

Building on Success

End of Session Report 2014



Governor Andrew M. Cuomo
June 2014



Overview

Throughout its history, New York State has been a beacon of opportunity and a global center of commerce and innovation. But over time New York lost its way. For decades the State government spent more than it could afford and kept raising taxes to cover the bills. In 2008, New York became the center of the financial crisis with massive job losses and our economy in shambles. While the crises mounted, Albany remained hopelessly mired in gridlock. By end of 2010, over 850,000 New Yorkers were unemployed, the most since the Great Depression. The State faced a \$10 billion budget deficit.

When Andrew Cuomo became governor in 2011, he promised to put New York on a different path. We needed to get taxes and spending under control. We needed to transform the State's economy and get New Yorkers back to work, particularly in upstate New York. We needed to stop the partisan bickering and restore public trust in government.

Governor Cuomo laid out a transformational plan to restore New York to greatness and has worked tirelessly to make the plan a reality.

In March, the State enacted the Governor's fourth on-time, honestly balanced budget that has set our State on a course of fiscal stability. The return to responsible fiscal management has been recognized by all three financial rating agencies. Standard & Poor's and Fitch Ratings have moved New York's credit outlook up from "stable" to "positive." And in June, Moody's Investors Service upgraded New York's credit rating to the highest rating it has given New York State since 1964.

New York's property taxes have been held to an average growth rate of just over two percent during the past two years, less than half the rate of growth over the previous ten years. And during this Legislative session, as a result of the Governor's recently enacted tax plan, homeowners will have their property taxes frozen and then cut over the next few years.

Middle class New Yorkers are now paying the lowest income tax rate since 1953. And to create jobs, in April the State enacted the lowest corporate tax rate since 1968 and the manufacturer's tax rate was eliminated entirely, making it the lowest rate since 1917.

New York has created 460,000 private sector jobs over the past three and a half years and has the second highest net job growth of any state in the nation since the recession. Unemployment is down in every region and the overall rate, as of May 2014, stands at 6.7 percent, the lowest in over five years. Last year represented the single biggest one-year drop in the unemployment rate in upstate New York in recorded history.

New York has once again become a progressive leader in the nation on issues such as marriage equality, sensible gun control legislation, affordable housing, innovations in public education and programs to help those in need. But more than that, together we have changed the culture of Albany, replacing dysfunction with performance and gridlock with action, and we have laid the foundation for continued success.

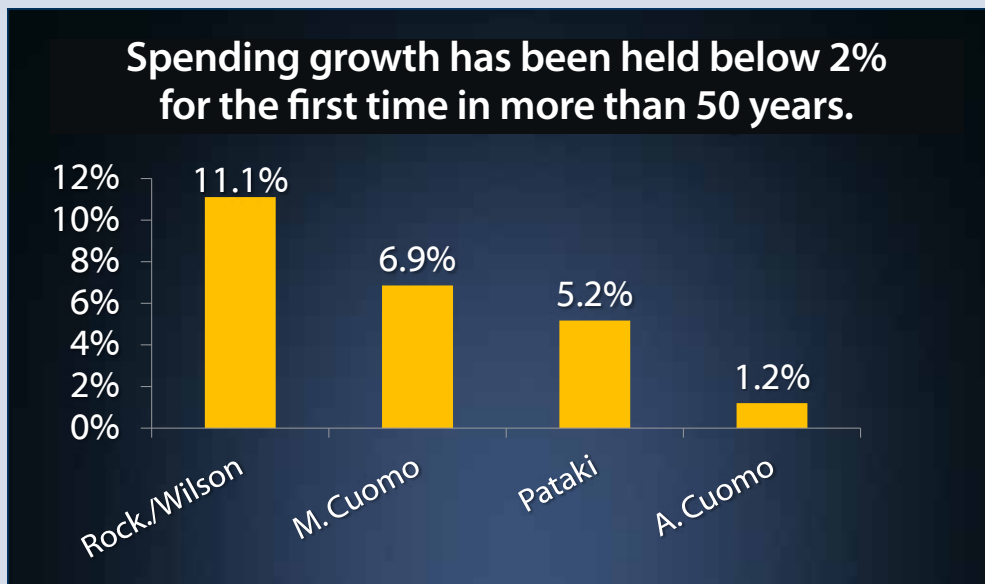
The Legislative session that has just concluded in Albany builds on those achievements. The following report highlights some of the accomplishments over the last six months.

I. Fiscal Responsibility

Governor Cuomo continued the remarkable progress of restoring New York's fiscal integrity and stability. For the fourth consecutive year, the budget was passed on time, reversing decades of dysfunction. The budget maintains the discipline that has characterized the last three and a half years by again holding the growth in spending below two percent, while also making broad tax cuts and targeted investments that will transform our schools and ensure safer, cleaner and fairer communities.

The State ended the 2013-2014 fiscal year with a net operating surplus of \$625 million. General Fund reserves grew to \$2.24 billion. By adhering to the two percent spending benchmark, the State will continue to accrue surpluses in future years.

After years of overtaxing and overspending, Governor Cuomo has fundamentally changed the State's trajectory. In the 50 years prior to Governor Cuomo taking office, the annual State Budget grew faster than income 60 percent of the time (or three out of every five budgets) and spending over the entire period grew at an average rate of approximately seven percent, compared to income growth of 6.2 percent. If spending and income had grown at the same rate, spending today would be approximately \$40 billion below its current level. With the adoption of the two percent spending benchmark, the unsustainable trend has been reversed. Since 2011, State spending has grown more slowly than income each year and at its slowest rate in 50 years.



New York now has a vastly improved fiscal outlook. Standard & Poor's and Fitch Ratings have moved New York's credit outlook up from "stable" to "positive." And in June, Moody's Investors Service upgraded New York's credit rating, noting the upgrade was a result of such factors as: a reversal in historic financial management patterns, like a sustained record of on-time budgets; contained spending growth; and lack of reliance on external borrowing for liquidity purposes. This represents New York's highest rating from Moody's since 1964.

II. Cutting Taxes for Every New Yorker

The 2014 Legislative session builds upon the last three years of tax relief, which includes the enactment of a property tax cap, the lowest middle-class tax rate in 60 years, elimination of the MTA payroll tax for more than 700,000 small businesses and the self-employed, creation of a new family tax relief credit, tax cuts for small businesses and manufacturers, reforms to unemployment insurance and workers compensation insurance, and the START-UP NY tax free zones.

Lower Taxes for Families: The budget includes a new \$1.5 billion program to provide direct property tax relief to New York homeowners. It also addresses one of the primary drivers of the State's high property taxes – the excess number of local governments. The property tax relief package is designed to give local governments and school districts incentives to share services and reduce their financial burden on the taxpayer. In the first year under the reform plan, New Yorkers will receive property tax relief if their local governments stay within the property tax cap. The cuts will be extended for a second year in jurisdictions that comply with the cap and have put forward a plan to save one percent of their tax levy per year over three years.

For New York City residents, the budget creates a new \$85 million, progressively structured tax relief program. Qualifying homeowners and renters will be eligible to receive a refundable tax credit against their personal income tax when their property taxes or rent exceed a certain percentage of their income.

New York's outdated estate tax is literally a "move to die" tax, encouraging elderly New Yorkers to relocate to other states while placing a special burden on small, family-owned businesses. The budget raises the threshold of the estate tax over a multi-year period from \$1 million to the federal exemption level, which is currently at \$5.3 million.

Reducing Taxes to Create Jobs: The budget also includes reforms to help bring more out-of-state companies to New York, creating jobs and generating increased revenue to invest in State programs and extend help to all New Yorkers. The budget contains the most significant improvements to New York's business tax system in nearly three decades. The tax code is simplified and the business net income tax rate is reduced from 7.1 percent to 6.5 percent, the lowest rate since 1968. Governor Cuomo has dramatically improved the business climate for manufacturers by lowering the tax rate on income for all manufacturers from the current 5.9 percent to zero in 2014 and thereafter, and establishing a 20 percent real property tax credit for manufacturers who own or lease property. Through these actions, New York is a more attractive place for manufacturing firms to locate, invest in and create jobs.

Reflecting that New Yorkers pay some of the highest energy bills in the nation, the budget accelerates the phase-out of the 18-a temporary assessment for all customers, saving businesses and residents \$600 million over the next three years.

III. Strengthening the Economy to Create Jobs

Working to strengthen our State's economy and create jobs for New Yorkers has been Governor Cuomo's highest priority during his three years in office.

Since Governor Cuomo took office, Empire State Development, the State's economic development agency, has approved incentive packages totaling more than \$1 billion and has secured pledges to create and retain approximately 194,000 jobs and to leverage over \$10 billion in private investment in the State.

New York State has also gained over 460,000 private sector jobs since January 2011. New York is the number two state in the nation in net new job creation since the recession.



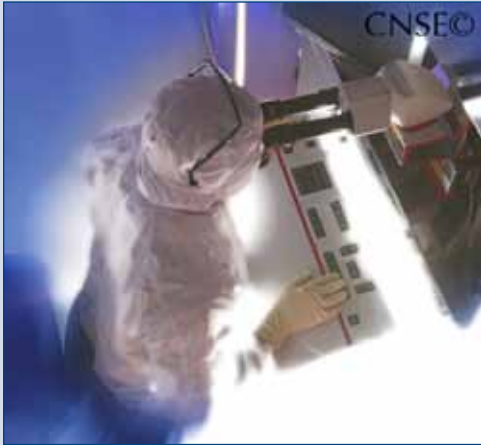
START-UP NY: Governor Cuomo's START-UP NY is a game-changing initiative that is transforming State University of New York (SUNY) campuses and other universities across the State into tax-free communities that can attract start-ups, venture capital, new business and investments from across the world. The program is enticing companies to bring their ventures to upstate New York or to start new companies within New York by offering new businesses the opportunity to operate completely tax-free – including no income tax for employees and no sales, property or business tax – while also partnering with the world-class higher education institutions in the SUNY system.

So far, 26 START-UP NY plans have been approved in 23 public schools and 3 private schools, including Upstate institutions, such as SUNY Albany, University at Buffalo, Onondaga Community College, Monroe Community College, Buffalo State, Hartwick College and the College of Nanoscale Science and Engineering and Downstate universities, including SUNY Downstate Medical.

On June 4th, Governor Cuomo announced the first 12 START-UP NY companies, which will create at least 400 net new jobs and invest \$50 million in Buffalo, Rochester, Ithaca and Brooklyn.

The 2014-2015 budget also expands START-UP NY to include as automatically eligible the campuses of 4 prisons scheduled for closure this year: Butler Correctional Facility, Chateaugay Correctional Facility, Monterey Shock Incarceration Correctional Facility and Mount McGregor Correctional Facility.

SUNY and CUNY 2020 Challenge Grant Program: The Governor added \$55 million for a fourth round of the SUNY 2020 Challenge Grant Program and \$55 million for the CUNY 2020 program to provide competitive grants for projects that connect economic development and academic excellence.



Regional Economic Development Councils: The budget includes a fourth round of funding to the Regional Economic Development Councils (REDC), the Governor's model to replace the old "top-down" bureaucratic approach to economic development. The REDCs will be competing for up to \$150 million in capital funds and \$70 million in Excelsior Tax Credits for priority projects in their regions. Together with additional funding from 12 New York State agencies, up to \$750 million in economic development resources will be available to applicants through the 2014 REDC process. In December of 2013, almost \$716 million

was awarded to over 800 projects in Round 3. After the first three rounds, more than \$2 billion has been awarded for job creation and community development projects consistent with each region's strategic plan, resulting in the creation and retention of more than 100,000 jobs.

Generating Jobs, Supporting Localities and Schools Through Resort Casinos: The State Gaming Commission named members to the Gaming Facility Location Board, which will determine the site selection for the four Upstate casinos authorized by the Upstate New York Gaming Economic Development Act. The Board has established the license fee for winning bidders as well as the minimum capital investment amount for bidders. It issued a Request for Applications for casinos late March with all bids due by the end of June. The Facility Location Board and its financial consultants will review the applications in the summer, hold public hearings on the applications in September and announce the winning applicants in early fall.

Support For Buffalo And Western New York: The Governor continued his commitment to Buffalo and Western New York through his Buffalo Billion initiative. The 2014-2015 budget fulfilled the Governor's \$1 billion commitment to revitalize Buffalo's regional economy by including \$680 million in new capital appropriations. This complements \$150 million in prior-year capital appropriations and \$170 million in tax credits reserved from the Excelsior Jobs program to provide the full \$1 billion.

Major Buffalo Billion projects are already underway, with the development of several hubs to be anchored by major companies: the Buffalo High-Tech Manufacturing and Innovation Hub at Riverbend; the Buffalo Medical Innovation and Commercialization Hub for shared pharmaceutical research and development, anchored by AMRI; the Buffalo Information Technologies Innovation and Commercialization Hub, anchored by IBM; and the New York Genome Medicine Network at University at Buffalo. These new, state-of-the-art hubs will bring thousands of new jobs to Western New York.

Additional Buffalo Billion initiatives address workforce development, tourism plan development, waterfront development and other strategic community revitalization projects within the city of Buffalo and surrounding areas.



The New Stadium Working Group, established as part of the 2013 Ralph Wilson Stadium 10-year lease, convened for the first time this past spring. The group is exploring options for development and construction of a new stadium in Western New York to serve as a home for the Bills, a catalyst for economic growth and a premier sports and entertainment venue for the region. This 21-member group includes representatives from the State government, Erie County and the Buffalo Bills.

This May, Governor Cuomo officially designated the Buffalo Harbor State Park as the 180th New York State Park and the first in Buffalo. Buffalo Harbor State Park will receive an initial investment of \$15 million for improvements and enhancements, which will help propel the revitalization of the city's waterfront. The designation is tied to the official transfer of 340 acres of land on Buffalo's Outer Harbor from the Niagara Frontier Transportation Authority to the State. The land will be used to create a destination playground, picnic pavilions and a redesigned breakwall at the marina, which will feature a pedestrian walkway overlook, fishing access and seating.

Economic Transformation Program: This year's budget allocated \$32 million to support communities impacted by the closure of New York State correctional and juvenile justice facilities. The funding builds on \$50 million provided in 2011 to various communities impacted by facility closures to leverage private sector investments to create jobs and support initiatives that will help transform the economies of these communities.

Youth Works Expansion: Governor Cuomo proposed and enacted increased funding for the highly successful New York Youth Works Program for at-risk youth. Funding has been expanded to \$10 million for each of the program's four years and will help young people find job-readiness training, get into the workplace and succeed in their jobs. In 2012, the program helped 1,270 New York businesses hire 12,866 at-risk young people across New York.

Businesses will continue to be offered a wage subsidy of up to \$3,000 in the form of tax credits to immediately youth from at-risk communities to work. The business must retain workers for at least six months and is eligible for an additional tax credit of up to \$1,000 for the next six months, as well as another \$1,000 if the young worker is retained for a full second year of employment. The program will continue through 2018 and funding has been increased from the original allocation of \$6 million for each year.

Promoting Recreation and Tourism

As a result of the Governor's commitment to tourism, the industry has seen an increase in spending, State and local tax revenue, visitors and employment. In 2013, New York's tourism industry generated direct spending of \$59.2 billion, producing an estimated \$7.5 billion in State and local taxes. The number of visitors to New York is estimated to have increased by 8.8 million to nearly 219 million, a 4.2 percent increase since 2012. As the fourth largest employment sector in New York, the tourism industry also added 28,500 jobs in 2013 for a total of over 832,000 jobs and almost \$18 billion in wages. Today, one out of every 12 jobs in New York is tourism-related.

Building on the momentum from last year, Governor Cuomo held the second tourism summit in May 2014, where he announced the State's commitment of \$45 million to promote statewide tourism, create jobs and attract even more visitors. This 50 percent increase in State funding over the last year makes New York's the largest State-funded tourism program in the nation. The Governor also unveiled a new advertising campaign featuring Billy Joel, Meryl Streep, Robert De Niro, Vanessa Williams, Michael Strahan, Steve Buscemi and Ed Burns. In addition, the Governor announced a series of initiatives designed to build on the success of the first summit, including: a one stop shop website of hospitality training programs; the launch of a new campaign to promote outdoor tourism; expansion of the State's global reach through increased representation and partnerships in key markets such as Australia and China; and the creation of a new NY Loves Groups initiative to increase group and motorcoach travel, meetings and conventions throughout New York State.



The Taste NY program was launched in 2013 to highlight New York food and beverage products at special events, tourism destinations, and stores throughout the State. Over the past year, 28 Taste NY events were held and New York-made products can now be found in four major New York airports, along the New York State Thruway and soon in Grand Central Terminal in New York City. To further promote our farm-based beverages, a new Taste NY marketing and branding program is being created with New York liquor stores. New designation signage for Taste NY and "Path through History;" a statewide roadmap that ties historically and culturally significant sites, locations and events, will also help promote agritourism and our farm beverage sector along the Thruway and major routes.

Strengthening our Film and Television Industry

New York State continued its commitment to making our State the leader in the film and television industry by enacting several enhancements and related credits under the New York State Film Tax Credit Program. Since 2011, the State has issued \$852 million in tax credits toward motion picture, television series and television pilot production in New York, resulting in \$4.1 billion in film and TV industry spending. In the 2013-2014 fiscal year, the State issued \$336 million in tax credits toward motion picture, television series and television pilot production in New York, resulting in \$1.5 billion of film and TV industry spending in the State.



The expansion of the Post Production Tax Credit program also led to a record number of applications for the program in 2013-2014, with seven new and five existing New York State post production companies having undertaken significant expansions since July 2013.

In February, New York State and Broadway Stages, one of New York City's premier full-service film, television and music video production companies, announced plans to purchase the former Arthur Kill Correctional Facility on Staten Island and invest at least \$20 million to transform the site into a film, television, and music production facility. The company plans to construct five new sound stages, aiming to create 800 jobs over the next two years and as many as 1,500 in the next five.

Governor Cuomo also unveiled plans in March for a new Central New York Hub for Emerging Nano Industries in Onondaga County, which will specialize in providing advanced visual production research and education to support upstate New York's rapidly growing film and television industry. The facility will use nanotechnology to drive innovations in the computer generation imagery, animation and motion capture technology that is used in film and television production. The Film House, a California-based film and television company, will be the facility's first tenant, moving its headquarters, production, post-production and distribution operations to Syracuse. The project will create at least 350 new high tech jobs and 150 construction jobs.

In addition, the Governor announced that Walt Disney Company, Marvel and Netflix Inc. will principally film four TV series and one mini-series in New York State, representing the biggest production commitment in the State's history. Filming began this summer and will create at least 3,000 jobs in New York State, including up to 400 full time jobs.

Expanding New York's Dairy Industry

Under Governor Cuomo's leadership, New York reclaimed its status as the number three producer of milk in the country. The strong growth represents the fourth consecutive year that New York has registered an increase in milk production.



In 2012 and 2013, New York led the nation in the production of yogurt. The State also doubled its yogurt production from 2010 to 2013, from 369 million pounds in 2010 to 741 million pounds in 2013. New York's share of total U.S. yogurt production rose from 8.8 percent in 2010 to 15.7 percent in 2013. The yogurt industry has also driven the growth of employment within the State's dairy sector, which demonstrated a 16.4 percent increase between 2010 to 2013.

New York is also number one for cream cheese and cottage cheese in the country. The Dairy Acceleration Program, a joint venture between the Department of Agriculture and Markets and the Department of Environmental Conservation, made \$1 million available in funding to help dairy farmers develop individualized business and environmental plans. This grant program seeks to increase the efficiency and production of dairy farms in New York State, with an emphasis on small- to medium-size farms (under 300 cows) and those seeking to expand. This is the first time that these two agencies have come together to provide coordinated assistance to dairy farms under a single program.

In addition, the program will enable farmers to tap into the expertise of the Cornell Cooperative Extension network and other agricultural programs to grow their businesses and increase production on their farms. The Dairy Acceleration Program will build upon Governor Cuomo's "one stop shop" approach by providing a central point of access to technical assistance for those dairies looking to expand or improve productivity.

Building Our Wine, Beer, Cider and Spirits Industries

New York is home to nearly 600 wineries, breweries, distilleries and cideries, which, combined with distribution and retail, account for more than \$27 billion in economic impact each year and support tens of thousands of jobs statewide. The State ranks third in the nation in wine and grape production, second in apple production, has the second most distilleries and is home to three of the 20 top-producing breweries in the country. Since the first quarter of 2011, State actions to support agricultural producers have contributed to an 83 percent growth in farm-based beverage licenses.

Over the past three years under Governor Cuomo's leadership, the number of farm wineries in New York has increased by 46 percent, from 195 in 2010 to 285 today. The number of microbreweries has increased by 133 percent, from 40 in 2010 to 93, and the new farm brewery law, effective January 2013, already has resulted in 32 new licensees. The number of New York cideries in production has also seen growth--today, there are 24 hard cider producers across the State.

Improved Licensing: The new farm brewery and cidery licenses signed into law by Governor Cuomo, developed with stakeholder and industry input, encourage the use of New York-grown agriculture products. The farm brewery license has reignited statewide production of hops and barley, and the State's farm distillers have renewed interest in production of small grains.

In addition, dozens of newly licensed craft beverage producers have emerged all across the State as a result of our efforts to simplify licensing and retailing regulations. Craft beverage applications are being fast-tracked and producers may now open up new branch stores statewide, conduct product tastings and sell their products at county fairs and the New York State Fair.



Craft New York Act: In June, through Governor Cuomo's leadership, the Legislature enacted a law to further strengthen and assist New York State's vibrant craft beverage producers. The Craft New York Act is a set of reforms to raise production limits and lower licensing fees for craft manufacturers, expand marketing opportunities and increase retail outlets where small craft manufacturers can sell, serve and offer samples of their products. This legislation will provide greater economic opportunities for New York manufacturers by expanding the activities that they can conduct.

Governor's Second Beer, Wine, Spirits and Cider Summit: At the April summit, the Governor announced a new marketing and promotional commitment, with the State committing \$2 million in direct spending to support the industry's growth via a \$1 million targeted advertising campaign and \$1 million in tourism promotion funding. Additionally, the State will launch a \$2 million grant program that matches \$2 million in industry contributions for the marketing and promotion of wine, beer, spirits and cider produced in New York State.



Following the summit, the State Liquor Authority adopted changes, effective immediately, to: eliminate unnecessary paperwork and clarify standards on brand label registrations; eliminate a bond requirement for farm wineries; reduce costs for manufacturers and wholesalers with multiple licenses by allowing them to deliver all their products in one shipment; and provide guidance to the industry concerning the new "roadside farm market law."

Expanding Minority-Owned and Women-Owned Business Enterprises

Continue to Expand Opportunities for MWBE Businesses: Under Governor Cuomo's leadership, New York State has made great strides in contracting for minority- and women-owned business enterprises (MWBEs). In October 2013, the Governor announced that statewide MWBE participation met and exceeded 20 percent for the first time in the program's history.

The State's success is due to an aggressive multi-pronged strategy to remove barriers to increase the utilization of MWBE firms in State contracting. The State was also able to significantly increase the pool of certified MWBEs, adding 2,123 firms between January 2011 and January 2014.

The Governor also addressed credit barriers to MWBE participation in State contracting. Small business and MWBE contractors leveraged over \$40 million in surety bonding capacity as a result of training, credit facilitation and surety bond collateral support. The Governor also launched the Bridge to Success Loan Program, where MWBE certified firms can now receive working capital through a \$20 million fund to perform on State contracts.



Mentoring For Small Business: Small businesses comprise 98 percent of all businesses in New York and employ more than half of the State’s private sector workforce. Access to hands-on business coaching from experienced professionals and successful entrepreneurs enables small businesses and MWBEs to secure expert guidance critical for growth and success.

In May, the Governor announced Business Mentor NY, a comprehensive digital platform to provide real world guidance to small businesses from real world business professionals, building on recovery efforts in impacted countries from Superstorm Sandy, Hurricane Irene and

Tropical Storm Lee. Business Mentor NY is the State’s first large-scale, hands-on mentoring program designed to help entrepreneurs and small businesses across the State overcome challenges and spur economic growth. It is funded in part through storm recovery resources from the U.S. Department of Housing and Urban Development.

Immigrant Entrepreneurship Training: The Immigrant Entrepreneurship Training Series, launched in April, helps immigrants across New York State start and grow businesses. More than 100 immigrant entrepreneurship seminars will be held throughout the State in the coming year.

Businesses Owned By Disabled Veterans: Governor Cuomo is committed to ensuring that New York is a national leader in providing the care and benefits that veterans and military families have earned. The State is home to more than 900,000 veterans, 72 percent of whom served in combat. However, returning veteran reintegration into the economy has lagged.

Recognizing this problem, Governor Cuomo proposed and signed the Service Disabled Veteran-Owned Business Act, establishing a six percent goal for participation on State contracts by these businesses in addition to other measures to support disabled veteran-owned companies. The legislation creates the Division of Service Disabled Veterans’ Business Development within the Office of General Services, which will oversee the program and certify eligible businesses. The federal government’s goal for awarding contracts to veteran-owned businesses is only three percent and no other state in the nation offers as robust a program.

IV. Improving the State's Transportation Infrastructure

New NY Bridge Project Rising in the Hudson

The New NY Bridge (NNYB) project to replace the Tappan Zee is making remarkable progress. The \$3.9 billion design-build project championed by Governor Cuomo remains on schedule and on budget. In the first six months of 2014, the New York State Thruway Authority's contractor, Tappan Zee Constructors, LLC (TZC) continued to drive production piles that will form the new foundation of this 100-year Hudson River crossing between Westchester and Rockland Counties. In addition, construction continues on the Rockland and Westchester trestles and design is now more than 90 percent complete. In late January, the I Lift NY super-crane, one of the world's largest floating cranes and a key component for the construction of the new twin-span bridge, completed its 6,000 mile journey to New York and will travel to the construction site this summer.



Boater Safety: Multiple boater safety enhancements are being made on the Hudson River around the project site, including a new GPS tracking system for TZC barges and other construction vessels. The Thruway Authority is working in collaboration with the U.S. Coast Guard and TZC to establish new safety and security zones on the river and install new security cameras, warning signs and lighted buoys. The NNYB Community Outreach Team continues to meet with boating clubs and other groups to share boater safety handouts and other project information.

Community Benefits Fund: The NNYB Community Benefits Program is a \$20 million fund – a collaboration of the Thruway Authority and TZC – that is dedicated to making a difference in the local communities near the NNYB project site. To date, the Benefits Program has offered eligible private homeowners in Rockland and Westchester Counties up to \$30,000 each to install new sound-reducing windows and doors. Along with three local residential complexes, fifty-seven homes in Tarrytown, South Nyack and Grand View-on-Hudson that will experience temporary construction noise were determined to be eligible for this program. Grants have also been approved for the villages of Tarrytown, Nyack and South Nyack.

Building Smarter and Better

Completion of All 112 NY Works Accelerated Bridge Projects: In February, Governor Cuomo announced that all 112 NY Works accelerated bridge projects have been completed and opened to motorists. The opening of the Western Gateway Bridge (Route 5) over the Mohawk River between the City of Schenectady and the Village of Scotia in Schenectady County marks the final project to be finished.

Enacted as part of the 2012-2013 budget, Governor Cuomo's NY Works program allotted \$212 million to address bridge deck and structural replacement or rehabilitation needs on 112 bridges across New York State. That included a total of 32 bridge projects contracted through the design-build process, all of which are now substantially complete. Work also included rehabilitating 77 bridges and replacing three bridges through the traditional contract bid process. Those projects were completed late last year.

Goethals Bridge Replacement: On May 7, 2014, Governor Cuomo announced the formal start of construction on the \$1.5 billion Goethals Bridge replacement project. The project, proceeding on schedule and on budget, is also being constructed in compliance with Buy America provisions for steel and other materials.

Kosciuszko Bridge Replacement: This May, a Design-Build Team was selected and construction is slated to begin this summer. The team will replace the eastbound Kosciuszko Bridge, which carries the Brooklyn-Queens expressway (Interstate 278) over Newtown Creek between Brooklyn and Queens. This \$555 million project is the largest single contract the New York State Department of Transportation has ever undertaken.



Progress at the World Trade Center: The Port Authority of New York and New Jersey (PANYNJ) has continued to make significant progress in completing its commitments at the World Trade Center (WTC) site and the revitalization of Lower Manhattan, including completion of its sale of the WTC retail interests to the Westfield Group for a combined \$1.4 billion in proceeds, turnover of space at 1WTC to Condé Nast to begin its office fit-out for occupancy later in 2014, completion of the 9/11 Museum, and opening new, reconstructed Port Authority Trans-Hudson (PATH) platforms and concourses at the WTC Hub transit center.

Historic 10-Year Capital Plan for the Port Authority Approved: On February 19, 2014, PANYNJ approved a ten-year, \$27.6 billion Capital Plan. The Plan renews the PANYNJ's focus on its core transportation mission, with significant investments in state of good repair projects and aviation infrastructure. The projects in the Plan will drive 126,000 total job years and \$29 billion in economic activity in the region. This is the first long-range Capital Plan the PANYNJ has adopted since 2007. Following the passage of the ten-year Capital Plan, the PANYNJ Board authorized in March a \$1.0 billion project to replace the 592 suspender ropes on the 82-year old George Washington Bridge – one of the largest projects in the Plan.

Winter Snow and Ice Control

The heavy snow this winter, one of the most active storm seasons in recent memory, caused the State to plow 1.87 million miles of highways and use over 205,000 tons of salt to allow for safe travel, more salt than was used in the previous two years combined. During many of this year's large regional storms, the State proactively shared staff and equipment resources with other areas to bolster efforts to keep New York highways open and safe. The 2014-2015 enacted budget also included \$40 million in State funding to help local governments make necessary repairs to highways and bridges following this year's exceptionally harsh winter, a special one-time allocation to compliment the \$438 million in existing State support for local transportation infrastructure. All counties, cities, towns and villages in the State received capital assistance through the program.

Rail & Transit Safety & Performance

Safety On Commuter Railroads: Safety is paramount to transportation systems and the Metropolitan Transit Authority (MTA) adopted this year a series of measures to improve the safety of its railroad operations. The new measures include: creation of the management position of a Chief Safety Officer; reductions in maximum authorized speeds; modifications to the signal system at five critical curves and five moveable bridges so that compliance with these speed reductions is enforced automatically; radar observations and event recorder downloads to ensure locomotive engineers are complying with authorized speeds, with all fleets to be fully equipped by the end of the year; and inward- and outward-facing cameras to assist in incident investigations.

Improve Safety on Rail Freight Lines Carrying Crude Oil: A series of out-of-state disasters involving the transport of crude oil from the Bakken oil fields in North Dakota, including one incident that killed 47 people and destroyed a community, have raised considerable concern about the safety of the communities through which this petroleum product is shipped. Communities in 22 counties, including Buffalo, Syracuse, Utica, Albany and Plattsburgh and nearly all of the State's major waterways are home to this network.

Over the past several months, Governor Cuomo has led the nation in his efforts to ensure the safe transport of crude oil through New York and the nation. In January, he issued an Executive Order directing five State agencies to undertake a comprehensive review of safety procedures and emergency response.

Since that time, under Governor Cuomo's leadership, the State has taken aggressive action, including:

- Urging federal authorities to: expedite and strengthen rail safety standards and increase inspections; revise design specifications and expedite the phase-out of older, unsafe rails cars; implement more stringent standards to test crude oil; and review the routing of crude oil to ensure the most appropriate routes.
- Improving access to information about shipment of hazardous materials and crude oil to local emergency responders, increasing training for local emergency responders, enhancing the State's operational capability to respond to crude oil incidents and working with other State response agencies to ensure the State's response to any incident is integrated and effective.
- Undertaking aggressive enforcement and inspection efforts to better protect communities from derailments of trains carrying crude oil. In fact, as part of this year's enacted budget, funding was provided to the New York State Department of Transportation to hire an additional five rail inspectors.
- Issuing fines to companies that fail to comply with current State regulations related to derailments.

Modernizing New York's Airports

LaGuardia: Following the Governor's State of the State announcement in January, the redevelopment of LaGuardia Airport is progressing and on track. This includes the new East End Substation (redesigned post-Hurricane Sandy to be more resilient), a new parking garage, and progress towards the selection of a private partner by mid-2014 for the redevelopment of the Central Terminal Building – the centerpiece of the airport's redevelopment.

JFK: The PANYNJ, in response to Governor Cuomo, is developing a long-term strategic plan to reinvigorate the entire airport and, in the short-term, has taken concrete steps to revitalize the air cargo business. The PANYNJ has finalized a 27-year lease with ARK Development to develop and operate a state-of-the-art animal handling cargo facility at JFK. This \$48 million public-private partnership is part of a larger long-term effort to revitalize JFK as a premier air cargo hub for the country. The airport is already experiencing a growth of international cargo.



Transportation Workforce Achievements

Union Deal: This spring, a deal was finalized between the MTA and Transportation Workers Union Local 100, its largest employee union. The new agreement, which runs from January 16, 2012, through January 15, 2017, provides for wage increases of eight percent over the term of the contract.

PANYNJ Minimum Wage: On April 23, 2014, PANYNJ adopted a formal policy for an increased minimum wage for all workers at third party contractors and subcontractors working at its facilities, starting with PANYNJ's three major airports. The wage policy calls for an immediate \$1/hour increase to those making less than \$9/hour, with an increase to \$10.10 by 2015. The policy also calls for Martin Luther King, Jr. Day as a paid holiday. While PANYNJ and its direct contractors already pay these higher wages, the policy will now ensure fair wages for the thousands of workers of subcontractors of tenant businesses, such as the airlines.

Improving Customer Experiences

Real-Time Information: In March, the MTA's BusTime expanded to Brooklyn and Queens, completing its installation citywide. Through BusTime, MTA customers can get the locations of buses in real time via smart phone, web and text message.

Redesigned Department of Motor Vehicles (DMV) Website: The DMV's website had not seen a complete redesign since 1998. In February, 2014, its new website went live. Site visitors can find the information they need more easily, reducing office visits and calls. Moreover, the DMV has implemented an online reservation system, providing customers with the ability to reserve appointments at State-run DMV offices and further reduce the time needed to process transactions in person.

V. Putting Students First - Improving and Reforming Education



Since taking office, one of the Governor's highest priorities has been to reform our State's education system by focusing on improving performance and encouraging innovation.

K-12 Education

Highest Level of School Aid in State History: In the last three years, the Governor has enacted budgets increasing funding for education by \$2.9 billion. The 2014-2015 enacted budget includes an additional \$1.1 billion increase, bringing State education funding to its highest level ever.

High-Quality Universal Full-Day Pre-Kindergarten: In 2014-15, the Governor built on the success of the first-ever State-funded full-day pre-kindergarten program by committing to invest \$1.5 billion over five years to support the phase-in of a

Statewide Universal Full-Day Pre-Kindergarten program. This program will fund \$340 million of full-day pre-k slots next fall through a competition that emphasizes quality, innovation and creativity.

Reforming Common Core Implementation: The Governor believes that it is in everyone's best interest to have high, real world standards for learning and to support the Common Core, but that we need to make sure that our students are not unfairly harmed by its implementation. Based on the recommendations of the Common Core Implementation Panel, the Governor and Legislature enacted a reform package that immediately improves the implementation of the Common Core standards by banning standardized "bubble tests" for young children, protecting students from high stakes based on unfair test results, using instructional time for teaching and learning – not over-testing, and establishing strict data protection and security requirements while ensuring that appropriate educational and operational data-sharing can continue.

Teacher and Principal Evaluation: New York is a national leader in putting the most effective teachers in the classroom. For the first time, every school district has in place a meaningful teacher evaluation system with rigorous performance-based measures to assess how students are learning. Ratings are calculated using State test results, local assessments and other measures. Teacher evaluation ratings will remain unchanged. However, to ensure fairness to teachers during the Common Core State Standard implementation while maintaining high standards for accountability, the Governor approved legislation that gives teachers and principals two years, from 2013-14 through 2014-15, when they will not face certain high-stakes consequences if they are rated "developing" or "ineffective" solely on the basis of Common Core State tests in reading and math for Grades 3-8. This temporary adjustment will treat teachers and principals consistent with students during the transition period. The legislation also ensures those educators will receive the appropriate training and support and that the rating will continue to be a significant factor in providing them with the professional development necessary. Parents will also be able to receive information about the teacher's actual evaluation rating and what their rating would have been if the State test scores were excluded. However, if a teacher or principal would still be rated "developing" or "ineffective" after excluding the tests, all consequences under the law apply, including expedited dismissal hearings if they were rated "ineffective" for two years in a row.

Smart Schools: Governor Cuomo is proposing a \$2 billion “Smart Schools” investment in education technology to be brought before voters in November 2014. These funds will support enhanced technology in schools, with eligible projects including infrastructure improvements to bring high-speed broadband to schools and communities in their school district and the purchase of classroom technology for use by students. Additionally, Smart Schools will enable long-term investments in full day pre-kindergarten through the construction of new pre-kindergarten classroom space, replacing classroom trailers with permanent classroom space and making investments in high-tech school safety programs.



Protecting Choice for NYS Students: The budget increases tuition funding for charter school students over three years. The budget will also promote the growth of charter schools by addressing their facility needs and charter schools will be eligible to apply for pre-kindergarten funding. In addition, charter schools will be held to high standards for fiscal accountability, with auditing by the New York State or New York City Comptroller.

Public-Private P-Tech Partnerships: Governor Cuomo brought together business, higher education and K-12 schools to create a statewide initiative to prepare students for high-skill jobs in the Science, Technology, Engineering and Math (STEM) fields. NYS P-TECH provides high school students with a mentor and an associate degree at no cost, and puts them first in line for jobs at partnering businesses when they graduate. The 2014-2015 enacted budget includes \$5 million to add additional schools to the NYS P-TECH initiative.

Rewarding High-Performing Teachers: The Governor’s 2014-2015 budget rewards teacher effectiveness by creating a Teacher Excellence Fund to provide up to \$20,000 in annual supplemental compensation for eligible teachers who are rated “highly effective.”

Higher Education

Making College More Affordable: For the first time in 14 years, New York State increased funding for the maximum Tuition Assistance Program (TAP) award – the State’s major financial aid program for college tuition grants. The maximum TAP award is now \$5,165, a \$165 increase in the maximum award of \$5,000 per student, the first increase since 2000.

STEM: To encourage the best and brightest students to build their future in New York and to help employers fill critical math and science jobs, Governor Cuomo created a new scholarship program for the top 10 percent of students in each high school. These students will receive full tuition scholarships to any SUNY or CUNY college or university if they pursue a STEM career and work in New York for five years.

VI. Providing Affordable Housing For New Yorkers

Governor Cuomo's \$1 billion House New York program represents the largest investment in affordable housing in at least 15 years. In 2014, the State continued progress toward the preservation and creation of nearly 14,300 affordable housing units. This includes the preservation of 8,600 middle-income Mitchell-Lama units that will remain affordable for the next 40 years.



The new Rural and Urban Communities Investment Fund (CIF) Program is supporting mixed-use affordable housing development with commercial, retail or community facilities to strengthen the financing and viability of affordable housing projects. Funding for CIF has been increased to reflect the success of the program. More than \$3.4 million in CIF awards have been made and millions in additional funding requests are under review.

The State has increased investment in the Low Income Housing Trust Fund Program, the Homes for Working Families program, the Main Street program and the RESTORE (Residential Emergency Services to Offer Repairs to the Elderly) program, and doubled the annual budget of the Office of Temporary and Disability Assistance's Homeless Housing Assistance Program.

Protecting New York's Tenants: In 2014, Governor Cuomo's Tenant Protection Unit (TPU), which he created in 2012, continued to proactively protect tenants in nearly one million rent-regulated homes. The TPU has pursued landlords who failed to register their units and audited owners who had filed for rent increases for apartment improvements they had claimed to make. These actions have resulted in the re-stabilization of almost 30,000 units and over \$200,000 returned to tenants who were unknowingly overcharged.

Other 2014 TPU accomplishments include:

- Entered into an unprecedented agreement with Castellan Real Estate Partners/Liberty Place Property Management, who were harassing and intimidating Spanish-speaking tenants. The settlement provides for monitoring of the landlord's business practices for up to three years, creating a fund to compensate tenants who were wrongfully removed from their homes and requiring that all communication to tenants be in both English and Spanish.
- Investigated the patterns and practices of landlords accused of harassing tenants or making apartments unlivable by damaging kitchens and bathrooms.
- Implemented new rent regulations that require itemized bills to substantiate individual apartment improvements, curbing the ability of landlords to arbitrarily move units out of rent regulation.

JP Morgan Settlement: The Governor has advanced a plan wherein \$439.5 million in housing settlement funds, derived from a financial agreement with JP Morgan following the 2008 collapse of the housing market, will be used to help New Yorkers most affected by the housing crisis. Under this plan, funds would be used to provide for housing counselors, foreclosure and legal assistance, rental supplements, supportive housing, housing remediation and anti-blight projects, and financial fraud prevention and consumer protection efforts.

VII. Investigating Corruption and Reforming Government

In 2013, the Governor created a Moreland Commission to investigate corruption in government and propose reforms to address weaknesses in the law. At the close of 2013, the Commission released its report, noting various weaknesses in existing laws, regulations and procedures relating to public corruption, conflicts of interest, and ethics in State Government. As part of the 2014-2015 budget, Governor Cuomo achieved numerous reforms recommended by the Commission. These reforms include:

- **Reforming New York's Bribery Law:** Prosecutors are no longer required to prove that a bribe giver shared a corrupt intent with the bribe receiver, but only that the bribe giver intended to bribe the receiver and did in fact offer a benefit to the public official. Bribe giving and bribe receiving penalties were also increased.
- **Creating the Crime of Corrupting the Government:** A new law holds accountable anyone – whether or not they are a public official – who is found to have engaged in schemes to defraud the State or local government and enhances penalties for all offenders convicted of defrauding the government through the crime of Corrupting the Government.
- **Lifetime Ban from Government:** The new class of felony public corruption crimes permanently bars all those convicted of public corruption felonies from holding any elected or civil office, serving as a registered lobbyist or doing business with the State.
- **Reducing the Influence of Money in Elections by Providing Matching Funds for Political Campaigns:** The Budget legislation put in place New York State's first-ever program to provide matching funds for a political campaign thereby reducing the influence of money in politics. The program – to be in effect for the 2014 Comptroller's race – is modeled after New York City's successful 6:1 matching funds program.
- **Independent Enforcement Unit at Board of Elections:** The budget legislation also created a new, independent enforcement division headed by a chief enforcement counsel, who is appointed to a 5-year term and vested with authority to investigate violations of the Election Law.
- **New Disclosure Requirements for Political Donations:** The law now requires increased transparency by mandating more frequent reporting of independent expenditures and the sources of the contributions that make them possible, and expanding the definition of the kinds of communications that warrant such increased reporting.
- **New Disclosure Requirements for Outside Clients:** New legislation will mandate disclosure by Legislators and other State employees of clients and customers who have been referred to them or firms with which they are affiliated by registered lobbyists.

VIII. A Safer New York

Combating Heroin and Other Opioid Use

On June 18, 2014, Governor Andrew M. Cuomo and legislative leaders announced an agreement on a series of bills to help address the growing heroin and opioid epidemic in New York State. These bills, coupled with previously announced efforts, will curb heroin and prescription drug misuse and abuse on the following fronts:

- **Insurance:** This legislation will give more people access to the help they need by requiring insurers to follow nationally-recognized treatment standards. Patients will also continue to receive insurance coverage for treatment even during an appeals process.
- **Public safety:** This legislation elevates the penalties for practitioners and pharmacists who abuse their position by selling controlled substances to patients illegally. It takes it from a D felony to a B with a maximum sentence of five and a half years instead of two and a half. We are also giving law enforcement more tools to prosecute organized criminal activity by adding the sale of prescription drugs to the Enterprise Corruption Act.
- **Education:** Under this bill, the State Education Department will revise our middle and high school drug education curriculum to make sure it's relevant and up to date.
- **Protecting our children:** Young people alleged to be suffering from a substance use disorder, which could make them a danger to themselves or others, can be assessed by an Office of Alcoholism and Substance Abuse Services (OASAS) certified provider as part of Person In Need of Supervision (PINS) diversion services.
- **Public awareness:** The State is allocating \$1 million for a public awareness campaign led by OASAS to educate New Yorkers about the risks of addiction and resources available for those who need help.

These steps will build on the executive actions the Governor announced previously, including: adding 100 experienced investigators to the State Police narcotics enforcement team, nearly doubling the size of the unit; partnering with SUNY and City University of New York (CUNY) to make heroin and opioid awareness part of every incoming student orientation and to ensure services are available for all students who are seeking treatment; and making the anti-overdose drug naloxone available free to every first responder in the State.

The State is partnering with Albany Medical Center, the national Harm Reduction Coalition and others to offer training on the use of intranasal naloxone, which saves lives by reversing the effects of overdoses caused by heroin or other opioids. The State also is providing agencies that send their officers to these trainings with supplies of naloxone at no cost. To date, trained overdose responders have successfully administered naloxone to more than 1,200 individuals—saving their lives.

Reducing Gun Violence

Gun Involved Violence Elimination (GIVE): \$13.2 million was awarded to 20 jurisdictions in 17 counties that account for more than 86 percent of the violent crime reported outside of New York City. The grants will go toward programs and community efforts focused on reducing gun violence, shootings and firearm-related homicides. The GIVE initiative builds upon the important work done over the 10 years of Operation IMPACT. GIVE expands the use of crime analysis among law enforcement agencies in cities across New York State.

SNUG Initiative: Nearly \$2.2 million was awarded to seven locations across New York State for programs aimed at using a neighborhood-based violence reduction program that promotes street-level outreach and intervention to steer young people away from using guns and gun violence to solve problems. Programs in Albany, Bronx, Erie, Monroe, Onondaga, Rockland and Westchester Counties shared the grant funding, which will be administered by the Division of Criminal Justice Services.

Increasing Enforcement

State Police Academy Class: In January, 2014, the State Police Academy began training the next generation of New York State Troopers. The class of 171 troopers is scheduled to graduate the Academy and start their field training in July 2014.

Distracted Driving: Distracted driving continues to be a major contributor to motor vehicle collisions across the State and Governor Cuomo has made combating distracted driving a high priority. During the 1st quarter of 2014, Troopers issued more than 10,000 tickets for cell phone use and texting while driving. Legislation was also passed in this year's budget to suspend the license of a driver under 21 years old who is convicted of using a cell phone or texting while driving, effective November 1, 2014.



Investing in a Smarter, Fairer Justice System

Raise the Age: New York remains one of the only two states in the nation whose age of criminal responsibility—the age at which youths are treated as adults—is just 16. As a result, in 2013, over 33,000 16- and 17-year-olds in New York had their cases handled in adult criminal court, where they are less likely to receive the services they need. In his 2014 State of the State address, the Governor proposed establishing a commission to “Raise the Age,” to help ensure that young people have the opportunity to become productive and successful adults. On April 9th, the Governor announced members of the Commission on Youth, Public Safety & Justice, which will provide concrete, actionable recommendations regarding youth in New York’s criminal and juvenile justice systems by the end of the 2014 calendar year.

Enabling Statute for Local Jail Compliance with the Prison Rape Elimination Act: Governor Cuomo signed legislation to enable local jail compliance with an essential element of the federal Prison Rape Elimination Act (PREA). PREA National Standards require separate housing assignments for inmates under 18 years of age. The new law to make county jails more capable of complying with both State and federal requirements will prove to be a major cost-saving measure.

Board of Parole: Continuing the progress made with the merger of the New York State Department of Corrections and the Board of Parole, the Board approved new regulations that set forth the statutory factors the Board must consider when making a release decision.

Alternatives to Incarceration Program Funding: More than \$5 million was awarded to 23 programs across the State to strengthen or create programs aimed at reducing crime and avoiding further victimization. Those programs include alternatives to incarceration, alternatives to jail detention and programs for individuals incarcerated in local jails, with the goal of helping offenders re-enter and remain in the community after they have served time.

Results First: In an effort to promote programs that return the highest rate of public safety at the lowest cost to the taxpayer, the State is implementing a computerized cost-benefit analysis tool called Results First. The program uses correctional research and evaluations to perform simulations that quantify how much public safety a particular criminal justice intervention will produce.

Protecting Victims

Request For Proposal Issue: The Office of Victim Services (OVS) was one of the first State agencies to release a request for proposal via the Grants Gateway, a landmark new way of funding on evidence-based principles. This solicitation includes two new funding priorities for OVS: young men of color and Native Americans. New three-year contracts with successful applicants will be effective October 1, 2014.

High Risk Project: The Office for the Prevention of Domestic Violence has initiated a pilot project in the City of Schenectady that creates a High Risk Team for domestic violence cases. The Team will identify cases as high risk, using domestic violence risk assessment tools, and will provide intensive attention to those cases in an effort to increase accountability for offenders and safety for victims. Responses will range from providing pre-trial services to offenders to offering home visits by police to assure victim safety.

IX. Strengthening Our State's Healthcare System

Health Insurance Exchange: The New York State of Health was created to assist uninsured New Yorkers to gain access quality affordable healthcare coverage. The approved rates for 2014 are 53 percent lower than what individuals would have paid last year. Since the launch on October 1, 2013, of the State's official health plan marketplace, more than 1.5 million New Yorkers have completed their applications and more than 1.1 million have enrolled for coverage. More than 80 percent of those who have enrolled to date were uninsured at the time of application. The marketplace has already exceeded its enrollment goal of 1.1 million people by the end of 2016.



Medical Marijuana: Governor Cuomo worked with the Legislature to enact a law that will establish a medical marijuana program for New York State. The legislation includes provisions to ensure medical marijuana is reserved only for patients with serious conditions and is dispensed and administered in a manner that protects public health and safety.

Medical Marijuana Reserved for Patients with Serious Conditions: To ensure medical marijuana is available only to patients with serious conditions who can most benefit from the treatment, the legislation establishes a certification and registry process for physicians to administer the drug. To be prescribed medical marijuana, a patient must receive a certification from a licensed practitioner who must register with the Department of Health (DOH) and be qualified to treat the serious condition for which the patient is seeking treatment. The serious conditions for which medical marijuana can be prescribed are cancer, HIV/AIDS, ALS (Lou Gehrig's Disease), Parkinson's Disease, multiple sclerosis, damage to the nervous tissue of the spinal cord with objective neurological indication on intractable spasticity, epilepsy, inflammatory bowel disease, neuropathies, Huntington's Disease or as added by the commissioner of DOH.

Administering Medical Marijuana Safely: To ensure medical marijuana is in the hands of only individuals in need and their health care provider, Registry Identification Cards will be issued by DOH to certified patients. The card would contain any recommendation or limitation on form or dosage imposed by the practitioner as well as other information. The Department would be able to suspend or revoke the card of a patient who willfully violates any provision of the new law. In addition, any form of medical marijuana not approved by DOH is prohibited, and under no circumstances would smoking be allowed. DOH will issue guidelines regulating the allowed dosage amounts and patients would not be allowed to possess an amount of medical marijuana in excess of a 30 day supply.

Tough Penalties for Individuals and Physicians Who Abuse Medical Marijuana Program: The legislation makes it a Class E felony for a practitioner to certify an individual as eligible to facilitate the possession of medical marijuana if he or she knows or reasonably should know the person who is asking for it has no need for it. The legislation also makes it a misdemeanor for recipients of medical marijuana to sell or trade the medical marijuana, or retain any marijuana beyond what is needed for treatment for their own use or the use of others.

Medicaid Redesign Team (MRT) Medicaid Waiver Approved: \$8 billion is now available from the federal government to transform health care delivery for Medicaid members. As a result of this groundbreaking new waiver, vital provider services will be preserved and providers will be held accountable for improving patient outcomes. The Interim Access Assurance Fund, part of the waiver funding, provides up to \$500 million to safety net hospitals to prevent disruption of critical services.

As part of its ongoing reforms, the MRT established 10 workgroups to address more complex issues, as well as monitor the implementation of key recommendations enacted in Phase I. The State is expected to save \$17.1 billion over five years because of the Medicaid reforms.

Highest Medicaid Recoveries In the Nation: In February 2014, Governor Cuomo announced the largest single year of recoveries of taxpayer dollars in the history of the Office of the Medicaid Inspector General (OMIG). Preliminary calculations show that OMIG recovered more than \$851 million dollars in 2013. This brings the three-year total under Governor Cuomo to more than \$1.73 billion recovered from Medicaid providers that inappropriately billed Medicaid and individuals who received services to which they were not entitled, a 34 percent increase over the previous three years. OMIG's recoveries are the highest on record for any state Medicaid program integrity unit in the United States—ever.

MRT Supportive Housing: “Supportive housing,” which is housing coupled with appropriate individual-based services, is an innovative and cost-effective model of care designed to provide an integrated solution for both housing and health care needs. New York State is a trailblazer in the Medicaid supportive housing arena, as it is the only state in the country that uses its own dollars to fund supportive housing.

The first phase of the MRT supportive housing initiative will create 483 new supportive housing units, as well as provide rent subsidies and services to support more than 5,000 individuals. The enacted budget gives DOH an additional \$25 million in new and reinvested funding, for a total program investment of up to \$100 million.

Protecting New Yorkers From Hepatitis C: The Governor signed a law that requires the offering of a hepatitis C screening test to every individual born between 1945 and 1965 receiving inpatient hospital care or primary care. The law requires that if an individual accepts the test offer and the screening test is reactive, the health care provider must either offer the individual follow-up health care or referral to a health care provider who can provide such care, including a hepatitis C diagnostic test. This measure has the potential to impact thousands of New Yorkers who are unaware they are living with Hepatitis C and prevent health complications for them in the future.

X. Helping All New Yorkers

Increase In Child Care Funding: In 2013, approximately 223,000 New York children from low-income families received child care subsidies. In April, Governor Cuomo announced more than \$794 million in child care subsidy funding, an increase of \$55 million over the last fiscal year, to address the widespread need among low-income working families for affordable child care. Prior to this year's 7.45 percent increase, allocations have remained stable for the past five years at no more than \$739 million per year.



Targeted Human Services Cost of Living Adjustment: The budget includes \$13 million growing to \$122 million to support a two percent salary increase on January 1, 2015 and another two percent salary increase on April 1, 2015 for direct care and support workers. The April 1, 2015 Cost Of Living Adjustment will also include clinical staff.

Housing Assistance For People Living With HIV/AIDS: In this new affordable housing protection for low-income New Yorkers living with HIV/AIDS in New York City, individuals who are permanently disabled by HIV/AIDS and receive public assistance will pay no more than 30 percent of their income toward their rent. Without this protection, more than 10,000 New Yorkers living with HIV/AIDS in New York City pay upwards of 70 percent of their disability income toward their rent.

Assisting Our Veterans: In March, Governor Cuomo held the first New York State Veterans and Military Families Summit. He was joined by U.S. Department of Veterans Affairs Assistant Secretary Dr. Tommy Sowers, along with leaders and representatives from veterans groups, military bases, educational institutions and private businesses, to discuss ways in which New York can improve services to veterans and military families. The Governor announced multiple initiatives that will provide veterans and military families greater access to affordable housing, employment and educational opportunities throughout the State.

Additionally, the Governor led the effort to enact new legislation to assist military families transferring to and from active duty military installations in New York. The Governor's bill implements the Military Interstate Children's Compact in New York that joins 46 other states in easing the administrative, placement and coursework challenges that children of military families encounter when transferring from an out-of-state public school to one in New York. The bill also provides for in-state tuition rates at SUNY system schools for veterans who are honorably discharged and are using their GI Bill education benefits. The bill expands eligibility for the State's enhanced burial allowance to its service members who die outside of a combat zone from wounds received in a combat zone.

Combating Hunger: Governor Cuomo created the New York State Anti-Hunger Task Force, which brings together experts, advocates and State and local officials to develop and implement action-focused recommendations to combat hunger and improve access to locally grown and produced fresh foods.



Nearly 14 percent of New York households struggle with hunger and at least 1 million New York children live in households that do not have regular and consistent access to food. Yet nearly one in four New Yorkers who are eligible for food stamps do not receive them.

The Anti-Hunger Task Force, chaired by Margarett Purvis of the Food Bank of New York City, is developing strategies to:

- Maximize resources to fight hunger in New York State by increasing participation in federally funded programs like Supplemental Nutrition Assistance Program (SNAP), school breakfast and school lunch.
- Use public/private partnerships to increase outreach and leverage the power of government, businesses and the nonprofit sectors working together.
- Improve access to quality, healthy food through the use of New York farm products and locally produced goods to combat hunger while creating jobs and supporting economic development.

Saving SNAP Benefits: On February 7, 2014, President Obama signed the Agriculture Act of 2014 (“the Farm Bill”). This legislation, which governs SNAP benefits, increases the minimum Home Energy Assistance Program (HEAP) benefit that states must provide in order to leverage additional SNAP benefits for certain recipients. This change would have reduced SNAP benefits for approximately 300,000 households in New York State by an average of \$127 per month, the equivalent of \$457 million in SNAP benefits. Governor Cuomo announced an increase in the State’s minimum HEAP payment, preserving a total of \$457 million in SNAP benefits for New Yorkers.

XI. Building the Energy Infrastructure and Utility System of the Future

In April, Governor Cuomo unveiled an initiative to fundamentally transform the State's electricity market through a shift in utility regulation. The effort, launched by the Public Service Commission (PSC) as the Reforming Energy Vision, initiates a public process to examine changes aimed at increasing customer choice, improving system efficiency, and promoting increased use of energy efficiency and clean generation technologies.

Protecting Consumers

Phasing Out Utility Surcharge: During the budget process, the Governor worked with the Legislature to accelerate the reduction of the 18-a temporary surcharge for utility customers. All electric, gas, steam and water customers will benefit from the accelerated phase-out, which aims to alleviate high energy bills, such as those experienced by many consumers across the State this winter. The phase-out plan will save businesses and residents approximately \$600 million in the next three years.

Cable Mergers: In May, the PSC announced it has commenced its review of Comcast Corporation's proposed merger with Time Warner Cable, Inc. to determine whether the proposed transaction will be beneficial for Time Warner customers, as well as the State as a whole.

In April, Governor Cuomo signed legislation to strengthen review of proposed cable mergers by the PSC to ensure such transactions benefit New York consumers. Under the revised law, companies must demonstrate that the merger would serve the public interest.

Ensuring a Clean and Renewable Energy Future

Green Bank: Governor Cuomo announced the launch of the New York Green Bank, which will help to catalyze the private market for clean energy. It is the largest green bank in the nation, with an initial capitalization of \$210 million for the \$1 billion initiative, using a self-sustaining business model. The Green Bank issued its first Request for Proposals in February and is seeking proposals to remove market barriers for private financing of renewable energy and energy efficiency projects.

Solar Energy: In April, Governor Cuomo announced a nearly \$1 billion commitment to NY-Sun over the next decade to help the industry grow and reach sustainability. In addition to providing long-term certainty, the program has been redesigned to be more responsive to changes in market conditions. As more solar projects are installed and the costs for each project decrease, the level of State incentives will decline at a predictable and transparent rate, which will help the solar industry become self-sustaining in the long term.



Since launching the NY-Sun program in 2012, Governor Cuomo has quadrupled the amount of customer-sited solar power installed annually in New York. The New York solar market now employs over 5,000 highly skilled jobs across 400 companies statewide.

Regional Greenhouse Gas Initiative (RGGI) Leadership: Last year, New York led a multi-state effort to lower the emissions cap established under the RGGI. The regional initiative was the nation's first market-based program to reduce greenhouse gas emissions from the power sector. As a result of New York's leadership, nine Northeastern and mid-Atlantic states agreed to set a 91 million ton emissions cap in 2014, declining 2.5 percent a year through 2020.

Clean Vehicles: Governor Cuomo created the Charge NY initiative last year, announcing a statewide goal of installing 3,000 new electric vehicle charging stations by 2018. There are now 900 electric vehicle charging stations across the State. New York is working with partner states California, Connecticut, Maryland, Massachusetts, Oregon, Rhode Island and Vermont to reach a collective target of 3.3 million



zero emission vehicles by 2025, which will improve air quality, protect consumers against volatile fuel prices and promote job growth in the clean energy economy.

Tapping Energy for Economic Development

Recharge: Governor Cuomo's statewide energy-for-economic development program provides low-cost power to businesses that commit jobs and capital investment in New York and will soon include a discount to residential agricultural producers. A total of 586 businesses and 68 not-for-profit enterprises have been awarded over 728 megawatts of power that began flowing in mid-2012. In return for the lower cost electricity provided under contracts, the recipients committed to support more than 382,000 jobs and undertake billions of dollars in capital investments.

Western New York: The Western New York Economic Development Fund uses revenue from the Niagara Power Project to invest in projects that support business growth in the area. Since May 2013, nearly \$13 million in grants has been awarded to 20 enterprises in the region, resulting in the retention or creation of more than 1,500 jobs.

Northern New York: In June, the Legislature and Governor created the Northern New York Power Proceeds Allocation Board to fund economic development projects that create or retain jobs in the region. The Board will coordinate with the New York Power Authority to recommend awards for businesses and not-for-profit customers in exchange for capital investment and job commitments.

XII. Preserving our Environment and Open Spaces

Protecting Open Spaces and State Parks: The Governor has made the protection of land and parks a hallmark of his tenure. From the outset of his administration, Governor Cuomo reversed the trend of deteriorating parks, most recently contributing another \$90 million of capital projects in the 2014-2015 State Budget to his previous commitment of \$179 million.

Also, the Governor once again sponsored I Love My Park Day in May as 6,000 volunteers contributed 12,000 volunteer hours to complete 120 cleanup, improvement, beautification and stewardship projects at 78 State parks and historic sites, doubling the volunteer effort from the year before.

Preserving the Adirondack Park: The Governor's purchase of 69,000 acres of former Finch Pruyn lands and other properties represented the largest addition to the State Forest Preserve in the Adirondack Park in more than a century. In February, the Governor approved the classification of key tracts, including the Essex Chain of Lakes, OK Slip Falls and miles of wild upper Hudson River, ensuring their continued protection. These land acquisitions balance the need to protect the Park's priceless natural resources for the generations to come with efforts to expand tourism opportunities and additional recreational access that will benefit local communities and create community connectivity.



Increasing the Environmental Protection Fund: Underscoring Governor Cuomo's commitment to protecting open spaces, conservation and wildlife preservation, this year's budget included \$162 million for the Environmental Protection Fund (EPF), an increase of \$9 million from the previous year and 17 percent more than the 2011-2012 budget. The EPF is the State's core funding source for projects such as: purchasing land for the New York State Forest Preserve; restoring historic sites; conserving farmland; restoring habitats; controlling invasive species; cleaning up waterfront property; recycling programs; supporting the stewardship of public lands for managing trails and lands; protecting natural resources; preserving wildlife habitats; making critical capital improvements at parks and campgrounds; educating students about conservation; and providing access to persons with disabilities.

“New York Works” for Environmental Resources: Governor Cuomo secured \$40 million in this year’s budget for the Department of Environmental Conservation (DEC) to invest in recreational infrastructure, e-Business and plugging of abandoned oil and gas wells, and to provide grants for municipal brownfield cleanups and water quality improvement projects for wastewater treatment systems.

New York Open For Hunting and Fishing

Initiative: The Governor launched the New York Open for Hunting and Fishing Initiative to improve recreational activities for sportsmen and sportswomen and to boost tourism opportunities throughout the State. The 2014-15 budget allocates \$6 million for 50 new projects to provide access to approximately 380,000 acres of existing State lands for recreation, including boat launches, bird-watching areas, trails and hunting blinds, and \$4 million for upgrades and improvements to fish hatcheries statewide.



The Governor also introduced the “Adventure Series,” which transforms an individual’s driver’s license into an Adventure License by allowing sportsmen and women with lifetime licenses, as well as individuals holding Lifetime Empire Passports and those with Boater Safety Certificates, to have icons added to their drivers licenses so they do not need to carry separate documents. The budget also authorizes Adventure license plates for licensed sportsmen and women.

In addition, the budget authorizes crossbow hunting, increases the number of authorized free fishing days from two to eight and authorizes DEC to offer 10 days of promotional prices for hunting, fishing and trapping licenses.

Fighting Illegal Ivory and Rhinoceros Horn Trade: Governor Cuomo worked with the Legislature to enact a law to restrict the market for ivory articles and rhinoceros horns. The bill prohibits transactions involving these materials with very limited exceptions and increases the criminal and civil penalties for individuals in violation. Demand for unlicensed wildlife products like ivory and rhinoceros horns are driving many species toward extinction and creating an economic incentive for this illegal activity. In 2012, a joint investigation by the DEC and the U.S. Fish and Wildlife Service resulted in the seizure of elephant ivory worth more than \$2 million from jewelers based in New York City. This law will help deter that trade in New York by expanding the scope of materials that are considered illegal and strengthening penalties to further discourage violations.

Financing Support for Clean Water Infrastructure Projects: Protecting New York’s jewel, its water supply, is a top priority for Governor Cuomo. Using innovative financing, the New York State Environmental Facilities Corporation (EFC) is investing \$436 million in both drinking water and wastewater infrastructure – the largest pool of its kind in New York’s history. This marks the 25th anniversary of New York’s Clean Water State Revolving Fund (CWSRF), with more than \$1.3 billion in new financing for over 100 new infrastructure projects. Under Governor Cuomo’s leadership, EFC is also working on plans for hundreds of millions of dollars in new infrastructure financing for Nassau and Suffolk counties to fortify their wastewater infrastructure against future storms and also to reverse the damage caused by excess nitrogen seeping into the groundwater.

XIII. Storm Recovery and Rebuilding

Governor Cuomo continues his efforts to address the long-term needs of victims of Superstorm Sandy, Hurricane Irene and Tropical Storm Lee while securing our safety from future natural disasters. Much of the State's efforts have been funded by \$30 billion in federal aid that Governor Cuomo fought to obtain for relief efforts. The Governor's efforts are focused in three primary areas: assisting in recovery and rebuilding for individuals, businesses and communities; improving the State's emergency preparedness and response systems; and upgrading the State's infrastructure to better withstand major weather incidents.

Building Back Better: Homes, Businesses and Communities

NY Rising Community Reconstruction Program: Over the past eight months, local leaders, experts and officials have worked together to incorporate their communities' unique needs into 50 Reconstruction Committees, representing more than 100 localities. Setting a new standard for community participation in recovery and resiliency planning, the Community Reconstruction program hosted more than 400 Committee Meetings for its Planning Committee members. Additionally, thousands of community members, who provided essential feedback on the planning process and proposals, came to over 125 Public Engagement Events. The final plans, released in March, contained innovative and transformative projects aimed at addressing communities' unique resiliency needs. More than 500 participants serve on committees throughout the State, having proposed approximately 700 projects.

Due to the success of this program, the State has launched a second phase, designating an additional 22 communities to develop their own plans and apply for \$80 million of federal funds to implement approved projects.

NY Rising Housing Recovery Program: This program facilitates home repairs, rehabilitation, mitigation and elevation for the owners of single-family homes. Additional programs are available for the owners of multi-family rental properties and for individual owners of co-ops and condos. The rental properties program not only benefits property owners, but will also generate essential and affordable housing resources for New Yorkers in need.

In February 2014, the State began disseminating payments through the Interim Mortgage Assistance program to supplement funding for families who have accrued further housing costs. To date, New York State has issued more than \$280 million to help 6,388 homeowners rebuild their storm-impacted homes following Superstorm Sandy, Hurricane Irene and Tropical Storm Lee. An additional \$314 million has been offered to 764 homeowners across the State to purchase properties that were substantially damaged in the storms. Through these buyouts and acquisitions, the State program enables storm-impacted homeowners to have a fresh start on higher and safer ground, while taking steps to better protect communities from future storms.

NY Rising Home Buyout and Acquisitions Program:

Staten Island: Operating an Enhanced Buyout Program in the Ocean Breeze and Oakwood Beach neighborhoods of Staten Island, the State has offered impacted homeowners the pre-storm value of their homes, in addition to a 10 percent enhanced buyout bonus. The State has offered \$128 million to purchase the homes of 317 eligible property owners in Oakwood Beach and \$28 million for 74 eligible properties in Ocean Breeze. In April, the Governor announced the expansion of the initiative to a third community -- the neighborhood of Graham Beach -- extending eligibility to an additional 130 homes.



Nassau and Suffolk Counties: The State has made offers to Long Island homeowners totaling \$152 million for acquisitions and \$39 million for buyouts, respectively. For acquisitions, a total of \$77 million has been offered to 169 impacted homeowners in Nassau County and \$75 million has been offered to 176 impacted homeowners in Suffolk County. An additional \$39 million has been offered to buy the homes of storm-impacted property owners in Suffolk County.

NY Rising Small Business Recovery Program: Rendering grants of \$50,000 or more, as well as low-interest loans, the Small Business Program provides support to independently owned and operated small businesses that suffered loss as a result of Superstorm Sandy, Hurricane Irene or Tropical Storm, Lee. The program helps small businesses repair or replace needed equipment or lost inventory or renovate facilities that were damaged or destroyed, or provides working capital needed as a direct result of one of the storms.

Also, through its Business Mentor NY initiative, the State offers free mentoring services that are designed to bolster the recovery efforts of small businesses that are navigating the rebuilding process. In May, Governor Cuomo launched a new online platform for the program, designed to better connect small businesses with experts in a range of fields and sectors. There are currently more than 200 business professionals - lawyers, accountants, consultants and field experts – who have volunteered to participate as mentors in the program. Through the web site, interested small business owners may browse profiles and reach out to potential mentors directly.

Improving Readiness, Emergency Preparedness, and Response Capabilities

The Governor has invested in a series of emergency preparedness initiatives to ensure New Yorkers are protected against future storms and other disasters. These initiatives include establishing a state-of-the-art weather detection system, equipping gas stations with back-up power, expanding the State's strategic fuel reserve, preparing citizens for emergencies and developing interoperable public safety communications. In addition, under the Governor's direction, the 2014–2015 budget created a new College of Emergency Preparedness, Homeland Security and Cybersecurity within SUNY . With these actions, New York is building a world-class emergency management and response network.

Fuel Resiliency: The Governor has taken several steps to boost New York's fuel resiliency in the wake of Superstorm Sandy. In October 2013, Governor Cuomo launched the nation's first State-based strategic gasoline reserve on Long Island. The \$10 million pilot program was designed to provide three million gallons of gasoline for motorists and first responders in the event of a fuel emergency. This year, the Governor announced the creation of an Upstate reserve for first responders. The federal government has since followed suit, announcing plans to build its first gasoline reserves in the New York Harbor and New England to store one million barrels of gasoline.

Governor Cuomo also worked with the Legislature, as part of the budget process this year, to expand the Fuel-NY program to include funding for Upstate gas stations. Last year, the Governor enacted the nation's strongest back-up power requirements for gas stations in strategic Downstate locations and pledged up to \$17 million to help stations improve their capacity to stay open during storms. Since then, the New York State Energy Research and Development Authority has issued over 900 grants to gas stations as part of the program. The 2014-2015 budget expands funding eligibility to include strategically located Upstate gas stations that would like to voluntarily participate in the program.

Issuing Emergency Management License Plates For Emergency Response Vehicles: In April, the Governor announced that the DMV will begin issuing the first New York State emergency management red license plates for vehicles registered to State agencies and political subdivisions such as counties, cities, towns and villages. Vehicles that serve a critical role will be given the new emergency license plates to assure they have immediate access to locations impacted during a State emergency as well as prioritized access for assets such as emergency fuel supplies. The red plates will carry a new Emergency Management indicator for quick identification.

New York State Citizen Preparedness Corps:

This program was created to provide residents with the tools and resources to prepare for any type of disaster. Working with a training program prepared by the Division of Homeland Security and Emergency Services, the Division of Military and Naval Affairs created a joint task force of New York Army and Air National Guard personnel to provide the two-hour training program to audiences across the State.

A key component of this training is the distribution of New York State Citizen Preparedness Corps Response Kits that contain key items to assist individuals in the immediate aftermath of a disaster. The military personnel conduct training sessions at various locations across the State in order to meet the Governor's goal of training 100,000 individuals in 2014.



Creating the SUNY College of Emergency Preparedness, Homeland Security and Cybersecurity:

New York State will soon be home to the nation's first college of emergency preparedness. The school will grant advanced degrees specializing in both academic and professional aspects of law enforcement, security, public and international affairs, counterterrorism, emergency management, cybersecurity and forensics. The college will be initially funded using \$15 million in State capital resources.

Emergency Management Certification and Training: This certification is intended for those with a role in emergency management or disaster response in New York State. Both the County Chief Executives and County Emergency Managers must complete the training in order for their counties to remain eligible for grant funding administered by the Division of Homeland Security and Emergency Services.

Upgrading Infrastructure To Better Withstand Major Weather Incidents

Striving to stabilize and protect New York from future incidents of extreme weather, the NY Rising Infrastructure Program leverages local resources and invests in a range of projects to transform the State's infrastructure, transportation networks, energy supply and coastal protections, and to enhance its ability to predict and prepare for extreme weather events. In 2014, additional progress was made on certain key initiatives, including:

Grid Resiliency: In February, Governor Cuomo announced an agreement with the Federal Emergency Management Agency (FEMA) to support strengthening of Long Island's electric system. As part of the agreement, the Governor secured approximately \$1.4 billion to dramatically improve the Long Island power grid, including elevating substations, sectionalizing switches and moving strategic power circuits underground to promote resiliency. FEMA funding will help to protect Long Island customers from future outages without the need to raise rates to cover resiliency project costs.

NY Prize: In his 2014 State of the State address, the Governor announced the NY Prize, an innovative program to create at least 10 community-scale microgrids statewide. Microgrids, which are independent electric-generating and distribution systems, can operate in tandem with existing utility infrastructure under normal conditions or, in the event of emergency, can disconnect and operate independently to keep the lights on. NY Prize is a \$40 million competition to build community-scale power grids that will include renewable energy generation and promote resiliency.

Hazard Mitigation Measures: Last June, Governor Cuomo called for government and nonprofit organizations across New York State to submit applications for projects to rebuild smarter, stronger and more sustainable communities in the wake of recent natural disasters. After a thorough vetting by the State, more than 1,200 applications have advanced for review under the FEMA process. To date, over 260 projects, totaling over a half a billion dollars, have advanced to the final stage for federal review and approval. These projects include coastal protection measures, like integrated flood management systems utilizing both hard interventions, such as tide gates, bulkheads and seawalls, along with green measures, such as dunes, tide maritime forests, breakwater reefs, tidal wetlands and earthen levees. Projects also address: vulnerable structures, such as hospitals; hardening assets; and providing backup power alternatives. The State is aggressively pursuing over \$500 million in federal funding to retrofit and/or upgrade over 100 bridges to withstand the effects of scour, so they may better sustain extreme weather conditions.

End of Session Report 2014

Governor Andrew M. Cuomo