providers incentives for achieving good outcomes for individuals which have been developed in concert with individuals, families, providers and other stakeholders.

Proposal: Combat Opioid Overdose

Almost two million New Yorkers and their loved ones struggle with the effects of substance use disorder (SUD)[257], and heroin and opioid addiction is growing especially quickly among New Yorkers under the age of 25. New York's substance use disorder treatment system has seen a 126 percent increase in admissions over the last ten years among people aged 18 to 25 who are abusing opioids.[258]

In 2014, the state launched the Combat Heroin & Prescription Drug Abuse Campaign to educate New Yorkers about the risks of

More than 1,500 lives have been saved from opioid overdose in the past year.

heroin and prescription opioid use and to provide them with helpful resources. In 2014, the Governor adopted a range of strong measures aimed at reducing addiction to heroin and other opiates when he signed into law 12 pieces of legislation that dramatically improved access to SUD treatment services in New York State.[259]

One of the key elements of the Governor's 2014 Opioid Heroin legislative package called for increasing access to the lifesaving overdose reversal drug, Naloxone by authorizing healthcare professionals to issue non-patient specific prescriptions for Naloxone to certified training programs and pharmacies. There are now more than 250 registered opioid overdose prevention programs in this state, with more than 85,000 individuals trained to administer Naloxone, who can take advantage of this law. Through their efforts, more than 1,500 lives have been saved in the past year.[260]

To expand access to this life saving drug and help prevent opioid overdose deaths in New York State, the Governor will partner with CVS/pharmacy to help prevent opioid overdose deaths in New York State. CVS/pharmacy will provide individual training and naloxone statewide to their customers without requiring them to present a prescription. The state hopes to add

an additional 1,000 pharmacies statewide in early 2016. The Governor will also introduce legislation that permits any pharmacist to administer the drug in the event of an overdose.

Proposal: Prevent Opioid Addiction Relapse

Opiate and heroin addicted individuals are at increased risk for an overdose following a period when they are in treatment, or incarcerated and then released, due to their lowered resistance during the time away from active use.[261] Vivitrol contains one of the three FDA approved medications that can help patients to stabilize and resist relapse. Vivitrol works by fighting the intoxicating effects of heroin, prescription opioids and alcohol.[262]

The Governor will authorize the first Vivitrol treatment pilot in State Corrections to help inmates avoid relapse upon release. The pilot will build on an existing collaboration between the Department of Corrections and Community Supervision (DOCCS) and an Office of Alcoholism and Substance Abuse Services (OASAS) licensed drug treatment program located in New York City-based Edgecombe Correctional facility. The pilot will specifically focus on individuals in the five

boroughs who have violated their parole by relapsing on alcohol, heroin or other opioids.

Proposal: Combat Dangerous "Synthetic" Drugs

Over the last year, there has been an explosion of synthetic drugs – herbal mixtures that produce hallucinogenic experiences and are marketed as "legal" substances. During the three-month period April 1 to June 30, 2015, New York State saw more than 1,900 emergency department (ER) visits and 680 poison control center calls due to reports of adverse health effects associated with synthetic cannabinoid use; this represents more than a tenfold increase over the same time period in 2014, when there were more than 150 emergency department visits and 50 poison control center calls reported.[263]

In November 2015, the Department of Health enacted emergency regulations combating the sale of synthetic drugs in the state. The tougher regulations expand the existing list of banned substances to include new chemical compounds that drug producers have created since Governor Cuomo first targeted so-called synthetic marijuana in 2012. But one of the challenges in combating synthetic drugs is that the chemicals

comprising them are not easily detected in standard drug tests.[264] To overcome this challenge, New York State will pilot the use of a portable, hand-held high-tech device which can instantly analyze an unknown substance and detect whether it contains any combination of these dangerous synthetics. The Governor will provide $2 million in funding for this pilot program to purchase portable detection units for law enforcement agencies across the state.

Proposal: Control Rapidly Rising Prescription Drug Costs

Rapidly rising costs for prescription drugs pose one of the biggest risks to maintaining quality affordable health care for New Yorkers. The Governor proposes a series of proposals to help insulate New York taxpayers from having the Medicaid program absorb the full effect of these prescription drug price increases, while creating disclosure requirements on manufacturers that will create more transparency about the business practices of the manufacturers of these specialty prescription drugs. Both proposals are aimed at certain specialty brand name prescription drugs that are prohibitively expensive yet crucial for the treatment of certain diseases. Specialty drugs represent 1 percent of all

prescriptions, but 31 percent of the total cost of prescription drugs. The treatment regimen for some of the most expensive specialty drugs can cost as much as $750,000 per year.

For select specialty drugs that are so expensive it becomes difficult to offer the drug to all Medicaid patients who could potentially benefit from it, the Governor proposes that the Department of Health effectively cap the price of these drugs by requiring drug manufacturers to provide a minimum level of rebates to Medicaid. The state will determine the amount of the minimum rebate through an actuarial study.

The Governor also proposes that manufacturers of the same select specialty drugs provide the Department of Health with such information as the actual cost of developing, manufacturing, producing, and distributing the drug; research and development costs of the drug, marketing, and advertising costs for the drug, prices for the drug that are charged to purchasers outside the United States; and the average profit margin of each drug over the prior five year period. These disclosure requirements will provide transparency about the business practices of the specialty drug

manufacturers and put a spotlight on the problem of rising pharmaceutical drug prices.

Proposal: Strengthen the Home Health Care Workforce

As New York State's population ages, more individuals are relying on long-term care, and want to receive that care in their own homes, rather than going to a nursing home. Home health care is a fundamental support needed for people to remain independently in their homes and integrated in their communities. Home health aides provide help with basic daily activities that many of us take for granted—bathing, dressing, meal preparation—that elderly and people with disabilities may not be able to do on their own. However, home health aides are prohibited from helping with other activities such as medication administration or assistance with medical equipment.

The Governor is proposing legislation to authorize Advanced Home Health Aides (AHHAs) to perform specified advanced tasks under the supervision of a licensed registered professional nurse employed by a home care services agency, hospice program or enhanced assisted living residence. Performed under supervision by a registered nurse, advanced home health

aides will be able to assist patients and allow them to live with dignity in their homes and provide support to family caregivers who are responsible for caring for their loved ones.

Proposal: Ensure the Safety of Child Products

The Child Safe Products Act seeks to regulate the use of chemicals in the manufacture of children's products. New York has been a national leader in protecting consumers from using unsafe products. To ensure that we protect our children from unsafe products, the Governor will work with the Legislature to adopt the Child Safe Products Act which will phase out the use of specific chemicals of concern in children's products.

Proposal: Expand Farm to School Partnerships to Help Farmers and Students

New York public schools serve 400 million meals annually to nearly three million children.[265] According to a 2012 survey, nearly three-quarters of New York school food service directors agree that locally procured foods are healthier for students; yet one quarter of them have never procured locally and want to learn how. [266] To

increase the amount of high quality food that reaches our children's school lunch trays, the Governor launched the $350,000 New York State Farm to School Competitive Grants Program in 2015 to increase the capacity of six schools to purchase from local farms.

To expand on these efforts, at the recommendation of the Anti-Hunger Task Force, the Governor proposes a second $250,000 round of grants and will expand "NY Thursdays," a program that increases local sourcing in public school food programs through commitments by school districts to source local food for school lunches every Thursday.

10. ETHICS REFORM

Governor Cuomo has been fighting for ethics reform since taking office in 2011. In his first year as Governor, he led the effort to enact the comprehensive Public Integrity Reform Act of 2011 to increase transparency and accountability in Albany. This robust set of reforms required state officials to make unprecedented disclosures of their income, assets, and external clients; created a public database of all lobbyists; strengthened lobbying restrictions; and

required public officials to forfeit their pensions when convicted of a felony related to public office. It also established a new Joint Commission on Public Ethics (JCOPE) to oversee the Executive, the Legislature, and lobbyists.

New Yorkers deserve a government they can trust. Governor Cuomo has been fighting for ethics reform since taking office in 2011.

The 2015-2016 State Budget included additional measures to further advance ethics reform, including new requirements to ensure that public officials disclose the details of all outside income in excess of $1,000 – including the source of the income and the actual services performed – and whether there is any connection to the state government or the office they hold. The budget significantly expanded the Lobbying Law to cover municipalities with a population of 5,000 or more, from 50,000 previously. The Budget also introduced Per Diem reform that will prevent fraud by establishing stronger claim verification requirements

and creating a publicly accessible website showing members' reimbursement and travel. Campaign funds have been barred for personal use, and the requirement to disclose independent campaign expenditures has been expanded from 30 to 60 days before Election Day. The Governor also increased the JCOPE budget by 27 percent and provided for funding to modernize the Commission's technology systems.

This year, Governor Cuomo proposes the most ambitious ethics and good government reform package ever to restore New Yorker's confidence in their representatives. The Governor will propose closing the "LLC Loophole," limiting outside income for members of the New York State Legislature, devising a system for publicly financing campaigns, enacting comprehensive reforms to the Freedom of Information Law (FOIL) to increase transparency, requiring any legislators convicted of corruption to forfeit their New York State pensions, strengthening the enforcement powers of JCOPE, and enacting new ethics and campaign finance reporting requirements. The Governor also proposes authorizing an expert commission to prepare for a constitutional convention and proposes voting reforms to institute early voting and automatic voter registration

to enable more New Yorkers to have their voices heard on Election Day.

Proposal: Close the LLC Loophole and Increase Campaign Disclosure

In order to preserve open, free, and fair elections that are not captured by wealthy public interests, state law limits the amounts that both corporations and individuals may donate directly to state candidates.[267] However, because of a quirk in the way that present election law is interpreted, wealthy individuals and corporations are able to use Limited Liability Companies ("LLCs") to avoid New York's campaign donation limits. This "LLC Loophole" in campaign finance law has allowed special interests to circumvent both contribution limits and disclosure requirements. The Governor proposes closing the LLC Loophole for all elected officials. It is our responsibility to even the playing field so that rich and poor New Yorkers alike have their voices heard in our political process.

Currently, campaigns must disclose campaign contributions only twice a year and at certain intervals before elections. In our digital era, money and news move lightning-fast yet laws on campaign contributions have not caught up to the reality of our times. To provide greater transparency in campaign contributions, the Governor proposes that candidates disclose campaign contributions to the Board of Elections every 60 days.

The Governor proposes closing the LLC Loophole for all elected officials. It is our responsibility to even the playing field so that rich and poor New Yorkers alike have their voices heard in our political process.

Proposal: Limit Outside Income for Legislators

The Legislature's part-time structure allows professionals from diverse industries and backgrounds to serve the public. This offers the distinct advantage of legislators who are not career politicians but, instead, have a diverse set of interests and experiences. To strike the right balance, the Governor proposes that New York

State adopt limits on outside income for legislators akin to the limits our federal government places on legislators' outside income. The proposal will limit state legislators' outside income to 15 percent of their base salary.

Proposal: Adopt a Voluntary Public Campaign Financing System

Current election laws favor wealthy donors and special interests. Simply put, there is no incentive for candidates to rely on ordinary, everyday people for campaign donations. In the 2006 elections, for example, candidates in New York relied less on small donors ($1-$250) than in all but three other states nationwide.[268] The only comprehensive way to fix this problem and restore the voices of all New Yorkers is to adopt a voluntary public financing system for political campaigns that focuses on matching funds from small donors. To accomplish this goal, the Governor proposes a voluntary public campaign financing system.

Proposal: Enact Other Campaign Finance Reforms

Unlike federal law, New York allows unlimited contributions to party "housekeeping" accounts by individuals and corporations. These accounts are

supposed to be used for non-campaign party activities, but they serve as a backdoor for big money to influence political races. Our current system also allows intermediaries of campaign contributors, known as "bundlers," to pass large groupings of individual contributions to campaigns and gain political influence without disclosing their identities. The Governor proposes to fix both issues by placing a $25,000 contribution limit on housekeeping accounts and requiring bundlers' identities to be disclosed.

Proposal: Promote Transparency through New Reforms to FOIL

The New York Freedom of Information Law (FOIL) governs the public's right to access government records and provides transparency for citizens into the workings of state government. The Governor proposes a comprehensive reform of FOIL to improve transparency and promote openness in state government. But transparency cannot just be limited to the Executive, and therefore the Governor proposes that FOIL apply equally to the Legislature. Additionally, the Governor proposes that both FOIL and the state's open meetings law apply to both JCOPE as well as the Legislative Ethics Commission to further ensure transparency and

accountability and enhance public confidence in our government.

Proposal: Require Legislators Convicted of Corruption to Forfeit Pensions

It is only fair to taxpayers that public servants who are convicted of corruption should not continue to collect a pension earned during public service. Legislators who violate their duty to the people of New York should not continue to be paid by the people of New York in any way. The Governor proposes the adoption of a joint resolution that will require pension forfeiture after a legislator is convicted of a crime related to their public office, regardless of when that legislator was elected to office.

Proposal: Increase JCOPE Transparency and Enforcement and Strengthen Ethical Requirements for Lobbyists

The JCOPE Review Commission issued a report in 2015 that detailed multiple changes to enable JCOPE to do its job better.[269] In response, the Governor proposes a package of much-needed changes to JCOPE to increase transparency and enhance its enforcement powers.

All public officers are required to file Financial Disclosure Statements (FDS), but good government groups and the public alike have called for strengthening these disclosure requirements. Governor Cuomo therefore proposes legislation that would authorize JCOPE staff to seek documents in support of statements made on the FDS, increase enforcement authority against public officers who fail to comply with JCOPE audits, and create District Attorney oversight over those who willfully submit deceptive financial information on the FDS. This legislation would also eliminate the categories of value on the FDS to require public officers to report actual amounts. Finally, this legislation would impose financial penalties for all violations of the Public Officers Code of Conduct contained in Section 74 of the Public Officers Law, and would create "accessory liability" to allow JCOPE to fully prosecute persons who aid and abet violations of the Public Officers Law.

Proposal: Convene a Constitutional Commission

As Franklin Delano Roosevelt once said, "the ultimate rulers of our democracy are not a President or senators and congressmen and government officials, but the voters of this country." The New York Constitution

provides that, every 20 years, New Yorkers must vote by referendum on whether to hold a convention to amend the state constitution.[270] The next referendum will take place in 2017, and the stakes could not be higher. From ethics enforcement to the basic rules governing day-to-day business in Albany, the process of government in New York State is broken. Governor Cuomo believes a constitutional convention offers voters the opportunity to achieve lasting reform in Albany. The Governor will invest $1 million to create an expert, non-partisan commission to develop a blueprint for a convention. The commission will also be authorized to recommend fixes to the current convention delegate selection process, which experts agree is flawed.

Proposal: Early Voting in 139 Locations

New York has 19.8 million residents.[271] Only 11.7 million New Yorkers are registered to vote.[272] In the last non-presidential election year, only 29 percent of registered voters participated – less than one in three.[273] In the last presidential election, only 53.6 percent of registered voters participated.[274] New York ranked 44th in the nation for voter turnout in the 2012 presidential

election.[275] Research has shown that scheduling conflicts with work or school and being too busy are some of the main reasons voters cite for not participating.[276] As Lyndon Johnson said, "The vote is the most powerful instrument ever devised by man for breaking down injustice." Governor Cuomo is committed to making reforms that ensure fairness and increase participation in New York's democratic system.

According to the Brennan Center, early voting leads to shorter lines on Election Day, early identification and correction of registration errors, and greater access to voting.[277] Currently, New Yorkers can vote early via absentee ballot, but only if s/he meets certain qualifications such as being absent from his or her county on Election Day or being unable to get to the polls due to a disability. For many working New Yorkers, it can be difficult to get to the polls on Election Day.

Thirty-seven states and the District of Columbia already allow voters to cast ballots in person, before Election Day.[278] To increase voter participation, Governor Cuomo proposes legislation that will allow New Yorkers to vote early in all elections. This legislation will require every county to offer residents access to one early voting polling place that will allow residents to vote for 12 days leading up to Election Day. Voters will have at least eight hours on weekdays and five hours on weekends to cast early ballots. Counties must have one early voting polling site for every 50,000 residents and the bi-partisan county boards of elections will determine the specific location of early voting polling places, subject to standards of convenience and accessibility. Early voting will increase participation and make our elections more inclusive and democratic.

To increase voter participation, Governor Cuomo proposes legislation that will allow New Yorkers to vote early in all elections.

Proposal: Automatic Voter Registration

Our voter registration system is outdated and makes it difficult for people to participate. Paper applications can introduce errors to the voter rolls, and inaccurate registrations sometimes lead to voters being turned away at the polls. Governor Cuomo is committed to modernizing the voter registration system. Voter registration should be a presumption, not a hurdle.

This year, the Governor will make New York the third state in the nation—and the first on the East Coast—to adopt automatic voter registration at the Department of Motor Vehicles (DMV).[279] Citizens can already register to vote at the DMV, but the current process is unnecessarily onerous, requiring a potential voter to include additional voting information in their application for a DMV service. Under the new system, unless a DMV user opts out, the information used in any DMV application will be automatically sent to county boards of elections to register the applicant or update registration information. New Yorkers who do not wish to register to vote can simply check an "opt out" box. This change will help maintain accurate voter rolls and facilitate New Yorkers' participation in elections.

Proposal: Embrace Good Government and Transparency

For years, good government groups have clamored for more transparency in state finances. Governor Cuomo therefore proposes legislation that will allow concerned taxpayers from across the state to access more information about where and how money flows from the state to private citizens.

The Office of the State Comptroller (OSC) and the Attorney General (AG) already have various powers to undertake audits and investigations regarding the use of state funds. However, under current practice, OSC and the AG do not coordinate when they are auditing state vendor contracts with private businesses. This should change. The Governor's legislation would therefore direct the AG, OSC, and the Office of General Services to conduct a study and make recommendations regarding initiatives that would better enable the public to track state contracts.

Proposal: Reform Lobbying Laws

Our lobbying laws must be strengthened to close existing loopholes and enhance enforcement. This legislation will require political consultants who advise

elected officials to register as lobbyists, and will repeal the exclusion for activities of commission salespersons from the definition of "lobbying." Further, the Governor proposes legislation that will impose a $10,000 penalty on a lobbyist who fails to comply with an audit by JCOPE, impose financial penalties for already-illegal "contingent fee agreements" for lobbyists, and require mandatory electronic filing so that all lobbyists would also be subject to federal wire fraud charges for misstatements.

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NEW YORK STATE

Built to Lead

FY 2017 Executive Budget
Governor Andrew M. Cuomo

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DIRECTOR'S MESSAGE

New York State's finances are in their best shape in decades. Under the direction of Governor Cuomo, and as a direct result of his policies, the massive deficits that used to plague the budgeting process have been eliminated and turned into operating surpluses used to lower taxes and bolster reserves to the highest levels on record.

Debt outstanding at the end of FY 2016 is on track to be lower than when the Governor took office in 2011, representing the first time in modern times that total State debt has declined for four consecutive years. State debt measured as a percent of personal income has decreased from 6.0 percent in FY 2010 to 4.6 percent today – the most favorable debt to income ratio since the 1960s. During this period of declining debt, the State has still made major capital investments through use of settlement funds and prudent debt management. This Budget continues making targeted capital investments for housing, health care, transportation and economic development, while the ratio of debt to personal income is expected to improve even further.

For the sixth year in a row, the Executive Budget is balanced while limiting spending growth to two percent. The Governor's two percent State spending cap has changed the very nature of the State Budget process. For decades, revenue projections would define the level of State spending. This practice has ended under Governor Cuomo. No longer do we spend every dollar that we bring in, instead leaving more money in the hands of the people.

Because of the State's two percent cap, spending growth has been constrained to sustainable levels that do not outpace the growth in personal income, improving New York's livability and competitiveness. The spending cap allows the financial plan to better weather financial volatility. The cycle of boom and bust spending is over – no longer does the State ramp up spending in the good years, requiring cuts to programs in the bad years.

Finally, the fiscal discipline required by the State spending cap is driving innovation in government. New York State agencies are working more closely together than ever before, streamlining processes and eliminating waste, while improving services on which people depend. New Yorkers have every right to expect

their government to be efficient and effective, and government must honor the responsibility of being entrusted with public resources.

Governor Cuomo has instituted fundamental reforms that have reduced the cost of both State and local government. From eliminating unsustainable inflators in major State programs, to lowering pension costs for all levels of government, to helping counties comply with the property tax cap by relieving them of future Medicaid growth, the finances of government in New York State are on more solid ground.

The financial markets and employers have taken notice of New York's financial turnaround. Private sector investment is up, and New York now has the most private sector jobs in its history. Standard and Poor's, Fitch, and Moody's, recognized New York'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, and S&P rates the State's Personal Income Tax Bonds and Sales Tax Bonds at AAA, the highest rating possible.

With our finances in order, this Budget makes a significant investment in education, providing a record level of support to our schools. It lowers taxes for small businesses and provides tax credits to support education and encourage employers to hire urban youth. It prudently uses an additional $2.3 billion windfall from monetary settlements with financial institutions for time-limited investments. New York is taking on long-overdue infrastructure projects that for generations were held back by lack of confidence and imagination.

During the last five years, Governor Cuomo has rebuilt the State's fiscal house. Now, under his bold leadership, we are rebuilding the State itself. It is in the very nature of New Yorkers to believe in the possibility of a brighter tomorrow – we are indeed built to lead. Today, we step towards that future with confidence.

1. FINANCIAL PLAN OVERVIEW

Overview

Governor Cuomo has led a bipartisan effort with the Legislature to enact five timely, fiscally responsible budgets. The passage of the FY 2016 Budget marked the first time since 1978 that New York has enacted five 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 two percent spending benchmark at the State level, and with the two percent property tax cap at the local level.

The effort to rein in State government spending is working. In the 50 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 7.0 percent, compared to income growth of 6.2 percent. With the adoption of the two 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 FY 2017 Executive Budget.

Importantly, the fiscal actions of the past five 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 five budgets have been disciplined, sustainable and affordable in the long term. The budgets of the last five 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 two percent;
- Eliminating unsustainable inflators in 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 more than $80 billion over 30 years;

- Relieving localities of the growth in the Medicaid program, and all its administrative costs, as a way to help counties remain with tax cap;
- Controlling and targeting new borrowing to keep debt service affordable and within the State's debt limit; and
- Setting aside more than $1 billion in reserves to reduce debt and meet unforeseen "rainy day" needs.

The combination of spending restraint and the accompanying budget reforms 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 used to bolster reserves to the highest levels on record.
- Total State debt has declined in each of the last three fiscal years, and will decline again in FY 2016. This is the first instance in modern times that New York's debt has declined for four consecutive years. Debt outstanding at the end of FY 2016 is on track to be lower than when the Governor took office in 2011. State debt measured as a percent of personal income has decreased from 6.0 percent in FY 2010 to 4.6 percent – the most favorable debt to income ratio since the 1960s – and is expected to decline annually over the plan period, even as the State makes targeted capital investments for housing,

health care, transportation, and economic development.

- The accumulated GAAP-basis deficit of $3.5 billion inherited when the Governor took office has been eliminated.

In the summer of 2014, all three major credit rating agencies, Standard and Poor's, Fitch, and Moody's, recognized New York'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).

FY 2017 Executive Budget Highlights

- The Executive Budget continues the disciplined approach to fiscal matters that has defined the Governor's first five 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 two percent or less, consistent with the spending benchmark adopted in FY 2012. 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 two percent or less.
- An additional $2.3 billion windfall from monetary settlements with financial institutions is again set aside primarily for one-time investments and reserves. The FY 2017 Executive Budget proposes using these settlement proceeds for investments that supplement State activities, including transportation ($900 million), homeless and affordable housing ($640 million), and economic development ($255 million). In addition, settlements are used to increase funding for the Environmental Protection Fund ($120 million), create a toll credit for regular users of the Thruway ($340 million), support the Empire State Poverty Reduction Initiative ($25 million), and promote municipal consolidation ($20 million).

- The combination of effective budget management and adherence to the two percent spending benchmark in future fiscal years would produce surpluses, based on current projections. The Budget proposes a small business tax reduction plan and several new and expanded tax credits, which are sized to absorb much of the surplus that would otherwise be expected to occur if the State is successful in adhering to the two percent spending benchmark in future years. 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 2017	FY 2018	FY 2019	FY 2020
MID-YEAR BUDGET SURPLUS/(GAP) ESTIMATE[1]	**(1,781)**	**(2,802)**	**(4,414)**	**(4,205)**
Spending Changes	**2,048**	**2,055**	**1,698**	**1,515**
Agency Operations	397	145	40	(357)
Local Assistance*	1,333	2,124	2,259	2,480
Capital Projects/Debt Management	439	167	152	88
Initiatives/Investments	(121)	(381)	(753)	(696)
Resource Changes	**(284)**	**(48)**	**130**	**(424)**
Tax Revisions	(229)	(44)	164	100
All Other*	(55)	(4)	(34)	(524)
Tax Actions	**17**	**(322)**	**(534)**	**(512)**
Small Business Tax Rate Reductions	0	(298)	(298)	(298)
Tax Extenders/Credits	17	(24)	(236)	(214)
Adherence to 2% Spending Benchmark[2]	**n/a**	**1,650**	**3,234**	**4,575**
EXECUTIVE BUDGET SURPLUS/(GAP)	**0**	**533**	**114**	**949**

1 Before actions to adhere to the 2 percent benchmark.

2 Savings estimated from limiting annual spending growth in future years to 2 percent (calculation based on current FY 2016 estimate). The Governor is expected to propose, and negotiate with the Legislature to enact, a Budget in each fiscal year that restricts State Operating Funds spending growth to 2 percent. The "Surplus/(Gap)" estimate assumes that all savings from holding spending growth to 2 percent are made available to the General Fund.

* Converting the STAR benefit to a refundable credit will result in lower STAR spending with a comparable decrease in PIT receipts. This change has no impact on the STAR benefits received by homeowners.

- Consistent with the Governor's approach in balancing his first five budgets, all of which emphasized spending restraint, the Executive Budget reduces spending in FY 2017 by $2 billion compared to prior projections. The reductions reflect reestimates to spending based on updated information, specific cost-containment proposals, and the prepayment of FY 2017 expenses from excess resources available in FY 2016.
    - **Agency Operations.** Since the Governor took office in January 2011, State Executive agency operating costs have been held constant through ongoing State agency redesign and cost-control efforts. These efforts have included closure and consolidation 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 FY 2017 Executive Budget generally holds Executive agency operations at a fixed level of spending over the Financial Plan period. Projected cost of employee health insurance and worker compensation has been increased based on market conditions.

- **Local Assistance.** The Budget contains $64.3 billion in Aid to Localities funding. Medicaid and School Aid are the State's largest local aid programs, comprising over 40 percent of the State Operating Funds budget. School Aid is increased by $2.1 billion over the next two school years, including a $991 million (4.3 percent) increase for the 2016-17 school year (SY 2017), bringing total aid to $24.2 billion in SY 2017. Medicaid will grow at the indexed rate of 3.4 percent, consistent with the statutory index ("Global Cap"), to $17.7 billion. In total, State-funded Medicaid will increase to $18.0 billion, including spending outside the Global Cap. In addition, the State continues to provide a substantial amount of capital funding to improve and restructure the State's health care delivery system.

  General Fund savings in the Executive Budget are expected from, among other things, aligning financial responsibility for City University of New York (CUNY) Senior Colleges with CUNY's governance (Currently, New York City appoints one-third of the CUNY board but provides virtually no financial support to Senior Colleges). The Budget proposes reinvesting $240 million from this proposal to fund a potential retroactive labor agreement with CUNY employee unions. Other Executive Budget savings include: targeted reforms to STAR, medical malpractice, and early intervention; the reinstitution of New York City's contribution to the annual growth in Medicaid costs in recognition of the financial

capacity derived from the City's exemption from the Property Tax Cap; and updated cost estimates for a range of State programs, reflecting the impact of cost containment and spending controls enacted in prior years.

- **Debt Service.** Savings are expected through the prepayment of FY 2017 debt service in the current year, continued use of competitive bond sales, refundings, and proactive management of debt issuances.

- The forecast for tax receipts has been revised over the multi-year Financial Plan based on collections experience and an updated economic forecast. Other significant resource adjustments include downward revisions to expected Federal resources to fund the mental hygiene system; savings realized from the refunding in 2014 of bonds funded exclusively from State sales tax receipts paid to STARC; and tax receipt changes from the proposed changes to the STAR program.
- The Budget proposes tax reductions for small businesses, a new Education Tax Credit to encourage private investments in education, an expansion of the Urban Youth Jobs Program Tax Credit, and a new Thruway toll credit. In addition, the Budget extends several tax credits.

Annual Spending Growth

The Executive Budget holds FY 2017 annual spending growth in State Operating Funds to 1.7 percent, below the two percent spending benchmark. All Funds spending, which includes spending from capital funds and Federal funds, is expected to increase by 1.2 percent from the level estimated for FY 2016, excluding extraordinary aid.

TOTAL DISBURSEMENTS
(millions of dollars)

	FY 2015	FY 2016	Annual	Annual %	FY 2017	Annual	Annual %
STATE OPERATING FUNDS	**92,426**	**94,282**	**1,856**	**2.0%**	**95,885**	**1,603**	**1.7%**
General Fund (excluding transfers)	54,255	57,556	3,301	6.1%	59,195	1,639	2.8%
Other State Funds	31,949	31,230	(719)	-2.3%	31,184	(46)	-0.1%
Debt Service Funds	6,222	5,496	(726)	-11.7%	5,506	10	0.2%
ALL GOVERNMENTAL FUNDS (EXCL. EXTRAORDINARY AID)	**138,642**	**143,593**	**4,951**	**3.6%**	**145,303**	**1,710**	**1.2%**
State Operating Funds	92,426	94,282	1,856	2.0%	95,885	1,603	1.7%
Capital Projects Funds	7,548	9,268	1,720	22.8%	9,681	413	4.5%
Federal Operating Funds	38,668	40,043	1,375	3.6%	39,737	(306)	-0.8%

Excludes (a) Federal disaster aid for Superstorm Sandy, (b) additional Federal aid associated with Federal health care reform, and (c) capital spending from the windfall monetary settlements with financial institutions.

2. REVENUE ACTIONS AND STAR

Overview

The FY 2017 Executive Budget continues efforts to improve New York's business climate and lower taxes on small businesses, simplify the tax code, and improve the fairness of the tax system.

The Budget builds upon five 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 including a reduction in corporate rates.

The additional tax relief proposed in the Executive Budget is made possible by continued adherence to the two percent spending limit.

Tax Cuts and Credits

The Executive Budget presents five tax cuts and credits that will provide $444 million in direct tax relief by FY 2018, growing to $594 million when fully annualized.

- **Lower Taxes on Small Businesses.** Small businesses are the backbone of the State's economy, accounting for 43 percent of all private sector jobs in New York. The Budget includes reforms that will improve competitiveness for small businesses, promote continued growth within the small business sector, and help further the expansion of the State's economy. Taxes are lowered both for small businesses who pay via the corporate tax and those paying through the personal income tax.
    - *Corporate:* The Budget reduces the net income tax rate from the current 6.5 percent to 4 percent effective January 1, 2017 for small businesses that file under Article 9-A. For the purpose of this tax cut, the definition of "small business" is a business with less 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 lower tax rates would be available to small businesses with net income below $290,000, and the rate is phased up to the standard rate applicable to businesses with net income of $390,000 or more. Small businesses have traditionally paid a lower rate than large corporate taxpayers, but their current advantage would disappear as corporate tax rates were lowered effective January 1, 2016. This change preserves the small business tax advantage in the new lower-tax environment. As an example, a small business taxpayer with $285,000 in net income currently pays $18,525 at a tax rate of 6.5 percent. Under this proposal, the same taxpayer would pay $11,400 when their corporate tax rate falls to 4 percent.

- *Personal Income Tax:* For small businesses whose members pay taxes via the personal income tax, the Budget provides new and expanded tax cuts. The existing 5 percent sole proprietor and farm business income AGI subtraction, available to taxpayers with small business income of $250,000 or less, is increased to 15 percent. As an example, a farmer or sole proprietor with net business income of $240,000 in the current year and an effective tax rate of 6 percent would exempt 5 percent of his net income to save $720. Under the proposed 15 percent exemption, the savings would grow to $2,160. In order to create tax parity between small business types, the Budget also expands this 15 percent AGI subtraction to

include members of partnerships, S-corporations, and LLCs as long as at least some of their business income is derived from a business entity with less than $1.5 million in NY gross receipts, and their total business income from these sources is below $250,000. As an example, if a taxpayer is a member of a qualifying partnership with net business income of $200,000, at an effective tax rate of 6%, she would currently pay $12,000 in tax. Under this proposal, 15 percent of her income would be exempted, lowering her tax bill by $1,800.

- **Enhance the Urban Youth Jobs Program Tax Credit.** This program encourages businesses to hire unemployed, disadvantaged youth, ages 16 to 24, living in the cities and towns with the highest poverty and unemployment rates. The annual allocation is increased from $20 million to $50 million for hiring years 2016 and 2017, of which $10 million annually may be allocated statewide.

- **Establish Thruway Toll Tax Credits.** To lower the cost of traveling the New York State Thruway for commuters and other heavy users, and to lower the cost of bringing products to market for businesses, the Executive Budget provides a nonrefundable credit for Thruway tolls paid electronically. Drivers of passenger vehicles who spend at least $50, annually, and businesses and commercial account holders who spend between $100 and $9,999 in Thruway tolls, annually, would receive a tax credit worth 50 percent of tolls paid. For farmers, the Budget provides a

100 percent nonrefundable credit, regardless of usage, for farm vehicle use on the Thruway. Over the three years, drivers will save $340 million.

- **Establish the Parental Choice in Education Act.** The Executive Budget promotes educational choice and philanthropy, and provides support for teachers in recognition of their personal spending for their classrooms. The new credits provide $150 million in tax relief annually through the Parental Choice in Education Act. An aggregate total of $50 million is dedicated to a 75 percent nonrefundable credit for charitable contributions to educational scholarship organizations that provide support to low income students seeking to attend a nonpublic school or a public school outside of the student's district. Corporation franchise and individual taxpayers may claim this credit, up to a maximum annual credit of $1 million. Another $20 million is dedicated to a credit for contributions to public education entities, school improvement organizations, and local education funds, based on the same parameters as the credit for contributions to educational scholarship organizations. The Act also establishes a refundable tax credit worth an aggregate $70 million, against the personal income tax, for up to $500 in tuition costs per pupil for families with New York Adjusted Gross Income below $60,000. Finally, recognizing that many teachers spend their own money on materials for their classroom, the Act creates a refundable credit equal to the cost of instructional supplies purchased by a public, charter, or private school educator, up to a

maximum of $200, with an aggregate cap of $10 million.

- **Establish Additional Alcohol Beverage Tax Tasting Exemptions and Production Credits.** The beer, wine and spirits industry has created over 1,600 jobs since mid-2011. Further, wine, beer, cider and liquor tastings are a tourist attraction, helping bolster travel and exploration of New York products. Alcoholic beverages used in tastings are currently exempt from the sales and use tax. The Budget expands benefits for this industry by also: exempting any product used in on-site tastings from the alcoholic beverage tax; amending the beer production credit to also include New York wine, liquor and cider production; and by conforming provisions of the Tax Law with the Alcoholic Beverage Control Law to eliminate confusion and uncertainty.

Tax Simplification Actions

- **Simplify the Taxation of Remarketed Rooms.** The Budget streamlines the collection of sales tax on remarketed hotel rooms. The purchase of hotel room occupancies by room remarketers such as Travelocity or Hotels.com would be exempt from the sales tax when those purchases are made from hotels for later resale to consumers. Currently, room remarketers collect the full amount of tax at the time of final sale to the consumer, then request a refund from the Department of Taxation and Finance for the amount of tax already remitted to the hotel.

Enforcement Initiatives

- **Expand Jeopardy Assessments to the Cigarette and Tobacco Tax.** The Department of Taxation and Finance currently has the authority to issue a jeopardy (i.e. accelerated) assessment when a delinquent sales tax vendor is at-risk of fleeing the State. The Budget expands this authority to the assessment of cigarette and tobacco products. Currently, inter-state and international bootlegging operators are avoiding the payment of taxes by fleeing the State before their assets can be seized through the normal assessment process. This provision will support the efforts of the Governor's Cigarette Strike Force, which was established in 2014 to curtail bootlegging and its effects.

Tax Law Extenders

- **Extend the Empire State Commercial Production Tax Credit for Two Years.** This tax credit covers 20 percent of qualified commercial production costs in New York State that exceed the average of the three prior years' costs, plus five percent of costs above $500,000 in the Metropolitan Commuter Transportation District (MCTD), and above $200,000 outside the MCTD.
- **Authorize an Additional $8 Million for the Low-Income Housing Credit in Each of the Next Five Fiscal Years.** To help expand affordable housing in New York, this program

provides credits to develop qualifying low income housing projects. The Executive Budget authorizes the Division of Housing and Community Renewal to allocate an additional $8 million for the program in each of the next five fiscal years, beginning April 1, 2016. Credits are awarded in equal installments for a ten-year period. The total amount of credits to be awarded from this new authorization will be $400 million over a multi-year period.

- **Extend the Hire-A-Vet Credit for Two Years.** To support veterans in their return to the workforce, the Budget extends this credit for an additional two years, adding the 2016 and 2017 hiring periods. The program provides a refundable tax credit to employers equal to 10 percent of wages paid to a qualified veteran (up to $5,000) and 15 percent of wages paid to a disabled veteran (up to $15,000).
- **Extend the Clean Heating Fuel Credit for Three Years.** To support efforts to reduce greenhouse gas emissions and to mitigate the effects of climate change, the Executive Budget modifies and extends, for an additional three years, the Clean Heating Fuel credit. The current credit is equal to one cent per percent of biodiesel per gallon of biofuel purchased by an eligible taxpayer. This proposal amends the credit to apply only to biofuel blends that are comprised of more than five percent biodiesel. The credit is currently scheduled to expire on December 31, 2016.
- **Extend the Alternative Fuels Tax Exemptions for Five Years.** The existing exemptions for e85,

CNG, hydrogen and B-20 from the sales, petroleum business and motor fuel taxes are extended for five years.

- **Extend the Excelsior Jobs Program for Five Years.** The Excelsior Jobs Program claims period is extended through 2029, allowing Empire State Development the ability to continue to offer a 10 year benefit period for the next several years. Unused credits from previous years will be used to fund the extension.
- **Extend the Credit for Companies that Provide Transportation to Individuals with Disabilities for Six Years.** The credit for companies who provide transportation to individuals with disabilities is extended for an additional six years. The current credit, scheduled to expire on December 31, 2016, offsets up to $10,000 in costs associated with upgrading vehicles, or purchasing qualifying new vehicles, to accommodate the transportation of disabled individuals.
- **Permanently Extend the Non-Custodial Earned Income Tax Credit.** The non-custodial parent earned income tax credit is permanently extended, providing parity with the existing permanent earned income tax credit. The current credit is scheduled to expire on December 31, 2016. The credit complements the regular EITC by allowing a lower credit for parents who pay child support for a qualifying child with whom they do not reside.
- **Permanently Extend Tax Shelter Reporting Requirements.** The requirement for taxpayers

to provide the Department of Taxation and Finance with copies of federal tax shelter reports is permanently extended.

- **Make Permanent and Update Certain Modernization Provisions of the Tax Law.** The tax modernization provisions relating to electronic filing, payment requirements, sales tax compliance tools, and preparer penalties are made permanent.
- **Extend Tax Preparer E-File Failure Penalties.** Expiring and expired tax preparer e-file failure penalties are extended and tax law sections regarding the regulation of tax preparers are consolidated.

School Tax Relief (STAR) Program Actions

- **Convert the STAR Benefit into a Tax Credit for New Homeowners.** The STAR program is simplified 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. The change will only apply to first-time homebuyers and homeowners who move. 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. There is no change to the amount of the STAR credit for taxpayers, only the mechanism used to claim the credit.

- **Convert New York City Personal Income Tax STAR Credit into a State Personal Income Tax Credit.** Currently, eligible NYC taxpayers apply for a NYC STAR Personal Income Tax credit on their NYS tax forms. The State reimburses the City for the lost revenue. The Executive Budget gives eligible taxpayers a credit against their State PIT, as opposed to their City PIT, thereby eliminating the need for the State to reimburse the City government. This simplification effort has no impact on the taxpayer and no impact on revenues for the City of New York.
- **Cap Annual Growth in Basic and Enhanced Exemption Benefit at Zero Percent.** The Executive Budget maintains FY 2017 STAR exemption benefits at no more than their FY 2016 levels, rather than allowing them to grow by up to two percent. The significant reduction in property tax growth resulting from Governor Cuomo's property tax cap and the existence of the Property Tax Freeze program has diminished the necessity of growing the STAR benefit.
- **Allow Late Filing of Enhanced STAR Renewal Applications and Senior Exemptions for Cases of Hardship.** The Budget allows late filing of Enhanced STAR renewal applications for cases of hardship (such as a serious personal illness or hospitalization for the taxpayer or an immediate family member), as late as the last day of the interest-free period for payment of school taxes. Additionally, the local option under the senior exemption in RPTL 467 is expanded to allow a late filing of renewal applications for hardship

up to the last day of the interest-free period for payment of school taxes.

- **Make Participation in Income Verification Program (IVP) Mandatory.** Under current law, participation in IVP is optional and seniors who are not enrolled have to re-apply for their Enhanced STAR benefits annually. The Budget makes participation in the Income Verification Program (IVP) for Enhanced STAR recipients mandatory, therefore eliminating the annual need to re-apply. IVP allows seniors who are re-applying for Enhanced STAR to authorize the assessor to have their incomes verified in subsequent years by the Department of Taxation and Finance. This change will make it easier for qualified senior citizens to keep their Enhanced STAR exemptions.
- **Make Direct STAR Payments to Property Owners in Appropriate Cases.** The Budget would allow the Commissioner of Taxation and Finance to directly reimburse a STAR-eligible property owner who didn't receive the STAR tax savings to which she was entitled due to an administrative error, and where no other remedy is readily available.

Other Revenue Actions

- **Authorize Combative Sports.** The Executive Budget proposes to legalize and regulate combative sporting events in New York State. Currently, only New York State bans such events.

- **Amend State and Local Tax Law to Comply with Newly-Adopted Federal Tax Regulations on Aviation Fuel.** All petroleum business tax revenue imposed on aviation fuel is directed to a new dedicated airport fund effective April 1, 2017 and the local sales tax on such aviation fuel is repealed, effective December 1, 2017.
- **Conform to New Federal Tax Filing Dates.** NYS law is conformed to new federal tax filing deadlines for certain business taxpayers. Recent Federal legislation changed the federal tax filing deadline for partnerships from April 15 to March 15, and from March 15 to April 15 for corporations.
- **Eliminate Charitable Giving as a Factor in Determining Domicile for the Estate Tax.** The Department of Taxation and Finance's long-standing administrative practice of not using qualifying charitable gifts of time or money as a means of determining domicile for purposes of calculating New York State estate tax liability is codified.

Gaming Initiatives

- **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.
- **Extend the Video Lottery Gaming (VLG) Vendor's Capital Awards Program for One Year.** VLG operators are provided one additional

year to earn qualifying capital awards, which encourage facility upgrades and improvements.

- **Extend Monticello Video Lottery Terminal Rates for One Year.** The higher commission rate for the Monticello Video Lottery Terminal Facility is extended for one additional year.
- **Amend the Upstate New York Gaming and Economic Development Act for Technical Changes.** The Tax Law is amended to clarify that the reduced tax rate paid by a Video Lottery Terminal facility that competes with a commercial gaming facility in the same region only applies to the pro-rated portion of the year when the competing commercial gaming facility is open, and not for the whole of such opening year. Additionally, the Budget clarifies that host county payments are based solely on the net gaming income of the specific commercial gaming in that host community.
- **Provide for an Additional Commission for Certain Video Lottery Terminal Facilities.** The intention of the Upstate Gaming and Economic Development Act of 2013 was for a Video Lottery Terminal Facility competing with a commercial gaming facility to pay the same percentage share of net gaming income to support education. However, since the Finger Lakes facility is not in the same gaming region as the proposed LAGO facility, even though it is less than 30 miles away, no such relief from the Gaming Act would be provided to Finger Lakes. The Budget corrects this inequity.

- **Increase Purse Surcharge and Regulatory Fee to Support Racehorse Health and Safety.** Under current law, one percent of purse enhancements is redirected from the VLT program to fund costs associated with recommendations made by the Task Force on Racehorse Health and Safety report and 0.5 percent of regulatory fee is imposed on thoroughbred, harness, off-track pari-mutuel betting and simulcast racing. To fully fund the recommendations of the Task Force and to enhance Gaming Commission's capacity to promote equine health and safety, the Budget increases the amounts to 1.6 percent and 0.6 percent, respectively.
- **Adjust Timing of Reimbursement to Gaming Commission of Per Diem Costs for Harness Racing Judge and Starter.** Licensed harness tracks are required to pay the per diem costs for one associate judge and one starter at each harness track facility. Currently, the Gaming Commission is required to notify the facility of the per diem costs before the month begins, which the track pays on the last business day of the month. However, actual costs and race days are not known until well after the month has concluded, leading to a lengthy reimbursement process. The reimbursement timing requirements of harness tracks are adjusted to establish a more efficient requirement process.
- **Remove Restriction for a Single Lab Testing Provider.** Section 902 of the Racing Law dictates that drug testing for race horses shall be conducted by a "state college within this state

with an approved equine science program." Morrisville State College is the only college that fulfills this statutory requirement. This restriction is eliminated to allow the Gaming Commission to entertain bids from other facilities which might provide lab testing services at a lower price.

Fee Actions

- **Extend Waste Tire Fee.** In order to avoid cuts to essential programs, the Budget extends the Waste Tire Fee, which is scheduled to expire December 31, 2016. This $2.50 fee, which has been in place since 2003, funds the abatement of waste tire sites and supports approximately 140 Department of Environmental Conservation employees involved in critical solid and hazardous waste cleanup activities.
- **Redirect DMV Funds to Dedicated Highway and Bridge Trust Fund.** The DMV Seized Assets, Compulsory Insurance, Internet Point Insurance Reduction Program and the Motorcycle Safety Funds are consolidated into the Dedicated Highway and Bridge Trust Fund (DHBTF). This will increase efficiency and transparency by reducing the overall number of DMV fund sources, and improve programmatic flexibility.

REVENUE ACTIONS and STAR
(millions of dollars)

	General Fund		All Funds	
	FY 2017	FY 2018	FY 2017	FY 2018
Tax Cuts and Credits	**(1)**	**(444)**	**(1)**	**(444)**
Provide a Corporate and Personal Income Tax Small Business Tax Cut	-	(298)	-	(298)
Enhance the Urban Youth Opportunity Program Tax Credit	-	(30)	-	(30)
Establish Thruway Toll Tax Credits	-	(113)	-	(113)
Establish Education Tax Credits	-	-	-	-
Establish Additional Alcohol Beverage Tax Tasting Exemptions and Production Credits	(1)	(3)	(1)	(3)
Tax Simplification Actions	**-**	**-**	**-**	**-**
Simplify the Taxation of Remarketed Rooms	-	-	-	-
Enforcement Initiatives	**-**	**-**	**-**	**-**
Expand Jeopardy Assessments to the Cigarette and Tobacco Tax	-	-	-	-
Tax Law Extenders	**17**	**9**	**16**	**6**
Extend the Empire State Commercial Production Tax Credit for Two Years	-	-	-	-
Authorize Additional Credits of $8 Million for the Low-Income Housing Credit for Each of the Next Five Fiscal Years	-	(8)	-	(8)
Extend the Hire-A-Vet Credit for Two Years	-	-	-	-
Extend the Clean Heating Fuel Credit for Three Years	-	-	-	-
Extend the Alternative Fuels Tax Exemptions for Five Years	(1)	(1)	(2)	(4)
Extend the Excelsior Jobs Program for Five Years	-	-	-	-
Extend the Credit for Companies who Provide Transportation to Individuals with Disabilities for Six Years	-	-	-	-
Permanently Extend the Non-Custodial Earned Income Tax Credit	-	-	-	-
Permanently Extend Tax Shelter Reporting Requirements	18	18	18	18
Make Permanent and Update Certain Modernization Provisions of the Tax Law	-	-	-	-
Extend Tax Preparer E-File Failure Penalties	-	-	-	-
School Tax Relief (STAR) Program Actions	**240**	**409**	**-**	**(185)**
Convert the STAR Benefit into a Tax Credit for New Homeowners - Credit Portion	-	(98)	-	(98)
Convert the STAR Benefit into a Tax Credit for New Homeowners - Spending Savings	98	194	-	-
Convert New York City Personal Income Tax STAR Credit into a State Personal Income Tax Credit - Credit Portion	-	(87)	-	(87)
Convert New York City Personal Income Tax STAR Credit into a State Personal Income Tax Credit - Spending Savings	87	284	-	-
Cap Annual Growth in Basic and Enhanced Exemption Benefit at Zero Percent	56	112	-	-
Allow Late Filing of Enhanced STAR Renewal Applications and Senior Exemptions for Cases of Hardship	(1)	(1)	-	-
Make Participation in Income Verification Program (IVP) Mandatory	-	5	-	-
Authorize the DTF Commissioner to Make Direct Payments of STAR Tax Savings to Property Owners in Appropriate Cases	-	-	-	-
Other Revenue Actions	**1**	**1**	**1**	**1**
Authorize Combative Sports	1	1	1	1
Amend State and Local Tax Law for Consistency with Federal Tax Regulations on Aviation Fuel	-	-	-	-
Conform to New Federal Tax Filing Dates	-	-	-	-
Eliminate Charitable Giving as a Factor in Determining Domicile for the Estate Tax	-	-	-	-
Gaming Initiatives	**-**	**-**	**(1)**	**2**
Extend Certain Tax Rates and Certain Simulcasting Provisions for One Year	-	-	-	-
Extend the Video Lottery Gaming (VLG) Vendor's Capital Awards Program for One Year	-	-	-	-
Extend Monticello Video Lottery Terminal Rates for One Year	-	-	(3)	-
Amend the Upstate New York Gaming and Economic Development Act for Technical Changes	-	-	-	-
Provide for an Additional Commission for Certain Video Lottery Terminal Facilities	-	-	-	-
Increase Purse Surcharge from 10% to 16% and Regulatory Fee from 0.5% to 0.6%	-	-	2	2
Adjust Timing of Reimbursement to Gaming Commission of Per Diem Costs for Harness Racing Judge and Starter	-	-	-	-
Remove Restriction for a Single Lab Testing Provider	-	-	-	-
Fee Actions	**-**	**-**	**6**	**24**
Permanently Extend Waste Tire Fee	-	-	6	24
Redirect DMV Funds to Dedicated Highway and Bridge Trust Fund	-	-	-	-
TOTAL REVENUE ACTIONS and STAR	**257**	**(25)**	**21**	**(596)**

3. INVESTING IN NEW YORK

The State has received a total of $8.3 billion from financial settlements with banks and insurers in FY 2015 and FY 2016, well beyond typical levels and what was budgeted in the Financial Plan. Using these resources, the FY 2016 Enacted Budget earmarked $5.4 billion for one-time purposes, including $4.6 billion for capital projects to support economic development and bolster some of the state's most vital infrastructure. The FY 2017 Executive Budget programs the remaining $2.3 billion of available settlement funds for critical time-limited priorities.

Putting Settlement Revenues to Work

The FY 2017 Executive Budget directs $2.3 billion in unallocated settlement funds to additional projects that will grow the economy over the long-term and position every region of the state for growth. Settlement funds will support transportation, housing, environmental infrastructure, economic development and other capital investments. These resources will support a wide array

of projects, from large-scale infrastructure projects and complex program enhancements, to smaller strategically critical needs in project funding. Specific investments include:

- **Thruway Stabilization Plan ($700 million).** The Budget invests $700 million in Thruway infrastructure, on top of last year's commitment of $1.285 billion. This two-year investment of nearly $2 billion will support both the New NY Bridge project and other transportation infrastructure needs on the rest of the Thruway system across the State. Further, it will enable the Thruway to freeze tolls for all drivers until at least 2020.
- **Thruway Toll Reduction Plan ($340 million).** The Budget effectively cuts tolls in half for New York residents and businesses who utilize the Thruway most often by creating a three-year nonrefundable credit for Thruway tolls paid electronically. The toll reduction would benefit nearly one million passenger, business and farm vehicles. Drivers of passenger vehicles who spend at least $50, annually, and businesses and commercial account holders who spend between $100 and $9,999, annually, in Thruway tolls would receive a tax credit worth 50 percent of tolls paid. For farmers, the Budget provides a 100 percent nonrefundable credit, regardless of usage, for farm vehicle use on the Thruway. The program would begin on January 1, 2016 and sunset December 31, 2018. Over the three years,

drivers will save $340 million, paid for with settlement funds.

- **Transportation Capital Plan ($200 million)**. The Budget funds an unprecedented $22 billion multi-year transportation capital plan to upgrade critical roads, bridges and other vital transportation infrastructure throughout the New York, especially Upstate. $200 million in settlement funds will be allocated to DOT to help fund the plan. The $22 billion plan includes $1 billion each for the BRIDGE NY and PAVE NY programs to replace, rehabilitate, pave and maintain state and local bridges and roads. It also includes $500 million for the Extreme Weather Infrastructure Hardening program, which will make investments in roadways across the state susceptible to flooding and other extreme weather related events.
- **Homeless and Affordable Housing ($640 million).** The Budget commits $640 million in settlement funds towards the $20 billion comprehensive multi-year investment in affordable housing and services for individuals and families who are homeless or at risk of homelessness. Funding will be used to expand efforts to create, improve, and ensure homeless and affordable housing opportunities through a statewide multiagency housing program, and to support the State's emergency homeless response.
- **Environmental Protection ($120 million).** The Budget uses $120 million of settlement funds to support capital projects within the Environmental Protection Fund (EPF). Overall

funding for the EPF is increased to $300 million – the highest amount ever and more than twice the Fund's level when the Governor first took office. The EPF offers wide ranging benefits to communities around the state and plays an important role in preserving the state's natural resources and habitats. It funds land acquisition, farmland protection, waterfront revitalization, municipal recycling, and local government assistance to improve wastewater treatment plants and municipal parks. It supports the stewardship of public lands, including state parks and millions of acres of public lands throughout the state. Beginning in FY 2017, the EPF will also support programs for greenhouse gas management and resiliency.

- **Economic Development ($255 million).** The Budget includes $170 million in settlement funds to support Upstate Revitalization Initiative projects to help continue to restore economic opportunity to regions across Upstate New York. An additional $30 million is provided through Empire State Development capital appropriations, for a total of $200 million. This program, modeled on the Buffalo Billion initiative and the existing structure of the Regional Economic Development Councils (REDCs), targets investment to economically-distressed Upstate regions. These additional funds are available to the four regions (North Country, Capital District, Mohawk Valley and Mid-Hudson) that were eligible for the first round of the Upstate Revitalization Initiative but were not a 2015 Best Plan Awardee. An additional $85 million of settlement funds will

support other critically-needed economic development or infrastructure projects in the Budget to continue driving growth across New York State.

- **Empire State Poverty Reduction Initiative ($25 million).** The Budget includes $25 million of new funding to significantly expand the anti-poverty initiative, begun in 2015. Planning grants totaling $5 million will be available in ten communities with high concentrations of poverty. In addition, $20 million will be available for grants to match private sector and foundation funding.
- **Municipal Consolidation ($20 million).** $20 million in settlement funding is used to advance and enhance programs that encourage local municipal government consolidations. These programs will help lower the cost of government and reduce the burden placed on property taxpayers.

4. ECONOMIC DEVELOPMENT

The FY 2017 Executive Budget continues Governor Cuomo's focus on the revitalization of Upstate regions, job-creating programs and investing in key capital projects across the State. This aggressive job-creation agenda leverages the success of Governor Cuomo's regionally-focused economic development strategy to create jobs, strengthen and diversify economies, and generate economic opportunity across the State.

Overview

In the last five years, Governor Cuomo has completely redesigned the State's economic development strategy through his Regional Economic Development Councils (REDC). Economic revitalization has been fast tracked 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 nearly $4

billion for job creation and community development projects that will create or retain over 200,000 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 155 businesses have been approved for START-UP NY participation and are projected to create over 4,200 net new jobs and nearly $221 million in investment.

Through the Upstate Revitalization Initiative (URI) $1.5 billion was awarded to three Upstate regions – Central New York, the Finger Lakes and the Southern Tier. Each region received $500 million over a multi-year period to support transformative investments that build upon its assets and leverage private sector capital to create jobs and strengthen regional economies.

The Executive Budget builds upon this framework of success and continues the Upstate Revitalization

Initiative (URI) to inject an additional $200 million of State resources to drive revitalization in the North Country, Capital District, Mohawk Valley and Mid-Hudson regions. It also makes additional investments through the successful public-private partnership model developed by the SUNY Polytechnic Institute Colleges of Nanoscale Science and Engineering (SUNY Poly CNSE) targeted at leading-edge technologies and industries of the future.

Proposed FY 2017 Budget Actions

- **Continue Upstate Revitalization**. The Budget includes an additional $200 million to support Upstate Revitalization Initiative projects that will further bolster economic opportunity to regions across upstate New York. Modeled on the Buffalo Billion initiative and the existing structure of the Regional Economic Development Councils, this initiative will target investment within a set of economically-distressed upstate metropolitan areas and their surrounding regions. By focusing investment on infrastructure projects as well as quality of life initiatives, Upstate New York is becoming a better place to live, work, and visit. These additional funds are available to the four regions (North Country, Capital District, Mohawk Valley and Mid-Hudson) that were eligible for the first round of the Upstate Revitalization

Initiative but were not selected as a 2015 Best Plan Awardee.

- **Support for Nano Utica.** The Budget includes $200 million to support a cutting edge, 360,000 square foot wafer fabrication facility to be constructed at the Nano Utica site in Marcy. This project is expected to generate more than 1,000 new jobs and attract over $2 billion in private investment.

- **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 nearly $4 billion in State funding through a competitive process to spur job creation based on regional priorities. This new strategy has resulted in 200,000 new or retained jobs in New York.

  The Executive Budget includes core capital and tax-credit funding that will be combined with a wide range of existing agency programs for a sixth round of REDC awards. The Budget continues 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.** The Budget includes an additional $33.5 million towards the State's $135 million multi-year commitment, to support the New York Power Electronics Manufacturing Consortium to develop and commercialize the use of wide bandgap power electronic devices.
  - **Clarkson-Trudeau Partnership.** An additional $12 million is included in the Budget 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.
  - **Brookhaven National Laboratory.** The Budget provides $50 million over 5 years to support research facilities at the Brookhaven National Laboratory in Stony Brook, including $10 million in FY 2017.
  - **Buffalo High-Tech Manufacturing Innovation Hub.** $100 million over 10 years is provided to support the development of the Buffalo High-Tech Manufacturing Innovation Hub at Riverbend, including $10 million in FY 2017.

- **Albany Nano G450C.** An additional $60 million over 4 years is allocated to fulfill the State's investment at the Albany Nano G450C facility, including $15 million for FY 2017.
- **Olympic Regional Development Authority (ORDA) Capital Improvements.** The Budget includes $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.
- **Economic Development Initiatives.** The $99 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.

- **Launch Another Round of NYSUNY 2020 and NYCUNY 2020.** To build upon the success of the initial Challenge Grants, the Budget includes $110 million to launch a new round of NYSUNY 2020 and NYCUNY 2020. Priority will be given to plans that use technology to improve academic success, leverage public-private partnerships through the START-UP NY program, and better connect students to the workforce.
- **Support New York Open for Business.** To continue the enhanced marketing effort to demonstrate the benefits of investing and doing business in New York and to promote the State's

tourism assets, $50 million will be appropriated through Empire State Development for the Open for Business initiative.

- **Expand and Promote Tourism.** In FY 2017, the State's economic development agencies will implement a $50.5 million tourism campaign to attract visitors from around the world, a $5 million increase in funding from FY 2016. The program includes a fourth round of $13 million in competitive funding through the Market NY initiative to support tourism marketing plans and projects that best demonstrate regional collaboration among counties to promote regional attractions.

Other Budget Actions

- **Javits Center Expansion.** The Governor's 2016 economic development agenda includes a proposal to dramatically expand and improve the Jacob K. Javits Convention Center, by 1.2 million square feet, resulting in five times more meeting and ballroom space. The project will include construction of a truck marshaling facility capable of housing hundreds of tractor-trailers simultaneously to improve pedestrian safety and local traffic flow. The Budget includes legislation which would authorize design-build contracting for this project to accelerate project delivery and reduce cost.
- **Empire Station Complex.** Governor Cuomo also proposes to create the Empire Station Complex, a $3 billion transformation of Penn Station and the

historic James A. Farley Post Office into a world-class transportation hub. The complex will feature significant passenger improvements, including first-class amenities, natural light, increased train capacity and decreased congestion, and improved signage to dramatically enhance the travel experience. The project will be expedited by a public-private partnership in order to break ground in 2016 and complete substantial construction within the next three years. The Budget includes legislation which would authorize design-build contracting for these projects to accelerate project delivery and reduce cost.

- **Fund the Innovation Hot Spots and Incubators Program.** The Executive Budget authorizes $5 million in new funding 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 $35 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.
- **Excelsior Jobs Program.** The Budget includes legislation that extends the Excelsior Jobs Program claims period five years from 2024 to 2029 to provide Empire State Development with the ability to continue offering a ten year benefit period to eligible companies.
- **Department of State (DOS) Agency Modernization.** As the State's general recording officer, DOS is responsible for keeping all corporate filing certificates and documents. The Budget contains $3.7 million of one-time funding for DOS to convert all of these corporate documents to electronic images. Digitization will improve ease of access for official corporate documents available to businesses and the general public while streamlining business processes and alleviating DOS staffing pressures.

5. EDUCATION

The FY 2017 Executive Budget reflects the Governor's strong commitment to education through a $2.1 billion increase in education aid over the next two years. The Budget also commits to fully restoring the GEA for every district by the SY 2018.

The Budget provides support for several key initiatives, including $340 million to continue the Empire State Prekindergarten program, an expansion of prekindergarten for three-year-old children, the conversion of high-need schools into community schools, and increased funding for charter schools. Together, these initiatives will continue to transform public education across the State. Important initiatives from prior years are also sustained, including significant investments in prekindergarten and from the Smart Schools Bond Act.

Overview

Public education in New York represents a significant commitment of State and local resources. With total State and local spending levels exceeding $60 billion, education is the largest area of State spending and the largest component of local property taxes. This is a reflection of New York State's long-standing commitment to provide all students with the opportunity for a strong, rigorous education. In the last four years alone, the Governor has enacted budgets with school aid increases totaling $4.3 billion. The FY 2016 Budget included an additional $1.4 billion (6.1 percent) increase, bringing school aid funding to its highest level ever at $23.5 billion.

The Executive Budget continues the progress made during this administration to strengthen educational offerings and increase access across New York. Building upon the State's first investment in full-day prekindergarten for three-year-olds, the Budget provides additional funding to expand prekindergarten access for three-year-olds in the most vulnerable districts. In addition, the Budget reflects the Governor's commitment to support the conversion of failing

schools into community schools. These initiatives, along with programs already underway, will continue to transform public education across the State—reaching students earlier, providing more flexibility, and ensuring that students have access to highly effective teachers, programs and schools.

Support for Public Education

Statewide increases in school spending, State support for education, and school property taxes have combined to far outpace the rate of inflation over the last ten years. New York public schools spend more per pupil ($19,818) than any other state and 85 percent above the national average.

Several recent initiatives have focused on improving the State's ability to expand educational opportunities for young students and ensure all students are college or career ready. These major initiatives include:

- **Prekindergarten Programs.** The State currently spends over $785 million on public prekindergarten programs for three- and four-year-olds, serving nearly 120,000 students statewide. The FY 2015 Enacted Budget committed $1.5 billion over five years to support the phase-in of full-day prekindergarten for four-

year-olds, with the majority of funds being used to support the State's prekindergarten expansion in New York City. In addition, in December 2014, 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 prekindergarten in high-need school districts. Following that, the FY 2016 Enacted Budget included $30 million to support the first State-funded full-day prekindergarten program for three year olds, while also allowing expanded access for four-year olds.

- **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's 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, 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 prekindergarten classroom space, the replacement of classroom trailers with permanent classroom space, and high-tech school safety programs.

Summary of Spending

Category	SY 2016 (millions)	SY 2017 (millions)	Change	
			Dollar (millions)	Percent
Total Education Aid	**23,233**	**24,224**	**991**	**4.3**

Category of Increase	Change (millions)
Reimbursement for Expense-Based Aids / Other	408
Additional Foundation Aid	266
Gap Elimination Adjustment Restoration	189
Community Schools Aid	100
Empire State Prekindergarten Program for Three-Year-Olds	22
Early College High Schools	4
QUALITYstarsNY	2
Total School Aid Increase	**991**

Proposed FY 2017 Budget Actions

The Executive Budget reflects the Governor's continued commitment to improved student outcomes and builds upon the foundational work of prior years, including the implementation of recommendations of the New NY Education Reform Commission's Final Action Plan.

In FY 2017, School Aid will continue to represent the largest State-supported program, accounting for

roughly 29 percent of total General Fund spending. For SY 2017, the Budget recommends $24.2 billion in total education aid.

School Aid

The Executive Budget provides a $2.1 billion increase in education aid over the next two years. The Budget also commits to fully restoring the GEA for every district by the SY 2018. For SY 2017, this growth consists of a $991 million (4.3 percent) increase in formula-based aids and competitive grants. The increase reflects a Foundation Aid increase of $266 million and a $189 million Gap Elimination Adjustment (GEA) restoration, including fully restoring the GEA for approximately 200 higher need districts.

Empire State Prekindergarten

The Budget includes an additional $22 million investment in prekindergarten to expand high quality half-day and full-day prekindergarten programs to three-year-olds in the highest need school districts. This funding builds upon the State's first investment in full-

day prekindergarten for three-year-olds included in the FY 2016 Enacted Budget.

The State will also provide $5 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. This is an increase of $2 million from the State's first investment in QUALITYstarsNY in the FY 2016 Enacted Budget.

Community Schools

The Budget continues the Governor's push to transform New York's 144 failing schools. Pursuant to SED regulations, a school is identified as "failing" if it has been in a monitored or "accountability status" for the previous three school years and has been among the bottom five percent in the State in English Language Arts (ELA) and math performance or has a graduation rate below 60 percent.

The FY 2016 Budget committed $75 million to support the turn-around efforts in schools identified as "persistently failing," meaning they have been in the lowest accountability status for a decade. The FY 2017

Executive Budget provides an additional $100 million to expand this initiative, $75 million of which is specifically allocated amongst 17 school districts with a failing or persistently failing school. The remaining $25 million will be available to other high-need school districts statewide that do not have a failing or persistently failing school. Schools will be able to use these funds for community school coordinators, before- and after-school mentoring services, summer learning activities, health and dental care referrals and connections, and other strategies to maximize student achievement.

Charter Schools

The Executive Budget increases statewide funding for charter schools by $27 million so that they can continue to innovate, recruit high-quality teachers and staff, and provide a strong educational option for students and families. Further, the Executive Budget unfreezes the charter school tuition formula in New York City to allow local funding amounts to be reflective of the current economic environment. In addition, the

Budget makes permanent the calculation of rental aid for New York City charter schools.

Early College High Schools

New York has more than 65 early college high school programs with more than 7,000 students enrolled. These programs allow students to get a jump start on college by providing opportunities to earn college credit. To build upon the success of the existing programs, the FY 2017 Executive Budget commits $4 million to expand the State's early college high school and career and technical education programs.

Other Budget Actions

- **Establish the Parental Choice in Education Act.** The Executive Budget promotes educational choice and philanthropy, and provides support for teachers in recognition of their personal spending for their classrooms by creating three new tax credit programs totaling $150 million under a Parental Choice in Education Act.
    - **The Education Scholarship and Program Tax Credit.** This program provides $50 million in credits to support scholarships for low- and middle- income students to attend a non-public school or a public school outside

of their district, and $20 million in credits to support public school educational improvement programs such as prekindergarten and after-school activities. Corporation franchise and individual taxpayers who make donations will receive a nonrefundable credit equal to 75 percent of their authorized contributions, up to a maximum annual credit of $1 million.

- **The Family Choice Education Tax Credit.** This credit provides $70 million in reimbursements to families with incomes below $60,000 per year for eligible tuition expenses paid to elementary and secondary schools in New York State. Families would be eligible to claim a credit of up to $500 per student.
- **The Instructional Materials and Supplies Credit.** Recognizing that many teachers spend their own money on materials for their classrooms, the Act creates a refundable credit equal to the cost of instructional supplies purchased by a public, charter, or private school educator, up to a maximum of $200, with an aggregate cap of $10 million.

- **Extend Mayoral Control of New York City Schools.** The existing governance structure for New York City schools is extended for an additional three years, until June 30, 2019.

- **Supporting Non-Public School Programs.** Approximately 400,000 elementary and secondary students attend more than 1,600 non-public schools in New York State. The Executive Budget increases aid by approximately four percent to $174 million to reimburse non-public schools' costs for State-mandated activities. The Budget also provides $125 million in extraordinary aid, first authorized in June 2015, to reimburse non-public schools for the costs of performing State-mandated services in prior years.

6. ENVIRONMENT AND ENERGY

The FY 2017 Executive Budget increases funding for the Environmental Protection Fund (EPF), maintains State funding for core environmental, parks and agricultural programs, expands outdoor recreational opportunities, and provides a new round of capital funding for environmental facilities and wastewater infrastructure. 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 electric power transmission system to a distributed smart grid network.

Overview

The State's environmental, energy and natural resource agencies support and regulate land use planning and preservation, recreation and tourism, agricultural development, protection of water resources, food safety, 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 enjoyable and safe 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 180 State parks and 35 historic sites. In 2014, the system welcomed a record 62 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 $35 billion in annual revenue. DPS 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.

Protecting the Environment

In Governor Cuomo's first term, more than $16 billion was committed to environmental and energy programs for infrastructure, resiliency, and clean energy. This investment directly benefits the State's economy and was the boldest commitment to the environment by any first term New York Governor in a generation. In 2015, the Governor continued this commitment by establishing a $200 million clean water infrastructure grant program, extending the State Superfund program, which funds the cleanup of hazardous waste sites, by $1 billion, and unveiling the NY Parks 2020 initiative, to invest $900 million in State parks by 2020.

The Governor's commitment to open space protection and improved access to wildlife-related recreation was reflected in the acquisition of the former Finch Pruyn Lands, the largest addition to the Adirondack Forest Preserve in a century. In addition, the enactment of the NY Open for Fishing and Hunting initiative streamlined and reduced hunting and fishing license fees and provided for dozens of new and improved ways to access the State's natural resources.

The FY 2017 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 $123 million, to $300 million. This represents the highest level of funding since the creation of the EPF, and exceeds the previous high by $45 million. Since taking office, Governor Cuomo has more than doubled funding for the EPF, increasing annual funding by a total of $166 million. Reflecting the Governor's commitment to combat climate change and reduce greenhouse gas emissions, the EPF for the first time will include a new climate change mitigation and adaptation account to provide funding for adaptive infrastructure, greenhouse gas management, and resiliency planning programs.

The Budget also includes $135 million of new capital appropriations for DEC, OPRHP, Ag&Mkts, and the Olympic Regional Development Authority (ORDA). This infusion of capital funds will accelerate capital infrastructure projects statewide, spur the creation of jobs, and leverage private sector and Federal investment. Further, the Budget provides $100 million

of new funding for clean water infrastructure grants to support drinking water and waste water capital improvements across the State.

Summary of Spending (All Funds)

Category	FY 2016 (millions)	FY 2017 (millions)	Change	
			Dollars (millions)	Percent
Total Environment and Energy Spending	1,467	1,534	67	4.6
Department of Agriculture and Markets	120	105	(15)	(12.5)
Department of Environmental Conservation	922	998	76	8.2
Office of Parks, Recreation and Historic Preservation	323	326	3	0.9

The Budget increases capital funding for the environment, and maintains funding at current levels for agricultural, environmental and parks operating programs.

- **Department of Agriculture and Markets.** Primarily due to a transfer of agricultural marketing responsibilities ($12.4 million) to Empire State Development, along with the discontinuation of one-time local assistance program funds and the completion of one-time capital spending, total funding for Ag&Mkts is decreased by $15 million.

- **Department of Environmental Conservation.** Total spending for DEC is increased by $76 million, reflecting increases in the EPF and other capital program spending.
- **Office of Parks, Recreation and Historic Preservation.** Total funding for OPRHP is increased by $3 million, reflecting growth in capital spending.

Proposed FY 2017 Budget Actions

- **Environmental Protection Fund.** The Budget includes appropriations of $300 million for the EPF, the highest level of funding in the program's history and an increase of $123 million from FY 2016. Appropriations include $33.8 million for solid waste programs, $76.8 million for parks and recreation, $156.9 million for open space programs, and $32.5 million for a new climate change mitigation and adaptation program. The increase will provide record funding for critical environmental programs such as land acquisition, farmland protection, invasive species prevention and eradication, water quality improvement, and an aggressive environmental justice agenda. Further, this funding level will allow for the creation of new programs to reduce greenhouse gas emissions and adapt to climate change. Funding to support the increase in FY 2017 will come from monetary settlement funds. No funding from Regional Greenhouse Gas Initiative (RGGI) proceeds will be used to support the EPF.

- **Clean Water Infrastructure.** Recognizing the growing infrastructure needs across the State, the Budget includes an additional $100 million two-year commitment for municipal drinking water and waste water infrastructure grants, for a total $250 million commitment including reappropriations. These funds will be used in conjunction with the Environmental Facilities Corporation's (EFC) revolving loan program.
- **Infrastructure Investment.** The Budget provides $135 million of new capital appropriations that will address a backlog of environmental capital needs and spur job creation and economic development. Specifically:
  - $90 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 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 to the Department of Agriculture and Markets to improve and rehabilitate the State fairgrounds.
  - $2.5 million is allocated for ORDA infrastructure, supplementing $7.5 million of

capital appropriations in the Authority's budget.

- **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 across the globe. In 2015, Taste NY achieved the Governor's goal of tripling gross sales of participating vendors, with sales of New York products jumping to $4.5 million. Taste NY products are now available in over 30 retail locations statewide, and in 2015 over 1.3 million people attended 43 Taste NY events. 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. 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.

- **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.

- **Agricultural Marketing Orders.** The Budget includes legislation that will transfer administration of agricultural marketing programs (known as marketing orders) from Ag&Mkts to Empire State Development (ESD). This transfer will enable the State's agricultural associations involved with the marketing programs to utilize ESD's marketing expertise to better increase awareness and promotion of the State's agricultural products.
- **NYS Certified High Quality Initiative.** Utilizing Ag&Mkts, ESD, EPF, and other capital resources, the Budget will support implementation of the NYS Certified High Quality initiative. This program will fund marketing, branding, food safety, environmental management, and economic development initiatives to create the safest food system in the nation. A unique label will be created that identifies food from a New York producer who uses best practices in food safety, food handling, and environmental stewardship.
- **Transfer the Canal Corporation to NYPA.** The Budget includes legislation that transfers the New York State Canal Corporation from the New York State Thruway Authority to the New York Power Authority (NYPA). This transfer will enable the canal system to benefit from NYPA's experience in managing our State's water assets while ensuring the continued efficient operation of the canal system. NYPA operates seven hydro-

electric plants throughout the State, including three located within the canal system. NYPA and the Canal Corporation already share services on the canal system, and this transfer will only strengthen this partnership.

- **Clean Energy Workforce Opportunity Program.** In order to educate the next generation of clean energy workers, this new $15 million fund will expand clean technology and renewable energy programs offered by SUNY. In partnership with clean energy businesses located on or near SUNY campuses, the fund will allow these schools to offer additional courses, hire new faculty, and purchase or upgrade the advanced machinery and lab equipment necessary to teach students the skills to succeed in the green energy workforce.
- **Department of Public Service Operations.** The Budget includes legislation that will enable the Department of Public Service (DPS) to more effectively utilize its resources by streamlining the review and approval of utility service rates changes requested by municipally owned gas and electric utilities. The Budget also includes legislation that will allow for more comprehensive reviews of highly technical and complex rate cases by extending the length of time the Public Service Commission has to approve utility sought rate increases, from eleven to fifteen months.
- **Make the Waste Tire Fee Permanent.** In order to avoid cuts to essential programs, the Budget permanently extends the Waste Tire Fee, which

is scheduled to expire December 31, 2016. This $2.50 fee, which has been in place since 2003, funds the abatement of waste tire sites and supports approximately 140 Department of Environmental Conservation employees involved in mission critical solid and hazardous waste cleanup activities.

- **Reduce Navigation Law Reimbursement.** To provide nearly $1 million in annual savings, the Executive Budget includes legislation which reduces the reimbursement provided to local municipalities for the costs of voluntary patrols of the State's waterways from 50 percent to 25 percent.

7. HEALTH CARE

The FY 2017 Executive Budget builds upon the Medicaid Redesign Team's historic reforms 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 continues 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 manages 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 regulates all 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. 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 $63 billion in FY 2017.

Prior to 2011, Medicaid spending had grown at an unsustainable rate while failing to deliver quality outcomes for New Yorkers, despite years of attempted cost containment. In 2009, according to a Commonwealth State Scorecard of Health System Performance, New York State ranked 22nd 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 care 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 tie future spending to a rational measure of growth – the 10-year rolling average of the Medical Consumer Price Index (currently estimated at 3.4 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 FY 2016. In addition, these efforts have significantly improved the health care landscape. In the Commonwealth Fund's 2015 Scorecard of Health System Performance, New York State improved virtually across-the-board, achieving a rank of 13 among states in overall health system performance and climbing 24 spots to 26th among all 50 states in avoidable hospitalization.

Building on this success, and through further collaborations, New York is positioned to continue the transformation of health care for all payers and recipients. The Executive Budget advances this transformation through continued investments that will help introduce integrated models to improve care delivery and positive health outcomes at lower cost through New York's Medicaid waiver.

Summary of Spending

(All Funds Unless Otherwise Noted)

Category	FY 2016 (millions)	FY 2017 (millions)	Change	
			Dollars (millions)	Percent
Medicaid (Total All Funds)*	63,656	63,308	(348)	-0.5
Medicaid (Global Cap)	17,104	17,692	588	3.4
Department of Health Spending (Excluding Medicaid and BHP)	4,052	4,183	131	3.2
Essential Health Plan	1,660	2,461	801	48.2
Office of the Medicaid Inspector General	53	51	(2)	-3.8
Office for the Aging	224	225	1	0.5

*The decline in the Medicaid All Funds number is primarily associated with shift of Medicaid funds to the Essential plan and a year to year reduction in supplemental Federal Medicaid payments to localities that reflects the approval of multiple years of Federal payments in FY 2016.

Proposed FY 2017 Budget Actions

The Executive Budget reflects the continuation of the Medicaid spending cap enacted in FY 2012 and recommends funding consistent with its provisions. The Budget achieves modest 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 improving care delivery and health outcomes. The Federal government has recognized the success of New York's efforts and the saving that has been generated. In April 2014 the Federal government awarded New York State an $8 billion, 5 year Medicaid waiver. In the first two years, $1.7 billion has been awarded under the waiver. This includes $963 million to 25 Performing Provider Systems (PPSs) statewide so that these consortiums of regional providers can implement approved Delivery System Reform Incentive Payments (DSRIP) program transformation projects; $280 million for Health Homes and other reform initiatives; and $500 million for financially distressed safety net hospitals whose viability is critical to achieving ongoing reforms. Over the next year these PPSs will increase their participation in value-based payment arrangements, continue to receive performance based payments reflecting their system transformation, clinical management and population health improvements and

progress towards the goal of reducing avoidable hospital use by 25 percent over the next five years.

In addition, the State will continue its implementation of the State Health Innovation Plan (SHIP) under the terms of a $100 million Federal award. Implemented over four years, this plan will 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 New York's entire health care system.

The Budget also maintains $2.5 billion in capital investments to make infrastructure improvements and provide additional tools to stabilize health care providers to further advance transformation goals.

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 increased payments to essential community providers and new payments to enhance population health improvements. These investments are balanced by savings resulting from targeted Medicaid integrity initiatives to eliminate fraud and abuse, improvements in benefits design, greater pharmaceuticals controls, and compliance with the Federal spousal support law.

The Budget also re-institutes the New York City contribution toward financing the growth in Medicaid expenses, effective October 1, 2016. The contribution level is increased by 3.6 percent in FY 2017 and 5.8 percent in FY 2018, with annual growth of about two percent thereafter. The Medicaid cap was introduced as a means of helping counties remain within the two percent property tax cap. Since 2012, all local governments and school districts, except New York City, have been subject to the State's Property Tax Cap. Because of this exception, the City's property tax levy has been growing at a significantly higher rate each year than what is allowed under the tax cap. In 2016, the City's levy is approximately $3.5 billion more than if it had been held to the property tax cap's growth limits. This makes New York City uniquely positioned to

assume responsibility for a portion of its Medicaid growth.

New York Health Benefit Exchange

In 2013, in accordance with the ACA, the Governor issued Executive Order #42 to establish a New York Health Benefit Exchange. 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 2.7 million New Yorkers have enrolled in coverage through the marketplace. The Executive Budget includes $484 million in total funding for the operation of the NY State of Health.

Public Health and Aging Programs

DOH and SOFA administer programs that support New York's public health and senior care systems. The Executive Budget provides more than $350 million for local government activities, makes new investments and reduces costs by restructuring programs and

implementing administrative efficiencies. These actions will save an estimated $87.4 million in FY 2017 and $106.6 million in FY 2018. Key items include:

- **Access Federal Health Services Initiative Funding.** Through the Child Health Plus program, states have the option to receive Federal funding to support health initiatives that benefit CHP eligible children. To receive additional Federal funding, the Executive Budget shifts a portion of the Medical Indemnity Fund (MIF) and support for Poison Control Centers to CHP. This initiative will result in $36.2 million in annual State savings, primarily associated with shifting eligible MIF costs and reducing annual State support payments.
- **Focus Excess Medical Malpractice Funding.** The State currently provides a second layer of medical malpractice coverage to qualified physicians and dentists, which supplements their primary individual coverage. This program, however, has become over-subscribed and has strayed from its original intent to enable community hospitals to attract doctors in high-risk specialties. The Budget will modify the existing program and prioritize funding to support doctors in high-risk specialties and high risk areas. This initiative will result in $25 million in State savings annually.
- **Reform Early Intervention (EI) Program.** The EI program provides a comprehensive array of therapeutic and support services to children under the age of three with confirmed

disabilities (e.g., autism, cerebral palsy) or developmental delays. The program serves approximately 68,000 children annually and is jointly financed by Federal, State and local governments. The Budget includes a series of program improvements that will result in a net State savings of $5.0 million in FY 2017 and $20.3 million in FY 2018. These actions also provide fiscal and administrative mandate relief to counties and generate cumulative local savings of more than $105 million over five years without impacting service levels. They include:

- **Increase Insurance Reimbursement.** While over 40 percent of EI recipients have health insurance coverage, only two percent of total service claims are reimbursed by health insurers. This reform would require insurers, including Child Health Plus (CHP) plans to pay medically appropriate claims, abide by existing prompt payment requirements, and send payments to the billing provider.
- **Streamline Eligibility Determinations.** The State will take advantage of options under revised Federal regulations to achieve program efficiencies by requiring initial screenings for children who may not require more costly comprehensive medical evaluations and by using medical and other records to establish eligibility where appropriate.
- **Increase Administrative Reimbursement.** To more appropriately reimburse providers for their costs, the Budget increases the administrative component of provider rates

by 1 percent. The administrative component of EI rates has not been modified since 1994 despite changes in program and reimbursement requirements for providers.

- **Empire State Poverty Reduction Initiative.** The Budget includes $25 million of new funding to significantly expand the anti-poverty initiative, begun in 2015. Planning grants totaling $5 million will be available in ten communities with high concentrations of poverty. In addition, $20 million will be available for grants to match private sector and foundation funding. In addition, the Budget continues the $4.5 million increase enacted in FY2016 to the Hunger Prevention and Nutrition Assistance Program to allow the program to respond to the emergency food needs of hungry New Yorkers, increasing support for the program to $34.6 million.
- **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 $8.5 million annually.
- **Continue Alzheimer's Caregiver Supports.** The Budget continues the $25 million investment in care and support services for individuals living with Alzheimer's disease and other dementias and their caregivers.
- **Maintain Aging Supports.** The Budget continues the $3 million increase in both the Community Services for the Elderly Program and

the Long Term Care Ombudsman Program (LTCOP).

- **Better Target Naturally Occurring Retirement Community (NORC/NNORC) Funding.** NORC programs provide support services to older persons in designated community residential settings statewide, but largely in metropolitan areas. As the housing preferences of older persons change, some existing NORC locations may no longer meet the statutory requirements for funding. This initiative would specifically target funding to those NORC/NNORC programs that continue to meet statutory requirements. This initiative is estimated to save the State $951,000 annually.
- **Implementation of the Human Services Cost of Living Adjustment (COLA).** The Budget includes $1.2 million to support the statutory cost of living adjustment for not-for-profits that provide services on behalf of DOH and SOFA.

Other Initiatives

- **Ending the AIDS Epidemic.** New York's successful strategic investments in the prevention and care for individuals with HIV/AIDS places the State in the position of being able to advance a plan for the end of the HIV/AIDS epidemic. The FY 2017 Executive Budget reflects the initial installment of a $200 million multi-year commitment of new funding toward HIV/AIDS efforts, which is in addition to the $2.5 billion in public funding that the State

currently directs toward addressing the health care needs of those living with the disease. Specifically, these funds will be used to expand the availability of affordable housing and housing assistance for those living with HIV and identify undiagnosed persons, link them with treatment and facilitate access to necessary medications to keep them HIV negative to prevent spreading the disease.

8. HIGHER EDUCATION

The FY 2017 Executive Budget strengthens the ability of New York's public system of higher education to excel academically and act as an economic engine. A renewed NYSUNY 2020 program and new strategic investments will yield further academic gains, create employment opportunities, and connect graduates to jobs. The Budget also realigns financial support for CUNY senior colleges commensurate with its governance structure.

Overview

Each year, New York State's higher education institutions educate over 1.2 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 396,000 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 333,000 students. In

addition, 532,000 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 127,000 (11 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 18 scholarship and award programs. Together these programs provide more than $1 billion in financial aid to over 360,000 students. HESC also partners with the Office of the State Comptroller in administering the College Choice Tuition Savings program.

The State Education Department administers over $100 million in funding for higher education including opportunity programs that help support the success of disadvantaged students and aid to private colleges.

Higher Education: Developing a Modern Workforce

SUNY/CUNY Senior Colleges

In 2011, Governor Cuomo signed groundbreaking legislation implementing the NYSUNY 2020 and NYCUNY 2020 Challenge Grant Program. This five-year program, which is scheduled to end on July 1, 2016, 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. The program

enabled families to plan for college expenses, while making it possible for the public university systems to add faculty, reduce class sizes, expand program offerings, and improve academic performance.

NYSUNY 2020 and NYCUNY 2020 also maintain 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.

In addition, NYSUNY 2020 and NYCUNY 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, the groundbreaking initiative established in 2013 to transform SUNY and private

college and university campuses and communities across the State into tax-free zones. This program is attracting new businesses and encouraging existing businesses to expand. To date, a total of 155 businesses have been approved for START-UP NY participation and are projected to create over 4,200 net new jobs and nearly $221 million in investment.

In 2015, to promote student success and institutional excellence, the Governor began the process of shifting State support from an enrollment-driven formula to one that bases a portion of state aid on performance. SUNY and CUNY received $30 million in new investment and performance funds allocated to campuses based on their performance improvement plans that identify and implement best practices from around the systems. These plans include goals to improve outcomes in student access, completion, and post-graduation success.

Community Colleges

Several recent initiatives have combined to help modernize our community college system. In 2013, the Next Generation NY Job Linkage Program was

established to connect students 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. This initiative provides $5 million in incentive funding to reward community colleges based on the success of their students in job placement and academic performance.

To further align community college offerings with regional needs, in 2015 SUNY created regional planning councils to ensure that community colleges collaborate with neighboring colleges as well as stakeholders from state agencies, local governments and business. In addition, a new Community College Community Schools program was launched to provide our most disadvantaged students the tools and support they need to persevere and graduate.

Making College More Affordable

Governor Cuomo has made several 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.

The FY 2016 Budget included the new *Get on Your Feet Loan Forgiveness Program* to 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. Recognizing that the rising cost of college and sub-optimal student outcomes make college choice more critical than ever, New York created 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.

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	Academic FY 2016 (millions)	Academic FY 2017 (millions)	Change	
			Dollars (millions)	Percent
SUNY State-Operated Campuses*	2,646	2,676	30	1.1
CUNY Senior Colleges*	1,217	1,232	15	1.2
SUNY and CUNY Debt Service	1,187	1,188	1	0.1
HESC Financial Aid Programs	1,066	1.134	68	6.4
Community Colleges	735	729	(6)	(0.8)
SED Programs	106	106	0	0
SUNY Hospitals Subsidy**	88	69	(19)	(21.2)
Subtotal	**7,045**	**7,134**	**89**	**1.3**
NYC Share of CUNY Senior Colleges	0	(485)	(485)	--
CUNY Retroactive Salary Increases	0	240	240	--
General Fund Total	**7,045**	**6,889**	**(156)**	**(2.2)**

*Includes funding for campus operations and employee fringe benefits.
**Returns to the FY 2016 Executive Budget funding level.

Strategic Investments in Higher Education

The Executive Budget renews the NYSUNY 2020 and NYCUNY 2020 program for another five-year period and makes strategic investments including $30 million to implement SUNY and CUNY performance improvement plans, creation of a $15 million Clean Energy Workforce Opportunity Program to develop a new clean-tech workforce development program on SUNY campuses, and $110 million for another round of NYSUNY 2020 and NYCUNY 2020 capital challenge grants.

In a continued effort to modernize our community college system, the Executive Budget establishes a new Apprentice SUNY: NY State Advanced Manufacturing Apprenticeship Program for community colleges to develop one of the largest statewide public/private partnership apprenticeship programs in the country. The Budget also expands the Community College Community Schools program to provide more support services to ensure student success, and supports the advancement of undocumented immigrants by enabling them to apply for State college tuition assistance under a DREAM Act initiative.

Finally, the Executive Budget will rationalize funding for CUNY senior colleges by having the City of New York pay a share of financial support that aligns with the City's participation in the governance of CUNY.

Major Initiatives

- **Renew NYSUNY 2020 and NYCUNY 2020.** To maintain an affordable and stable system of funding New York's public university systems, the Budget extends the NYSUNY 2020 and NYCUNY 2020 program for an additional five years. A new rational tuition plan will allow SUNY and CUNY to increase the New York resident tuition rate up to $300 per year, provided they demonstrate considerable efforts to reduce spending and justify tuition increases based on inflationary indices. Additional revenue generated by a tuition increase would be used to support investments in faculty, instruction and tuition credits for TAP-eligible students. The renewed NYSUNY 2020 plan also continues the Governor's commitment to provide a consistent level of support for SUNY and CUNY. In addition, the Budget includes $110 million for a new round of NYSUNY 2020 and NYCUNY 2020 capital challenge 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.

- **Expand SUNY and CUNY Performance Initiatives.** The Budget continues the process of shifting state support from an enrollment-driven formula to one that bases a portion of State aid on performance. SUNY and CUNY will receive a new investment of $30 million to implement campus performance improvement plans that identify and implement best practices from around the systems to improve outcomes in student access, completion, and post-graduation success. The Executive Budget also includes $5 million for the Next Generation NY Job Linkage Incentive Fund.
- **Establish a Clean Energy Workforce Opportunity Program.** The Budget builds SUNY's capacity to educate the next generation of green energy workers. The $15 million Clean Energy Workforce Opportunity Program will enable SUNY to work with clean energy companies to develop a new jobs training and certification program that will make New York a leader in clean tech workforce development. The funding will be used to hire new faculty and purchase cutting-edge equipment that will be used in these new academic programs.
- **Create Apprentice SUNY: NY State Advanced Manufacturing Apprenticeship Program.** To meet the growing need for a skilled workforce, the Budget provides funding for New York's community colleges to develop one of the largest statewide public/private partnership apprenticeship programs in the country, generating thousands of new employment opportunities for community college graduates.

In partnership with NYSDOL, this new $5 million program will leverage the resources and capacity of the community colleges by building on the infrastructure developed with the $15 million USDOL Trade Adjustment Assistance Community College and Career Training grant awarded in 2013. Apprentice SUNY will help 2,000 students receive classroom and practical training through new registered apprenticeships linked to degrees that provide new participants with paid on-the-job skills training, a degree or certificate, a portable, national industry-recognized credential and a full-time job upon graduation.

- **Expand Community College Community Schools.** To help more students and their families have the support they need to reach their educational goals, the Budget includes $1.5 million to provide three additional Community College Community Schools grants. This program, which begun in 2015, helps community colleges to address student needs such as child and elder care, transportation, health care services, family counseling, and employment assistance.
- **Make the Dream of Higher Education Available to All.** The Executive Budget supports 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.
- **Realign Funding and Governance for CUNY Senior Colleges.** The Budget adjusts financial

responsibility for CUNY senior colleges to better align with CUNY governance. New York City's share of public support for CUNY senior colleges is only two percent, yet the City controls 30 percent of appointments to the CUNY Board of Trustees. This governance and funding structure dates back to a time when New York City was experiencing a fiscal crisis and was unable to support CUNY senior colleges. As New York City is no longer in a fiscal crisis – it ended 2015 with a multi-billion dollar surplus and billions in reserves – the Budget resumes the practice of sharing CUNY senior college expenses with the City. Commensurate with the percentage of CUNY appointments, the Budget requires that the City of New York assume a 30 percent share of CUNY senior college net operating and debt service expenses, totaling $485 million in the 2016-17 City fiscal year.

Enactment of this cost sharing arrangement will enable the State to provide $240 million from the General Fund to CUNY to support retroactive salary increases needed to ensure fair and affordable agreements with CUNY's labor unions.

9. HUMAN SERVICES

The FY 2017 Executive Budget increases the minimum wage, makes an unprecedented $20 billion investment in affordable housing, homeless housing and homeless services, provides funding for core supportive services for needy populations, and provides funding for child care subsidies that allow low-income individuals to seek or maintain employment.

Overview

New York's human services programs promote the safety and well-being of the State's most vulnerable residents.

The Office of Temporary and Disability Assistance (OTDA) and the Office of Children and Family Services (OCFS) oversee programs that support and provide assistance for 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 Federal Welfare Reform Act of 1996, the State's public assistance caseload has declined by approximately one million recipients. The FY 2017 caseload is estimated at 557,000 recipients.

New York's Supplemental Security Income (SSI) program supplements Federal SSI benefits to low-income elderly, blind, and disabled persons. The FY 2017 caseload is estimated at 712,000 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 by keeping them with their families, and for foster care services when out-of-home placement is necessary.

The Child Welfare Services program supports approximately 156,000 child protective services investigations with more than 45,000 cases receiving protective and preventive services. Federal funds support approximately $486 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 FY 2003 through Child Welfare Financing Reform, provides an incentive to use preventive services to keep families safely intact and to avoid unnecessary foster care placements. The front-end investment is paying dividends, as the foster care caseload has dropped by 47 percent, from 34,900 to approximately 18,500 in FY 2016.

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 State continues implementation of the Close to Home initiative. Under this initiative, in FY 2013, 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 also worked with OCFS on a plan to take custody of its youth that require a limited secure placement. The limited secure phase of Close to Home began in November 2015 and will be fully implemented in FY 2017.

Summary of Spending (All Funds)

Category	FY 2016 (millions)	FYY 2017 (millions)	Change	
			Dollars (millions)	Percent
Human Services	8,899	8,837	(62)	(0.7)
OTDA	4,989	5,024	35	0.7
OCFS	3,162	3,016	(146)*	(4.6)
DOL	492	467	(25)	(5.1)
HCR	210	286	76	36.2
DVA	17	15	(2)	(11.8)
NCS	15	15	0	0
DHR	14	14	0	0

*$100 million of this change reflects a decrease in General Fund support for child care subsidies that results from an equal increase in Temporary Assistance for Needy Families (TANF) fund support for child care subsidies in OTDA.

Proposed FY 2017 Budget Actions

Labor

- **Increase the Minimum Wage.** Governor Cuomo has consistently fought to increase the minimum wage in New York State. The FY 2014 Budget increased the minimum wage from $7.25 to $8.00 effective December 31, 2013; to $8.75 effective December 31, 2014; and to $9.00 on December 31, 2015. The Executive Budget builds upon these previous increases and includes provisions to further increase the minimum wage to $10.50 in New York City and $9.75 in the remainder of the State, effective July 1, 2016, gradually increasing the minimum wage to

$15.00 in New York City on December 31, 2018 and across the rest of the State on July 1, 2021. 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 Budget reflects that the phased-in increase towards a $15 minimum wage has already been put in place for the State workforce and SUNY employees.

The current minimum wage represents less than one-third of the average hourly wage in the State, which is almost $29. Eight states and the District of Columbia currently have a higher minimum wage than New York. A reasonable minimum wage increases the standard of living for workers, reduces poverty, and results in fairer 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.

- **Paid Family Leave.** Bonding with a new child or caring for a seriously ill family member should not cost employees their entire savings or job. The Budget includes legislation creating a paid family leave program. Under this program, employees will be eligible for twelve weeks of paid family leave when caring for an infant or ill family member. The maximum paid benefit will grow to 50 percent of the State's Average Weekly Wage by 2021. This program will be funded entirely through a nominal payroll deduction on employees.

- **Workers' Compensation Reforms.** New York's Workers' Compensation program delivers medical and lost wage benefits to thousands of injured workers. As currently structured, this $7 billion program is complicated and cumbersome, delaying claim settlements and payments, and increasing costs to employers. The Budget includes legislation to reform the program to benefit both workers and employers. Major reforms will:
    - Redesign current operations to ensure the system will provide more timely and appropriate medical and wage replacement benefits to workers;
    - Create a new pooling agreement freeing employers' committed reserves;
    - Provide broader and more accessible options for medical care by expanding the list of eligible providers;
    - Make hearings more accessible through flexible scheduling and use of virtual hearings; and
    - Continue support for the World Trade Center Volunteer Fund.

Housing

- **100,000 Unit Affordable and Homeless Housing and Services Initiative**. The Executive Budget establishes a $20 billion, comprehensive five year investment in affordable housing and housing opportunities and services for the homeless. The program will invest $9.7 billion to establish 94,000 units of affordable housing, $2.6 billion for 6,000 units of supportive housing and

will also establish 1,000 new emergency shelter beds. Over 15 years, the plan will result in 20,000 units or shelter beds, including 18,000 new supportive housing units.

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 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.

  On December 22, 2015, as part of the continued efforts to protect youth involved in the criminal justice system, the Governor issued Executive Order #150 directing the Department of Corrections and Community Supervision (DOCCS), in collaboration with OCFS, to implement a plan to gradually remove minors from adult prisons in the State.

  Beginning in August 2016, 16 and 17 year olds will be housed at Hudson Correctional Facility, currently a DOCCS operated facility that is undergoing transformation to appropriately house and serve younger offenders. Youth will receive specialized programming geared toward younger offenders and individuals presenting with mental health needs will have access to services provided by staff from the Office of Mental Health.

The FY 2017 Executive Budget reflects the next steps to juvenile justice reforms by advancing legislation to raise the age of juvenile jurisdiction to age 17 on January 1, 2018 and to age 18 on January 1, 2019. Additional reform measures include comprehensive diversion, probation, and programming services for 16 and 17 year old youth who will be involved in the juvenile justice system.

- **Empire State Poverty Reduction Initiative.** The Budget includes $25 million of new funding to significantly expand the anti-poverty initiative, begun in 2015. Planning grants totaling $5 million will be available in ten communities with high concentrations of poverty. In addition, $20 million will be available for grants to match private sector and foundation funding.
- **Increase Support of Child Care Provider Inspection Activities.** The Budget includes a $10 million State Operations appropriation to support child care provider inspection activities necessary to comply with the Federal Child Care and Development Block Grant Act of 2014.
- **Implementation of the Human Services Cost of Living Adjustments (COLA).** The Budget includes $1.4 million to support the 0.2 percent statutorily required Cost of Living Adjustment at OCFS not-for-profits, for foster and adoptive parents, and the Nutrition Outreach and Education Program (NOEP) administered by OTDA.

- **Invest Annual Adoption Savings in Post-Adoption and Preventive Services.** In accordance with Federal law, the Budget will invest adoption assistance savings of $5 million into post adoption and preventive services for children at risk of entering foster care. The $5 million savings results from a greater Federal share of adoption assistance costs as income is no longer a factor in determining eligibility for Federal adoption assistance.

10. LOCAL GOVERNMENT

The FY 2017 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.

Overview

New York's local government assistance programs provide general purpose aid to municipalities, as well as targeted grant programs and incentives for local government efficiency and consolidation actions. The Aid and Incentives to Municipalities (AIM) program provides unrestricted, general purpose aid to cities, towns, and villages.

Grant and incentive programs that provide funding related to municipal shared services, efficiencies, and consolidations include: the Citizens Reorganization Empowerment Grants, Citizen Empowerment Tax Credits, Local Government Efficiency Grants, and the Local Government Performance and Efficiency Program.

Other programs provide aid to specific local governments, including Aid to Municipalities with Video Lottery Gaming Facilities (VLT Impact Aid), Miscellaneous Financial Assistance, and Small Government Assistance.

The Financial Restructuring Board for Local Governments assists distressed municipalities by conducting Comprehensive Reviews to develop recommendations for restructuring and improving fiscal stability. The Board may offer grants or loans to help implement its recommendations.

Addressing the Property Tax Burden

New York residents face some of the highest property tax burdens in the nation. Since taking office Governor Cuomo has focused on fighting this burden by capping property taxes, improving local government efficiency, restructuring distressed local governments, and relieving mandates.

In his first year in office, Governor Cuomo advanced and secured approval of one of the strongest 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. It is estimated that if these growth trends continue, the typical taxpayer will have saved more than $2,100 in local property taxes by 2017.

To provide further relief, the Governor proposed the Property Tax Freeze. Enacted in 2014, the Property Tax Freeze provides New York homeowners an average of $525 in direct relief over three years, bringing the combined average savings from the property tax cap and the Property Tax Freeze to $2,625. The Freeze program also encourages local shared services, cooperation agreements, mergers, and efficiencies. 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 stayed within the tax cap received a State tax credit equal to the increase in their 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 an approved Government Efficiency Plan that demonstrates savings through shared services, cooperation agreements, mergers, or efficiencies.

As a result of the Property Tax Cap and the Property Tax Freeze program, local taxpayers will have saved more than $17 billion through 2016. To ensure that this savings continues, at the end of the 2015 Legislative session, the Governor and Legislature extended the property tax cap through 2020.

In June, 2015, an additional program was enacted to provide direct relief to struggling New York taxpayers – the Property Tax Credit. The program is progressively structured so that taxpayers with lower incomes receive a higher benefit.

Credits will be remitted in the fall of each year, close to when the majority of New York homeowners have to pay their largest property tax bill – their local school district property taxes. All STAR-eligible homeowners with incomes below $275,000 who live in school districts that comply with the property tax cap will be eligible to receive the credit. In the first year, 2016, the program will be coupled with the third and final installment of the Property Tax Freeze credit. Upstate homeowners will receive $185 from the program, while taxpayers in Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties will receive $130 from the new program. Beginning in 2017, the

program will provide property tax relief based on a percentage of a homeowner's STAR benefit, with lower incomes receiving a larger percentage. When the program is fully phased-in for benefits provided in 2019, it will provide $1.3 billion of property tax relief and an average credit of $530.

Improving Local Government Efficiency

One of the drivers behind New York's high local government cost and property tax burden is its duplicative and overlapping local government structure. To address this problem, the State provides a variety of grant and incentive programs for local governments.

As part of the FY 2016 Budget, Governor Cuomo advanced and secured approval of the Municipal Restructuring Fund, a program that provides funding to help local governments implement transformational projects that contribute to lower operating costs and reduced property tax burdens on a permanent basis. Representatives from the Department of State met with local leaders at regional roundtables and held a Local Government Innovation Conference in Albany in order to best structure the program to ensure that it meets

the needs of local governments. Applications for grants will be accepted beginning in early 2016.

In addition to the Municipal Restructuring Fund grants, the Budget continues funding for other programs that improve local government efficiency. This support will empower local governments and school districts to implement actions that reduce the property tax burden on their taxpayers.

- **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. This program shares a $35 million appropriation with the Citizen Empowerment Tax Credits.
- **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. This program shares a $35 million appropriation with the Citizens Reorganization Empowerment Grants.

- **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 implementing 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. A $4 million appropriation supports this program.
- **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. There is $80 million in Local Government Performance and Efficiency Program reappropriations available for these awards.

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. Based on this information, the Board may make recommendations on restructuring municipal operations to improve the local government's 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 to implement the recommendations. To receive the aid, the local government must agree to fulfill the terms of the recommendations.

The Board has undertaken Comprehensive Reviews for twelve local governments: the cities of Rochester, Albany, Utica, Jamestown, Elmira, Lockport, and Fulton, the villages of Alfred, Owego, Hoosick Falls, and Wilson, and the Town of Fishkill. Additional Comprehensive Review requests are expected.

Relieving Local Government Mandates

Governor Cuomo made mandate relief a priority and has eliminated dozens of burdensome requirements, including many of the most expensive. These important reforms are helping local governments manage their budgets and reduce the burden placed on property taxpayers. Reforms that have been advanced by the Governor and enacted include:

- **Medicaid Relief.** The State has eliminated growth in the local share of Medicaid, saving counties $800 million over five years (FY 2015-2019). For FY 2015 and beyond, the cost of Medicaid to counties subject to the property tax cap will not increase – all growth in the Medicaid program for these counties is being absorbed by the State. 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. The Budget extends these reforms for three years.

Summary of Spending

Category	FY 2016 (millions)	FY2017 (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
Total AIM	**714.7**	**714.7**	**0**	**0**
Citizens Empowerment Tax Credits and Grants*	1.9	2.4	0.5	29
Local Government Efficiency Grants*	9.3	5.5	(3.8)	(40)
Local Government Performance and Efficiency Program*	9.9	16.7	6.8	68
VLT Impact Aid	29.3	29.3	0	0
Miscellaneous Financial Assistance	16.2	0.8	(15.4)	(95)
Village Per Capita Aid	2.0	0.0	(2.0)	(100)
Small Government Assistance	0.2	0.2	0	0
Buffalo/Erie Efficiency Grants**	1.6	0.0	(1.6)	(100)

* For FY 2017, Citizens Empowerment Tax Credit and Grants, Local Government Efficiency Grants, and the Local Government Performance and Efficiency Program are being funded out of the Special Infrastructure Account instead of the General Fund.

** Spending will be reduced to zero as the programs reach completion.

Proposed FY 2017 Budget Actions

- **Downtown Revitalization Initiative.** The Budget provides $100 million for a new initiative to fund transformative housing, economic development, transportation, and community projects designed to attract and retain residents, visitors, and businesses to downtowns. Ten communities that are currently experiencing population loss and/or economic decline will be able to submit revitalization plans for their downtown area, developed in collaboration with policy and planning experts.
- **Municipal Consolidation Competition.** To further encourage local government consolidation, the Budget creates a new $20 million consolidation competition designed to empower counties and other local governments to pursue opportunities for consolidation, shared services, and other changes that permanently reduce the property tax burden. This competition is designed to bring forth aspirational consolidation ideas that will change the structure of local government.
- **Continue Restructuring Programs.** The Budget continues funding to support the Municipal Restructuring Fund, the Local Government Performance and Efficiency Program, Citizen Empowerment Tax Credits, Citizens Reorganization Empowerment Grants, and Local Government Efficiency Grants. These programs will be funded through the Special Infrastructure Account, as authorized in the FY 2016 Budget.

- **Maintain Local Government Aid.** The Budget maintains most local government aid programs at FY 2016 levels, including: $715 million in unrestricted AIM funding to cities, towns, and villages; $29.3 million in VLT Impact Aid; and $217,300 in Small Government Assistance. Legislative adds, such as Miscellaneous Financial Assistance and Village Per Capita Aid, are discontinued.

Overall Fiscal Impact on Local Governments

The Executive Budget results in a year-to-year net positive local impact of $1.3 billion for municipalities and school districts for their fiscal years ending in 2017. This net local benefit is primarily the result of a statewide school aid increase of $991 million, including competitive school grants, and the continuation of the State's Medicaid growth takeover with adjustments to the program. The benefit is primarily offset by an impact to New York City related to rationalizing funding and governance for CUNY senior colleges while providing CUNY contract funding.

Impact of the FY 2017 Executive Budget on Local Governments (Local Fiscal Year Ending in 2017) ($ in millions)					
	Total	**NYC**	**School Districts (non-NYC)**	**Counties**	**All Other**
School Aid	963.0	364.0	599.0	0.0	0.0
Other Education	(95.1)	(185.1)	90.0	0.0	0.0
Revenue Actions	(13.0)	(13.0)	0.0	0.0	0.0
Medicaid	349.5	145.9	0.0	203.6	0.0
Health	20.9	12.5	0.0	8.4	0.0
Mental Hygiene	(1.5)	(2.0)	0.0	0.5	0.0
Municipal Aid	(1.6)	0.0	0.0	0.0	(1.6)
Environment	(0.9)	(0.1)	0.0	(0.8)	0.0
Other	(2.8)	0.0	0.0	(2.8)	0.0
Subtotal FY 2017 Executive Budget Actions	**1,218.5**	**322.2**	**689.0**	**208.9**	**(1.6)**
Wastewater Infrastructure Funds	50.0	0.0	0.0	TBD	TBD
New Competitive School Grants	28.0	TBD	TBD	0.0	0.0
Municipal Consolidation Competition	20.0	0.0	0.0	TBD	TBD
Grand Total FY 2017 Executive Budget Actions	**1,316.5**	**322.2**	**689.0**	**208.9**	**(1.6)**

11. MENTAL HYGIENE

The FY 2017 Executive Budget supports the expansion of community-based care, strengthens the oversight of services for vulnerable persons, and makes investments to ensure 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 1 million individuals, including more than 700,000 people with mental illness, 245,000

people with chemical dependencies or gambling problems, and 130,000 individuals with developmental disabilities.

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 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 costs in service delivery, purchasing, business services, information technology, and other areas. To ensure that individuals receive appropriate services, the 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, investing in behavioral health provider systems to help avoid more costly inpatient services, enhancing employment opportunities for individuals with disabilities, improving the investigatory process for abuse and neglect complaints, placing cost controls on State agency operations, and maximizing payments from third-party payers.

The Executive Budget proposals result in Mental Hygiene system spending of $8.2 billion in FY 2017, reflecting annual spending growth of $260 million (3.3 percent). However, due to technical adjustments such as interactions with the Department of Health (DOH) Global Cap, and recognition of the previous year's costs for a 53rd Medicaid cycle, the 27th Institutional payroll, and non-centralized billings for ITS services, projected spending decreases by $219 million.

Summary of Spending (All Funds)

Category	FY 2016 (millions)	FY 2017 (millions)	Change Dollar (millions)	Change Percent
OPWDD	4,039.3	4,213.9	174.6	4.3
OMH	3,296.1	3,369.1	73.0	2.2
OASAS	592.4	603.6	11.2	1.9
Justice Center	41.8	42.7	0.8	2.0
DDPC	4.2	4.2	0.0	0.0
Subtotal	**7,973.8**	**8,233.4**	**259.6**	**3.3**
53rd Medicaid Cycle and 27th Payroll	168.6	0.0	(168.6)	N/A
NPS Transfer to OITS	27.3	0.0	(27.3)	N/A
Adjustments*	(908.6)	(1,191.1)	(282.5)	N/A
Total	**7,261.1**	**7,042.3**	**(218.8)**	**(3.0)**

*Adjustments reflect spending of $909 million in FY 2016 and $1.1 billion in FY 2017 for OPWDD services that are reflected in DOH Medicaid spending.

Proposed FY 2017 Budget Actions

OPWDD

Over the past five 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, availability and cost-effectiveness of community-based, person-centered services. This Budget continues the long-standing commitment to support individuals with developmental disabilities in the most appropriate community-based settings, and reflects a 4.3 annual percent spending increase. Specifically, the Executive Budget will:

- **Continue to Improve the Quality and Variety of Services.** Over the past 18 months, OPWDD has made significant progress in providing services to people with intellectual and/or developmental disabilities through new resource investments and reallocation of existing resources. During this time, approximately 2,600 new people received certified community residential housing, including individuals transitioning from their homes, institutional facilities and school residential programs. At the same time, 3,800 individuals were new to employment supports; 2,300 people were provided the opportunity to self-direct their services; 5,500 new individuals received respite services; and 6,400 people were new to day service opportunities. In addition, approximately $65 million in Balancing Incentive Program (BIP) transformation grants were awarded to over 100 agency providers to develop systematic improvements to delivery systems, enhance community integration, and increase employment opportunities for individuals with developmental disabilities.
- **Implement the Recommendations of the Transformation Panel.** In early 2015, a Transformation Panel was formed to share and discuss ideas to help shape the future of the OPWDD system. Members included individuals with developmental disabilities, parents, providers and advocates. Their formal recommendations will be released in 2016 and OPWDD will develop and implement strategies to enhance service delivery and provide high quality community- integrated services.

- **Invest $120 Million for OPWDD New Service Opportunities.** This annual investment will support new service opportunities for individuals currently living at home or in residential schools. Services will be based on OPWDD's person-centered processes, which include an individualized needs assessment. 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 funding will support up to 6,000 new or expanded opportunities for individuals with developmental disabilities to support the array of services necessary to meet their individual needs, including needs identified in OPWDD's recent Residential Request List survey. This funding is in addition to separate investments for the transition of individuals from institutional settings.
- **Invest $15 Million in Expanded Affordable Housing.** In FY 2017, OPWDD will provide an additional $10 million in capital funding ($15 million in total) to support the development of affordable housing, which will ensure the availability of safe and accessible residential opportunities for individuals with intellectual and/or developmental disabilities.
- **Invest $15 Million to Expand Crisis Services.** In 2014, OPWDD implemented START (Systemic Therapeutic Assessment, Respite and Treatment) programs in two geographic regions.

START is a crisis and prevention response model focused on ensuring effective treatment and reducing dependency on higher levels of service; OPWDD will invest an additional $15 million to expand these services to other regions.

- **Dedicate $24 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, the Budget continues to transition individuals from developmental centers (52 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.

OMH

The Executive Budget builds on Governor Cuomo's ongoing efforts to expand community services and transition individuals to more appropriate community settings. Specifically, the Budget will:

- **Continue to Improve the Quality and Variety of Services.** With investments in community-based services made in FY 2016, OMH has developed new mobile crisis teams, expanded clinic services, provided additional peer support

services, and funded additional supported housing units throughout the State. The expansion in community investments since FY 2015 has resulted in 7,500 new individuals receiving services and funded nearly 850 supported housing beds. This funding was also used to support rental subsidies for over 14,000 supported housing units statewide. The success of these community investments has resulted in the reduction of over 400 unnecessary, vacant inpatient beds.

- **Invest $16 Million in Additional Community Services.** Building upon the community reinvestments funded in the FY 2016 Enacted Budget, this additional annual investment will be used to expand a variety of community services based on regional needs reflecting stakeholder input, and is expected to reduce the need for more costly inpatient beds.
- **Expand Services for Children.** The Budget proposes to provide six new "State Plan" Medicaid services for children: crisis intervention, community psychiatric support and treatment, psychosocial rehabilitation services, family peer support services, youth peer training and support services, and services from other licensed practitioners. These new services focus on earlier intervention for children experiencing behavioral health issues, helping to keep children with their families, thus preventing the need for more costly, high-intensity services and out-of-home placements.

- **Provide $50 Million to Support New Residential Opportunities.** The Budget provides full annual support to continue ongoing residential projects, including nearly 1,200 units planned to open this year from the New York/New York III homeless housing agreement and about 800 other residential pipeline beds.
- **Invest $1 Million to Implement Raise the Age.** OMH will provide additional staffing resources to provide mental health services to support minors who, in 2016, will be relocating from several rehabilitation facilities to a single separate juvenile facility. OMH will partner with the Office for Children and Family Services (OCFS) and the Department of Corrections and Community Supervision (DOCCS) on this effort.
- **Establish Jail-Based Restoration Programs for Felony-level Defendants.** OMH will work with participating counties to develop restoration units for felony-level defendants while they are restored to competency as they await trial. The restoration units will be operated in counties that volunteer to participate, and will be maintained as separate residential treatment units within the jail. This program has been identified as a best practice by the National Judicial College, and has been implemented in 10 other states with well-documented success. This program will also result in reduced operational costs for the State and participating counties.

- **Provide Mental Health Supports for OMH Long Term Care Patients Moving to Skilled Nursing Facilities or Managed Long Term Care Programs.** OMH will utilize either a Managed Long Term Care (MLTC) Program with wrap-around community support, or a Skilled Nursing Facility (SNF) to serve approximately 100 long-term care patients. This initiative will ensure that the population requiring both long-term care and mental health services will receive care in more appropriate settings.

OASAS

The Executive Budget supports OASAS' continued efforts to better serve individuals with dependencies on alcohol and chemical substances, and to provide services to those experiencing problem gambling issues. Specifically, the Budget will:

- **Combat the Heroin Epidemic.** In total, the Budget provides $141 million, an increase of $6 million from FY 2016, to address the growing heroin and opiate epidemic in communities across the State. These funds will continue to support prevention, treatment and recovery programs targeted toward chemical dependency, residential service opportunities, and public awareness and education activities. Specifically, the funding will enable OASAS to implement the following initiatives:

- **Family Support Navigators.** Navigators will assist and inform those seeking treatment and their families of options for insurance coverage and OASAS treatment systems.
- **On-Call Peers.** Peers will be available to assist individuals who are in need of Substance Use Disorder (SUD) treatment to make the connection from hospital emergency rooms to the OASAS treatment system.
- **Adolescent Clubhouses.** These safe, welcoming spaces will help teens and young adults who are in recovery or are at-risk for SUD to develop social skills that promote long-term health, wellness, recovery and a drug-free lifestyle.
- **Recovery Community and Outreach Centers.** These facilities provide recovery supports in a comfortable environment to individuals and their families that are in, or seeking, recovery from SUDs. The centers provide information and education on how to access treatment supports and wellness activities, and they extend peer supports and volunteers to assist in all areas of the Centers' operations.
- **Treatment Availability Tool.** This on-line tool will allow New Yorkers to search (in real time) for available treatment statewide; and
- **Kitchen Table Toolkit and Talk2Prevent.** New resources are offered including videos which can be used by parents, teachers and community members to help begin

conversations with youth concerning the health risks and dangerous consequences of heroin and prescription painkiller abuse. Talk2Prevent is designed to help New Yorkers talk early and often with your kids regarding alcohol and its dangers.

- **Transition Behavioral Health to Managed Care.** The Budget supports a total of $7 million in new Medicaid rate enhancements to stabilize providers as they transition to managed care, including those that operate Free Standing Inpatient Alcohol Rehabilitation, Residential Rehabilitation Services for Youth, Residential Detox and Outpatient Detox services.
- **Implement Residential Redesign.** OASAS will continue to implement a redesign of residential treatment capacity which creates flexibility within the system to allow providers to serve individuals in need of short-term and long-term treatment as they detox from heroin and prescription painkillers.
- **Increase Housing and Community Capacity.** The Budget includes $7 million in new funding for 300 new beds scheduled to be developed over the next two years. This includes 170 new congregate care beds associated with the NY/NY III program and 130 new beds in Suffolk, Albany, and Westchester counties, and in the Southern Tier to support the Governor's Combat Heroin initiative.
- **Provide for Synthetic Drug Testing.** The Budget also includes $2 million in new capital funding to purchase synthetic drug testing

devices to be used by State Police and local law enforcement officials. These portable, hand-held machines can instantly analyze unknown substances and determine if they contain any dangerous synthetics drugs or any other substance. This information will enable officers to more accurately distinguish between individuals with symptoms of drug use and those experiencing non-drug induced psychotic episodes, as well as enable quicker treatment of these individuals if they are admitted to a hospital.

Justice Center

To protect the health and safety of vulnerable individuals in the State's care, the Justice Center has primary responsibility for receiving, investigating and/or reviewing abuse and neglect allegations at certain facilities and programs that are operated, certified, or licensed by the following six agencies: OMH, OPWDD, OASAS, DOH, OCFS, and the State Education Department. The Justice Center is responsible for ensuring the safety and well-being of the approximately one million adults and children with physical or intellectual disabilities and who require services or placement from one of the over 3000 facilities or service providers overseen by the six State agencies.

To fulfill its mission, the agency operates 13 locations across the State, and employs investigators, prosecutors, advocates, and others. The Justice Center investigates nearly 10,000 reported allegations of abuse and neglect annually, and in 2015 assumed more investigative responsibilities in State-operated facilities. Operational efficiencies have resulted in an accelerated case closure process, allowing the agency to close 4,000 more cases than were opened during the year and permanently accelerate the average case-closure timeframe. The Executive Budget recommends $54.5 million in new appropriations, providing the necessary funding for the agency to perform its core functions timely and efficiently. Specific investments include the statewide training of local law enforcement officers to facilitate effective interviewing techniques of individuals with special needs and disabilities.

Multi-Agency Budget Actions

The Executive Budget includes $12 million to support the statutorily driven Cost of Living Adjustment and Medicaid trend at not-for-profits that provide services on behalf of OPWDD, OMH and OASAS.

The Budget continues longstanding flexibility in the delivery of services operated, funded, or approved by various State agencies, including OMH, OPWDD, OASAS, and OCFS by extending for five years the existing requirements for certain social work and mental health workers.

12. PUBLIC SAFETY

The FY 2017 Executive Budget reflects an approach to public safety that is smart, tough and fair, while providing new resources to State and local responders to better protect New York families and their property during emergencies.

Overview

The State spends $4.8 billion annually to protect New York 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

In September 2014, Governor Cuomo initiated a counter terrorism surge in the New York City metro area with enhanced security measures and an increased

State Police, Metropolitan Transportation Authority police, and National Guard presence. This year, the State began utilizing the "See Something, Send Something" mobile app to help New Yorkers report suspicious activity. The Governor also proposed, through the Department of Financial Services, new anti-terrorism and anti-money laundering regulations to detect, deter, and prevent illicit transactions that fuel worldwide criminal and terrorist networks. The FY 2017 Executive Budget builds upon these actions and strengthens preparedness by expanding the current surge to deploy law enforcement to critical infrastructure throughout the state.

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 2005 to 2014, the crime rate in New York declined 18 percent, with a continued decline in the first six months of 2015. In 2014, the number of major crimes committed reached the lowest levels ever recorded, when there were 80,014 fewer major crimes reported statewide than in 2005. 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 issued an Executive Order to establish a facility to house 16- and 17-year old youth who are in the State's correctional system. This action will relocate certain juvenile offenders from adult prison facilities into an age-appropriate alternative. The Governor also offered pardons to persons convicted of non-violent crimes committed when they were 16 or 17 years old, and who have since lived crime-free for 10 or more years, giving an opportunity for over 10,000 people to escape the limitations of a criminal record and become productive citizens. The FY 2017 Executive Budget takes additional measures to advance the Governor's Raise the Age Campaign.

Summary of All Funds Spending

Category	FY 2016 (millions)	FY 2017 (millions)	Change	
			Dollar (millions)	Percent
Department of Corrections and Community Supervision	2,988	2,943	(45)	-1.5%
Division of State Police	730	726	(4)	-0.5%
Division of Criminal Justice Services	229	232	3	1.3%
Division of Homeland Security and Emergency Services	577	578	1	0.2%
All Other	260	305	45	17.2%
Total Public Safety	**4,784**	**4,784**	**0**	**0.0%**

Spending for public safety agencies is projected at $4.8 billion for FY 2017. The year-to-year change in the Department of Corrections and Community Supervision is primarily attributable to the elimination of funding for a non-recurring 27th institutional payroll.

Proposed FY 2017 Budget Actions

Disaster Recovery and Preparedness

- **Continue the Surge and Make State Police Presence in New York City Permanent.** Reinforcing the Governor's 2014 counter-terrorism surge, the State will establish a permanent State Police presence in New York

City. These specially-trained uniformed State Troopers will partner with dozens of investigators to strengthen the law enforcement presence in and around New York City's transit hubs and other critical infrastructure.

- **Protect Critical Infrastructure.** The State currently engages public and private organizations to conduct security assessments of critical infrastructure and key resources. These assessments help local governments and businesses develop comprehensive protection strategies against evolving threats. The FY 2017 Executive Budget will increase the number of exercises performed annually and ensure exercises occur in each of New York State's 16 Counter Terrorism Zones.

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, have set this age at 17 or 18 years old.

  Beginning in August 2016, 16 and 17 year old youth will be housed at Hudson Correctional Facility, currently a DOCCS operated facility that is undergoing transformation to appropriately house and serve younger offenders. Youth will receive specialized age-appropriate

programming, and individuals presenting with mental health needs will have access to services provided by staff from the Office of Mental Health.

The FY 2017 Executive Budget reflects the next steps in juvenile justice reforms through legislation to raise the age of juvenile jurisdiction to age 17 on January 1, 2018 and to age 18 on January 1, 2019. Additional reform measures include comprehensive diversion, probation, and programming services for 16 and 17 year old youth who will be involved in the juvenile justice system.

- **Re-entry Initiatives.** In FY 2017, the State will undertake reforms to hold fewer people in prison pre-trial, bring sentencing practices into the 21st century and expand alternatives to incarceration. Through a comprehensive re-entry initiative, New York will provide citizens who enter the criminal justice system the opportunity to rehabilitate, return home, and contribute to their communities.
- **Alternatives to Incarceration.** In FY 2017, $1 million will be invested to expand and modernize ATI programs, ensuring that they are focused on high-risk and high-need populations.
- **Video Visitation.** Incarcerated individuals who have regular contact with family members fare better upon release. This initiative will increase opportunities for video visitation between parents, children, and other family members.

- **Reduce Criminal Behavior through Education.** Expand college level education programs for incarcerated individuals through $7.5 million investment of criminal forfeiture funds obtained by the Manhattan District Attorney.
- **Provide Transitional Support.** The first six months immediately following a person's release from the criminal justice system are the most crucial. The Governor's re-entry agenda supports transitional housing, connections to employment, and provision of medical and mental health services.

13. STATE WORKFORCE

Overview

The New York State workforce delivers vital public services and manages a range of critical facilities and provider networks. There are 180,252 full-time equivalent State employees within 59 Executive agencies, the SUNY and CUNY systems and in the Offices of the Attorney General and State Comptroller. The Executive has direct control over 65 percent of the State workforce (118,311 full-time equivalent employees). Staffing levels are expected to remain relatively stable in FY 2017.

Category	FY 2017		Change	
	3/31/16 Est.	3/31/17 Est.	Number	Percent
Workforce Subject to Direct Executive Control	118,311	118,538	227	0.19
University Systems	57,465	57,465	0	0.00
Office of the State Comptroller	2,643	2,663	20	0.76
Department of Law	1,833	1,839	6	0.33
Grand Total	**180,252**	**180,505**	**253**	**0.14**

Approximately 94 percent of the State workforce is unionized with the remaining portion serving in

Management/Confidential (M/C) assignments. State employees receive an average compensation (salary and other pay) of roughly $69,000. Over the past five fiscal years, the State has spent an average of $6.6 billion on employee fringe benefit programs, including employee and retiree health insurance, pensions and workers' compensation.

In FY 2013, 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 reform will significantly diminish long-term pension costs, saving the State, local governments and school districts more than $80 billion over 30 years.

Consistent with Governor Cuomo's push to restore economic justice by making New York the first state in the nation to enact a $15 minimum wage for all workers, the Budget includes the phased-in minimum wage increase for State employees and employees of the State University of New York.

Promoting Workforce Fairness and Affordability

Minimum Wage for State Workers

The minimum wage for State workers is being increased on the same phased-in schedule as is currently underway for fast food workers. The initial increase took effect in the first pay period beginning on or after December 31, 2015. As of that pay period, all State workers are receiving an hourly wage that is no less than:

- $10.50 per hour for State employees whose job location is within the five boroughs of New York City; or
- $9.75 per hour for State employees in all other job locations.

This initial increase will benefit nearly 2,000 employees. When fully phased-in on July 1, 2021, the $15 minimum wage will benefit approximately 10,000 Executive Branch State employees (including employees of the Office of the Attorney General and Office of the State Comptroller), as well as employees of the State Legislature and the State Judiciary. The minimum wage is also being increased for more than 28,000 employees of the State University of New York.

The immediate costs of the increases will be absorbed in agency budgets as a result of increased efficiencies.

Collective Bargaining

Most State employee union contracts will expire at the end of FY 2016. Employees represented by the Public Employees Federation (PEF) and the Police Benevolent Association of New York State (PBANYS) are currently working under expired contracts. The union representing State Police Investigators has had no contract in place for the period beginning April 2011. The State is currently engaged in collective bargaining with these unions. The State Police Troopers and Commissioned and Non-Commissioned Officers whose contracts expire at the end of FY 2018 will receive a 1.5 percent general salary increase at the start of FY 2017 and again in FY 2018.

Meeting Emerging Priorities

Since 2013, the workforce levels in agencies subject to direct Executive control have remained stable, with annual changes of 1 percent or less. The FY 2017 Executive Budget continues that trend – there are no

planned layoffs and no newly announced facility closures.

In FY 2017, the State workforce will remain stable in most agencies or modestly decline via attrition primarily associated with continued efforts to improve operating efficiencies. The Budget includes workforce increases in select State agencies to support investments to meet emerging priorities, including:

- **The Department of Corrections and Community Supervision.** Additional staff will support a variety of efforts, including meeting the requirements of Executive Order #150, which requires 16 and 17 year old youth to be housed at a separate facility from adults. Youth offenders will be transitioned to the Hudson Correctional Facility where they will receive specialized age-appropriate programming and individuals with mental health needs will have access to services provided by the Office of Mental Health.
- **The Department of Health.** Additional staff will support the continued take-over of Medicaid Administration from the counties.
- **The Office of General Services**. Additional staff at the Business Services Center will support human resource and finance operations for various State agencies.

Employee Fringe Benefits and Fixed Costs

The State provides a variety of fringe benefits to its current and former employees, including health insurance, pensions and workers' compensation coverage.

Category	FY 2016 (millions)	FY 2017 (millions)	Change	
			Dollars (millions)	Percent
Health Insurance	3,479	3,709	230	6.6
Pensions	2,202	2,370	168	7.6
Social Security	981	966	(15)	-1.5
Workers' Compensation	454	357	(97)	-21.4
All Other	509	540	31	6.1
Total	**7,625**	**7,942**	**317**	**4.2**

All Funds spending is projected to increase by $317 million (4.2%). The health insurance cost increase is primarily attributable to increased prescription drug costs, including increased utilization of specialty drugs for chronic conditions and price inflation for most other drugs. Pension costs are growing primarily due to the increase in the graded rate associated with pension amortizations, as determined by the pension systems. Workers' compensation costs are increasing based on growth in the average weekly wage for benefit

calculations and medical costs, partially offset by the use of $140 million in existing reserve funds.

Proposed FY 2017 Actions

State Retiree Health Insurance Reform

The Executive Budget includes the following three proposals to help restrain the growth in State retiree health care costs:

- **Implement Differential Health Care Premium Contributions for Certain New Retirees Based on Years of Service.** The Budget provides more equitable funding for retiree health insurance coverage for certain new civilian State retirees with less than 30 years of service. Currently, an employee retiring with 10 years of service pays the same amount for their health insurance coverage as an employee who retires with 30 years of service. Under this proposal, similar to the calculation for pension benefits, new civilian retirees would pay differential healthcare premiums based on years of service. Those retiring with less than 30 years of service would have to contribute a greater share of their health insurance costs. Costs would be proportionately greater for an individual with ten years of service, and gradually decrease until they are no different than current levels once an individual reaches 30 years of service. This change would

take effect with new retirees as of October 1, 2016.

- **Eliminate Reimbursement for the Medicare Part B Income Related Monthly Adjustment Amounts (IRMAA) for High Income State Retirees.** The Federal government imposed this supplemental IRMAA premium in 2007 to require high income retirees to pay more of the increasing Medicare costs. New York, and only one other state (Hawaii), provide reimbursement of the premium to all high income retirees and their dependents. This taxpayer subsidy of New York State's high income retirees currently ranges from $584 annually for new retirees with an Adjusted Gross Income (AGI) between $85,000 and $107,000, to a subsidy of $3,216 annually for new retirees with AGI above $214,000. The Budget eliminates this reimbursement effective January 1, 2016.

- **Maintain Reimbursement of the Medicare Part B Standard Premium for New State Retirees at $104.90 per month.** New York is one of only three states (along with Hawaii and California) that provide full reimbursement of the standard premium to all eligible retirees and their dependents. Under this proposal, New York would continue to reimburse the standard premium for new and existing retirees ($104.90 per month), but would not provide reimbursement for an unfunded Federal Cost of Living Adjustment imposed on new retirees, IRMAA payers or non-Social Security payers ($17 per month). This change would take effect October 1, 2016.

14. TRANSPORTATION

The FY 2017 Executive Budget makes new capital investments to improve the State's transportation system, increase mobility, and support economic growth. The Budget reflects the Governor's commitment of $8.3 billion in State resources toward the Metropolitan Transportation Authority's (MTA's) $26.1 billion 2015-2019 transit capital plan that will renew, enhance and expand the MTA network. The Budget also funds an unprecedented $22.1 billion 5-year State Transportation Capital Plan. This Plan will improve roads, bridges, airports, rail facilities, ports and transit systems funded through the Department of Transportation (DOT) budget and make State-funded investments in the Thruway to lessen the capital burden on toll payers. The State Plan covers the same period as the MTA plan (SFY 2016 through SFY 2020) and builds on $18.3 billion in core DOT funding and $1.3 billion in SFY 2016 Thruway Stabilization funds by adding $1.8 billion in new State and Federal resources and $700 million of new Thruway Stabilization funding.

As the result of investments in this Budget, tolls on all Thruway facilities, including the existing Tappan Zee Bridge and the New NY Bridge that will replace it, will be held at current levels until at least 2020. The Budget also includes $340 million to fund a tax credit that will defray Thruway toll expenses for business and passenger electronic pass account holders that meet certain use thresholds.

Legislation included with the Budget will transfer the New York State Canal Corporation from the Thruway Authority to the New York Power Authority.

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 who ride 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 $1.8 billion in revenue for the State and localities in FY 2017. 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, which operates the 524-mile navigable waterway, will be transferred to the New York Power Authority under legislation proposed in the FY 2017 Executive Budget.

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

For the transportation plan period that began in FY 2016, the Executive Budget provides 5-year funding for a DOT capital program of over $22.1 billion, including State-funded investments in the Thruway. The DOT total reflects previously planned core funding of $18.3

billion, increased by $1.1 billion of new State funds and $700 million of new Federal funds anticipated under the Fixing America's Surface Transportation Act, or "FAST Act." These increases will help facilitate the capital improvement of highways, bridges, rail, aviation infrastructure, non-MTA transit, and DOT facilities.

Included within DOT's Capital Plan is funding to complete the initial phase of the Hudson Links Bus Rapid Transit project. This funding fulfills the Governor's commitment to ensure that the infrastructure is in place to deploy and operate the new service in time for the opening of the New NY Bridge.

A new $200 million Upstate Airport Economic Development and Revitalization Competition is also included in the increased funding.

Funding for local highway and bridge projects under the Consolidated Highway Improvement Program (CHIPS) and Marchiselli program is maintained at last year's level of $477.8 million.

The new plan also includes the launch of three new initiatives – BRIDGE NY, PAVE NY, and the Extreme Weather Infrastructure Hardening Program. These initiatives will further improve conditions on State and local roads and bridges, as well as provide resiliency to

roadways that are particularly susceptible to weather events. Over the plan period, $2.5 billion is associated with these programs.

DOT's capital program is supported by Federal aid, State capital projects funds, financial settlement 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.

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 that provide an estimated 3.8 billion rides annually. In FY 2016, State transit aid accounted for approximately 35 percent of the operating resources used to support the State's transit systems.

The FY 2017 Executive Budget provides operating support totaling $5.0 billion to transit systems. The MTA will receive $4.5 billion, an increase of $201

million over current FY 2016 estimates. This includes a $309 million contribution from the General Fund to offset the revenue losses incurred by the MTA from elimination of the payroll tax for small businesses. The Budget provides $194 million in operating support for upstate transit systems, an increase of $5 million or 2.6%, over FY 2016. The Executive Budget also provides $20 million in capital support for Upstate systems, an increase of $5 million over FY 2016 capital funding.

The Budget reflects the Governor's commitment of $8.3 billion in State resources toward funding the MTA's $26.1 billion 2015-2019 transit capital plan. The Budget includes legislation to authorize the remaining $7.3 billion of this commitment, and spending will continue from the $1 billion FY 2016 appropriation, including $750 million to support the MTA's 2015-2019 core capital program and $250 million to advance the MTA's Penn Station Access project.

Department of Motor Vehicles

Accounting for the steady increase in the volume and complexity of its transactions, DMV has utilized electronic and internet-based services to increase the

efficiency of transaction processing. These services also provide customers with a faster and more 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 Thruway is a vital transportation artery that connects people to their jobs and their families and moves billions of dollars of products to market. The FY 2017 Executive Budget includes a new appropriation of $700 million from the Special Infrastructure Account for the Thruway Stabilization program. This money will

support capital investment on the Thruway system, complementing the $1.285 billion appropriated for this program in FY 2016. Together, this State support will allow the Authority to avoid raising tolls on any of its facilities until at least 2020.

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 includes legislation to transfer the New York State Canal Corporation from the Thruway Authority to the New York Power Authority. The transfer allows the Budget to eliminate annual operating subsidies to the Thruway Authority. The subsidies, which began in FY 2014 to offset the need for

a commercial toll increase, has totaled $85 million annually, including the State takeover of personnel costs of the Division of State Police Troop T which patrols the Thruway, a direct appropriation, and the waiver of certain annual billings due from the Authority to the State.

Summary of State Funds Spending

Category	FY 2016 (millions)	FY 2017 (millions)	Change	
			Dollar (millions)	Percent
Transportation Spending	8,429	8,663	234	2.8
Department of Transportation	3,220	3,402	182	5.7
Metropolitan Transportation Authority	4,908	4,986	78	1.6
Department of Motor Vehicles	278	275	(3)	(1.1)
Thruway Authority	23	0	(23)	(100)

Proposed FY 2017 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.

DOT Capital Highlights

- **Airport Economic Development and Revitalization Competition Program.** The Budget provides $200 million for an Upstate competition to accelerate investments in commercial passenger and cargo service airports, creating thousands of well-paying jobs and promoting economic development. The State will award grants to five airports of approximately $40 million each. Grants will fund projects that enhance safety, improve operations and access, reduce environmental impact, and create better passenger experiences. Successful proposals will create jobs, incorporate sustainable "green" building techniques, use renewable energy, demonstrate support from airlines and the community, leverage private investments, and demonstrate cost effectiveness.
- **BRIDGE NY Program.** The 5-year transportation program includes $1 billion to replace, rehabilitate and maintain vital State and local bridges. By addressing the needs of at least 200 bridges across New York, this multi-year initiative will protect public safety and support economic growth and commercial activities.
- **PAVE NY Program.** The 5-year program includes $1 billion for State and local paving projects that will ensure smoother rides for passenger and commercial traffic and result in fewer costly delays and slowdowns. Up to 1,300 lane miles of paving will be addressed over the plan period.

- **Extreme Weather Infrastructure Hardening Program.** The plan includes $500 million over the 5-year program period to improve roadways that have proven susceptible to flooding and other extreme weather related events so that they remain safe and passable.
- **Preserve Local Capital Aid.** Capital aid to local governments for highway and bridge projects is preserved, with $438.1 million provided for the Consolidated Highway Improvement Program (CHIPS) and $39.7 million for the Marchiselli program.

Transit

- **Increase Transit Aid Levels.** The Budget proposes $5.0 billion in transit operating aid for systems throughout the State. The MTA will receive $4.5 billion, an increase of $201 million from current FY 2016 estimates. Other transit systems will receive $497 million, an increase of $22 million from prior year operating aid levels despite the deterioration of dedicated transit tax revenue.
- **Verrazano Bridge Rebate Programs.** The MTA operating aid budget includes $10.3 million for continuation of the commercial and Staten Island resident rebate programs, fully funding the State's contribution.

- **Debt Service Costs.** The Budget ends the annual use of $20 million in mass transportation operating assistance funds to pay for a portion of State debt service associated with previously issued MTA service contract bonds.
- **Upstate Transit.** The Budget increases Upstate operating aid by $5 million and capital aid for Upstate is increased by $5 million.

Thruway Authority

- **Invest in Infrastructure and Freeze Tolls Until at Least 2020.** The Executive Budget includes a new capital appropriation of $700 million, on top of last year's commitment of $1.285 billion, to support capital projects throughout the Thruway system. This State investment in Thruway infrastructure will allow for tolls to be held at current rates until at least 2020.
- **Reduce Tolls for Frequent Thruway Users.** To lower the cost of traveling the New York State Thruway for commuters and other heavy users, and to lower the cost for businesses of bringing products to market, the Budget provides a nonrefundable credit for Thruway tolls paid electronically. Drivers of passenger vehicles who spend at least $50, annually, and businesses and commercial account holders who spend between $100 and $9,999, annually, in Thruway tolls would receive a tax credit worth 50 percent of tolls paid. For farmers, the Budget provides a 100 percent nonrefundable credit, regardless of

usage, for farm vehicle use on the Thruway. The program would begin on January 1, 2016 and sunset December 31, 2018. Over the three years, drivers will save $340 million.

- **Transfer the Canal Corporation to the Power Authority and Eliminate State Subsidies to the Thruway Authority.** Legislation in the Budget transfers the New York State Canal Corporation from the Thruway Authority to the New York Power Authority, allowing for the elimination of $85 million in annual State operating subsidies to the Thruway.

15. LEGISLATION REQUIRED FOR THE BUDGET

Education, Labor and Family Assistance

- Amend Education Law and make other changes necessary to authorize School Aid and implement education-related programs in the Executive Budget
- Amend Education Law to implement school safety reforms in the Executive Budget
- Re-establish funding parity for CUNY
- Renew the NYSUNY 2020 and NYCUNY 2020 program
- Establish the SUNY Stony Brook Affiliation Escrow Fund
- Enact the New York State DREAM Act
- Extend and make conforming changes to various scholarship and loan forgiveness programs
- Allow public accounting firms to have minority ownership by individuals who are not Certified Public Accountants
- Extend mayoral control over the New York City public school system until June 30, 2019
- Reform the State Apprenticeship Training Council
- Increase the Minimum Wage

- Enhance the Urban Youth Jobs Tax Credit
- Make statutory changes to comply with the Federal Preventing Sex Trafficking and Strengthening Families Act
- Raise the Age of Juvenile Jurisdiction
- Authorize the pass-through of any Federal Supplemental Security Income Cost of Living Adjustment which becomes effective on or after January 1, 2017
- Modify Mortgage Insurance Fund Utilization

Health and Mental Hygiene

- Modify New York City's local funding contribution under the Medical Assistance Program
- Make statutory changes necessary to continue implementation of Medicaid Redesign Team recommendations
- Extend the Physicians Excess Medical Malpractice Program and amends its distribution methodology
- Extend the authorization to make Disproportionate Share Payments, to operate certain Special Needs Plans, to continue the current reimbursement methodology for general hospitals regarding behavioral rates, to operate the Patient Centered Medical Home Program, and to authorize temporary operators of adult homes

- Reform the Early Intervention program
- Modify the Health Care Facility Transformation program
- Make statutory changes necessary to allow retail business operations to operate limited services clinics
- Authorize the Office of Mental Health to continue to recover Medicaid exempt income from providers of community residences
- Extend authorization for the Comprehensive Psychiatric Emergency Program (CPEP)
- Extend for five years the long-time exemption from licensure for individuals working in certain programs and services that are regulated, operated, funded or approved by the Office of Mental Health (OMH), the Office for People with Developmental Disabilities (OPWDD), the Office for Alcoholism and Substance Abuse Services (OASAS), the Department of Health (DOH), the State Office for the Aging (SOFA), the Office of Children and Family Services (OCFS), the Department of Corrections and Community Services (DOCCS), the Office of Temporary and Disability Assistance (OTDA) and/or local governmental units or social service districts
- Authorize the Office of Mental Health to work with volunteering counties to establish jail-based restoration to competency programs for individuals awaiting trial

- Provide authority for OMH and OPWDD to appoint temporary operators for the continued operation of programs and the provision of services for persons with serious mental illness and/or developmental disabilities
- Permit State operated facilities to share clinical records with managed care organizations
- Authorize an OASAS licensed treatment facility that provides alcohol and/or substance abuse services to also operate a traditional physical health care clinic, while remaining eligible for DASNY financing

Public Protection and General Government

- Establish the Criminal Justice Reform Act of 2016
- Continue provisions relating to the disposition of certain monies recovered by county district attorneys
- Suspend a subsidy to a revolving loan fund from cell surcharge revenues
- Enhance the State's counter-terrorism intelligence gathering and analysis operations through the realignment of resources
- Extend the tuition benefit program for members of the New York Army and Air National Guard and the Naval Militia that would otherwise sunset
- Make the Procurement Stewardship Act and the Procurement Lobbying Law permanent

- Enact Workers' Compensation Reform
- Establish Paid Family Leave
- Establish the New York State Design and Construction Corporation Act
- Implement differential premiums for future New York State Health Insurance Plan retirees based on years of service
- Cap reimbursement of the Medicare Part B standard premium for new State retirees and cease reimbursement for the Income Related Monthly Adjustment Amounts for high income State retirees in the New York State Health Insurance Program
- Extend binding arbitration, including provisions for fiscally eligible municipalities, for three years
- Amend the Dedicated Infrastructure Investment Fund
- Authorize transfers, temporary loans, and amendments to miscellaneous capital/debt provisions, including bond caps

Revenue

- Convert STAR exemption benefit into a tax credit for new homeowners
- Cap annual growth in Basic and Enhanced STAR exemption benefit at zero percent
- Make Income Verification Procedure (IVP) Mandatory

- Allow late filing of renewal STAR and Senior Citizens exemption applications based on hardship or good cause shown
- Convert NYC PIT STAR Credit into NYS PIT Credit
- Authorize the Commissioner of Taxation and Finance to make direct payments of STAR tax savings to property owners in appropriate cases
- Make permanent and update certain modernization provisions of the Tax Law
- Authorize additional credits of $8 million for Low-Income Housing Credit for each of the next five fiscal years
- Extend the Hire-A-Vet Credit for two years
- Extend the Empire State Commercial Production Tax Credit for two years
- Extend the Credit for Companies who Provide Transportation to Individuals with Disabilities for six years
- Permanently extend the non-custodial Earned Income Tax Credit (EITC)
- Permanently extend tax shelter reporting requirements
- Extend the Clean Heating Fuel Credit for three years
- Extend the Excelsior Jobs Program for five years
- Amend the State and New York City corporate tax reform statutes for technical amendments
- Conform to new federal tax filing dates

- Provide a corporate and personal income tax small business tax cut
- Establish education tax credits
- Establish Thruway toll tax credits
- Extend the alternative fuels tax exemptions for five years
- Establish additional alcohol beverage tasting exemptions and production credits
- Expand jeopardy assessments to the cigarette and tobacco tax
- Simplify the taxation of remarketed rooms
- Eliminate charitable giving as a factor in determining domicile for the estate tax
- Amend State and local tax law for consistency with Federal tax regulations on aviation fuel
- Remove restriction for Morrisville College to be a single lab testing provider and modify requirements for horsemen to contribute to equine steroid testing
- Increase VLT purse enhancements from 1.0% to 1.6% and increase regulatory fee from 0.5% to 0.6% to finance escalating lab testing costs and other expenses associated with equine health and racing integrity
- Adjust timing of reimbursement to the Gaming Commission of per diem costs for harness racing judges and starters
- Provide for an additional commission for certain Video Lottery Terminal facilities

- Extend Monticello Video Lottery Terminal rates for one year
- Extend certain tax rates and certain simulcasting provisions for one year
- Extend the Video Lottery Gaming (VLG) vendor's capital awards program for one year
- Amend the Upstate New York Gaming and Economic Development Act for technical changes

Transportation, Economic Development and Environmental Conservation

- Commit the State of New York and the City of New York to fund $10.828 billion of the MTA's 2015-2019 Capital Program
- Authorize MTA procurement reforms to create savings for their 2015-19 Capital Plan
- Enact project delivery reforms which generate savings throughout the MTA's 2015-19 Capital Plan period
- Consolidate four existing Department of Motor Vehicles' Special Revenue Funds within the Dedicated Highway and Bridge Trust Fund (DHBTF)
- Bring New York State into compliance with federal regulations regarding covered farm vehicles as well as requiring a P endorsement to operate certain vehicles
- 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
- Establish the Transformational Economic Development Infrastructure and Revitalization Projects Act
- 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, policy and planning, and Fuel NY programs and to finance the Department of Environmental Conservation's climate change program, from an assessment on gas and electric corporations
- Authorize the Department of Health to finance certain activities with revenues generated from an assessment on cable television companies
- Reduce the administrative burden associated with the Public Service Commission's review of municipal and investor owned utility rate requests
- Extend for one year the authority of the Secretary of State to charge increased fees for expedited handling of documents
- Place responsibility for mailing a copy of service of process with plaintiffs rather than the Department of State (DOS)

- Create a statutory model by which combative sports would be licensed and regulated by the State
- Extend the authorization of the Dormitory Authority of the State of New York to form subsidiaries
- Authorize the transfer of the New York State Canal Corporation to the New York Power Authority
- Enact the Private Activity Bond Allocation Act of 2016, to extend authorization for the issuance of tax exempt bonds for eligible purposes
- Enhance the marketing of New York farm products by authorizing the Empire State Development Corporation, in cooperation with the Department of Agriculture and Markets, to administer agricultural and dairy marketing orders
- Eliminate the sunset applicable to the waste tire management and recycling fee
- Create a new climate change mitigation and adaptation account and make changes to the Local Waterfront Revitalization Program in support of a $300 million Environmental Protection Fund
- Reduce the authorized reimbursement rate paid to governmental entities that voluntarily enforce the provisions of the navigation law

Good Government and Ethics Reform

- Close the "LLC loophole" by defining LLCs as corporations for the purpose of political donations
- Set limits on outside income for members of the Legislature
- Implement campaign finance reform and public financing of campaigns
- Enact comprehensive FOIL reform
- Enact Public Officer's Law reform
- Enhance voter opportunities
- Improve transparency and oversight related to vendors and for-profit businesses
- Enact lobbying reform

Pension Forfeiture Concurrent Resolution

- Amend the State Constitution to Require Pension Forfeiture of Public Officials Convicted of a Crime Related to Public Office

16. 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/). 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 FY 2017 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.