

Building a **New** New York

One Year Progress Report

Governor Andrew M. Cuomo



Summary

In the 12 months since his inauguration, Governor Andrew M. Cuomo has transformed Albany and made government work once again for the people. Passing a balanced, on-time budget, capping property taxes, driving innovative regional economic development, and enacting historic, fair tax rates, Governor Cuomo has restored New York's position as a leader among states, restored confidence in state government, and put New York back on a path to job creation and economic growth.

From his first day in office to the close of this year's extraordinary session of the State Legislature, Governor Cuomo worked closely with legislators and leaders from across the state to move New York forward. Through leadership and cooperation, they showed that progress is achieved when New Yorkers put aside their differences and come together.

Historic Legislative Session

By all accounts, the 2011 Legislative session was one of the most productive and historic in modern history. After decades of debate and stalemate, and while other statehouses and Washington were plagued with partisanship and gridlock, Governor Cuomo brought New York together, building broad coalitions and moving New York forward to a stronger and more prosperous future.

Closed \$10 Billion Deficit and Balanced the Budget

For the first time in years, New York passed an on-time budget. More important, the 2011-2012 budget closed a \$10 billion deficit with no new taxes or borrowing. And by reforming the budget process, Governor Cuomo put the state back on the path to fiscal sustainability for years to come, ending the automatic spending increases that for years went into effect with no consideration of economic consequences or the strain on state resources.

To provide for long-term structural reform of state government, Governor Cuomo established a Spending and Government Efficiency (SAGE) Commission to reduce the size of state government and ensure that taxpayers get the highest quality services for their money.

First-Ever Property Tax Cap

New York State's property taxes have long been among the highest in the nation—burdening families, killing jobs, and making the state less economically competitive. To end the devastating spiral of out-of-control property taxes, Governor Cuomo led the fight to enact a local property tax cap. The cap now limits tax increases to 2 percent, or the rate of inflation, whichever is lower. Equally important, the tax cap gives schools and localities the power to control their own destinies by providing a mechanism for communities to override the cap should they determine that an increase is in the best interest of the community.

Along with the property tax cap, Governor Cuomo launched a comprehensive mandate relief effort to reduce the burden placed on local governments and school districts. The Governor established a Mandate Relief Redesign Team that has already achieved about \$125 million in local spending relief, and whose work will continue to be a priority in the 2012 Legislative session.

Ethics Reform

For far too long, Albany's reputation has been tarnished by scandal and corruption. Through the comprehensive Public Integrity Reform Act of 2011, Governor Cuomo helped bring accountability, transparency, and integrity back to New York State government. Among its many reforms, the legislation requires state officials to make unprecedented disclosure of their income, assets, and outside clients/customers to whom they have provided services or acted to refer or solicit for their firm. The legislation also creates a public database of all lobbyists, strengthens lobbying restrictions, and ensures pension forfeiture for public officials who are convicted of a felony related to their office. It also establishes a new Joint Commission on Public Ethics to oversee the Executive branch, the Legislative branch, and lobbyists.

Marriage Equality

In June, New York passed the Marriage Equality Act, and became the largest and most influential state in the nation to extend full marriage equality to same-sex couples. To achieve this, the Governor formed a bipartisan coalition of organizers and supporters to overcome the defeat the bill had suffered in 2009. For Governor Cuomo, the fight for marriage equality was never just a struggle for rights and benefits under the law. It was a fight for the fundamental notion of equality and respect for everyone. It was about providing same-sex couples the equal ability to protect and care for one another, the equal freedom to express their lifelong commitment to each other, and the equal dignity of having their relationships recognized by the state they call home. Its passage helped restore New York's reputation as a progressive leader in our nation.



Other Major Session Accomplishments

Governor Cuomo accomplished many other lasting reforms in his first Legislative session that benefit a wide spectrum of New Yorkers. By ushering in the strongest rent regulation changes in nearly forty years, the homes of more than one million residents will be safeguarded. The changes included raising the deregulation rent and income thresholds for units and putting in place protections that stop landlords from manipulating the system at the expense of tenants.

To promote the growth of clean energy and power New York into the 21st century, Governor Cuomo passed the Power NY Act of 2011, which encourages investment in clean power plants and affords communities more meaningful input in the plant siting process. Power NY also expands opportunities for homeowners and businesses to invest in energy efficiency under the "Green Jobs/Green New York" program.

Recognizing that our colleges and universities play a vital role in the economic success of our state, Governor Cuomo issued the NYSUNY 2020 Challenge Grant Program, giving the State University of New York additional support to help build them into engines of regional economic development and world-class centers of research and innovation. The plan includes a modest increase in SUNY tuition in each of the next five years, allowing schools to add more faculty, increase student capacity, diversify class offerings, and improve graduation rates. The tuition plan also brings stability after years of unpredictable and often dramatic changes in SUNY tuition, allowing students and parents to better plan for college expenses.

The Governor also championed several proposals to strengthen New York's elementary and secondary education system. Working with the State Education Department and the Board of Regents, new regulations were enacted to begin improving our teacher evaluation system and to foster better performance in our schools. The Governor also created two \$250 million funds to incentivize school districts to improve student performance in the classroom and increase operational efficiencies.

Other significant actions in this session included legislation to assist veterans, reform the juvenile justice system, strengthen enforcement against dangerous drivers, and ensure health care coverage for the diagnosis and treatment of Autism Spectrum Disorder.



Post-session Accomplishments

Labor Agreements

While tough economic conditions pitted government and organized labor against each other in states across the nation, Governor Cuomo worked cooperatively with the state's two largest public employee unions to reach landmark labor contracts. The Governor worked with the Civil Service Employees Association (CSEA) and the Public Employees Federation (PEF) to reach deals that include a three year freeze on base wages and a redesign of employee health care contributions and benefits. The agreements with CSEA and PEF, which collectively represent 120,000 New York State employees, set a new standard for union contracts in New York and avoided widespread layoffs in a time of high unemployment.

Helping Hand to New Yorkers Hit by Hurricane Irene and Tropical Storm Lee

Last summer, New York faced two natural disasters that caused severe damage across the state. Hurricane Irene and Tropical Storm Lee, and the resulting floods caused by both storms, devastated homes, farms, businesses, and communities that were already facing economic hardship. Governor Cuomo's leadership and effective coordination of the state's response to the disasters led New York through the storms and set the state on the road to recovery.

Governor Cuomo directed a comprehensive, rapid, and targeted response to the storms, bringing together the power of diverse state resources to help New Yorkers in need. Before, during, and after the storms, the Governor was on site in the storm regions conducting two dozen ground visits and aerial tours. The Governor also deployed senior members of his administration to the affected areas to monitor storm activity and coordinate with local partners on storm response. After the storms, the Governor formed an Upstate Storm and Recovery Task Force, which conducted more than 75 meetings and visits to the hardest-hit areas of the state, and worked to expedite immediate and long-term recovery and reconstruction efforts. As one result, the Department of Transportation rebuilt and restored hundreds of miles of bridges and roads in just weeks – rather than the months that would have ordinarily been required.

Governor Cuomo initially directed the allocation of over \$50 million in state and federal grants and rebates to assist residents and businesses affected by the storms. This funding aided hundreds of farms and Main Street businesses and helped thousands of households rebuild.



More recently, in the Extraordinary session, an additional \$50 million was allocated for areas impacted by the natural disasters.

Tapping into the generous and neighborly spirit of New Yorkers across the state, the Governor launched a volunteer effort called “Labor for Your Neighbor” to encourage New Yorkers to help one another in local clean-up efforts. Through this initiative, thousands of volunteers, including Governor Cuomo and two dozen members of his administration, worked in flood-ravaged areas to help clean communities damaged by the storms. The Governor also created the “NY Works: Neighborhood Rebuilding Corps” to provide temporary jobs to several hundred unemployed New Yorkers to assist in reconstruction efforts.

Remembering 9/11

Working with the NYS Museum and the National September 11 Memorial & Museum, Governor Cuomo established thirty “New York Remembers” exhibitions as part of a statewide recognition of the tenth anniversary of the September 11, 2001 terrorist attacks. “New York Remembers” featured historical artifacts from the collections of the State Museum and the National September 11 Memorial & Museum. The exhibitions provided all New Yorkers across the state with a nearby place to remember the victims of September 11 and the opportunity to honor the countless heroes who served on September 11 and during the clean-up and recovery efforts.

Job Creation and Economic Development Efforts

Regional Economic Development Councils

Job creation, the restoration of a vibrant state economy, and a new reputation as a location for investment have been Governor Cuomo’s top priorities from his first day in office. One prime strategy has been redesigning New York’s approach to economic development and job creation through a statewide network of Regional Economic Development Councils. The Councils are a dramatic change from the state’s failed top-down development strategy to an approach that enables the 10 regions of the state to shape their own economic futures. The Governor’s 10 Regional Councils brought together stakeholders from labor, business, academia, and communities to develop long-term strategic plans based on their regions’ unique resources and specific priorities.

Governor Cuomo also realigned the state’s resources and regulations to support the Regional Councils, eliminating bureaucratic barriers to economic

development. As part of this effort, the Governor created a new Consolidated Funding Application, allowing a coordinated evaluation to award a combined pool of more than \$1 billion in grant money and tax credits from dozens of existing state programs.

The Regional Councils were driven to succeed through a simple concept – competition for state resources. After the Regional Councils created their plans, a statewide Strategic Plan Review Committee analyzed and ranked the plans to determine which would have the greatest potential to create jobs and spur economic development. In addition, over 2,500 applications under the Consolidated Funding Application were reviewed by the Regional Councils and other state funding agencies. At the conclusion of the process in December, more than \$785 million in state economic development funding was awarded to the Regional Councils' plans and projects. These grants funded more than 700 projects submitted under the strategic planning and Consolidated Funding Application processes.

Investment in New York

Throughout the past year, Governor Cuomo has worked to make New York open for business once again. After years with a debilitating, but well-earned, reputation as a state that is unfriendly to business development, the Governor brought in billions of dollars of investment to New York and attracted and retained good jobs throughout the state.

In just one stunning deal cemented by the Governor, \$4.4 billion in investment by five preeminent international technology companies put New York at the forefront of technological development. Intel, IBM, GLOBALFOUNDRIES, TSMC, and Samsung jointly invested in New York as the epicenter for building the next generation of computer chips. The investment will establish research and development facilities throughout the state and result in the creation and retention of 6,900 jobs. New York secured this investment over competitors in countries in Europe, Asia, and the Middle East, proving that major worldwide corporations are once again beginning to view New York as a prime location in which to invest and grow.

Over the last year, Governor Cuomo has worked with companies across the state to help them expand in New York and create thousands of jobs. Since the start of 2011, Empire State Development has approved incentive packages totaling \$286.2 million, pledging to create 16,305 new jobs and retain 45,005 existing jobs in New York State. The funding for these projects will leverage \$5.2 billion in private investment across the state.



Historic Job Creation and Middle Class Tax Cut Package

Like all states, New York faces economic challenges created by a struggling national economy and compounded by government dysfunction in Washington. But while Washington is paralyzed by political gridlock, here in New York Governor Cuomo has shown once again how to make government work for the people.

In early December, Governor Cuomo called the Legislature back for an Extraordinary session to pass a historic package of bills designed to strengthen the state's economy and create jobs. Through a bipartisan, cooperative effort with Speaker Silver and the Assembly and Majority Leader Skelos and the Senate, an unparalleled set of bills was enacted to respond to the economic challenges facing the state.

These bills include the "New York Works Agenda," which will put tens of thousands of New Yorkers back to work through a \$1 billion targeted investment in rebuilding New York's roads, bridges, parks, and waterways, and modernizing buildings to be cleaner and more energy efficient. The NY Works Agenda also includes designing a comprehensive plan for the gaming industry in New York, and encouraging businesses to hire inner city youth by providing tax credits.

With Governor Cuomo's leadership, the state Legislature also agreed to establish a more fair personal income tax code that provides a personal income tax cut for middle class New Yorkers. The tax cut brings New York's middle class tax rates to the lowest levels in 58 years and assures that no New Yorker will have a higher rate next year. These tax plans will help stimulate the economy and create jobs.

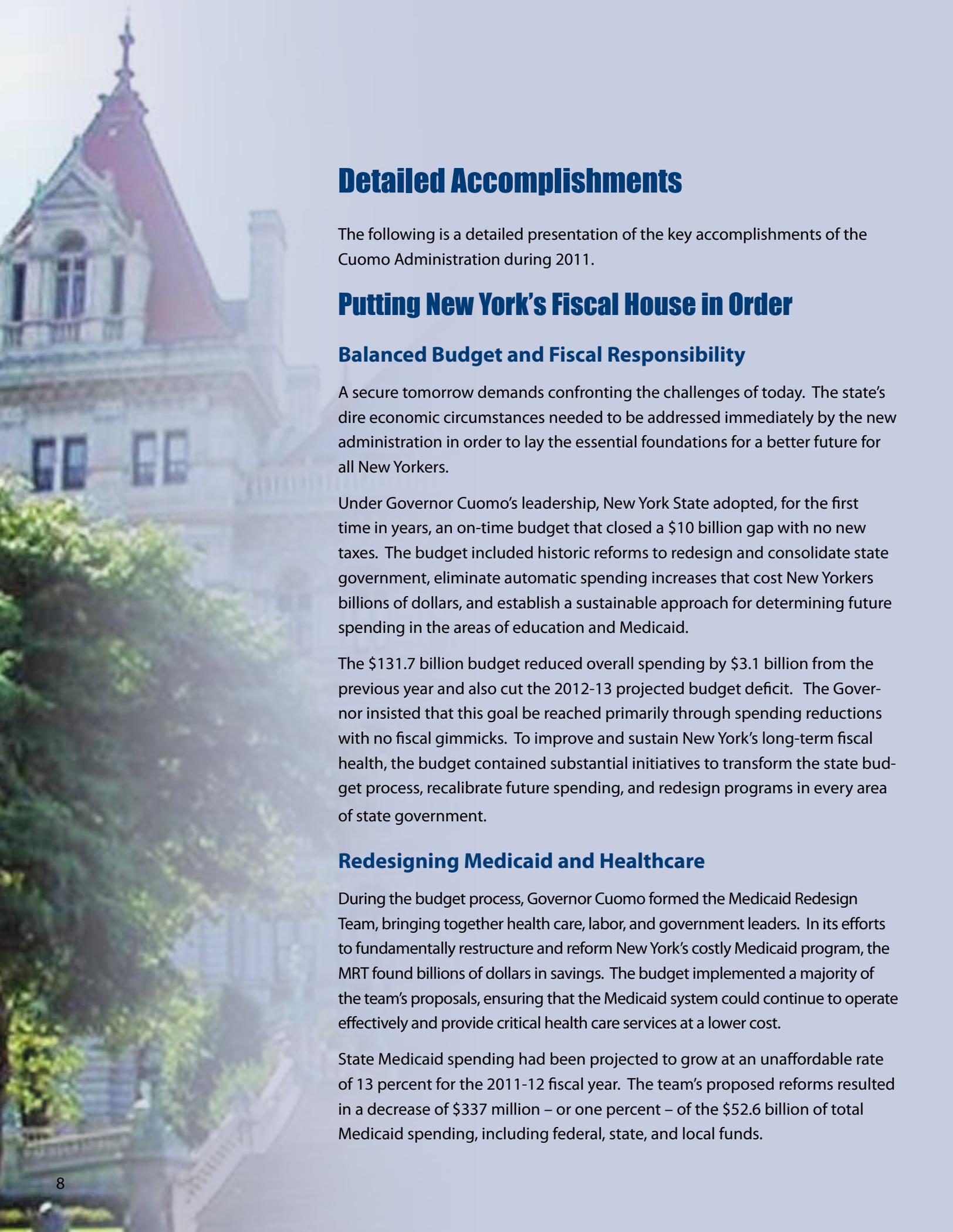
Additionally, the Legislature agreed with Governor Cuomo to eliminate the onerous MTA payroll tax on more than 700,000 taxpayers who own small businesses or make less than \$50,000 a year in self-employed income. The MTA payroll tax cut will save New Yorkers an additional \$250 million a year.

With these changes, middle class New Yorkers will see over \$900 million in savings.

In addition, the programs launched a new round of flood relief, including a \$50 million grant program and job retention tax credit for businesses impacted by the damage caused by Hurricane Irene and Tropical Storm Lee.

Conclusion

Leadership. In a year of remarkable turn-around and historic accomplishments, Governor Cuomo's leadership has been the critical factor in the rebirth of the Empire State and the emergence of a *New New York*. As he has often said, Governor Cuomo is committed to making New York's government – for the first time in decades – "as good as the people it serves." His first year in office has been filled with both great challenges and great successes. Nevertheless, New York has come together and is moving forward with bold leadership and a commitment to bipartisan cooperation.



Detailed Accomplishments

The following is a detailed presentation of the key accomplishments of the Cuomo Administration during 2011.

Putting New York's Fiscal House in Order

Balanced Budget and Fiscal Responsibility

A secure tomorrow demands confronting the challenges of today. The state's dire economic circumstances needed to be addressed immediately by the new administration in order to lay the essential foundations for a better future for all New Yorkers.

Under Governor Cuomo's leadership, New York State adopted, for the first time in years, an on-time budget that closed a \$10 billion gap with no new taxes. The budget included historic reforms to redesign and consolidate state government, eliminate automatic spending increases that cost New Yorkers billions of dollars, and establish a sustainable approach for determining future spending in the areas of education and Medicaid.

The \$131.7 billion budget reduced overall spending by \$3.1 billion from the previous year and also cut the 2012-13 projected budget deficit. The Governor insisted that this goal be reached primarily through spending reductions with no fiscal gimmicks. To improve and sustain New York's long-term fiscal health, the budget contained substantial initiatives to transform the state budget process, recalibrate future spending, and redesign programs in every area of state government.

Redesigning Medicaid and Healthcare

During the budget process, Governor Cuomo formed the Medicaid Redesign Team, bringing together health care, labor, and government leaders. In its efforts to fundamentally restructure and reform New York's costly Medicaid program, the MRT found billions of dollars in savings. The budget implemented a majority of the team's proposals, ensuring that the Medicaid system could continue to operate effectively and provide critical health care services at a lower cost.

State Medicaid spending had been projected to grow at an unaffordable rate of 13 percent for the 2011-12 fiscal year. The team's proposed reforms resulted in a decrease of \$337 million – or one percent – of the \$52.6 billion of total Medicaid spending, including federal, state, and local funds.



Future growth in the Department of Health's Medicaid spending will be limited to the 10-year rolling average of the Medical CPI. This cap on Medicaid spending, which has been one of the largest and fast-growing components of the state budget in recent years, will contribute significantly to closing out-year budget gaps.

More effective delivery of health care services was a key element of the budget's significant reforms. This goal will be achieved by substantially expanding patient-centered medical homes, better controlling home healthcare, and increasing care management for individuals with complex needs.

Realigning School Aid

Improving the quality of public education is fundamental to a prosperous future for this state. The budget realigned education financing to provide sustainable and reliable funding. Because the state can no longer afford to spend at the projected rate of growth – 13 percent for the 2011-2012 fiscal year – the budget created a new formula that ties school aid to the growth of the New York State personal income. The budget included school aid of \$19.6 billion for the 2011-2012 school year; following 2011-2012, school aid will be determined by this new formula. New York's schools will continue to spend significantly more per pupil than much of the nation, but this new approach will limit growth to sustainable levels. The budget also provided \$500 million in new grants to award districts that demonstrate significant student performance or make long-term structural changes to improve efficiency and reduce costs.

Promoting Real Economic Development

The budget included significant funding and program expansions aimed at promoting economic development and creating jobs – key priorities for this administration.

This new funding provided the resources to establish 10 Regional Economic Development Councils across the state. The Councils, a fundamental component of the Governor's long-term economic development efforts, shift the state's economic development strategy from a top-down model to a community-based one. The Councils act as a coordinated point of contact for state-supported economic development funding and business assistance programs in each region.

The budget also strengthened the Excelsior Jobs Program, providing \$500 million annually to support job creation and investment tax credit incentives to businesses in targeted industries, including high-tech and bio-tech.



The budget created the Recharge New York Program, a business retention and expansion program that provides long-term low-cost power contracts to businesses in New York State that make job and capital investment commitments. Additional programs will support farmers, development efforts in low-income communities, and small businesses looking to grow.

The budget maintained funding for the Environmental Protection Fund, which provides critical resources for municipal parks, waterfront revitalization, land preservation, and environmental assistance for businesses and farms.

Rightsizing Government

In these difficult economic times, Governor Cuomo sought a 10 percent, year-to-year general fund reduction for all state agency operations. The budget included the consolidation of eight agencies and authorities into four and eliminated excess capacity in our state prisons and mental health facilities. The consolidation of the Department of Parole and Corrections will save \$16.8 million; the merger of the Foundation for Science, Technology, and Innovation (NYSTAR) into the Department of Economic Development will save \$1.9 million; and the merger of Consumer Protection into the Department of State will save \$500,000.

One particularly noteworthy consolidation – the new Department of Financial Services (DFS) – will both save money and provide improved service to consumers, businesses, and investors. The DFS was created by Governor Cuomo’s “Financial Services Law,” which merged the state’s Banking and Insurance Departments. This new agency, which has the power to conduct complaint mediation, rulemaking, and enforcement, can more effectively regulate financial products and services. It has the authority to address a range of currently unregulated financial activities to protect consumers and promote a healthy marketplace.

Spending and Government Efficiency (SAGE)

To streamline the State’s operations and cut costs, the Governor also established, in addition to the mergers and consolidations authorized in the budget, the Spending and Government Efficiency (SAGE) Commission. The Commission is rooting out waste, inefficiency, and needless duplication in the State’s authorities and agencies, and to establish performance-based systems for their operation. The Governor will submit an annual reorganization plan to the Legislature, which must act on it within 30 days with a simple up or down vote. The Governor will be authorized to reorganize all administrative units of gov-



ernment, including but not limited to agencies, boards, bureaus, commissions, departments, divisions, institutions, offices, public authorities, and task forces. This legislation will allow for a sweeping reorganization of state government, providing for a better and more efficient delivery of government services and creating many years of savings. As part of this effort, the Governor has introduced reforms that focus on five specific areas: transforming the procurement process by harnessing the state's full buying power to reduce costs, eliminating costly empty space leased by the state, modernizing information technology systems, improving customer service, and streamlining business services. These reforms are expected to save taxpayers \$600 million in all funds over five years, including \$100 million in all funds over the next fiscal year.

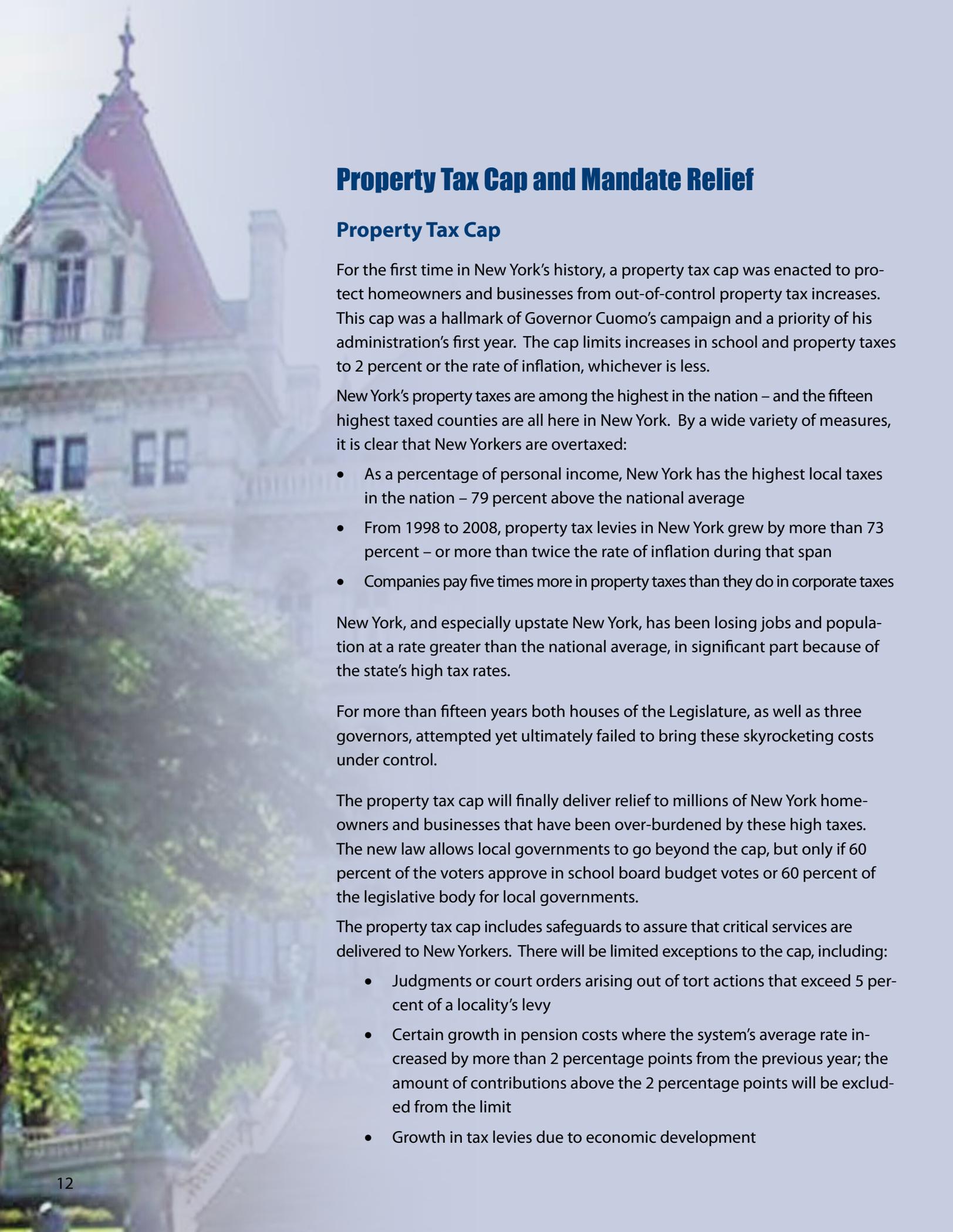
Groundbreaking Labor Contracts

Governor Cuomo and the Civil Service Employees Association (CSEA) reached a groundbreaking, five-year labor deal that set a new standard for union contracts in New York State. The Governor's agreement included a three-year base wage freeze, and it redesigned the health care contribution and benefit system, resulting in savings of more than \$160 million to the state over the next two years. The deal achieved the cost cuts necessary to protect CSEA from broad layoffs. The contracts when fully implemented will save over \$450 million.

The Governor also reached a significant labor agreement with the New York State Public Employees Federation (PEF), similar to the agreement reached with CSEA. The deal included a freeze on base wages for three years and a redesign of the employee health care contribution and benefit system. The agreement avoids the need for extensive layoffs. PEF is one of the largest white-collar unions in the United States and New York's second-largest state-employee union, representing 54,000 state employees.

Capitol Restoration Project: Ahead of Schedule and Under Budget

In an effort to expeditiously restore a state treasure, the Governor revised and accelerated the timeline for the completion of the New York State Capitol restoration project, which will result in estimated savings of \$2.3 million. Years of foot-dragging left this project at an impasse, wasting taxpayer dollars and contributing to an eyesore surrounding the historic State Capitol building. Completing the Capitol renovations ahead of schedule and under budget is an example of the kind of change that Governor Cuomo is making a hallmark of his administration.



Property Tax Cap and Mandate Relief

Property Tax Cap

For the first time in New York's history, a property tax cap was enacted to protect homeowners and businesses from out-of-control property tax increases. This cap was a hallmark of Governor Cuomo's campaign and a priority of his administration's first year. The cap limits increases in school and property taxes to 2 percent or the rate of inflation, whichever is less.

New York's property taxes are among the highest in the nation – and the fifteen highest taxed counties are all here in New York. By a wide variety of measures, it is clear that New Yorkers are overtaxed:

- As a percentage of personal income, New York has the highest local taxes in the nation – 79 percent above the national average
- From 1998 to 2008, property tax levies in New York grew by more than 73 percent – or more than twice the rate of inflation during that span
- Companies pay five times more in property taxes than they do in corporate taxes

New York, and especially upstate New York, has been losing jobs and population at a rate greater than the national average, in significant part because of the state's high tax rates.

For more than fifteen years both houses of the Legislature, as well as three governors, attempted yet ultimately failed to bring these skyrocketing costs under control.

The property tax cap will finally deliver relief to millions of New York homeowners and businesses that have been over-burdened by these high taxes. The new law allows local governments to go beyond the cap, but only if 60 percent of the voters approve in school board budget votes or 60 percent of the legislative body for local governments.

The property tax cap includes safeguards to assure that critical services are delivered to New Yorkers. There will be limited exceptions to the cap, including:

- Judgments or court orders arising out of tort actions that exceed 5 percent of a locality's levy
- Certain growth in pension costs where the system's average rate increased by more than 2 percentage points from the previous year; the amount of contributions above the 2 percentage points will be excluded from the limit
- Growth in tax levies due to economic development



Mandate Relief

Since state mandates increase local government and school district costs and contribute to increases in property taxes, Governor Cuomo made mandate relief a top administrative priority. The mandate relief package passed this year begins to give schools and local governments greater flexibility, helps to improve services, and saves taxpayer money.

The relief measures passed will benefit local governments and lead to an annual savings of more than \$125 million. Additionally, the Governor will pursue recommendations reviewed by the Mandate Relief Redesign Team for regulatory reforms that will save local governments and schools more than \$40 million annually. The mandate relief package:

- Establishes a combined Legislative and Executive Mandate Relief Council to refer unfunded mandates to the Legislature and agencies for modification or repeal
- Empowers local governments to petition the Council for permanent relief from costly or burdensome regulations
- Eases procurement requirements on local governments, allowing them to find savings by joining federal and county contracts
- Expands the number and type of agreements that the Department of Transportation can enter into with municipalities
- Establishes clear authority for school districts to more efficiently manage their bus fleets

Cleaning Up Albany

Historic Ethics Reform Passed to Clean Up Albany

After years of stalled efforts, Governor Cuomo achieved a historic ethics reform that will help to restore integrity, accountability, and unprecedented transparency to New York State government.

The Public Integrity Reform Act of 2011 will usher in a dramatic change in the way that government does business. Containing some of the most comprehensive ethics improvements in modern history, the new law requires state officials to disclose outside clients and customers that they have provided services for or attempted to solicit for their firms. The legislation requires detailed disclosure of officials' incomes and assets, creates a public "Project Sunlight"



database of all individuals and firms that represent clients before state agencies, requires all lobbyists and clients of lobbyists to disclose all business relationships with public officials, and broadens the definition of lobbying in order to increase oversight of state lobbyists.

The law establishes an independent enforcement commission, the Joint Commission on Public Ethics, and grants it investigative oversight of the Executive and Legislative branches and lobbyists. The Commission's findings will be made public so that citizens can judge whether the punishment fits the crime. The new Commission will also provide mandatory ethics training for Executive and Legislative branch employees, as well as for lobbyists. Members of the Commission were appointed in early December.

The law also requires that public officials convicted of a felony related to their office must forfeit their pensions.

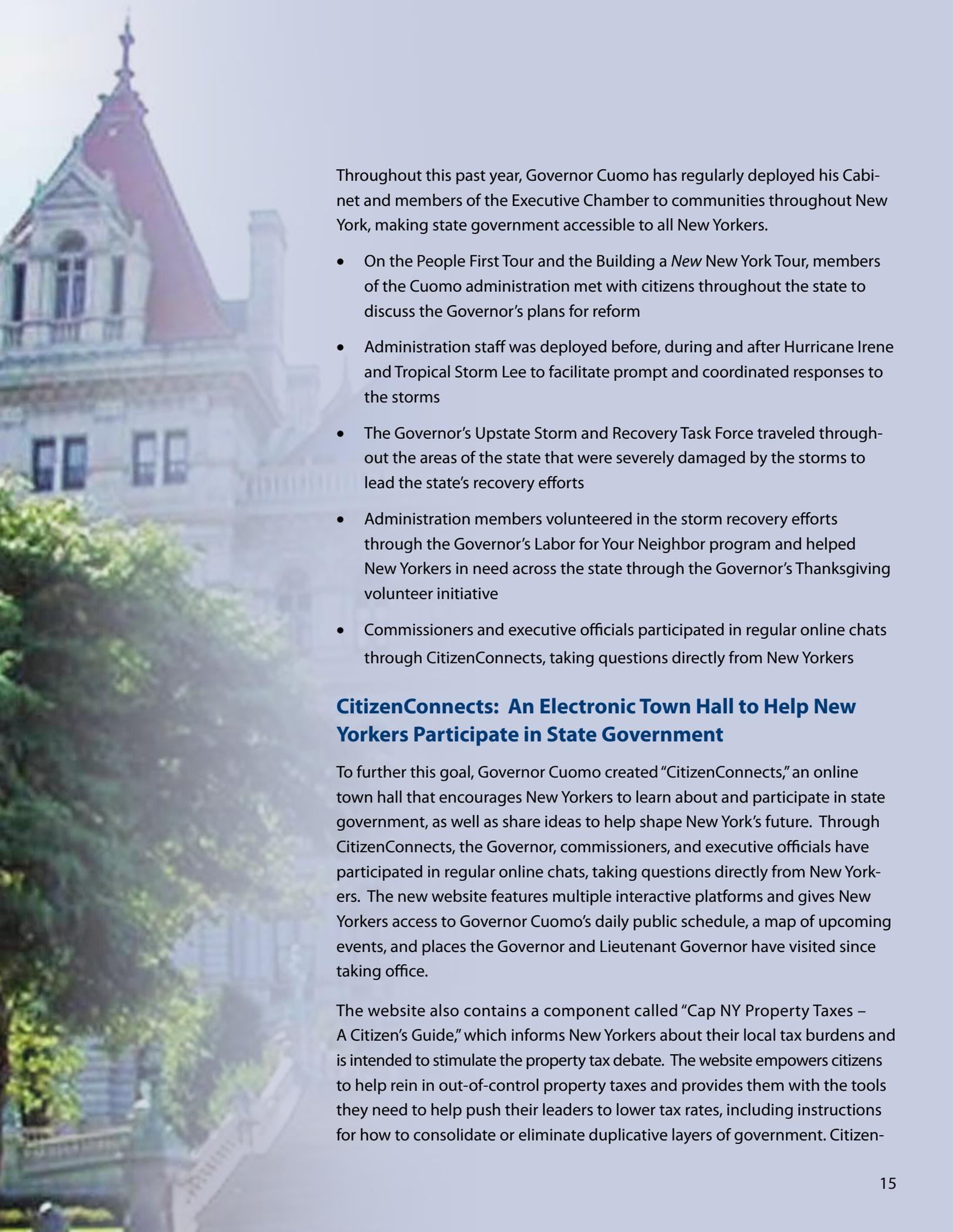
The Governor's ethics legislation, passed with overwhelming bipartisan support, is a historic step forward, one that promises to take Albany from Boss Tweed Era ethics to the kind of honest and open government New Yorkers deserve.

Insurance Department Directed to Eliminate “Pay-to-Play” in the State Pension Fund

To protect taxpayer dollars from abuse, the Governor directed the Insurance Department to issue permanent regulations banning placement agents, lobbyists, and – for the first time – elected officials from conducting any business with pension funds. These new regulations will permanently ban “pay-to-play,” preventing favoritism and political pressures from corrupting pension fund deals.

Opening Up Government to the People

Governor Cuomo has made it a priority of his administration to open state government and make it more accessible to all New Yorkers. On his first day in office, Governor Cuomo opened the second floor of the State Capitol, where the Governor and his top staff have their offices, to the public for the first time in more than a decade. He then invited the public to attend his State of the State address, the first time a governor has done so. During the budget and legislative process, the Governor held dozens of public forums and presentations in every region of the state, encouraging the public to support his agenda for reform and efforts to make government work for the people once again.



Throughout this past year, Governor Cuomo has regularly deployed his Cabinet and members of the Executive Chamber to communities throughout New York, making state government accessible to all New Yorkers.

- On the People First Tour and the Building a *New New York* Tour, members of the Cuomo administration met with citizens throughout the state to discuss the Governor's plans for reform
- Administration staff was deployed before, during and after Hurricane Irene and Tropical Storm Lee to facilitate prompt and coordinated responses to the storms
- The Governor's Upstate Storm and Recovery Task Force traveled throughout the areas of the state that were severely damaged by the storms to lead the state's recovery efforts
- Administration members volunteered in the storm recovery efforts through the Governor's Labor for Your Neighbor program and helped New Yorkers in need across the state through the Governor's Thanksgiving volunteer initiative
- Commissioners and executive officials participated in regular online chats through CitizenConnects, taking questions directly from New Yorkers

CitizenConnects: An Electronic Town Hall to Help New Yorkers Participate in State Government

To further this goal, Governor Cuomo created "CitizenConnects," an online town hall that encourages New Yorkers to learn about and participate in state government, as well as share ideas to help shape New York's future. Through CitizenConnects, the Governor, commissioners, and executive officials have participated in regular online chats, taking questions directly from New Yorkers. The new website features multiple interactive platforms and gives New Yorkers access to Governor Cuomo's daily public schedule, a map of upcoming events, and places the Governor and Lieutenant Governor have visited since taking office.

The website also contains a component called "Cap NY Property Taxes – A Citizen's Guide," which informs New Yorkers about their local tax burdens and is intended to stimulate the property tax debate. The website empowers citizens to help rein in out-of-control property taxes and provides them with the tools they need to help push their leaders to lower tax rates, including instructions for how to consolidate or eliminate duplicative layers of government. Citizen-



Connects builds on the Governor's efforts to empower citizens with the information they need to actively participate in state government.

CitizenConnects builds on "Project Sunlight," which Governor Cuomo created when he was Attorney General, the state's first-ever online database of information related to campaign finance, lobbying activity, state spending, and state contracts.

To visit CitizenConnects, go to www.citizenconnects.com.

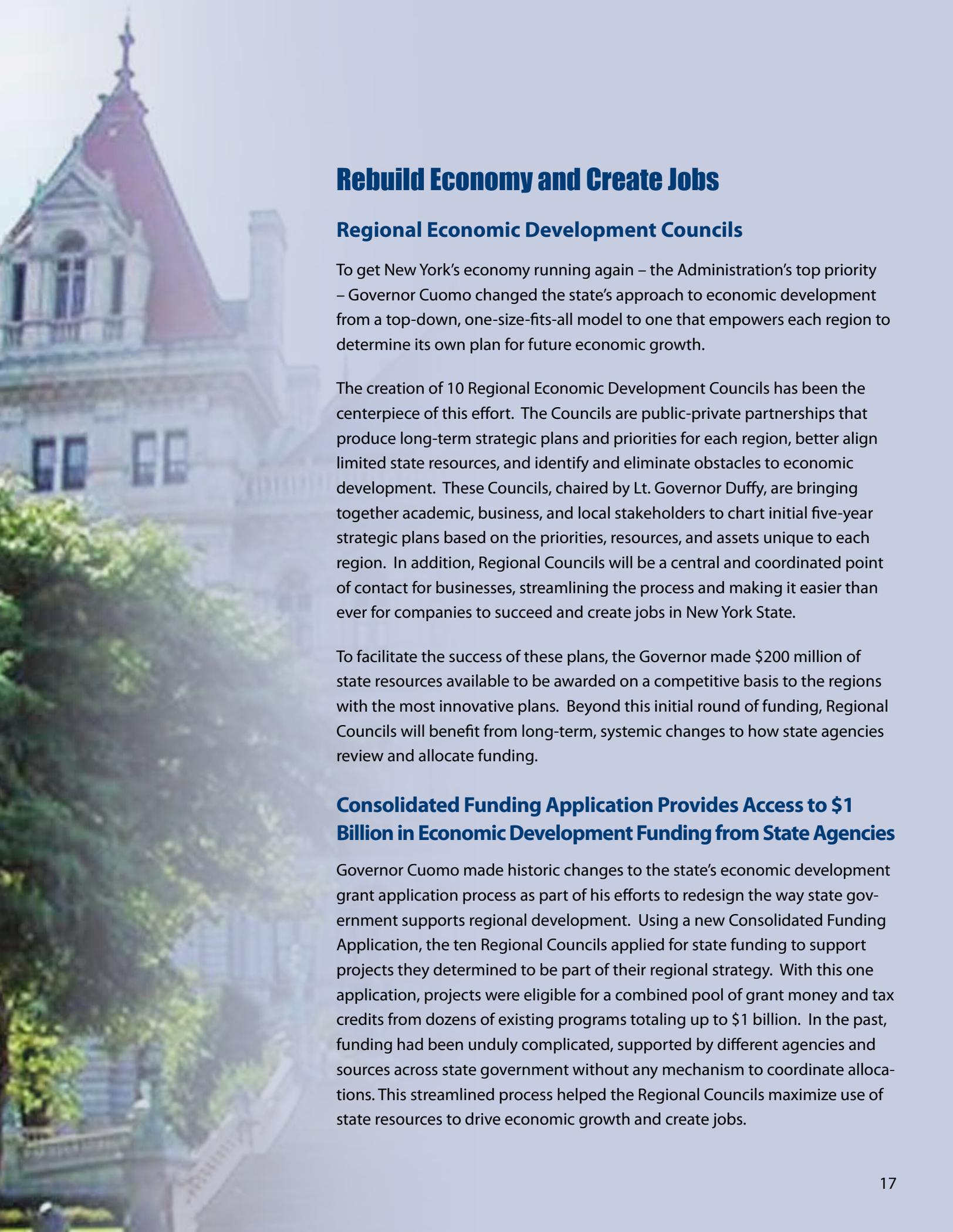
Improving Access to State Services for Non-English Speakers

Approximately two and a half million New Yorkers do not speak English as their primary language and have limited ability to read, speak, write, or understand English. This presents potential barriers when trying to access important government benefits or services.

Governor Cuomo issued an Executive Order requiring state agencies that provide direct public services to offer free interpretation and translation services to members of the public for vital forms and instructions. Free interpretation services will be provided in numerous languages. The translation of vital documents will be in the top six non-English languages spoken by the population of the State of New York, based on United States Census data, and relevant to services offered by each of such agencies.

"Help Your Neighbor" Initiative Assists New Yorkers in Need

The Governor started "Help Your Neighbor," a statewide initiative to encourage businesses and New Yorkers to give directly to regional food banks during the holiday season. The Governor also distributed \$1 million in grants to eight food banks across the state and an additional \$620,000 in grants to emergency food relief organizations in communities hit hard by the summer's flooding and storms. For the holiday season, Governor Cuomo launched a "New York Gives" campaign in which businesses and New Yorkers contributed thousands of toys for children living in flood-ravaged areas of the State.



Rebuild Economy and Create Jobs

Regional Economic Development Councils

To get New York's economy running again – the Administration's top priority – Governor Cuomo changed the state's approach to economic development from a top-down, one-size-fits-all model to one that empowers each region to determine its own plan for future economic growth.

The creation of 10 Regional Economic Development Councils has been the centerpiece of this effort. The Councils are public-private partnerships that produce long-term strategic plans and priorities for each region, better align limited state resources, and identify and eliminate obstacles to economic development. These Councils, chaired by Lt. Governor Duffy, are bringing together academic, business, and local stakeholders to chart initial five-year strategic plans based on the priorities, resources, and assets unique to each region. In addition, Regional Councils will be a central and coordinated point of contact for businesses, streamlining the process and making it easier than ever for companies to succeed and create jobs in New York State.

To facilitate the success of these plans, the Governor made \$200 million of state resources available to be awarded on a competitive basis to the regions with the most innovative plans. Beyond this initial round of funding, Regional Councils will benefit from long-term, systemic changes to how state agencies review and allocate funding.

Consolidated Funding Application Provides Access to \$1 Billion in Economic Development Funding from State Agencies

Governor Cuomo made historic changes to the state's economic development grant application process as part of his efforts to redesign the way state government supports regional development. Using a new Consolidated Funding Application, the ten Regional Councils applied for state funding to support projects they determined to be part of their regional strategy. With this one application, projects were eligible for a combined pool of grant money and tax credits from dozens of existing programs totaling up to \$1 billion. In the past, funding had been unduly complicated, supported by different agencies and sources across state government without any mechanism to coordinate allocations. This streamlined process helped the Regional Councils maximize use of state resources to drive economic growth and create jobs.



Regional Council Awards

A Strategic Plan Review Committee was chosen to analyze, score, and rank the plans created by the ten Regional Councils as part of a competition for \$200 million in specially targeted economic development funding. The committee membership included experts from the private and public sectors.

Based on the assessments of the Strategic Plan Review Committee, the top four scoring regions received up to \$40 million to support priority projects included in their strategic plans. The balance of the funding was divided among the remaining regions. The regions also received hundreds of millions of dollars made available by nine state agencies and authorities for Consolidated Funding Application projects.

The four regions that were designated as having the best plans were Western New York (received \$100.3 million in total), Central New York (received \$103.7 million in total), North Country (received \$103.2 million in total), and Long Island (received \$101.6 million in total). The other six regions received awards between \$49 million and \$69 million to support their regional projects. In total, \$785 million in funding was awarded to fund more than 700 projects statewide.

“New York Open for Business” Marketing Initiative Launched

Governor Cuomo initiated “New York Open for Business,” a coordinated communications and marketing effort that will demonstrate to business leaders throughout the world the benefits of setting up shop in New York State. This campaign is a component of the Governor’s efforts to drive economic growth and create jobs by redesigning the way state government works. In recent years, businesses have left the state in record numbers, and job losses have devastated local communities, giving New York the image of having one of the worst business climates in the nation. The goal of the “New York Open for Business” initiative is to promote the many advantages of investing in New York so the state can regain its reputation as a business-friendly location.

Historic \$4.4 Billion Investment by International Technology Group to Develop Next Generation Computer Chip Technology in New York

Governor Cuomo secured a historic \$4.4 billion investment from five leading international companies to create the next generation of computer chip technology in New York. The five companies involved are Intel, IBM, GLOBAL FOUNDRIES, TSMC, and Samsung. The agreements mark an unprecedented level of private investment in the nanotechnology sector in the state.



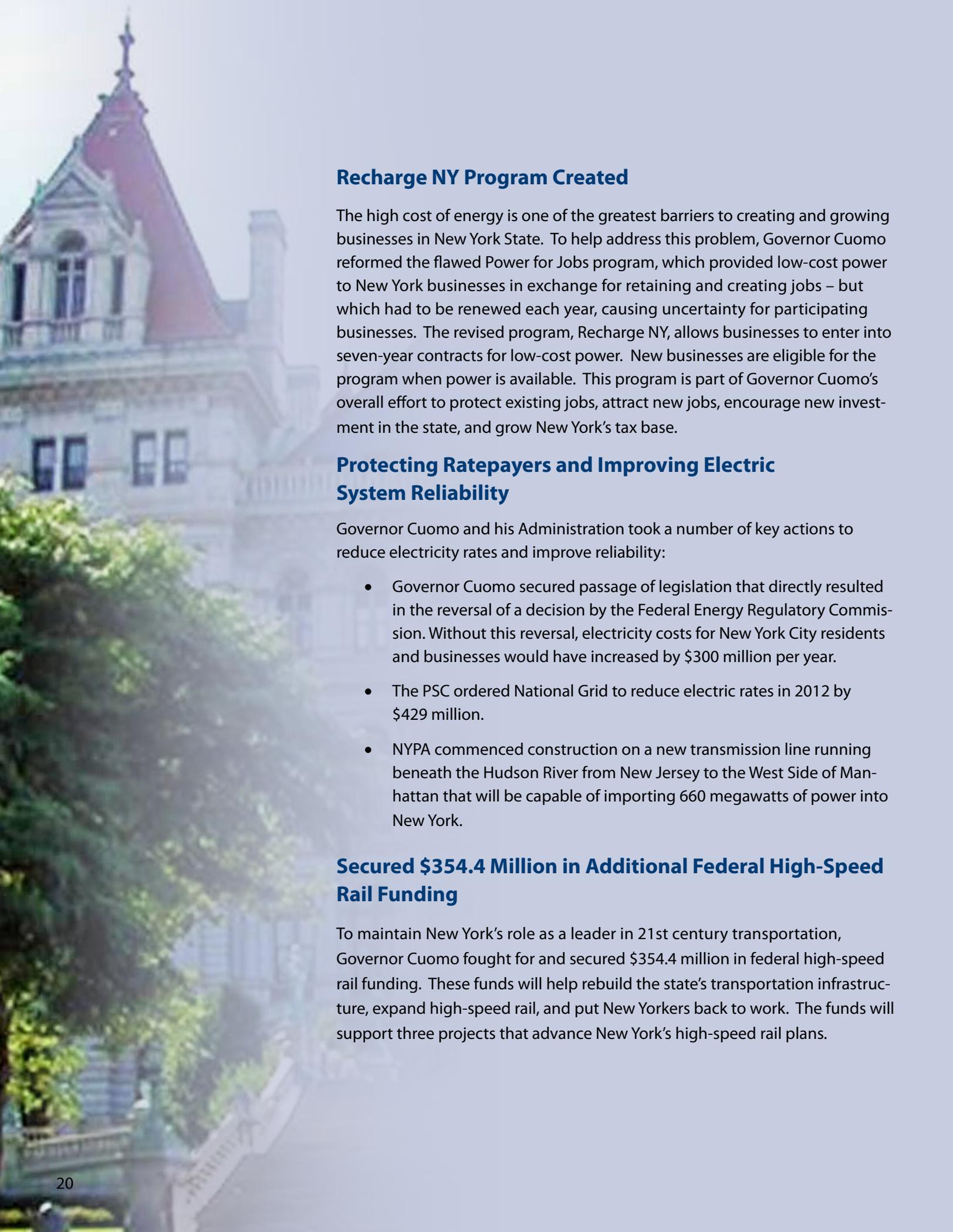
Research and development facilities will be located in Albany, Canandaigua, Utica, East Fishkill and Yorktown Heights. In addition, Intel separately agreed to establish its 450mm East Coast Headquarters to support the overall project management in Albany. The investment in these two efforts will result in the creation and retention of 6,900 jobs. New York State was chosen for this investment over countries in Europe, Asia, and the Middle East. No private company will receive any state funds as part of the agreement. To support the project, New York State will invest \$400 million in the SUNY College for Nanoscale and Science Engineering (CNSE) at the University at Albany.

This investment will also have other positive effects on the New York economy, including a private “Made in NY” initiative to support the purchase of up to \$400 million in tools and equipment from New York companies, which will help to create, attract, and retain manufacturers and suppliers across the state. In addition, the companies will support a \$15 million fund to increase the role of minority- and women-owned businesses.

NY Wins More than \$55 Million in Federal Funding for Small Business Credit Programs that Will Generate Half a Billion Dollars in New Capital for Small Businesses

The U.S. Department of the Treasury approved New York’s State Small Business Credit Initiative (SSBCI) application, allowing the state to access \$55.4 million in federal money to fund three new small business lending programs. These programs will enable small businesses to leverage new capital and credit to help them create private sector jobs. New York’s access to these SSBCI funds is expected to generate a minimum of at least \$10 in new private lending for every \$1 in federal funding, yielding more than \$554 million in new private capital for small businesses to create jobs. The state will use these funds to support three new small business development programs:

- The Innovate NY Fund, a seed-stage equity fund to support innovation, job creation, and high growth entrepreneurship throughout the state; SSBCI provides approximately \$26 million for this program.
- The Capital Access Program, a newly expanded program that will provide matching funds to loan loss reserve pools at financial institutions as an incentive to increase small business lending; SSBCI provides approximately \$19 million for this program.
- The Bonding Guarantee Assistance Program, which provides credit support to help small and minority- and women-owned businesses secure bonding; SSBCI provides approximately \$10 million for this program.



Recharge NY Program Created

The high cost of energy is one of the greatest barriers to creating and growing businesses in New York State. To help address this problem, Governor Cuomo reformed the flawed Power for Jobs program, which provided low-cost power to New York businesses in exchange for retaining and creating jobs – but which had to be renewed each year, causing uncertainty for participating businesses. The revised program, Recharge NY, allows businesses to enter into seven-year contracts for low-cost power. New businesses are eligible for the program when power is available. This program is part of Governor Cuomo’s overall effort to protect existing jobs, attract new jobs, encourage new investment in the state, and grow New York’s tax base.

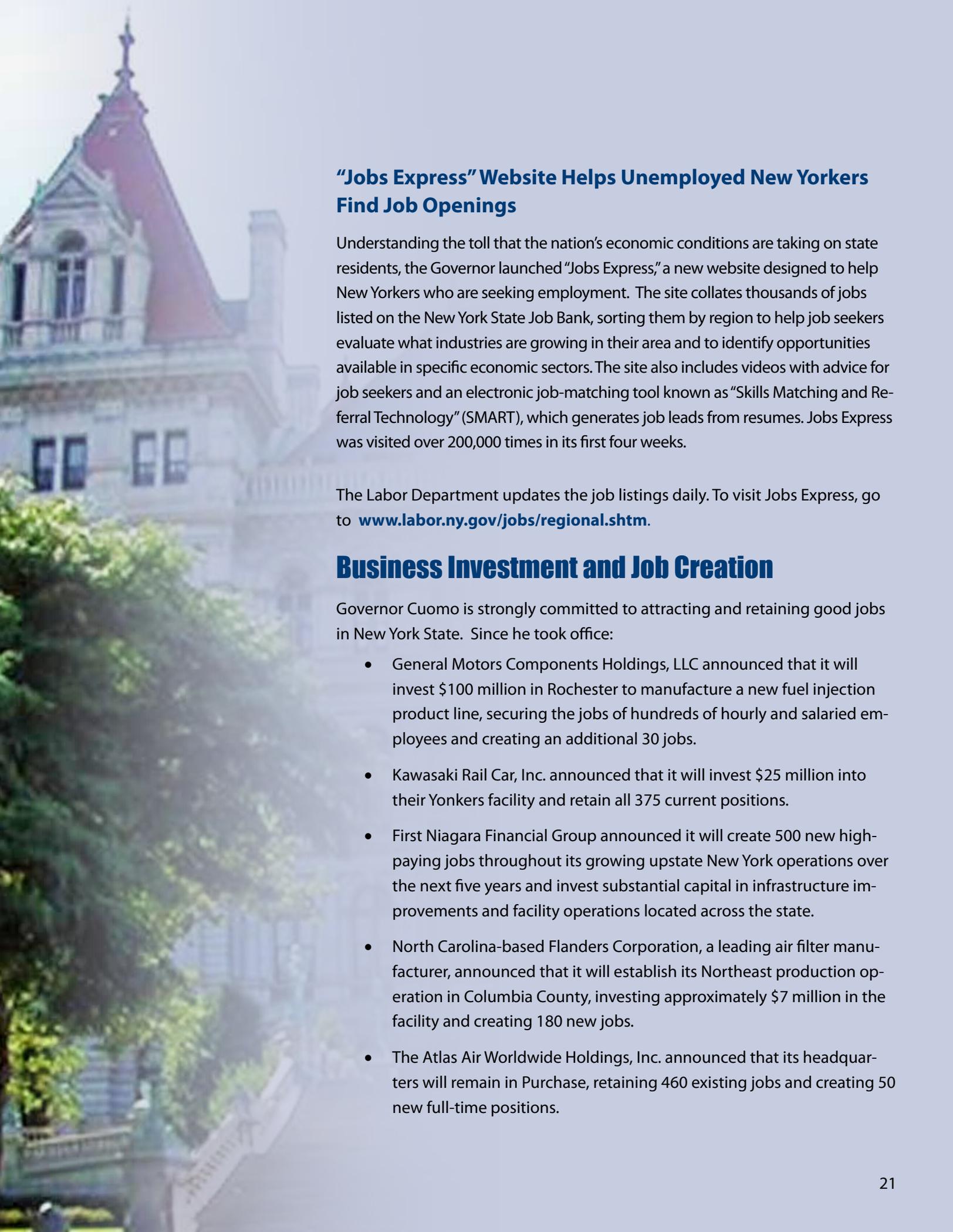
Protecting Ratepayers and Improving Electric System Reliability

Governor Cuomo and his Administration took a number of key actions to reduce electricity rates and improve reliability:

- Governor Cuomo secured passage of legislation that directly resulted in the reversal of a decision by the Federal Energy Regulatory Commission. Without this reversal, electricity costs for New York City residents and businesses would have increased by \$300 million per year.
- The PSC ordered National Grid to reduce electric rates in 2012 by \$429 million.
- NYPA commenced construction on a new transmission line running beneath the Hudson River from New Jersey to the West Side of Manhattan that will be capable of importing 660 megawatts of power into New York.

Secured \$354.4 Million in Additional Federal High-Speed Rail Funding

To maintain New York’s role as a leader in 21st century transportation, Governor Cuomo fought for and secured \$354.4 million in federal high-speed rail funding. These funds will help rebuild the state’s transportation infrastructure, expand high-speed rail, and put New Yorkers back to work. The funds will support three projects that advance New York’s high-speed rail plans.



“Jobs Express” Website Helps Unemployed New Yorkers Find Job Openings

Understanding the toll that the nation’s economic conditions are taking on state residents, the Governor launched “Jobs Express,” a new website designed to help New Yorkers who are seeking employment. The site collates thousands of jobs listed on the New York State Job Bank, sorting them by region to help job seekers evaluate what industries are growing in their area and to identify opportunities available in specific economic sectors. The site also includes videos with advice for job seekers and an electronic job-matching tool known as “Skills Matching and Referral Technology” (SMART), which generates job leads from resumes. Jobs Express was visited over 200,000 times in its first four weeks.

The Labor Department updates the job listings daily. To visit Jobs Express, go to www.labor.ny.gov/jobs/regional.shtm.

Business Investment and Job Creation

Governor Cuomo is strongly committed to attracting and retaining good jobs in New York State. Since he took office:

- General Motors Components Holdings, LLC announced that it will invest \$100 million in Rochester to manufacture a new fuel injection product line, securing the jobs of hundreds of hourly and salaried employees and creating an additional 30 jobs.
- Kawasaki Rail Car, Inc. announced that it will invest \$25 million into their Yonkers facility and retain all 375 current positions.
- First Niagara Financial Group announced it will create 500 new high-paying jobs throughout its growing upstate New York operations over the next five years and invest substantial capital in infrastructure improvements and facility operations located across the state.
- North Carolina-based Flanders Corporation, a leading air filter manufacturer, announced that it will establish its Northeast production operation in Columbia County, investing approximately \$7 million in the facility and creating 180 new jobs.
- The Atlas Air Worldwide Holdings, Inc. announced that its headquarters will remain in Purchase, retaining 460 existing jobs and creating 50 new full-time positions.

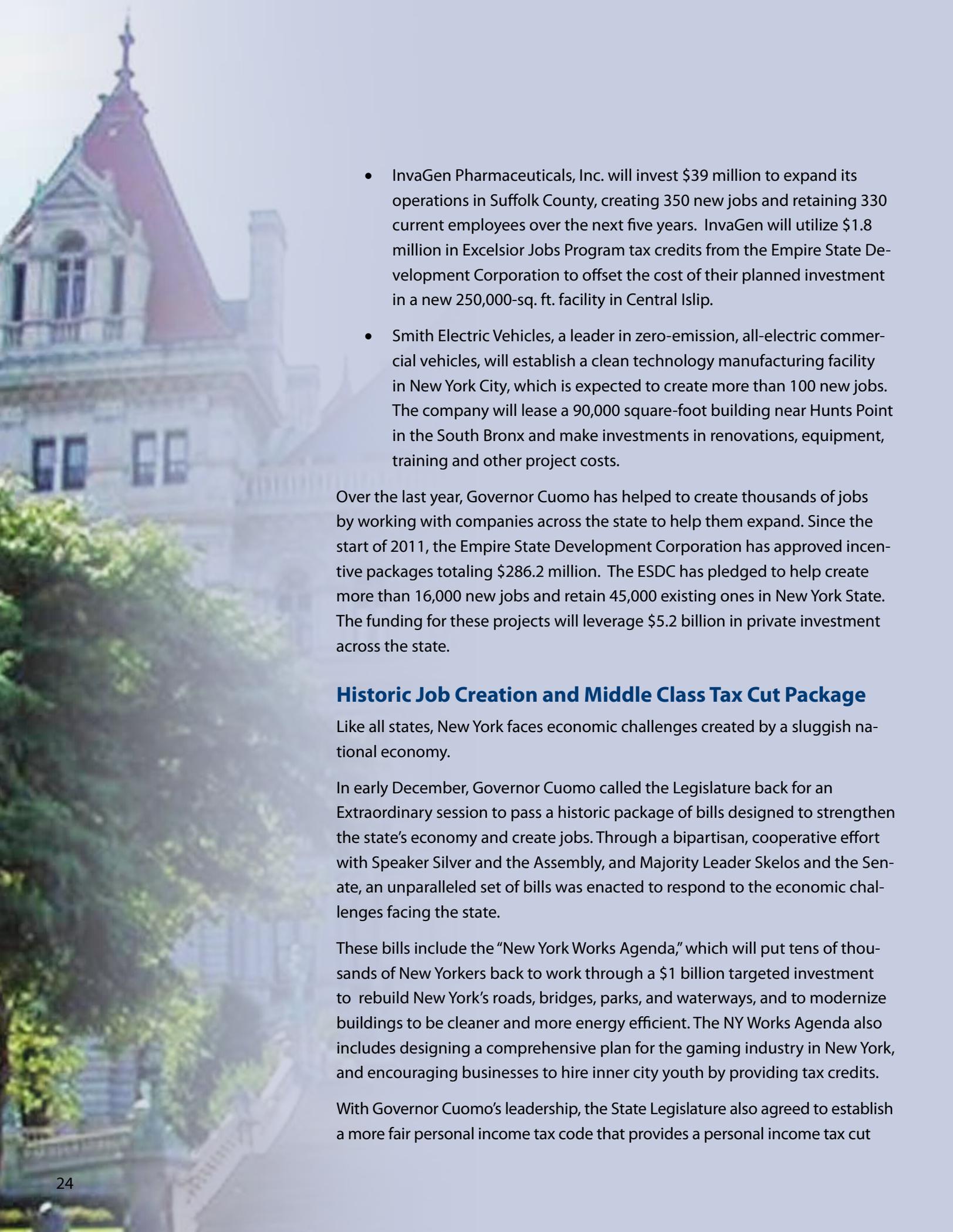


- Mercury Print Productions, Inc. announced that it will invest in a new high-speed book printing and binding machine in Rochester that will result in the retention of 81 at-risk jobs and create 40 new jobs over a three-year period.
- Silicon Valley firm Group4 Labs Inc., which uses synthetic diamonds to create energy-efficient semiconductor wafers, announced that it is opening a manufacturing facility at the SUNY campus at Albany's College of Nanoscale Science and Engineering (CSNE), initially creating 10 jobs with the ultimate goal of 50 high-tech jobs in the Capital Region by 2015. The company also has a manufacturing and test plant in Syracuse, which is expected to grow to approximately 94 jobs by 2015.
- The Pepsi Bottling Company recommitted to its Westchester headquarters, preserving more than 900 jobs and demonstrating New York's appeal to global corporations.
- Monro Services Corporation (d/b/a Monro Muffler Brake), a leading provider of automotive undercar repair and tire services, will retain and expand its centralized corporate offices and warehouse/distribution operations in the City of Rochester. The company will retain 190 employees and create at least 20 new jobs.
- Agro Farma, Inc., a dairy product manufacturer, will expand in the Town of Columbus. It will invest \$97 million in a new dairy processing facility, creating 450 new jobs.
- Advent Tool & Mold Inc., a leading manufacturer of molds and injection-molded components and assemblies for the medical and automotive industry, will expand its operations in the City of Rochester. After securing \$271,051 in Excelsior tax credits from the Empire State Development Corporation, the company was able to turn down alternatives in Colorado and China. It will instead invest \$2 million toward building expansion and equipment purchases to retain 170 current employees and create 30 new local jobs. Advent will use the Excelsior tax credits distributed over a five-year period to construct a 26,500 square foot addition to its existing 53,000 square foot production plant in the Holleder Technology Park.
- Unicell, a national and international leader in the designing and manufacturing of bodies for commercial trucks and vans, will invest \$3.46 million to expand its Howard Street facilities in Buffalo. On the strength of a \$175,000 investment package from the Empire State



Development Corporation, Unicell will increase its manufacturing capacity to retain and create more than 50 local jobs as part of a green initiative to assemble a cutting edge body for an electric truck.

- Mediacom Communications Corporation, the nation's 8th largest cable television company and a leading broadband provider, will build its new corporate headquarters in Blooming Grove. With its 4,500 employees in 22 states, Mediacom is the nation's 8th largest cable television company, providing advanced broadband services to 1.3 million residential and business customers across America. The 110,000 square foot facility, which is expected to be completed in the fall of 2012 at a cost of about \$35 million, will generate new construction jobs, help stimulate local economic activity, lead to the retention of 250 high-paying jobs in the Hudson Valley, and allow Mediacom to expand its local workforce in the coming years.
- Oppenheimer & Co., a leading financial services firm, will make Lower Manhattan its long-term home for its expanded headquarters and invest \$15 million in its new 85 Broad Street offices. To encourage Oppenheimer & Co. to retain and increase its Downtown presence, Empire State Development and the New York City Economic Development Corporation worked closely with Oppenheimer to develop a plan to secure up to \$3 million from the federal World Trade Center Job Creation & Retention Program Grant.
- Continental Organics will open a new facility in Orange County, creating 120 new jobs. Continental Organics is a veteran-owned small business specializing in the production of organic produce, fish, and fertilizer, and veterans will fill many of these new positions. Supported by a \$6.2 million incentive package from the Empire State Development Corporation, the company will invest \$49.8 million toward a five-year project that includes the construction of a 900,000 square foot facility in New Windsor.
- OrthoNet Holdings, Inc., a national leader in orthopedic specialty benefit management, will invest up to \$4.5 million to expand its national headquarters in White Plains, retaining 350 jobs and creating a projected 155 new jobs. Supported by an incentive package including up to \$3 million in Excelsior Tax Credits from Empire State Development and \$31,000 in sales tax exemptions from Westchester County, OrthoNet will be able to significantly expand its presence and provide a boost to the Hudson Valley economy.

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- InvaGen Pharmaceuticals, Inc. will invest \$39 million to expand its operations in Suffolk County, creating 350 new jobs and retaining 330 current employees over the next five years. InvaGen will utilize \$1.8 million in Excelsior Jobs Program tax credits from the Empire State Development Corporation to offset the cost of their planned investment in a new 250,000-sq. ft. facility in Central Islip.
 - Smith Electric Vehicles, a leader in zero-emission, all-electric commercial vehicles, will establish a clean technology manufacturing facility in New York City, which is expected to create more than 100 new jobs. The company will lease a 90,000 square-foot building near Hunts Point in the South Bronx and make investments in renovations, equipment, training and other project costs.

Over the last year, Governor Cuomo has helped to create thousands of jobs by working with companies across the state to help them expand. Since the start of 2011, the Empire State Development Corporation has approved incentive packages totaling \$286.2 million. The ESDC has pledged to help create more than 16,000 new jobs and retain 45,000 existing ones in New York State. The funding for these projects will leverage \$5.2 billion in private investment across the state.

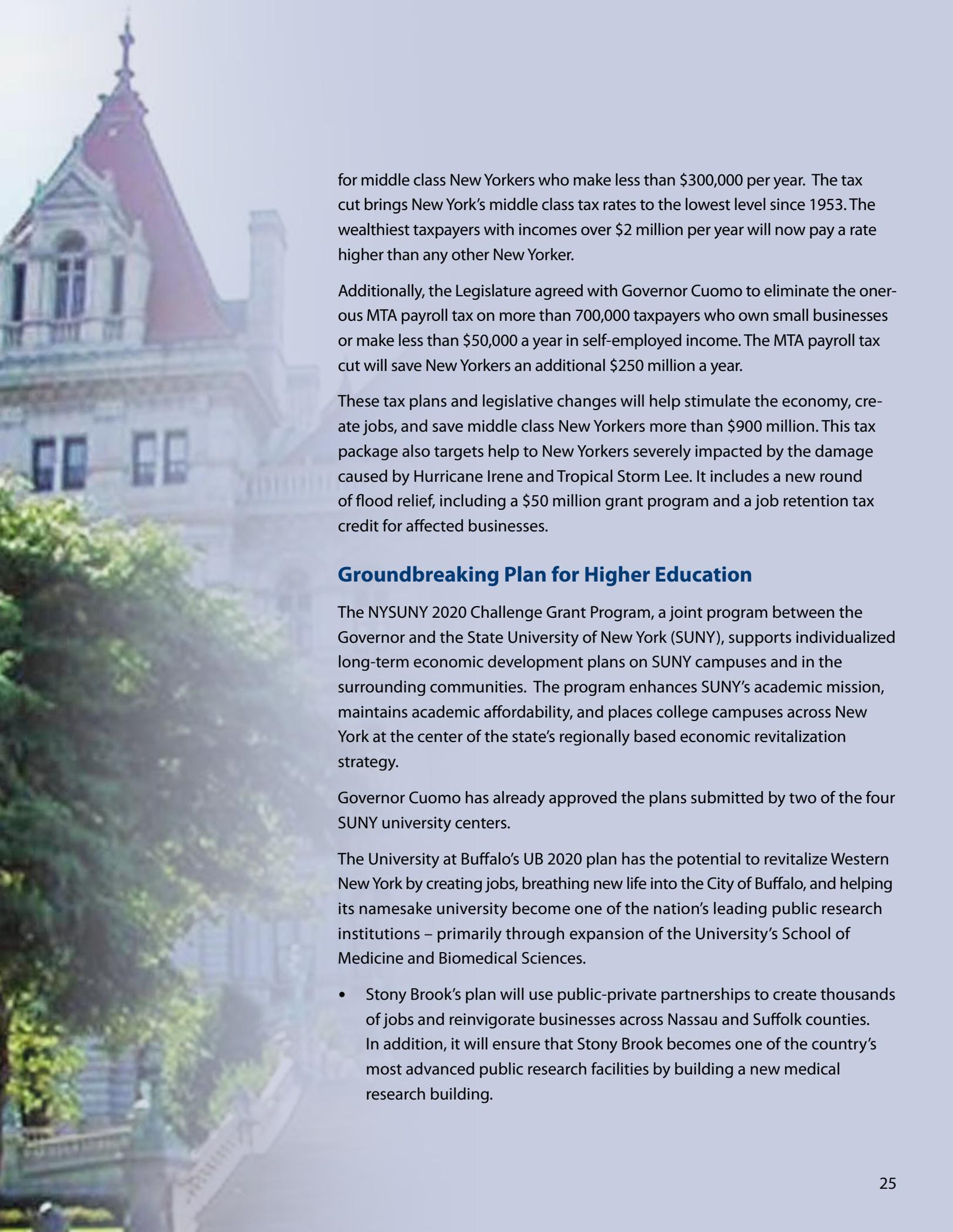
Historic Job Creation and Middle Class Tax Cut Package

Like all states, New York faces economic challenges created by a sluggish national economy.

In early December, Governor Cuomo called the Legislature back for an Extraordinary session to pass a historic package of bills designed to strengthen the state's economy and create jobs. Through a bipartisan, cooperative effort with Speaker Silver and the Assembly, and Majority Leader Skelos and the Senate, an unparalleled set of bills was enacted to respond to the economic challenges facing the state.

These bills include the "New York Works Agenda," which will put tens of thousands of New Yorkers back to work through a \$1 billion targeted investment to rebuild New York's roads, bridges, parks, and waterways, and to modernize buildings to be cleaner and more energy efficient. The NY Works Agenda also includes designing a comprehensive plan for the gaming industry in New York, and encouraging businesses to hire inner city youth by providing tax credits.

With Governor Cuomo's leadership, the State Legislature also agreed to establish a more fair personal income tax code that provides a personal income tax cut



for middle class New Yorkers who make less than \$300,000 per year. The tax cut brings New York's middle class tax rates to the lowest level since 1953. The wealthiest taxpayers with incomes over \$2 million per year will now pay a rate higher than any other New Yorker.

Additionally, the Legislature agreed with Governor Cuomo to eliminate the onerous MTA payroll tax on more than 700,000 taxpayers who own small businesses or make less than \$50,000 a year in self-employed income. The MTA payroll tax cut will save New Yorkers an additional \$250 million a year.

These tax plans and legislative changes will help stimulate the economy, create jobs, and save middle class New Yorkers more than \$900 million. This tax package also targets help to New Yorkers severely impacted by the damage caused by Hurricane Irene and Tropical Storm Lee. It includes a new round of flood relief, including a \$50 million grant program and a job retention tax credit for affected businesses.

Groundbreaking Plan for Higher Education

The NYSUNY 2020 Challenge Grant Program, a joint program between the Governor and the State University of New York (SUNY), supports individualized long-term economic development plans on SUNY campuses and in the surrounding communities. The program enhances SUNY's academic mission, maintains academic affordability, and places college campuses across New York at the center of the state's regionally based economic revitalization strategy.

Governor Cuomo has already approved the plans submitted by two of the four SUNY university centers.

The University at Buffalo's UB 2020 plan has the potential to revitalize Western New York by creating jobs, breathing new life into the City of Buffalo, and helping its namesake university become one of the nation's leading public research institutions – primarily through expansion of the University's School of Medicine and Biomedical Sciences.

- Stony Brook's plan will use public-private partnerships to create thousands of jobs and reinvigorate businesses across Nassau and Suffolk counties. In addition, it will ensure that Stony Brook becomes one of the country's most advanced public research facilities by building a new medical research building.



As part of this innovative program, NYSUNY 2020 will allow each SUNY and City University of New York (CUNY) campus to raise tuition by \$300 per year for five years. For the past 20 years, the average annual SUNY tuition increase has been 6.7 percent, well above the five-year, \$300 increase included in this legislation. During that time there were periods without tuition increases followed by sudden and dramatic spikes of up to 40 percent. The plan replaces this unpredictable situation with a rational and predictable approach – one that allows students and families to properly plan for the cost of a college education for the first time in the state university system’s history.

The modest increases will help build these institutions into world-class centers of research and innovation, as well as generate vital regional economic development. The increases will also allow schools to add more faculty, educate additional students, increase class offerings, and improve graduation rates.

Also, for the first time, SUNY and CUNY will guarantee tuition credits or discounts to students least able to afford tuition payments. In order to maintain affordability and access to higher education, the legislation provides tuition credits to students who are eligible to receive a Tuition Assistance Program award.

Restore New York as Progressive Leader

Marriage Equality Achieved for All New Yorkers

The Governor restored New York’s proud legacy as a progressive leader by passing the Marriage Equality Act, which gave same-sex couples who marry in New York equal status under the law. By permitting them to marry, the legislation made same-sex couples eligible for more than a thousand federal and state rights – rights that other New Yorkers take for granted.

Governor Cuomo believed that removing the barrier for same-sex couples to marry was a matter of fairness, dignity, and equality. Building an unprecedented bipartisan coalition of organizations and supporters, the Governor worked to create momentum in every region of this state to make the dream of same-sex marriage a reality.

With this historic victory, New York became the largest state in the nation to grant same-sex couples the freedom to marry.

The Marriage Equality Act also includes protections for religious entities, benevolent organizations, and not-for-profit corporations that are operated, supervised, or controlled by a religious entity, or their employers to allow them to refrain from having to perform marriage ceremonies or provide their facilities for marriage ceremonies, consistent with their religious principles.



Suspended Participation in Secure Communities

On June 1, 2011, the Governor suspended New York State's participation in the federal Secure Communities Program, as a result of mounting evidence that the program is not meeting its stated goal and is shifting the financial burden of detaining individuals to the state. The Governor was concerned with allegations that the program may be causing serious problems for witnesses and victims of crime by encouraging racial profiling and undermining trust in the police. Due to such concerns, the federal Department of Homeland Security commenced an investigation of the purpose and impact of the program.

Affordable Housing: Strengthened Rent Regulation Laws

Governor Cuomo believes that affordable housing is essential to the fabric of the state, preserving communities and protecting New York's middle class. The laws proposed by the Governor and passed by the Legislature give tenants the strongest rent regulations in nearly 40 years and protect more than 1 million New Yorkers from skyrocketing rent. Among the important pro-tenant changes in the new law are an increase in the deregulation rent threshold for the first time since 1993 and an increase in the income threshold for the first time since 1997.

From 1994 to the present day, almost 250,000 apartments have been removed from the rent regulation system, leaving middle class New Yorkers with fewer affordable housing options. Without this bill, it was estimated that more than 100,000 additional apartments would have been lost to decontrol in the next few years.

The regulations will ensure that these units will stay in the rent regulation system and remain available for hard-working New Yorkers. The new rent regulations, which will be in effect until 2015, include the following pro-tenant changes:

- Raises the deregulation rent threshold from \$2,000 to \$2,500
- Raises the income threshold from \$175,000 to \$200,000
- Limits landlords to collecting only one vacancy bonus per year, reducing the manipulation of leases in order to push units out of the system
- Changes how renovations are calculated and verified for individual apartments, which will reduce a landlord's ability to abuse them as a tool for forcing units out of regulation



Improving Opportunities for Minority- and Women-Owned Businesses

New York businesses thrive not only when they address common needs, but also when they reflect our diversity. To help reach his goal of doubling minority- and women-owned businesses in state contracts to 20 percent, Governor Cuomo issued an Executive Order establishing a team dedicated to expanding opportunities for women and minorities. The budget also provided a new market tax credit to help these businesses grow and prosper.

Creating FreshConnect to Improve Access to Quality Foods, Support Farms and Create Jobs

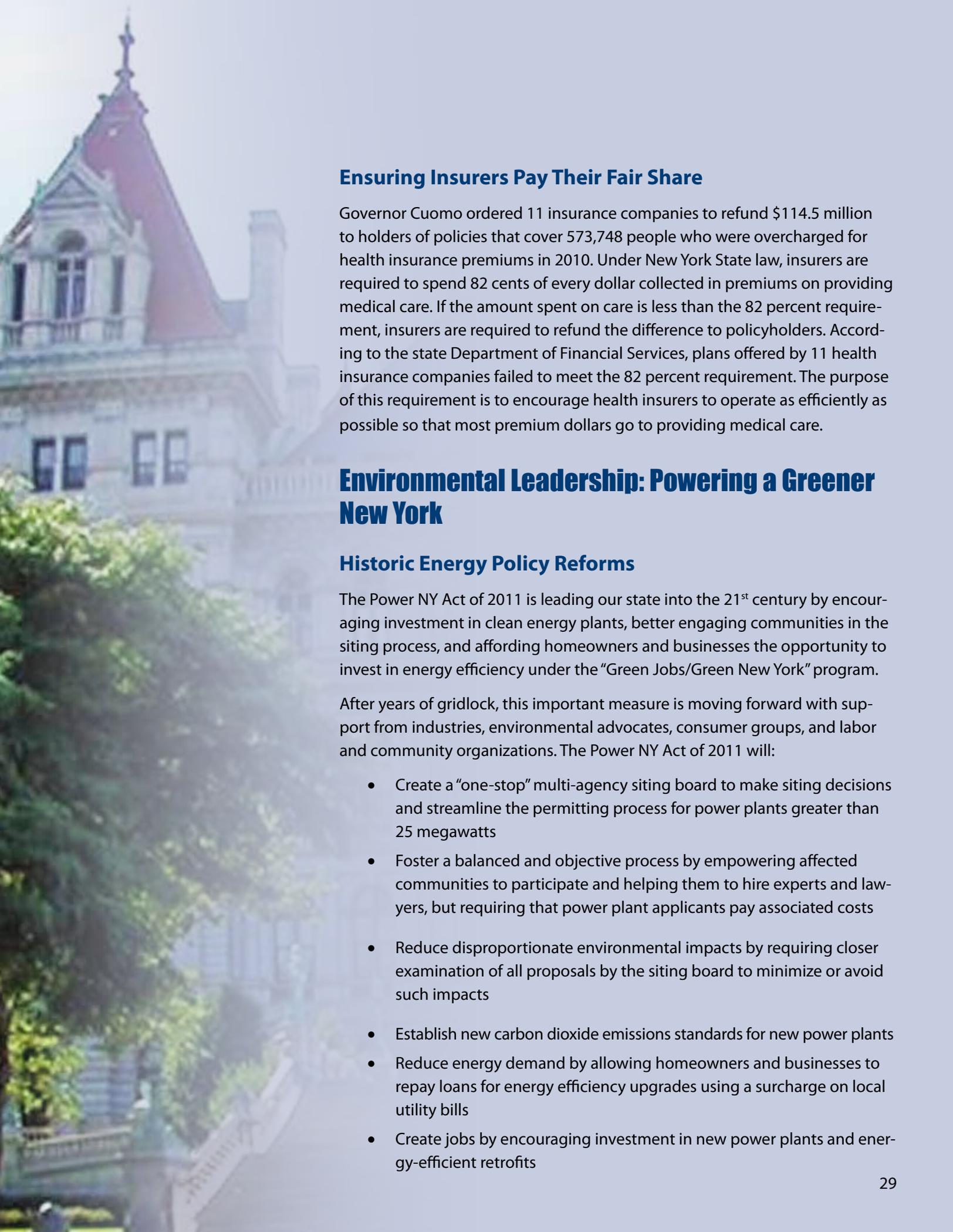
Governor Cuomo began the “New York Fresh Connect Farmers’ Markets” (FreshConnect) program with the twin goals of increasing the sale of locally grown foods and bringing more fresh produce into underserved communities. The program boosts New York farmers, creates local jobs, and supports improved nutrition by bringing a better supply of locally-grown goods into communities across the state. Designed to meet the diverse needs of each community it serves, FreshConnect works to create new markets in urban and rural areas without grocery store access, provide jobs in high-unemployment areas, and supply low-income areas with healthy, New York-grown produce.

Juvenile Justice System Reformed

Governor Cuomo is committed to greater use of preventive services and community-based alternatives to incarceration to help juvenile offenders turn the corner to become productive adults. The budget made significant reforms to the state’s juvenile justice system by downsizing state juvenile facilities by more than 30 percent and investing resources in enhanced services for juveniles who remain in custody. In fiscal year 2011-12, four Office of Children and Family Services residential juvenile facilities were closed and another four were downsized. Additionally, the Tryon Boys Residential Center was closed in January 2011.

“Complete Streets” Legislation Enacted

Governor Cuomo successfully pushed for the passage of “Complete Streets” legislation to ensure that planners consider more than just roads and bridges when planning and developing transportation projects. Under the provisions of “Complete Streets,” planners will be required to consider additional infrastructure elements, such as curb cuts, sidewalks, and crosswalks, to facilitate safe use of the transportation system by New Yorkers of all ages and abilities. Complete Streets will make our neighborhoods more pedestrian- and cyclist-friendly and improve our air quality, creating healthier and more livable cities and towns across New York.



Ensuring Insurers Pay Their Fair Share

Governor Cuomo ordered 11 insurance companies to refund \$114.5 million to holders of policies that cover 573,748 people who were overcharged for health insurance premiums in 2010. Under New York State law, insurers are required to spend 82 cents of every dollar collected in premiums on providing medical care. If the amount spent on care is less than the 82 percent requirement, insurers are required to refund the difference to policyholders. According to the state Department of Financial Services, plans offered by 11 health insurance companies failed to meet the 82 percent requirement. The purpose of this requirement is to encourage health insurers to operate as efficiently as possible so that most premium dollars go to providing medical care.

Environmental Leadership: Powering a Greener New York

Historic Energy Policy Reforms

The Power NY Act of 2011 is leading our state into the 21st century by encouraging investment in clean energy plants, better engaging communities in the siting process, and affording homeowners and businesses the opportunity to invest in energy efficiency under the “Green Jobs/Green New York” program.

After years of gridlock, this important measure is moving forward with support from industries, environmental advocates, consumer groups, and labor and community organizations. The Power NY Act of 2011 will:

- Create a “one-stop” multi-agency siting board to make siting decisions and streamline the permitting process for power plants greater than 25 megawatts
- Foster a balanced and objective process by empowering affected communities to participate and helping them to hire experts and lawyers, but requiring that power plant applicants pay associated costs
- Reduce disproportionate environmental impacts by requiring closer examination of all proposals by the siting board to minimize or avoid such impacts
- Establish new carbon dioxide emissions standards for new power plants
- Reduce energy demand by allowing homeowners and businesses to repay loans for energy efficiency upgrades using a surcharge on local utility bills
- Create jobs by encouraging investment in new power plants and energy-efficient retrofits



Indian Point Safety

Governor Cuomo has long opposed the nuclear facility at Indian Point in Westchester County and worked to prevent its federal relicensing. Following the Japanese nuclear disaster, Governor Cuomo sent key members of his administration to meet with members of the U.S. Nuclear Regulatory Commission (NRC) regarding the Indian Point facility. As a result of the meeting, the NRC pledged to make Indian Point a top priority in its assessment of seismic risk at over two dozen nuclear plants across the country. The NRC also agreed to work with New York State to perform a review of the facility and share federal data on Indian Point's seismic risk with New York technical experts. Senior officials continue to work with the NRC to monitor Indian Point and protect nearby residents from any potential risks.

\$191 Million in Awards to Increase Renewable Energy in New York State

Governor Cuomo believes that one of the best ways to grow New York's economy and create jobs is to increase renewable and clean energy resources. To that end, the New York State Energy Research and Development Authority, together with the Public Service Commission, awarded \$191 million to 17 power projects aimed at producing and delivering renewable electricity to New Yorkers across the state. In addition to creating enough clean energy to power 145,000 homes each year, these projects will produce nearly \$500 million in economic benefits over the expected 20-year life of the new facilities being built. The competitively selected award recipients include four wind projects, four hydroelectric projects, seven landfill gas-to-electricity projects, and two

Water Withdrawal Legislation Enacted

To help protect New York's waters and the Great Lakes, the Governor signed a new law that requires a state permit for the withdrawal of large volumes of water from rivers, lakes, streams, and groundwater. The new law is designed to foster responsible conservation practices and economic growth while protecting water bodies and wildlife habitats. The law requires approval by the Department of Environmental Conservation before operating or proposing a system that has the capacity to withdraw 100,000 gallons or more per day of surface and groundwater.



Established a Framework for the Most Stringent Review in the Country of High Volume Hydraulic Fracturing

In 2011, the Department of Environmental Conservation conducted a comprehensive review of the potential public health and environmental impact of proposed gas drilling using high-volume hydraulic fracturing. DEC presented for comment significantly improved measures to protect the state's drinking water, air, land and other natural resources, and completed a study of potential socioeconomic impacts. DEC released the revised 1,537-page draft Supplemental Generic Environmental Impact Statement and comprehensive regulations governing all aspects of high volume hydraulic fracturing for public comment and held four public hearings around the state, which were attended by 6,000 people. The Department received more than 15,000 comments.

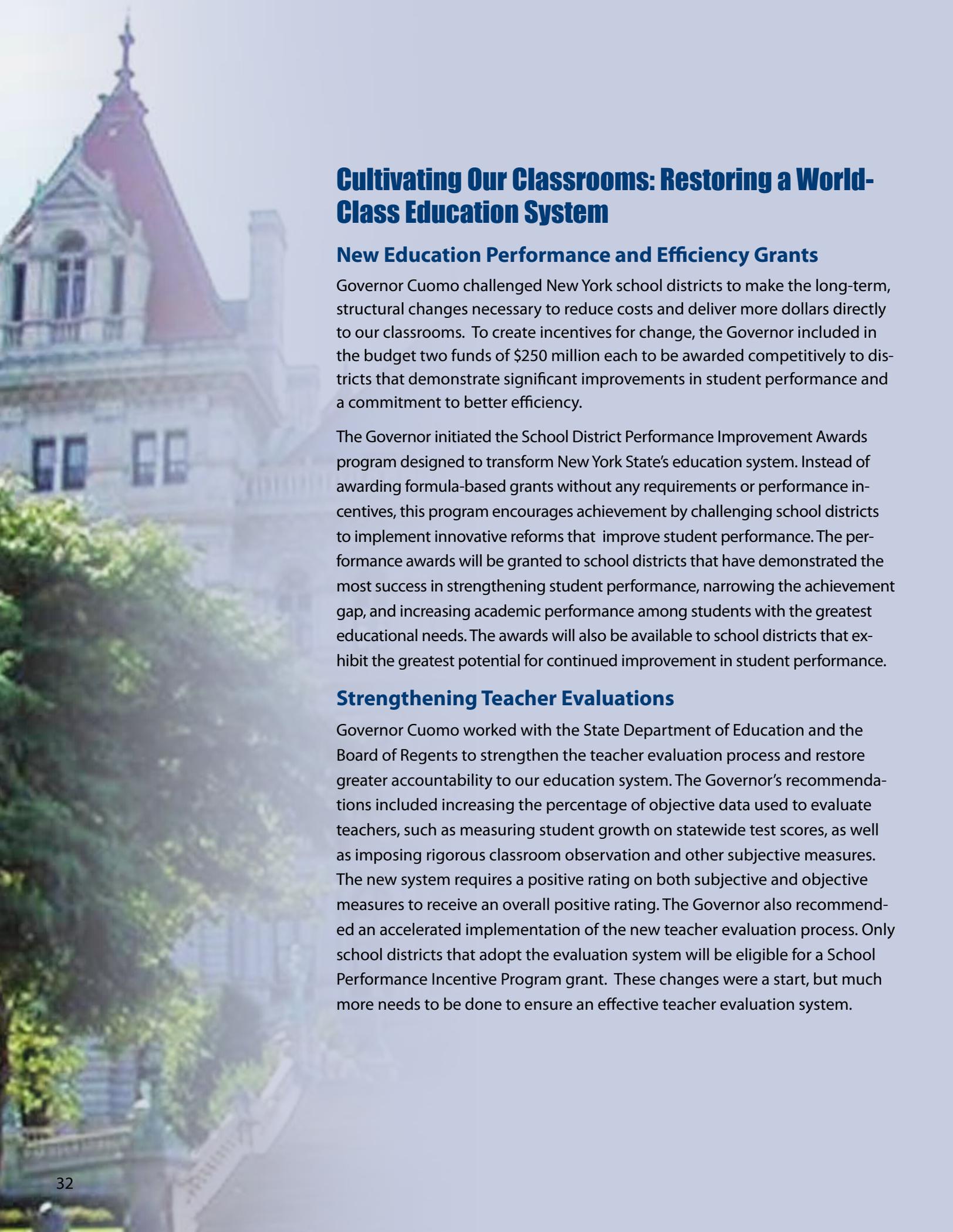
DEC is reviewing all the comments and expects the final environmental impact study and the advisory panel's recommendations will be released in 2012.

Fully Funded the Environmental Protection Fund

In spite of significant cuts throughout the 2011-2102 State budget, the Governor maintained full funding for the Environmental Protection Fund, which provides critical resources for municipal parks, waterfront revitalization, land preservation, and environmental assistance for businesses and farms.

Launched Cleaner Greener Communities Initiative

The Governor launched a \$100 million program through the New York State Energy Research and Development Authority to create incentives for the development and implementation of sustainability plans in each region of the State. The first phase of the program made \$10 million available to municipalities to develop plans that advance smart growth, environmental justice, clean energy, and greenhouse gas reduction goals. Seven regions received awards of nearly \$7 million. In the second phase of the Cleaner Greener Communities initiative, which will be launched in 2012, \$90 million will be made available to implement the best sustainability plans.



Cultivating Our Classrooms: Restoring a World-Class Education System

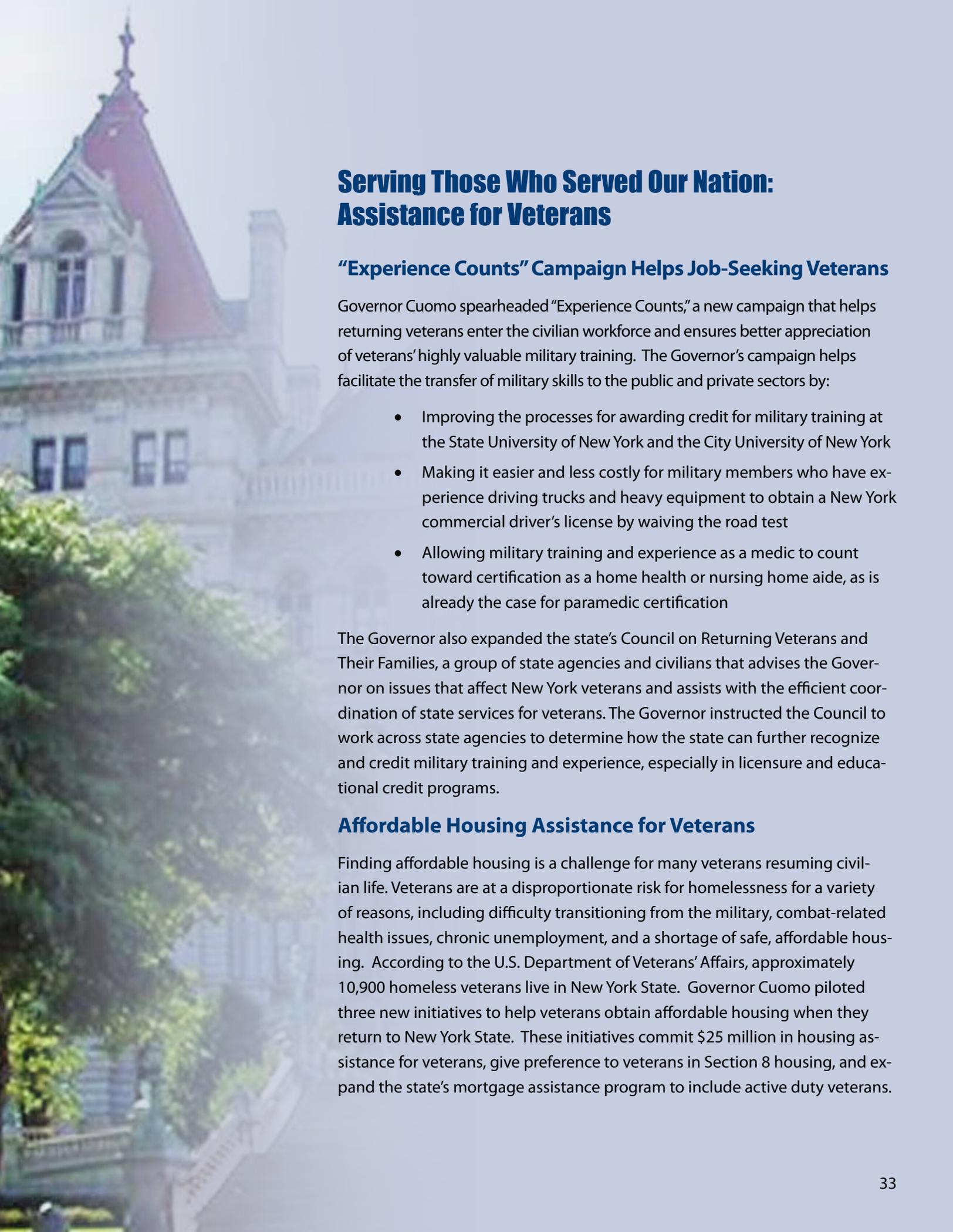
New Education Performance and Efficiency Grants

Governor Cuomo challenged New York school districts to make the long-term, structural changes necessary to reduce costs and deliver more dollars directly to our classrooms. To create incentives for change, the Governor included in the budget two funds of \$250 million each to be awarded competitively to districts that demonstrate significant improvements in student performance and a commitment to better efficiency.

The Governor initiated the School District Performance Improvement Awards program designed to transform New York State's education system. Instead of awarding formula-based grants without any requirements or performance incentives, this program encourages achievement by challenging school districts to implement innovative reforms that improve student performance. The performance awards will be granted to school districts that have demonstrated the most success in strengthening student performance, narrowing the achievement gap, and increasing academic performance among students with the greatest educational needs. The awards will also be available to school districts that exhibit the greatest potential for continued improvement in student performance.

Strengthening Teacher Evaluations

Governor Cuomo worked with the State Department of Education and the Board of Regents to strengthen the teacher evaluation process and restore greater accountability to our education system. The Governor's recommendations included increasing the percentage of objective data used to evaluate teachers, such as measuring student growth on statewide test scores, as well as imposing rigorous classroom observation and other subjective measures. The new system requires a positive rating on both subjective and objective measures to receive an overall positive rating. The Governor also recommended an accelerated implementation of the new teacher evaluation process. Only school districts that adopt the evaluation system will be eligible for a School Performance Incentive Program grant. These changes were a start, but much more needs to be done to ensure an effective teacher evaluation system.



Serving Those Who Served Our Nation: Assistance for Veterans

“Experience Counts” Campaign Helps Job-Seeking Veterans

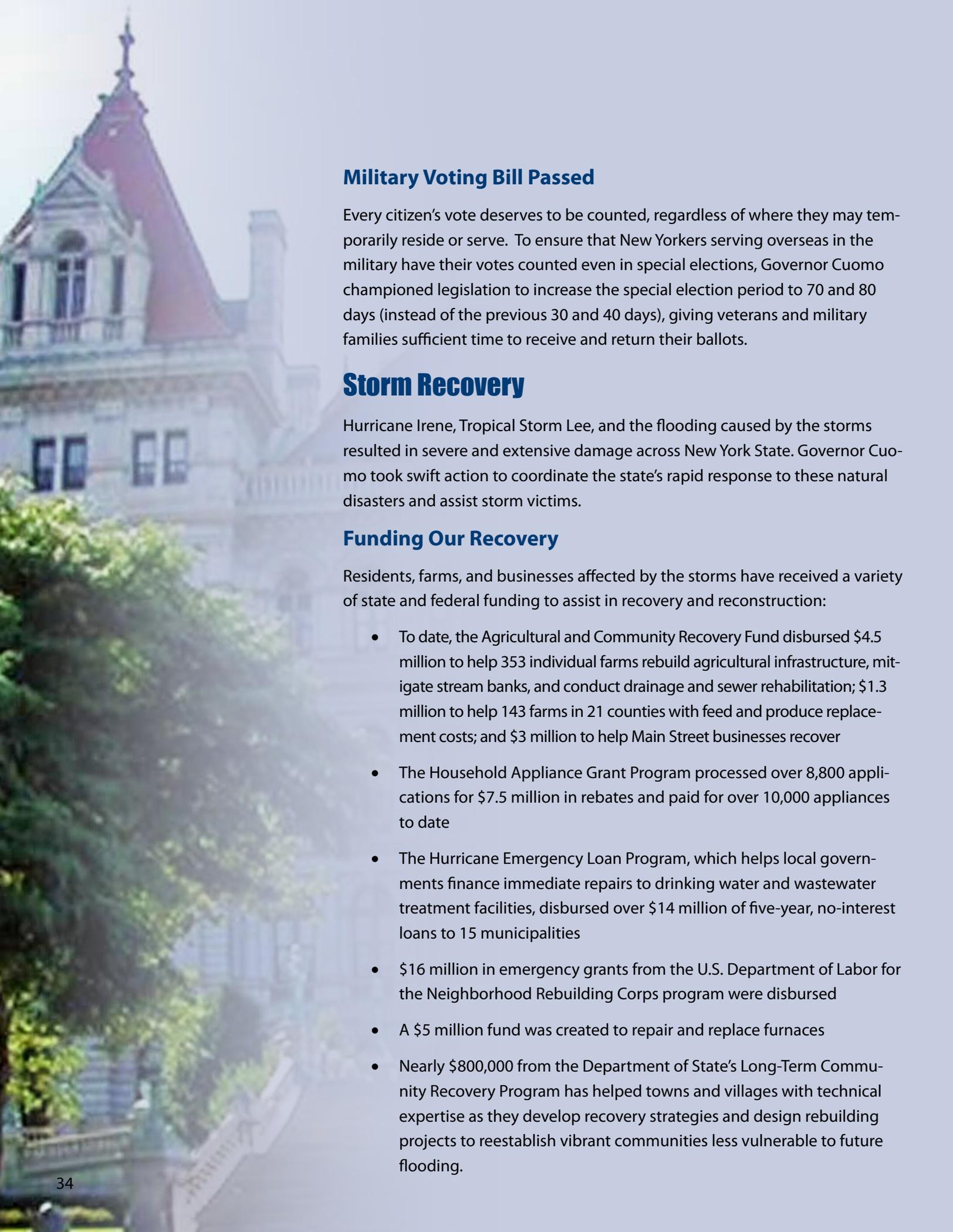
Governor Cuomo spearheaded “Experience Counts,” a new campaign that helps returning veterans enter the civilian workforce and ensures better appreciation of veterans’ highly valuable military training. The Governor’s campaign helps facilitate the transfer of military skills to the public and private sectors by:

- Improving the processes for awarding credit for military training at the State University of New York and the City University of New York
- Making it easier and less costly for military members who have experience driving trucks and heavy equipment to obtain a New York commercial driver’s license by waiving the road test
- Allowing military training and experience as a medic to count toward certification as a home health or nursing home aide, as is already the case for paramedic certification

The Governor also expanded the state’s Council on Returning Veterans and Their Families, a group of state agencies and civilians that advises the Governor on issues that affect New York veterans and assists with the efficient coordination of state services for veterans. The Governor instructed the Council to work across state agencies to determine how the state can further recognize and credit military training and experience, especially in licensure and educational credit programs.

Affordable Housing Assistance for Veterans

Finding affordable housing is a challenge for many veterans resuming civilian life. Veterans are at a disproportionate risk for homelessness for a variety of reasons, including difficulty transitioning from the military, combat-related health issues, chronic unemployment, and a shortage of safe, affordable housing. According to the U.S. Department of Veterans’ Affairs, approximately 10,900 homeless veterans live in New York State. Governor Cuomo piloted three new initiatives to help veterans obtain affordable housing when they return to New York State. These initiatives commit \$25 million in housing assistance for veterans, give preference to veterans in Section 8 housing, and expand the state’s mortgage assistance program to include active duty veterans.



Military Voting Bill Passed

Every citizen's vote deserves to be counted, regardless of where they may temporarily reside or serve. To ensure that New Yorkers serving overseas in the military have their votes counted even in special elections, Governor Cuomo championed legislation to increase the special election period to 70 and 80 days (instead of the previous 30 and 40 days), giving veterans and military families sufficient time to receive and return their ballots.

Storm Recovery

Hurricane Irene, Tropical Storm Lee, and the flooding caused by the storms resulted in severe and extensive damage across New York State. Governor Cuomo took swift action to coordinate the state's rapid response to these natural disasters and assist storm victims.

Funding Our Recovery

Residents, farms, and businesses affected by the storms have received a variety of state and federal funding to assist in recovery and reconstruction:

- To date, the Agricultural and Community Recovery Fund disbursed \$4.5 million to help 353 individual farms rebuild agricultural infrastructure, mitigate stream banks, and conduct drainage and sewer rehabilitation; \$1.3 million to help 143 farms in 21 counties with feed and produce replacement costs; and \$3 million to help Main Street businesses recover
- The Household Appliance Grant Program processed over 8,800 applications for \$7.5 million in rebates and paid for over 10,000 appliances to date
- The Hurricane Emergency Loan Program, which helps local governments finance immediate repairs to drinking water and wastewater treatment facilities, disbursed over \$14 million of five-year, no-interest loans to 15 municipalities
- \$16 million in emergency grants from the U.S. Department of Labor for the Neighborhood Rebuilding Corps program were disbursed
- A \$5 million fund was created to repair and replace furnaces
- Nearly \$800,000 from the Department of State's Long-Term Community Recovery Program has helped towns and villages with technical expertise as they develop recovery strategies and design rebuilding projects to reestablish vibrant communities less vulnerable to future flooding.



On-Site

Governor Cuomo conducted 24 personal visits and aerial tours of areas severely damaged by the storms. Eighteen members of the Cuomo administration were deployed to 11 counties in advance of or during the storms. The Governor's Upstate Storm and Recovery Task Force has conducted more than 75 meetings and visits in areas affected by the storms. More than 60 representatives, including local and state elected officials, state agencies, and federal partners attended its November summit meeting to coordinate on reconstruction.

Environmental Permitting

DEC Commissioner Joe Martens issued an emergency authorization allowing critical work to be done in streams and waterways without a permit if necessary to protect life or property. DEC sent technical and permitting staff into the field in all affected areas to advise on recovery work and issue necessary permits in the field. More than 1,800 general permits have been issued by the DEC for work in waterways affected by the storms.

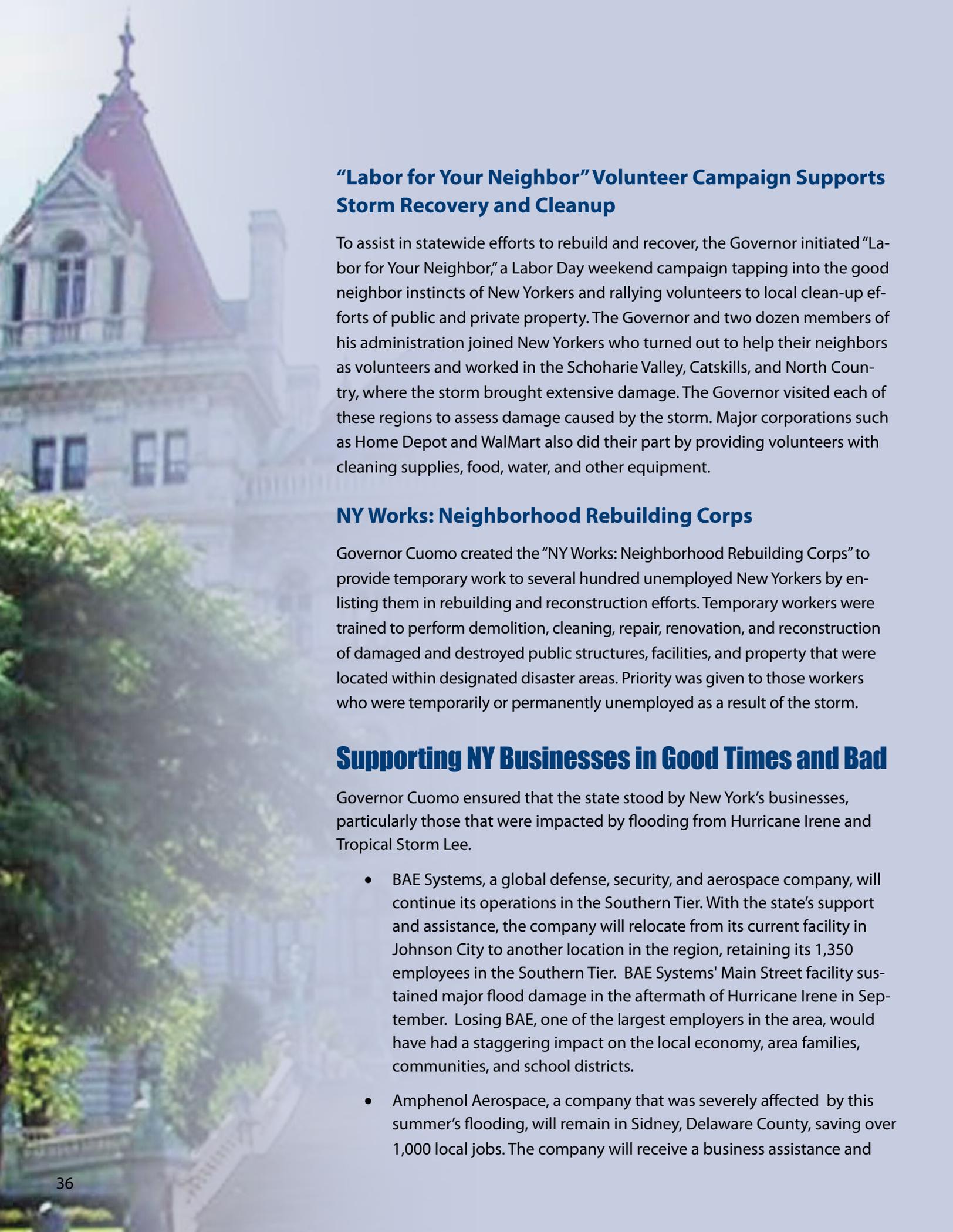
Road to Recovery

As a result of the summer storms, more than 400 road segments and bridges on the state highway system were closed. Within ten days of Hurricane Irene, the state had reopened 170 of the 200 previously closed road segments. Within ten days of Tropical Storm Lee, the state had reopened an additional 200 road segments and was continuing its work on the infrastructure that suffered the most extensive damage. As of November, 97 percent of the roads and bridges that were damaged or destroyed by Hurricane Irene and Tropical Storm Lee were fully functional. At year's end, only one six-mile segment of flood-damaged roadway, including two bridges, remains closed. More than 24,000 maintenance staff were deployed, 2,700 pieces of equipment were used for clean-up and repair, and 200,000 hours were logged during the three week storm response period, demonstrating an incredible and unprecedented effort by the state Department of Transportation.

State Assistance Overall

Residents, communities, and businesses recovering and rebuilding from the devastating floods caused by Hurricane Irene and Tropical Storm Lee were provided with wide-ranging state assistance, including:

- Extension of due dates for school tax bills
- Fee waiver for replacement of state documents
- Disaster food stamp benefits for households in 15 hard-hit counties



“Labor for Your Neighbor” Volunteer Campaign Supports Storm Recovery and Cleanup

To assist in statewide efforts to rebuild and recover, the Governor initiated “Labor for Your Neighbor,” a Labor Day weekend campaign tapping into the good neighbor instincts of New Yorkers and rallying volunteers to local clean-up efforts of public and private property. The Governor and two dozen members of his administration joined New Yorkers who turned out to help their neighbors as volunteers and worked in the Schoharie Valley, Catskills, and North Country, where the storm brought extensive damage. The Governor visited each of these regions to assess damage caused by the storm. Major corporations such as Home Depot and WalMart also did their part by providing volunteers with cleaning supplies, food, water, and other equipment.

NY Works: Neighborhood Rebuilding Corps

Governor Cuomo created the “NY Works: Neighborhood Rebuilding Corps” to provide temporary work to several hundred unemployed New Yorkers by enlisting them in rebuilding and reconstruction efforts. Temporary workers were trained to perform demolition, cleaning, repair, renovation, and reconstruction of damaged and destroyed public structures, facilities, and property that were located within designated disaster areas. Priority was given to those workers who were temporarily or permanently unemployed as a result of the storm.

Supporting NY Businesses in Good Times and Bad

Governor Cuomo ensured that the state stood by New York’s businesses, particularly those that were impacted by flooding from Hurricane Irene and Tropical Storm Lee.

- BAE Systems, a global defense, security, and aerospace company, will continue its operations in the Southern Tier. With the state’s support and assistance, the company will relocate from its current facility in Johnson City to another location in the region, retaining its 1,350 employees in the Southern Tier. BAE Systems’ Main Street facility sustained major flood damage in the aftermath of Hurricane Irene in September. Losing BAE, one of the largest employers in the area, would have had a staggering impact on the local economy, area families, communities, and school districts.
- Amphenol Aerospace, a company that was severely affected by this summer’s flooding, will remain in Sidney, Delaware County, saving over 1,000 local jobs. The company will receive a business assistance and



retention package of \$20 million from the state. Amphenol Aerospace, a division of Amphenol Corporation, is one of the world's largest manufacturers of interconnect products for the military, commercial aerospace, and industrial markets. Significant flooding devastated Amphenol's Delaware Avenue facility, and the company explored the possibility of moving manufacturing to other sites outside New York State. Instead, the company will use funding from the state's incentive package to help relocate its operations from its current facility in Sidney to a new site located nearby.

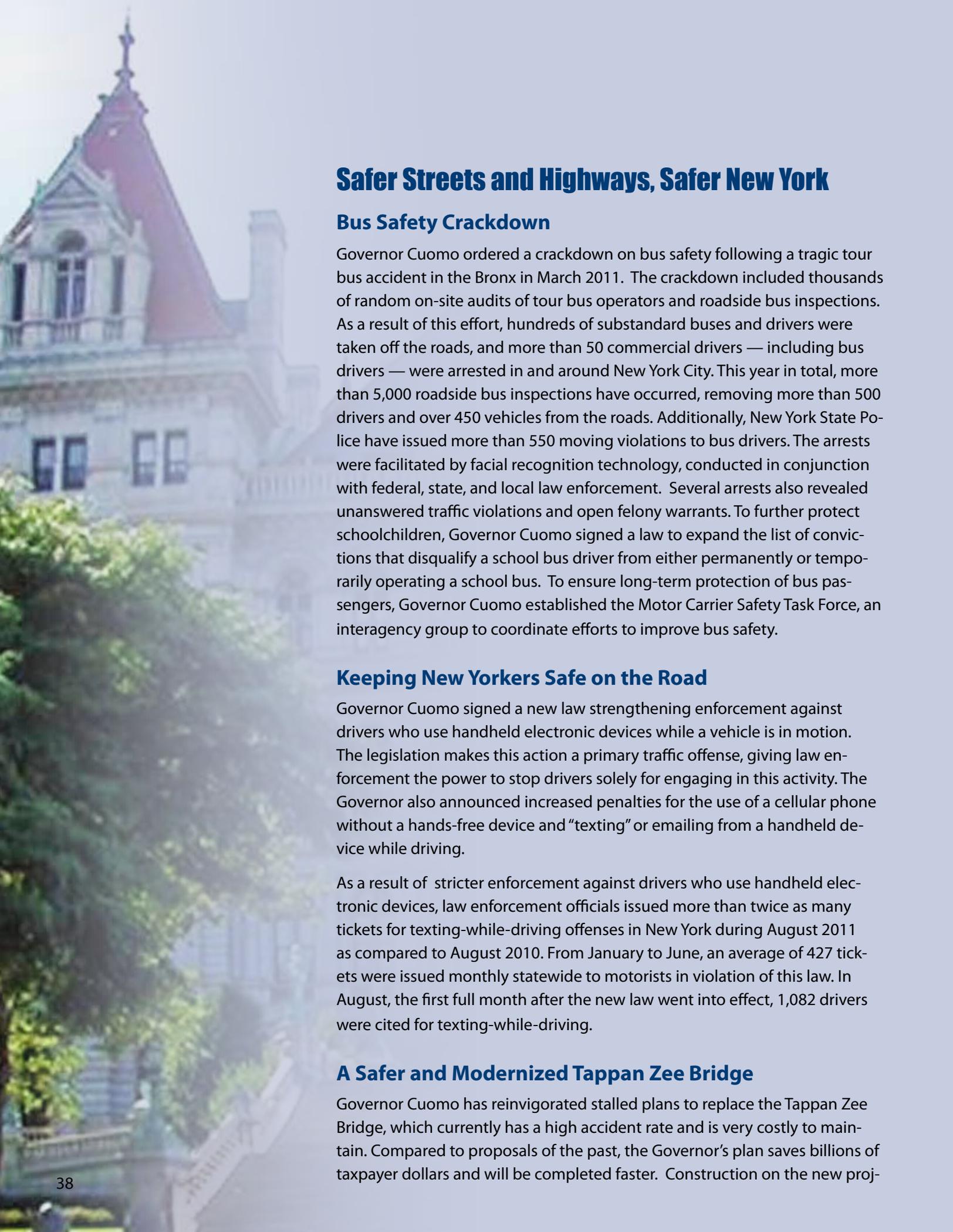
Remembering 9/11

Thirty Exhibitions Across the State Honor Those Lost on September 11

Working with the New York State Museum and the National September 11 Memorial & Museum, Governor Cuomo established 30 "New York Remembers" exhibitions as part of a statewide recognition of the tenth anniversary of the September 11, 2001 terrorist attacks. "New York Remembers" featured historical artifacts from the collections of the State Museum and National September 11 Memorial & Museum. The exhibitions gave New Yorkers a place to remember the victims of September 11, and the opportunity to honor countless heroes from every corner of the state who aided in clean-up and recovery efforts. Many of the artifacts exhibited had never before been seen by the public, including the trailer used by families visiting Ground Zero, damaged emergency vehicles and other vehicle parts, religious "symbol steel" created by the workers at the site, and airplane fragments including landing gear and engine parts.

Official 9/11 Memorial Flag Unveiled

Governor Cuomo and the National September 11 Memorial & Museum worked together to create the official New York State September 11 Memorial Flag. The symbols depicted on the flag evoke both that which was lost on September 11 and that which still endures. The flag's 40 yellow stars represent the fatalities from United Flight 93, which crashed in Shanksville, Pennsylvania. The five-sided figure on the flag represents the Pentagon, where 125 people died. At the center of the flag are the Twin Towers, where the greatest loss of life occurred. The flag was raised in honor of the victims of September 11 and the unprecedented numbers of first responders from across the nation who came to aid in clean-up and recovery efforts. For the tenth anniversary, the flag was flown at the State Capitol and at the entrance to the memorial at the World Trade Center site.



Safer Streets and Highways, Safer New York

Bus Safety Crackdown

Governor Cuomo ordered a crackdown on bus safety following a tragic tour bus accident in the Bronx in March 2011. The crackdown included thousands of random on-site audits of tour bus operators and roadside bus inspections. As a result of this effort, hundreds of substandard buses and drivers were taken off the roads, and more than 50 commercial drivers — including bus drivers — were arrested in and around New York City. This year in total, more than 5,000 roadside bus inspections have occurred, removing more than 500 drivers and over 450 vehicles from the roads. Additionally, New York State Police have issued more than 550 moving violations to bus drivers. The arrests were facilitated by facial recognition technology, conducted in conjunction with federal, state, and local law enforcement. Several arrests also revealed unanswered traffic violations and open felony warrants. To further protect schoolchildren, Governor Cuomo signed a law to expand the list of convictions that disqualify a school bus driver from either permanently or temporarily operating a school bus. To ensure long-term protection of bus passengers, Governor Cuomo established the Motor Carrier Safety Task Force, an interagency group to coordinate efforts to improve bus safety.

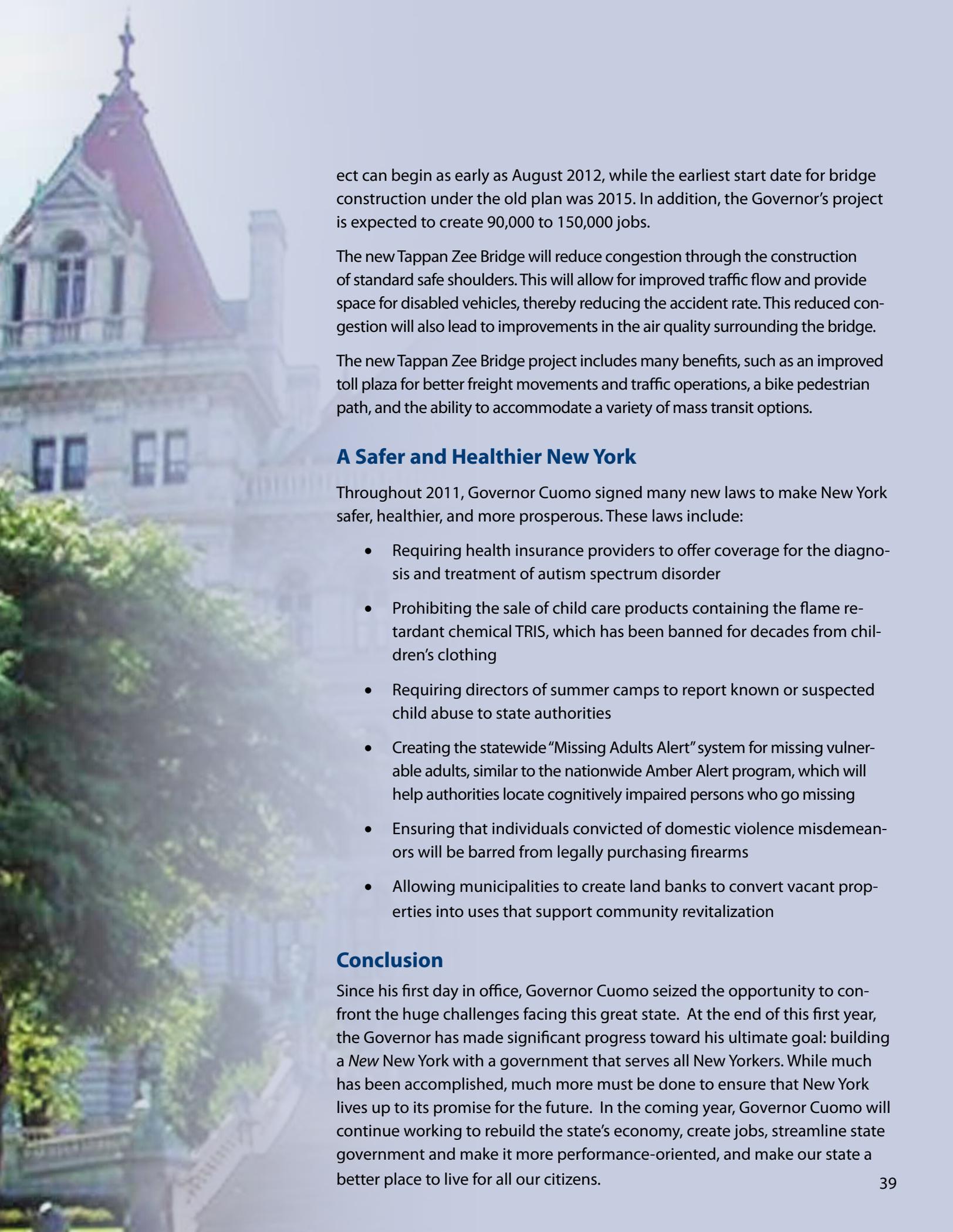
Keeping New Yorkers Safe on the Road

Governor Cuomo signed a new law strengthening enforcement against drivers who use handheld electronic devices while a vehicle is in motion. The legislation makes this action a primary traffic offense, giving law enforcement the power to stop drivers solely for engaging in this activity. The Governor also announced increased penalties for the use of a cellular phone without a hands-free device and “texting” or emailing from a handheld device while driving.

As a result of stricter enforcement against drivers who use handheld electronic devices, law enforcement officials issued more than twice as many tickets for texting-while-driving offenses in New York during August 2011 as compared to August 2010. From January to June, an average of 427 tickets were issued monthly statewide to motorists in violation of this law. In August, the first full month after the new law went into effect, 1,082 drivers were cited for texting-while-driving.

A Safer and Modernized Tappan Zee Bridge

Governor Cuomo has reinvigorated stalled plans to replace the Tappan Zee Bridge, which currently has a high accident rate and is very costly to maintain. Compared to proposals of the past, the Governor’s plan saves billions of taxpayer dollars and will be completed faster. Construction on the new proj-



ect can begin as early as August 2012, while the earliest start date for bridge construction under the old plan was 2015. In addition, the Governor's project is expected to create 90,000 to 150,000 jobs.

The new Tappan Zee Bridge will reduce congestion through the construction of standard safe shoulders. This will allow for improved traffic flow and provide space for disabled vehicles, thereby reducing the accident rate. This reduced congestion will also lead to improvements in the air quality surrounding the bridge.

The new Tappan Zee Bridge project includes many benefits, such as an improved toll plaza for better freight movements and traffic operations, a bike pedestrian path, and the ability to accommodate a variety of mass transit options.

A Safer and Healthier New York

Throughout 2011, Governor Cuomo signed many new laws to make New York safer, healthier, and more prosperous. These laws include:

- Requiring health insurance providers to offer coverage for the diagnosis and treatment of autism spectrum disorder
- Prohibiting the sale of child care products containing the flame retardant chemical TRIS, which has been banned for decades from children's clothing
- Requiring directors of summer camps to report known or suspected child abuse to state authorities
- Creating the statewide "Missing Adults Alert" system for missing vulnerable adults, similar to the nationwide Amber Alert program, which will help authorities locate cognitively impaired persons who go missing
- Ensuring that individuals convicted of domestic violence misdemeanors will be barred from legally purchasing firearms
- Allowing municipalities to create land banks to convert vacant properties into uses that support community revitalization

Conclusion

Since his first day in office, Governor Cuomo seized the opportunity to confront the huge challenges facing this great state. At the end of this first year, the Governor has made significant progress toward his ultimate goal: building a *New New York* with a government that serves all New Yorkers. While much has been accomplished, much more must be done to ensure that New York lives up to its promise for the future. In the coming year, Governor Cuomo will continue working to rebuild the state's economy, create jobs, streamline state government and make it more performance-oriented, and make our state a better place to live for all our citizens.

Building a *New* New York

One Year Progress Report