

2017-18 State Budget NYSAC Summary of One House Budget Proposals



New York State Association of Counties
and the
New York State County Executives Association

March 17, 2017

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Major Revenue Items

The primary difference between the Governor's tax proposals and the one-house budget bills is the treatment of personal income taxes.

Personal Income Taxes

The Governor's Budget – the Governor proposed extending current PIT tax rates and brackets for three more years. These tax brackets and rates were due to drop at the end of this year which would significantly reduce state revenues, especially for higher income earners. The extension of current law rates provided billions of dollars in revenues in the Governor's budget to finance his preferred programs over the next three years.

The Senate Budget does not extend current tax rates on higher income earners and foregoes the related revenues.

The Assembly Budget creates four new income tax brackets and rates that top out at 10.35% for incomes in excess of \$100 million. This proposal generates significant new revenues for the financial plan.

The following chart highlights the impact of these income tax proposals on revenues.

Year	Governor	Senate	Assembly
2017-18	+\$683 million	\$0	+\$1.0 billion
2018-19	+\$3.4 billion	\$0	+\$5.0 billion
2019-20	+\$4.5 billion	\$0	+\$6.6 billion
2020-21	+\$4.0 billion	\$0	+\$7.0 billion

Modernizing Online Sales Tax

The Governor's Budget proposes updating New York Sales tax to ensure currently owed sales tax is collected on Internet based transactions. The proposal calls for large online platforms to collect sales tax on behalf of their vendors. The Governor estimates that on a full annual basis about \$275 million in state and local sales tax is not being collected.

The Senate's Budget deletes the provision.

The Assembly's Budget supports the provision.

9-1-1 Surcharge

The Governor's Budget proposed updating the current cellular surcharge by extending the surcharge to prepaid devices at a rate of \$.60 for purchases under \$30 and \$1.20 for purchases over \$30. It also allows counties to adopt similar local prepaid surcharges of \$.30 for all sales.

The Senate's Budget deletes this provision

The Assembly's Budget supports this provision.

Other Revenue Items

The Governor's Budget proposed a total of 44 revenue items – many were extenders of current law, enhanced compliance items, slight reforms to existing programs and a few enhancements. The Assembly supported most of these with some modifications, The Senate opposed all but 12.

The Assembly and Senate rejected tax proposals that would have allowed the sale of alcoholic beverages in movie theatres, permits for alcohol sales at Taste-NY venues/events, capping the growth in STAR benefits and requiring automated income verification for enhanced STAR benefit recipients.

The Assembly's Budget adds 16 new tax provisions and the Senate added 47 – mostly tax reductions and expansions of eligibility of existing tax credits or exemptions.

Of note, the Assembly and Senate both support a new music and digital gaming production tax credit, credits to farmers for food donations, reforms to the jockey injury fund and small business tax cuts.

The Senate's Budget also provides enhanced tax credits for farmers related to the minimum wage increases, many cuts for a variety of business groups, expands sales tax exemptions, makes the property tax cap permanent, expands STAR to small businesses, cuts MCTD payroll and mobility taxes for small businesses and self-employed, establishes in law a state spending cap and increases rainy day fund reserve limits, creates new higher education exemptions and credits, establishes, private and parochial school tax deductions/credits and authorizes online poker.

Direct Local Government Assistance

There are minor funding changes to the select programs in this area with most programs being level funded.

New Budget Authority to Rescind Appropriations

The Executive proposed new budget language that allows the Director of the Budget to sweep amounts from a wide variety line items including the Citizen Reorganization Grants and Tax Credits (\$35M), and all VLT aid to municipalities (\$28.6M) for other purposes if state and/or federal receipts fall short of financial plan expectations. There are a couple of general guidelines on how the rescissions should be applied, including:

- Uniformly against existing liabilities and spending; and
- In a manner that maximizes federal financial participation, if applicable.

This new authority to rescind appropriations is actually contained in hundreds of line items in the budget encompassing tens of billions of dollars in appropriations. Many of these line items directly impact counties. If this authority is triggered, it would, in effect allow midyear financial plan adjustments to occur without state legislative approval.

Senate – Rejects this new budget authority allowing the Executive to administratively and unilaterally rescind enacted appropriations.

Assembly – Rejects this new budget authority allowing the Executive to administratively and unilaterally rescind enacted appropriations.

See table below that highlights major direct local government assistance programs. The Senate and Assembly budgets provide assistance to Madison County to host a gaming facility through direct local government assistance. The Governor proposed the funding, but provided it by modifying existing gaming revenue sharing and VLT distributions.

Direct Local Government Assistance				
	2016-17 Enacted	2017-18 Executive	2017-18 Senate	2017-18 Assembly
AIM	\$715,000,000	715,000,000	\$715,000,000	\$765,074,110
Citizens Reorganization Grants	\$35,000,000	\$35,000,000	\$35,000,000	\$0
Local Govt. Efficiency Grants	\$4,000,000	\$4,000,000	\$4,000,000	\$0
<i>Small Govt Asst.</i>				
Essex	\$124,000	\$124,000	\$124,000	\$124,000
Franklin	\$72,000	\$72,000	\$72,000	\$72,000
Hamilton	\$21,300	\$21,300	\$21,300	\$21,300
VLT	\$29,331,167	\$28,635,313	\$28,635,313	\$28,885,313
Madison	\$0	\$2,250,000	\$2,500,000	\$2,250,000
Onondaga Co.	\$2,000,000	\$0		
+School demo w/Syracuse	\$125,000	\$0	\$125,000	\$0
Cayuga	\$92,500	\$0	\$92,500	\$0
Seneca	\$340,000	\$0	\$340,000	\$0
Franklin	\$340,000	\$0	\$340,000	\$0
Dutchess County -	\$1,500,000	\$0	\$0	\$0
Dutchess County - Jail Services	\$500,000	\$0	\$0	\$0
Niagara County IDA	\$0	\$0	\$1,600,000	\$0
Gaming Compact Funding	\$122,500,000	\$129,000,000	\$129,600,000	\$129,000,000
Commercial Gaming Fund	\$0	\$88,000,000	\$89,400,000	\$88,000,000
TOTAL	\$910,945,967	\$1,000,210,613	\$1,006,850,113	\$1,013,426,723

Agriculture

Governor's Budget proposed \$21,495,000 in funding for certain agricultural local assistance programs.

Both the Assembly and Senate have increased funding for agricultural local assistance programs.

Agriculture Grant Programs	2017/18 Proposed Budget	2017/18 Senate Proposal	2017/18 Assembly Proposal
Ag. Child Care (Migrant)	\$8,275,000.00	\$8,275,000.00	\$9,275,000.00
Core Diagnostic Lab	\$4,425,000.00	\$5,425,000.00	\$4,925,000.00
Quality Milk (Mastitis)	\$1,174,000.00	\$1,174,000.00	\$1,174,000.00
NYS Cattle Health Assurance	\$360,000.00	\$360,000.00	\$360,000.00
Johnes Disease	\$480,000.00	\$480,000.00	\$480,000.00
Rabies Prevention	\$50,000.00	\$610,000.00	\$250,000.00
Avian Disease	\$252,000.00	\$252,000.00	\$252,000.00
Farm Family Assistance	\$384,000.00	\$800,000.00	\$800,000.00
Geneva Experiment Station – Seed Inspection Program			
Geneva Experiment Station – Hop Testing	\$40,000.00	\$200,000.00	\$40,000.00
Golden Nematode	\$62,000.00	\$62,000.00	\$62,000.00
Future Farmers of America	\$542,000.00	\$542,000.00	\$542,000.00
Ag in Classroom	\$380,000.00	\$380,000.00	\$80,000.00
Ass'n of Ag Educators	\$416,000.00	\$416,000.00	\$416,000.00
Beginner Farmer Grants		\$1,000,000.00	
NYS Apple Growers Association	\$206,000.00	\$750,000.00	\$478,000.00
Wine / Grape Foundation	\$713,000.00	\$1,020,000.00	\$763,000.00
Farm Viability Institute	\$400,000.00	\$1,900,000.00	\$1,500,000.00
Pro Dairy	\$972,000.00	\$1,088,000.00	\$822,000.00
Agriculture Domestic Arts	\$340,000.00	\$500,000.00	\$420,000.00
Agriculture Readiness Marketing Camps		\$250,000.00	
Dairy Excellence Programs (Dairy Profit Teams)		\$150,000.00	\$150,000.00
TASTENY Program	\$1,100,000.00		\$100,000.00
School Local Food Program Competitive Fund	\$750,000.00	\$750,000.00	\$750,000.00
Maple Producers Association		\$215,000.00	\$75,000.00
Tractor Rollover Program		\$250,000.00	\$125,000.00
NYS Apple Research and Development Program			
Cornell Maple Research		\$125,000.00	\$50,000.00
FVI Berry Industry Programs		\$60,000.00	
Christmas Tree Farmers Assn		\$125,000.00	
NY Corn and Soybean Growers		\$75,000.00	
Cornell Honeybee Research		\$50,000.00	
Cornell Onion Research		\$50,000.00	
Cornell Vegetable Research		\$100,000.00	
Cornell Salmonella			
Cornell Veterans to Farms		\$115,000.00	
Cornell Berry Research		\$260,000.00	
Cornell Jefferson County Cooperative		\$600,000.00	
Long Island Deer Fence Grants		\$200,000.00	
Eastern Equine Encephalitis		\$175,000.00	
FVI – Dairy Profit Teams		\$220,000.00	
Fresh Connect			\$625,000.00
Genesee Livingston Steuben Wyoming Ag. Academy		\$100,000.00	
Long Island Farm Bureau		\$100,000.00	
Island Harvest		\$20,000.00	
North Country Vaccine Prog.		\$25,000.00	
North Country Ag Academy		\$200,000.00	
Northern NY Ag Development		\$300,000.00	\$300,000.00
Seeds of Success		\$200,000.00	
Farm to Table Trail			
Cornell Farm Labor Specialist		\$500,000.00	
Agriculture One-Stop Shop			
Precision Agriculture Study			
Quality Assurance and Control			
Organic Certification		\$450,000.00	
NYS Turfgrass Assn.		\$150,000.00	
Wood Products Council		\$100,000.00	
Farmers Market Federation	\$138,000.00	\$138,000.00	\$138,000.00
Senior Farmers Market Nutrition		\$500,000.00	
Apple Research and Development		\$500,000.00	
Regional Food Hubs			
Farm Drain Tile Revolving Loan Fund		\$100,000.00	
NYC Animal Control and Shelters (Mobile Adoption)			
Pest Management			
Total	\$21,459,000.00	\$33,487,000.00	\$24,952,000.00

Children with Special Needs

Reforms Early Intervention (EI) Program

The Governor's Budget includes a series of reforms to increase reimbursement from third-party insurers with an estimated State savings of \$3.9 million in FY 2018 and \$14.3 million in FY 2019. Reforms include facilitating the collection of insurance information, maximizing appeals of insurer payment denials, and requiring insurers to pay for benefits covered by the child's health insurance policy and to abide existing prompt pay requirements.

The Senate's Budget rejects the proposed Early Intervention reforms.

The Assembly's Budget modifies the Executive proposal to strengthen Insurance Law requirements related to EI program to ensure these provisions only apply to regulated entities. The Assembly rejects the Executive proposal to requirement for providers to appeal a denial prior to receiving payment.

Restructures Funding for Children with Special Needs in NYC

The Governor's Budget proposes to restructure funding for residential placements of children with special needs made by the Committee on Special Education in New York City to better align fiscal responsibilities with the entity that makes the placement decisions. The City would pay tuition costs associated with New York City Foster Care placements. These two proposal will cost New York City \$42 million.

Assembly's Budget restores \$39 million to Local Social Service Districts, in relation to the Foster Care Block Grant maintenance payments for youth in care.

Economic Development

Ride-Sharing

The Governor's Budget proposal included legislation that would provide access to transportation network company (TNC) services (Uber, Lyft. etc.) statewide. Such services are currently limited to New York City destinations.

This bill would amend the Vehicle and Traffic Law, the Insurance Law, the Executive Law, the General Municipal Law, State Finance Law, and the Tax Law, in relation to the regulation of transportation network company services. It would also establish the New York State TNC Accessibility Task Force.

The Assembly's Budget rejects to Governor's proposal to regulate the operation of transportation network companies outside of New York City.

The Senate's Budget accepts the Governor' proposal to regulate the operation of transportation network companies outside of New York City.

State match for the Local Waterfront Revitalization Program

The Governor's Budget included legislation that would allow the amount of the Environmental Protection Fund's matching requirement for the Department of State's

Local Waterfront Revitalization Program (LWRP) to increase from 50 percent to 75 percent for all projects. This proposal would afford greater flexibility for LWRP applicants to meet the local share of the project costs (at 25%) and increase public-private partnerships in advancing projects.

The Assembly's Budget modifies an Executive proposal to increase the State share for the Local Waterfront Revitalization Program to 75 percent of project costs, from 50 percent, by focusing the increase on Environmental Justice communities. The Assembly also increases the State share of landfill closure/gas management projects to help with new regulatory requirements.

The Senate's Budget accepts the Governor' proposal to increase the State match for Local Waterfront Revitalization Program from 50 to 75%.

Establishes a Taste-NY alcohol permit

The Executive Budget proposal included legislation that would amend the Alcoholic Beverage Control Law (ABC) to allow a Taste-NY operator to apply for a special license to sell alcoholic beverages at retail for off premise consumption, along with food and souvenir items. Under current law, for a Taste-NY store to sell alcoholic beverages, the operator must be a licensed farm brewery, cidery, winery, or distillery. This limits the number of potential operators and the list of items sold at a Taste-NY store.

This bill would also amend the ABC law by setting the annual license fee to \$500 for this special license, and add it to applicable lists of licenses pertaining to other various fees, penalties, and the requirement to post notice of a pending application.

The Assembly's Budget rejects the proposal that would allow the sale of alcohol at Taste-NY stores.

The Senate's Budget rejects the proposal to authorize an Alcoholic Beverage license to TasteNY stores.

Establishes a motion picture theater alcohol permit

The Executive Budget proposal includes legislation that would allow the operator of a motion picture theater to apply for a special license to sell alcoholic beverages at retail for on premises consumption. This bill would:

- Add a new section in the ABC law to allow for on premise alcoholic beverage sales in licensed motion picture theaters under specific conditions. Holders of the license would be required to ensure the purchaser of alcoholic beverages provides evidence of their age by identification documentation.
- Only allow the purchase of one alcoholic beverage per transaction, would only allow alcoholic beverages to be sold or delivered to ticket holders for "PG-13," "R," or "NC-17" rated movies, and would allow alcoholic beverage sales from one hour prior to the start of the first motion picture, until the conclusion of the final motion picture.

- Amend the ABC Law to clarify that the Authority may issue these special on-premises alcohol licenses only to motion picture theatres meeting certain operational requirements.
- Amend the ABC Law to ensure that foods typically found in a motion picture theater, such as popcorn, candy, and light snacks, are sufficient to satisfy the food requirements of a special on-premises license under this chapter.

This bill would also amend the ABC Law by ensuring that motion picture theaters applying for this license are required to follow the municipality notification requirements under § 110-b, allowing for those same municipalities to express an opinion with respect to whether the application should be approved or denied.

The Assembly's Budget rejects the Executive proposal that would allow the sale of alcohol in movie theaters.

The Senate's Budget rejects the proposal to authorize an Alcoholic Beverage license for the sale and consumption of alcohol in movie theaters.

Extends Empire State Film Production Tax Credit

The Governor's Budget proposal included language extending the Empire State film production tax credit and Empire State film post-production tax credit for three years through 2022.

This bill would amend the Tax Law to extend the Empire State film production tax credit for three additional tax years (2020-2022), and also provide \$420 million annually in allocable tax credits for each of these additional tax years. Additionally, the increase in the annual allocation from \$7 million to \$25 million for the Empire State film post-production credit, which constitutes a subset of the \$420 million total annual allocation, would be extended for tax years 2020 through 2022. Currently, the funding and increase in the annual allocation for post-production are scheduled to expire for tax years beginning after 2019.

This bill would also extend, for three years (2020-2022), the additional credit available (10 percent) for both film production projects and post-production projects, in certain New York counties, for wages or salaries paid to individuals directly employed by a qualified film production company or qualified post production facility. This additional credit is scheduled to expire for tax years beginning after 2019.

The Assembly's Budget accepts the Executive proposal that extends the Empire State Film Production Credit for three additional tax years, from 2020 to 2022, and would provide a continued \$420 million annually in allocable tax credits for each of these three years. The proposal would extend the annual \$25 million allocation for the Empire State Post-Production Credit for the same time period.

The Senate's Budget modifies the Executive proposal to extend the Empire State Film and Post - Production tax Credits for three years, through tax year 2022.

Elections

The Governor's Budget proposed changes in DMV voter registration; allowed early voting in all special, primary, and general elections; and permitted a same day registration/voting process. There is no additional funding provided to counties to implement these changes.

DMV Voter Registration

The Governor's Budget proposed a system of opt-out voter registration for qualified Department of Motor Vehicles (DMV) customers. The opt-out voter registration is for qualified persons applying for a motor vehicle driver's license, a driver's license renewal, or an identification card issued by the DMV. Current law allows qualified DMV customers to apply to register to vote when conducting certain DMV transactions. This bill would automatically forward voter registration applications for any qualified persons to local boards of elections, unless the DMV customer explicitly opts out of registration.

Early Voting

The Governor's Budget proposed early voting in all special, primary, and general elections. Early voting polling sites to be open for a period of 12 days prior to special, primary, and general elections. The number of early voting polling sites be based on the number of registered voters in each county, and that each county offer at least one site.

Same Day Registration and Vote

The Governor's proposal would allow New Yorkers to register and vote on the same day. Currently, New York does not allow voters to register on Election Day. This proposal would amend the New York State Constitution, subject to voter approval.

The Senate's Budget rejects the election proposals listed above.

The Assembly's Budget rejects or modifies the Executive Budget Election proposal as follows.

- Limited liability companies (LLCs) to be capped at contribution levels of \$5,000 and require LLCs to identify all owners and attribute all contributions to such owners.
- Early voting commencing eight days before a special, primary, or general election.
- Allow for online voter registration and application system.

Employee Benefits

Volunteer Firefighters Benefits Law

The Senate's budget includes language to expand the existing coverage under the Volunteer Firefighters Benefits Law to include cancer of the digestive, hematological, lymphatic, urinary, prostate, neurological, breast and reproductive systems. The Senate supports studying methods to provide relief to municipalities.

This law will be extended to Volunteer Firefighters who have five or more years of faithful and actual service in the protection of life and property from fire in the interior of buildings caused by cancer affecting the lymphatic or hematological systems or ten or more years of faithful and actual service in the protection of life and property from fire in the interior of buildings caused by cancer affecting the digestive, urinary, prostate, neurological, breast or reproductive systems or melanoma, resulting in total or partial disability or death to such volunteer firefighter, who successfully passed a physical examination on entry into firefighter service, which examination failed to reveal any evidence of such cancers, shall be presumptive evidence that it was incurred in the performance and discharge of duty, unless the contrary be proven by competent evidence.

Claims for benefits must be filed within twelve years of separation from active service in protecting life and property from fire in the interior of buildings.

The law does not apply to volunteer firefighters serving in a fire company or fire department where the legislative body of the city or the village, the board of fire commissioners or other governing board of the fire district, or the town board of the town in relation to the fire companies serving territory outside the villages and fire districts or a town fire department, has adopted a local law or resolution to elect not to provide this presumption.

Energy

The Governor's Budget authorized the New York State Energy Research and Development Authority to finance a portion of its energy research, development and demonstration program, and its energy policy and planning program, as well as the Department of Environmental Conservation's climate change program and the Department of Agriculture and Markets' Fuel NY program, from an assessment on gas and electric corporations.

An assessment can be placed on gas corporations and electric corporations that have gross revenues from intrastate utility operations more than \$500,000 in the preceding calendar year. The total amount which may be charged cannot exceed one cent per one thousand cubic feet of gas sold, or .010 cent per kilowatt-hour of electricity sold in calendar year 2015. NYSERDA is authorized and directed to transfer \$1 million to the state general fund for services and expenses of the DEC, \$150,000 to the state general fund for the Department of Ag & Markets, and \$750,000 to the University of Rochester laboratory for laser energetics.

The Assembly's Budget accepts the Governor's proposal in respect to the assessment on gas and electric corporations, but rejects the Executive proposal to shift Department of Agriculture and Markets operating costs to NYSERDA.

The Senate's Budget modifies the Executive's Article VII proposal that would authorize the New York State Energy Research and Development Authority to finance a portion of its research, development and demonstration, policy and planning, and Fuel NY Programs, and to finance the Department of Environmental Conservation's climate

change program and the Department of Agriculture's FuelNY expenses, from an assessment on gas and electric corporation not to exceed \$19.7 million in total. The Senate rejects all proposed uses for the money except for the transfer of \$1.2 million to the University of Rochester to finance their laboratory for laser energetics.

Renewable Energy

In FY 2018, the New York State Energy Research and Development Authority (NYSERDA) will provide \$360 million that will leverage \$1 billion of Private Sector investment in 11 large scale renewable energy projects across the State, involving clean technologies like wind, solar, fuel cell, and hydroelectric power. This will be the largest single State investment at one time, and an increase of \$210 million over recent awards. By 2020 NYSEDA expects to support 35 additional renewable projects which will result in more than \$4 billion in additional private sector investment in this industry.

The Assembly's Budget accepts the Governor's recommended funding allocations for NYSEDA, but modifies the Executive proposal to transfer \$23 million from the Regional Greenhouse Gas Initiative (RGGI) to the General Fund by instead directing the funds to community solar electric projects in low-to-moderate income and environmental justice communities.

The Senate's Budget also accepts the Governor's recommended funding allocations for NYSEDA. The Senate supports the expanded adoption of renewable energy technologies, but also believes that the cost of doing so must be thoroughly considered, as well as reliability of the electric grid.

The Senate proposes language to establish within the energy research and development authority the Microgrids of New York grant program. It instructs the authority to create a new competitive grant program. Specifically, the program focuses on building microgrids in energy insecure, low income, and rural areas. The Senate also advances language to establish a sales tax exemption on energy efficient equipment and electricity used in the production of snow at ski resorts.

Environment

Clean Water Infrastructure Act of 2017

The Governor's Budget proposes a \$2 billion Clean Water Infrastructure Act to be funded at \$400 million per year over five years and administered directly by the state. The money would be used for water and wastewater infrastructure and source water protection.

These capital resources will be used to improve municipal drinking water distribution and filtration systems, replace lead service lines, improve wastewater treatment infrastructure, make strategic open space and farmland protection investments, expedite the cleanup of hazardous waste that may impact drinking water, and support green infrastructure.

There are four target areas under the Clean Water Infrastructure Act of 2017

- 1) Land Acquisition Projects
- 2) Lead Service Line Replacement Grant Program
- 3) Cleanup & Abatement of Solid Waste Sites and Drinking Water Contamination
- 4) New York State Regional Water Infrastructure Projects

Land Acquisition Projects

Allows state dollars to be used for land acquisition projects for source water protections to municipalities, not-for-profit corporations, and county soil and water conservation districts. County land acquisition projects can be source protection for aquifers, watersheds, reservoirs, lakes, rivers and streams.

Lead Service Line Replacement Grant Program

The NYS DOH may grant awards to municipalities without a formal competitive bid process to replace lead service lines. Priority is given to low income communities, but the department will consider the number of people who receive water from these lines when awarding grants.

Cleanup & Abatement of Solid Waste & Drinking Water Contamination

Creates the Solid Waste and Drinking Water Response Account to fund the cleanup and abatement of solid waste sites and to remediate contaminated drinking water. Provides protections for the state to recoup money used from the account to remediate contamination. Allows the state to place a lien on property owned by the person or corporation found responsible for the contamination.

New York State Regional Water Infrastructure Grants Program

Provides grants to counties and municipalities for waste water and drinking water infrastructure projects that have a regional impact and demonstrate efficiencies. Projects must benefit multiple municipalities and may include shared infrastructure, consolidation or interconnection of systems from multiple municipalities.

The Assembly modifies the Executive Clean Water Infrastructure Act of 2017 to:

- prioritize funding for lead drinking water line replacement in areas with high lead levels in children;
- incentivize municipal cooperation for water infrastructure improvements; and
- authorize the remediation of drinking water contamination and certain closed, illegal, or abandoned waste disposal sites.

The Assembly Budget allocates \$2 billion, \$400 million annually for five years, for various water infrastructure programs to give greater specificity to the Executive proposal, as follows:

- \$1.15 billion for the Water Infrastructure Improvement Act of 2015
- \$200 million for New York City, for large water infrastructure projects
- \$138 million for the replacement of lead drinking water service lines
- \$110 million for intermunicipal water infrastructure grants
- \$110 million for land acquisition projects for source water protection
- \$80 million for green infrastructure projects
- \$70 million for water quality improvement projects

- \$60 million for drinking water contamination response
- \$50 million for septic and cesspool upgrades to reduce nitrogen loading
- \$20 million for closed, illegal or abandoned disposal site remediation
- \$10 million for municipal clean/drinking water and emergency funding
- \$2 million for the City of Owasco and Town of Auburn to upgrade drinking water treatment systems to remove algal blooms.

The Senate Budget modifies the Governor’s proposal. They accept the proposed \$2 billion in funding, and propose the creation of the New York State Regional Water Infrastructure Improvement Act of 2017 (RWIIA) and provide \$5 billion in bonding authority, which will finance clean water infrastructure projects.

Organics: Food Donation and Food Scrap Recycling

The Governor’s Budget - Effective January 1, 2021, designated food scraps generators, those who generate at a single location an annual average of two tons per week or more of excess food and food scraps, (including, but not limited to, supermarkets, restaurants, higher educational institutions, hotels, food processors, correctional facilities, sports or entertainment venues, hospitals and other health care facilities) will be required to donate edible food when possible and to divert food waste for recycling or energy recovery if located within 50 miles of a digester or composting facility.

The Assembly’s Budget modifies the Executive food waste proposal to address issues related to eligibility, “depackaging” and distance traveled.

The Senate’s Budget rejects the Executive’s proposal.

Paint Stewardship

The Assembly’s Budget establishes a free-to-consumers paint stewardship/collection program and includes a new allocation within the EPF for \$2 million.

Electric Vehicles

The Governor’s Budget proposed budget extends the Alternative Fuels Property and Electric Vehicle Recharging Property Tax Credit for five years, through 2022.

The Assembly’s Budget includes a new sub allocation within the EPF for \$2 million for Zero Emission Vehicles.

Ethics

Financial Disclosure Requirements for Local Elected Officials

The Governor’s Budget would require all County Executives, County Managers, Chairs of County Boards of Supervisors, as well as all other local elected officials who earn an annual government salary of more than \$50,000, to file annual statements of financial disclosure with the Joint Commission on Public Ethics (JCOPE). The Commission would be responsible for review and disclosure of improprieties to authorities.

The Assembly's Budget did not include this financial disclosure language in their budget.

The Senate's Budget did not include this financial disclosure language in their budget proposal, however the Senate stated in their resolution that they “will consider modifications to the Executive Article VII entitled "Good Government and Ethics Reform" ... (a)ny ethics reform requires balanced and measured actions to ensure New Yorkers are best served by their public officials.”

Higher Education

Tuition-Free College for Middle-Class Families

The Governor's Budget proposed making college tuition-free for New York's middle-class families at all SUNY and CUNY two- and four-year colleges. New York's tuition-free college degree program would be called the Excelsior Scholarship. Tuition-free college would begin immediately for students of families making up to \$100,000 annually, and phase in over the next two years to those making \$125,000 annually. To qualify for an Excelsior Scholarship, a student must be:

- Matriculated in an approved two or four-year school, depending on the program; and
- If already enrolled in a public institution of higher education prior to application, the student must have completed at least fifteen combined credits per term (or what is applicable to their program of study), the same requirements are expected for transfer students from non-public schools to a SUNY/CUNY school.

The proposal allows for an exception to the 15 credit hour requirement “in limited circumstances, to be prescribed in regulation.”

Eligibility: A student is not eligible for this grant program if they are already receiving grants/scholarships covering the full cost of attendance.

Applicants who are eligible to apply for the Tuition Assistance Program (TAP) or Pell grants, must first apply for assistance under these two programs to be eligible to apply for an Excelsior Scholarship.

Any TAP, Pell grants, or other program awards that cover the cost of attendance is first deducted from any award granted to a student, up to the cost of tuition. An applicant will not receive this grant on top of other grants that already fully cover costs. The institute of higher education must also certify that a recipient of an award under this program has achieved the minimum grade point average necessary for successful completion of the coursework for the payment to be received.

Duration of the Scholarship: A student may receive awards through this program for no more than four years of full-time undergraduate study, or five academic years, if the program of study normally takes five years. This program cannot be used to attain subsequent degrees. Those holding a bachelor's degree are not eligible to apply.

Eligibility is limited to two years for those participating in two-year study programs. This limit may be extended for allowable interruptions of study. As with bachelor degrees, this scholarship cannot be used to achieve subsequent associate degrees either, should the applicant already hold an associate's degree.

Once fully phased in, the Governor's office estimates the program to cost \$163 million per year.

The Assembly's Budget modifies the Governor's proposal and increased the state Tuition Assistance Program to help students who attend private schools.

The Assembly proposal allows students to keep one-third of their Pell grant aid to pay for non-tuition educational costs. It also would raise the income eligibility to \$150,000 in the fourth year of the program. The proposal would reset the tuition that the scholarship pays for at SUNY and CUNY every four years to keep up with tuition growth. Cuomo's plan locks in the price of tuition, requiring the schools to make up the difference going forward.

The Assembly also called for reducing the credit requirement, allowing students to take two, 12-credit semesters, (from 15 proposed by the Governor) and would accommodate special needs students.

The Senate's Budget rejects this proposal and proposed a new pre-paid tuition program.

DREAM Act

The Governor's Budget included legislation to enact the DREAM Act. Since 2002, undocumented students qualify for in-state tuition at SUNY and CUNY if they graduated from a New York high school or received a GED in the state. The DREAM Act will give undocumented students' access to the Tuition Assistance Program, as well as State-administered scholarships.

The Assembly's Budget advances its own DREAM ACT proposal, which includes the DREAM Fund and technical changes.

The Senate's Budget rejects the Dream Act proposal.

A Predictable Tuition Plan for SUNY and CUNY

The Governor's Budget renewed a predictable funding plan for CUNY and SUNY that limits increases in the resident tuition rate at SUNY and CUNY to no more than \$250 a year for the next five years. The revenue generated from any tuition increase will be reinvested to support faculty, instruction, initiatives to improve student success and completion, and tuition credits for TAP-eligible students.

The Assembly's Budget modifies the Executive proposal to allow CUNY to increase New York resident tuition by up to \$200 a year for the next five years through Academic Year (AY) 2021-22.

The Senate's Budget rejects this proposal.

NYSUNY 2020 & NYCUNY 2020

The Governor's Budget proposed investing \$110 million for a new round of the NYSUNY 2020 and NYCUNY 2020 Challenge Grant Program. Established in 2011, this program incentivizes bottom-up, individualized, long-term economic development plans on SUNY and CUNY campuses that include public-private partnerships to benefit the campuses and surrounding communities.

The Senate and Assembly both concur with the Executive's proposal.

Restructure BUNDY Aid for Private Colleges

The Governor's Budget refocused State BUNDY aid to New York's independent colleges and universities to rein in tuition costs. The Executive Budget proposes limiting Bundy Aid only to colleges with tuition increases below \$500 or the Higher Education Price Index, whichever is greater. Any savings from this change will be reinvested to help fund a new competitive round of the Higher Education Capital Matching Grants program, which supports strategic investments at independent colleges to improve academic programs, enhance student life or provide economic development benefits to the college community.

The Senate and Assembly both rejected this proposal.

Limiting the Tuition Assistance Program (TAP)

The Governor's Budget made colleges accountable for high tuition costs, the Executive Budget will only offer the Tuition Assistance Program to colleges that maintain increases in tuition rates below \$500 or the Higher Education Price Index, whichever is greater. This will not impact any current students.

The Senate and Assembly both reject this proposal.

The Assembly's Budget proposes increasing the maximum TAP award up to \$5,500, and would raise it to \$6,500 over the next four years. It would also extend tuition assistance to undocumented students.

The Senate's Budget rejects the Governor's proposal and instead included language to increase TAP, calling it the "Enhanced Tuition Assistance Program" (E-TAP) and proposed funding of \$109 million.

Judiciary and Court Related Matters

Funding for District Attorney Salary

The Governor's Budget proposed \$4,212,000 for counties to cover District Attorney salary increases that occurred prior to 2014. These pre-2014 costs were caused by Supreme and County Court Judge salary increases which, under State law, are bound with District Attorney salaries. There is no proposed funding for the annual increases to District Attorney salaries caused by the Supreme and County Court Judge salary

adjustment that occurred on April 1, 2016. This annual increase is \$1.6 million total to counties.

The Senate's Budget adds the \$1.6 million to cover the District Attorney salary increase, reimbursing counties for a total of \$5,812,000.

The Assembly's Budget supports the Governor's proposal with reimbursement levels at \$ 4,212,000, thereby omitting this year's \$1.6 million increase to counties.

Indigent Defense

The Governor's Budget allocated \$81 million for statewide indigent defense program costs. This is level funding compared to the 2016/2017 budget. Counties continue expend approximately \$370 million annually to provide indigent defense services, a service which is the State's constitutional obligation to provide.

Expanded Services to 52 Counties and the Office of Indigent Legal Services

The Governor's budget requires the Office of Indigent Legal Services to submit a plan by year end 2017 the goal of which is to extend the provisions of the Hurrell-Harring settlement to the rest of the State. This will require the expansion of service to include public defender case cap loads as well as off-hour arraignment coverage. This plan must be approved by the Executive Budget Division. Under this plan, the counties, not the State, must front the expanded indigent defense service costs. The State will fund one hundred percent of the costs they deem necessary to extend the reforms. The plan's service expansion will be phased in over a seven-year period.

5 Counties Subject to Current Hurrell-Harring Expanded Services

The Executive Budget allocates \$23,810,000 for Hurrell-Harring related expanded services in five counties. In 2014, the state settled the Hurrell-Harring lawsuit by agreeing to expand indigent defense services for the five counties (Ontario, Onondaga, Schuyler, Suffolk and Washington) named in the suit and provided state funding for those expanded services, which included placing case load caps on public defenders and providing legal counsel on first arraignment.

Eligibility Guidelines

The Executive Budget does not change or allocate funding for the Eligibility Standard Guidelines which are effective April 1, 2017 to the 52 non-Hurrell-Harring counties. These state-imposed eligibility standards were released on April 4, 2016. These guidelines expand eligibility to anyone with net income at or below 250% of the federal poverty level. The guidelines, entitled "Criteria and Procedures for Determining Assigned Counsel Eligibility," were developed by the New York Office of Indigent Legal Services (ILS) and take effect April 1, 2017.

The Assembly's Budget provides the same funding as the Executive, however the Assembly provides language for a future fiscal state takeover of county criminal indignant defense service costs. This fiscal takeover would be over 7 years and start in 2018. This proposal is for criminal county service costs and not family or surrogate

related indigent defense costs. Accordingly, this plan would not alleviate counties of the entire \$370 million they currently expend but it would cover a majority of these costs.

Expanded Services to 52 Counties and the Office of Indigent Legal Services

The Assembly agrees with the Governor's plan to expand services to the (case cap loads and off-hour arraignment coverage) but rejects the Governor's Division of Budget oversight.

5 Counties Subject to Current Hurrell-Harring Expanded Services

Assembly agrees with the Executive Budget proposal.

Eligibility Guidelines

Assembly agrees with the Executive Budget proposal.

The Senate's Budget - concurs with the Governor's proposal and provides no additional mandate relief for current county costs.

Expanded Services to 52 Counties and the Office of Indigent Legal Services

The Senate agrees with the Governor's plan to expand services to the (case cap loads and off-hour arraignment coverage) but rejects the Governor's Division of Budget oversight.

5 Counties Subject to Current Hurrell-Harring Expanded Services

Senate agrees with the Executive Budget proposal.

Eligibility Guidelines

Only expanded services given to an individual at or below one hundred fifty percent of the federal poverty level will be eligible for reimbursement.

Labor

Workforce Development Training

The Governor's Budget - proposal includes language to amend the Employee Training Incentive Credit Program to incentivize companies to include incumbent worker training as part of their expansion and retention projects, and expand the credit to include training for employees working in life sciences.

The legislation would eliminate the requirement that eligible training be provided to employees filling net new jobs and allows such training to cover internship programs in life sciences as well as advanced technology. It would amend the definition of significant capital investment needed for eligibility into the program to require a company to make a capital investment in new business processes or equipment, the cost of which is equal to or exceeds ten dollars for every one dollar of tax credit allowed pursuant to Tax Law. In addition, the bill eliminates the requirement that a company must create ten net new jobs to be eligible for the program.

The Assembly's Budget – accepts the proposal that amends the Employee Training Incentive Credit Program to incentivize companies to include incumbent worker

training as part of their expansion and retention projects. To accomplish this, the Executive proposes to eliminate the requirement that eligible training be provided to employees filling net new jobs, and allows such training to cover internship programs in life sciences and advanced technology. Also, the definition of significant capital investment needed for eligibility in the program would be amended to require a company to make a capital investment in new business processes or equipment at a ratio of ten dollars or more for every one dollar of tax credit allowed.

The Senate's Budget denies the proposal to expand the Employee Training Incentive Program (ETIP) to include incumbent worker training and include training for employees of life science companies.

New York Youth Jobs Program Tax Credit

The Governor's Budget proposal included language extending the Urban Youth Jobs Program tax credit for five years to 2022 and rename the program as the New York Youth Jobs Program tax credit.

This bill would amend the Labor Law to authorize additional allocations of \$50 million per year in tax credits to be awarded in 2018, 2019, 2020, 2021 and 2022 for employers participating in the program. The bill would also rename the program as the "New York Youth Jobs Program tax credit" to reflect that the program is now offered statewide.

The Assembly's Budget modifies the Executive's proposal that extends the Youth Jobs Program for five years to 2022 by streamlining the application process and develops an apprenticeship component to the program.

The Senate's Budget denies the Executive proposal to rename the Urban Youth Jobs Program Tax Credit to the New York Youth Jobs Program Tax Credit and extend it for five years, until 2022.

Mandated Shared Services Initiatives

Mandated Shared Services Initiatives

The Governor's Budget – Under the proposed budget the chief executive officer of each county must prepare a savings plan for shared services among the county, cities, towns and villages within such county. The chief executive officer of the county must seek consensus among the mayors and supervisors, then must submit the plan to the county legislative body. The plan must contain new recurring savings through actions "...such as, but not limited to, the elimination of duplicative services; shared services, such as joint purchasing, shared highway equipment, shared storage facilities, shared plowing services, energy and insurance purchasing cooperatives, reduction in back office administrative overhead and general coordination of services."

The plan must be submitted to the county legislature by August 1, 2017. The county legislature may make modifications to the plan. The plan is then to be finalized by September 15, 2017 and made public. At the upcoming November election the question of if the plan should be adopted will be voted on in a countywide referendum format. If

the people vote no, the chief executive officer of each county must repeat this process in 2018 with a new plan.

There is no State funding provided for the costs associated with putting the property tax savings plan proposal together; nor for implementation, election and other expenses.

The Governor's budget also linked the release of all AIM funding to the inclusion of this shared services proposal in the adopted budget. (See AIM section for more details.)

The Senate's Budget rejects this provision.

The Assembly's Budget rejects this provision.

Mandate that all Local Governments Allow Partial Payments of Property Taxes

The Governor's Budget proposed that all local governments must allow for partial payments of property taxes (as well as special ad valorem levies and special assessments). This would be a mandate, but a local government could opt out of providing for partial payments by adopting a local law to opt out.

The local government would be allowed to establish a process for accepting partial payments (that could include local surcharges and interest for the balances due on partial payments). This would not be effective for tax collections until January 2019.

The Senate's Budget rejects this provision.

The Assembly's Budget includes this provision, but made it an "opt in" (voluntary vs. a mandate).

AIM

The Governor's Budget linked the release of all AIM funding to the inclusion of a mandated shared services program in the final budget. Governor proposed level funding of \$715 million.

The Assembly's Budget rejects the linking of the release of AIM funding contingent upon the enactment of a mandated shared services plan as described. The Assembly adds \$50 million in additional AIM funding based on a formula to be adopted in subsequent legislation. The Assembly partially funds this increase by eliminating the Citizens Re-organization Empowerment Grants program (\$35 million) and the Local Government Efficiency Grant Program (\$4 million).

Assembly also creates a new local government aid line item of \$2.25 million "for payment to a county in which a gaming facility is located but does not receive a percent of the negotiated percentage of the net drop from gaming devices the state receives pursuant to a compact."

The Senate's Budget rejects the linking of the release of AIM funding contingent upon the enactment of a mandated shared services plan as described. The Senate level funds AIM.

The Senate creates two new local government aid line items of \$2.25 million and \$250,000 “for payment to a county in which a gaming facility is located but does not receive a percent of the negotiated percentage of the net drop from gaming devices the state receives pursuant to a compact.”

Judgment Interest Rates

The Governor's Budget proposed to modify the required interest rate payable in judgements against the state and local governments. In New York, today, the current rate of judgment interest is a fixed 9% which can cost a county thousands of dollars while waiting for an appeal. This budget lowers the rate of judgment interest by linking this to Federal set rates which are currently below 2%.

The Assembly and Senate Budgets both reject this proposal.

Mental Health

Invest \$11 Million in Additional Community Services

The Governor's Budget included additional annual investment will be used to expand community services based on regional needs reflecting stakeholder input, and is expected to reduce the need for costlier inpatient beds in FY 2018. Once fully implemented this additional commitment will bring the total new investments since FY 2015 to \$92 million annually.

Fund 280 Additional Supported Housing Community Beds

OMH will reconfigure 140 state operated residential beds, which are less integrated and costlier to operate, and replace them with funds to develop 280 community-based, scattered site supported housing units in the same geographic area.

The Assembly's Budget provides an All Funds appropriation of \$4.14 billion for the Office of Mental Health, an increase of \$22.15 million over the Executive proposal.

The Assembly rejects the Executive proposal to establish county jail-based restoration units and provides a net restoration of \$1.3 million. The Assembly also modifies appropriation language to limit the number of beds that can be reduced to clarify that no facilities will be closed and that any significant service reduction must adhere to the statutory twelve-month notice requirement.

The Senate's Budget concurs with the Executive recommendation of \$2.3 billion for the Office of Mental Health (State Operations), with the following modifications:

- Require the inclusion of local governmental units input on the implementation of the Executive recommendations to review and reconfigure state-operated clinics; standardize the oversight and monitoring of the Service Dollars Program; and reconfigure residential opportunities.

- Require quarterly reports on the Executive recommendation to review and reconfigure state-operated clinic services.
- The Senate denies appropriation language to notwithstanding notification and reinvestment requirements for the reduction of State-operated beds.
- The Senate denies without prejudice appropriation language that would allow for restoration to competency treatment in jail and prison based settings.
- The Senate concurs with the Executive proposal to continue to provide monthly status reports.

The Senate also modifies the Executive recommendation to provide increased support to residential units by delaying implementation until January 1, 2018.

The Senate concurs with the Executive recommendation of \$374 million for the Office of Mental Health (Capital Projects), with the following modification:

- Require \$14 million be used for rehabilitation projects at Western New York Children's Psychiatric Center.

The Senate denies without prejudice the Executive recommendation to allow for restoration to competency treatment in jail and prison based settings.

The Senate advances language requiring Western New York Children's Psychiatric Center be maintained in Erie County as a separate and distinct entity, both organizationally and physically, from other facilities.

The Heroin & Opioid Abuse Crisis

The Governor's Budget includes a \$30 million increase over 2016/17 funding, for a total of \$200 million to combat the heroin & opioid abuse crisis. This funding will be used to add new residential treatment beds, open additional Opioid Treatment Program slots, increase Family Support Navigators and Peer Engagement programs, and provide additional supports and services to those struggling with addiction.

Specifically, the funding will enable OASAS to implement the following initiatives:

- **Residential Treatment Beds:** The State will add 80 new residential beds run by not-for-profit providers. These new beds are integral for ensuring widespread service availability for those in need of inpatient care.
- **Opioid Treatment Program Slots:** The State will open 600 additional Opioid Treatment Program (OTP) slots, which will provide individuals with the medications they need, including buprenorphine, to help with the State's whole-patient approach to services and care.
- **Community Coalitions:** Funding for 10 new regional coalitions and partnerships will allow families, service providers, educators, law enforcement, State agencies and local leaders to increase cross-sector collaboration on the prevention and treatment of SUDs.
- **Family Support Navigators:** OASAS currently supports 10 navigator programs to assist and inform those seeking treatment and their families of options for insurance coverage and OASAS treatment systems. The Budget

includes funding to add another 10 programs, for a total of 20 programs statewide, including two in each ESD region.

- **Peer Engagement:** Similar to family navigators, OASAS also currently supports 10 Peer Engagement programs, one in each ESD region. These crucial programs help individuals in need of treatment make connections from hospital emergency rooms to the OASAS treatment system, putting them on the path to recovery. The Budget includes funding to add another 10 programs, for a total of 20 programs statewide.
- **Adolescent Clubhouses:** These safe, welcoming spaces will help teens and young adults who are in recovery or are at-risk for SUDs to develop social skills that promote long-term health, wellness, recovery and a drug-free lifestyle. The Budget supports eight new clubhouses, for a total of 15 statewide including five in New York City, two in the Mohawk Valley and one in each of the remaining ESD regions.
- **Recovery Community and Outreach Centers:** These facilities provide recovery supports in a comfortable environment to individuals and their families that are in, or seeking, recovery from SUDs. The Budget supports five new centers, for a total of 14 centers statewide, which provide information and education on how to access treatment supports and wellness activities, and they extend peer supports and volunteers to assist in all areas of the Centers' operations.
- **24/7 Urgent Access Centers:** Urgent Access Centers will be opened throughout the State to offer round-the-clock access to SUD treatment services. These 10 centers will help alleviate traditional "work day" delays in linking clients with appropriate treatment.
- **Recovery High Schools:** These "schools within a school" will help students in recovery learn in a substance-free and supportive environment. Legislation is included in the budget to establish a pilot program at up to two schools. These schools are expected to be operational in FY 2019 in hard-hit regions of the State.

The Assembly's Budget provides an All Funds appropriation of \$738.54 million for the Office of Alcoholism and Substance Abuse Services (OASAS), an increase of \$45.2 million over the Executive proposal.

The Assembly also provides \$30 million to support an expansion of heroin and opiate related programs, including treatment, recovery, and peer support services. This investment will bring total spending in the Assembly proposal on heroin and opiate services to \$243.48 million.

The Assembly also restores \$2 million to fund Substance Abuse Prevention and Intervention Specialists (SAPIS) in New York City through the Department of Education.

The Senate's Budget concurs with the Executive recommendation of \$121 million for the Office of Alcoholism and Substance Abuse Services through State Operations. The Senate also concurs with the Executive recommendation of \$504 million through Aid to Localities, with the following modifications:

- Provide \$2.7 million in funding for prevention, treatment, and recovery services
- Require quarterly reports on the implementation of programs and services created in Fiscal Year 2017 and 2018.

The Assembly's Budget rejects the Executive proposal to authorize BOCES to establish two recovery high schools.

The Senate's Budget modifies the Executive recommendation for Recovery High Schools for students with a diagnosed substance abuse disorder by increasing the number from two to three.

Public Health

Pharmaceutical Pricing

The Governor's Budget proposed a three-point plan to protect consumers and taxpayers from rapidly rising costs of prescription drugs as follows:

1. Create a price ceiling for certain high cost prescription drugs reimbursed under the Medicaid program by requiring a 100 percent additional supplemental rebate for any amounts more than a benchmark price as recommended by the DOH's Drug Utilization Review Board. The plan will also limit year-over-year price increases for generic drugs paid for by the Medicaid program.
2. Impose a surcharge on high-priced drugs when they are sold into the State. The proceeds collected from the surcharge will be reallocated to insurers to lower insurance premiums for New Yorkers the following year so the cost is not passed on to consumers.
3. Regulate Pharmacy Benefit Managers (PBMs) to protect consumers and ensure that PBMs are not contributing to the rising costs of prescription drugs through unfair business practices.

The Assembly's Budget modifies the Executive proposal to establish a surcharge on high cost drugs and to ensure pharmacies will be exempt from the surcharge. The Assembly accepts the Executive proposal to require prior authorization for any refill of a controlled substance if more than a seven day supply of the prescription remains and to reduce the limit on year-over-year increases in for generic drug costs, from 300 percent to 75 percent.

The Senate's Budget modifies the Governor's proposal to provide that any brand-name drug, or generic drug that costs more than \$50, which doubles in price in a 12-month period be subject to prior approval in the Medicaid program. If the state's Drug Utilization Review Board determines that the price increase is excessive, it may turn over evidence to the state's attorney general to investigate price gouging. The commissioner may also require a supplemental rebate from the manufacturer.

Consolidation of Public Health Appropriations

The Governor's Budget recommended consolidating 39 public health appropriations into 4 pools. Funding for each pool is reduced by 20 percent (projecting state savings of \$24.6 million).

The Senate and Assembly both reject the Executive proposal to consolidate 39 public health programs and cut spending for these programs by 20 percent, restoring \$24.6 million and discrete appropriations for these programs.

Reduced General Public Health Work (GPHW) Reimbursement to NYC

Through the GPHW program, DOH reimburses New York City and county health departments for core public health services by providing base grants and covering 36 percent of the remaining net costs. The Budget reduces New York City's rate from 36 to 29 percent, generating a savings of \$11 million in FY 2018. This is in recognition that the City, unlike other counties, can directly access other forms of public health funding, including Federal Centers for Disease Control and Prevention funding. The 36 percent reimbursement rate is preserved for all other county health departments.

Both the Senate and the Assembly rejected the Executive proposal to reduce New York City's public health reimbursement to 29 percent, from the current 39 percent, restoring \$11 million.

The Senate's Budget also accepts a NYSACHO proposal to make Maintenance of Effort reporting annually and across all core services, not each service individually.

Test and Monitor Drinking Water

The Governor's Budget included two initiatives to maintain a safe water supply and inform New Yorkers when potentially hazardous substances contaminate their drinking water.

- 1) Every covered public water system will be required to test drinking water from community water systems (provides water to the same population year round (homes and apartment buildings) and non-transient non-community water systems (provides water to at least 25 of the same people at least six months per year. Some examples are schools, factories, office buildings, and hospitals which have their own water systems), for the presence of emerging contaminants in the state and unregulated contaminants on the contaminant candidate list (CCL) monitored under the federal Safe Drinking Water Act. Testing must be done once every three years and reported to the DOH. The Department may also require results of testing to be submitted to city, county, or part-county health departments.
- 2) The testing of private wells will be required for new or existing onsite water supply systems (wells) as a condition of sale of any residential property. The closing of title on the sale cannot be completed unless both buyer and seller have received and reviewed a copy of the test results and signed a written acknowledgment. Also within this section is a provision that requires the testing of leased residential property within one year of the effective date (so by 10/2018)

and at least once every five years thereafter. Results must be provided to new tenants as well as prior tenants upon request. Testing results will be reported to DOH.

The Assembly's Budget modifies the Executive proposal to implement a water monitoring program for emerging contaminants and a residential well testing program to add additional specificity to the proposals and to improve notification requirements.

The Senate's Budget modifies the recommendation to require testing of private wells for contaminants prior to sale of residential property by establishing the Drinking Water Quality Institute and advances language to establish and enable the Drinking Water Quality Institute to make recommendations for the Department of Health to:

- Develop a list of emerging contaminants to be adopted by Department of Health and required for testing by public water supplies serving 4,000 individuals or more
- Develop maximum contaminant levels no less stringent than federal standards for listed substances
- Develop appropriate testing timeframes, techniques and frequencies while allowing for variation in region and size of the public water system
- Conduct scientific studies and research, as well as public outreach and education regarding emerging contaminants and drinking water quality in public water supplies and private wells, an online tracking and mapping system of contaminants and infrastructure improvement projects, and the feasibility of biomonitoring
- Develop a comprehensive public notification process for public water systems with water quality issues
- Ensure state officials are aware of up-to-date science and research as it relates to drinking water quality and unregulated contaminants
- Take actions to ensure responsible parties are pursued, and prompt availability of funding for remediation and cleanup projects

Members of the Institute shall consist of the Department of Health and the Department of Environmental Conservation agency officials, members appointed by the Legislature and the Executive including water purveyors, public citizens with expertise in drinking water quality.

Public Safety

Apply the Public Safety Communications Surcharge to Prepaid Devices

The Governor's Budget proposal included legislation to extend the 9-1-1 Public Safety Surcharge from contracted cell phone devices to prepaid devices.

The legislation would require sellers to collect a surcharge on the sale of each prepaid wireless communications service or device sold within this state. The market shift from contract plans to prepaid wireless, which is not currently subject to the surcharge, is leading to a steady decline of revenue. The surcharge currently imposed on postpaid

wireless communications service is \$1.20 on each device per month. The prepaid surcharge would be imposed on the sale of each prepaid service or device at the rate of \$0.60 per retail sale that is \$30 or less, and \$1.20 per retail sale over \$30.

Interoperable Communications

The legislation does not increase the current law “up to” \$75 million grant authorization to counties, therefore any increase from the state \$1.20 surcharge on prepaid devices will be kept entirely by the state.

In addition, the legislation would also expand the authority of municipalities that are currently authorized to impose a surcharge on postpaid wireless communications service to impose a similar surcharge on the sale of each prepaid service or device. The surcharge currently imposed on postpaid wireless communications service in those municipalities is \$0.30 on each device per month. The prepaid surcharge would be imposed on the sale of each prepaid service or device at the rate of \$0.30 per retail sale.

The Senate’s Budget rejects the Governor’s proposal for the surcharge on prepaid wireless communications service and devices.

The Assembly’s Budget accepts the Governor’s proposal to require sellers to collect a surcharge on the sale of each prepaid wireless communications service or device sold within this state. The prepaid surcharge would be on the sale of each prepaid service or device at the rate of \$0.60 per retail sale of \$30 or less, and \$1.20 per retail sale over \$30. Municipalities would also be authorized to impose a \$0.30 cent similar surcharge on the sale of each prepaid service or device.

Interoperable Emergency Communications

The Governor’s Budget included for the Statewide Interoperable Emergency Communications Grants (SICG) program at \$75 million, dividing this up into \$65 million for traditional grants to counties and \$10 million for operating expenses to Public Safety Answering Points (PSAPs).

The Senate’s Budget accepts this proposal

The Assembly’s Budget reprograms the funding to include:

- \$50,000,000 - grants or reimbursement to counties for the development, consolidation or operation of public safety communications systems or networks designed to support statewide interoperable communications for first responders
- \$15,000,000 for grants or reimbursement to counties for the development and/or implementation of next generation 911 services
- \$10,000,000 for grants to counties for costs related to the operations of public safety dispatch centers

Raising the Age of Criminal Responsibility

The Governor's Budget proposed language to implement juvenile justice reforms through for raising the age of juvenile jurisdiction to age 17 on January 1, 2019 and to age 18 on January 1, 2020. Additional reform measures include comprehensive diversion, probation, and programming services for justice-involved youth.

The proposal authorized state reimbursement of local shares for counties that are subject to the property tax cap, upon a showing that:

- any expense incurred because of the implementation of raising the age of juvenile jurisdiction above fifteen years of age would result in fiscal hardship;
- that the county has met the requirements of the property tax cap; and
- a plan has been developed by the county that shows how the county will appropriately implement the requirements of law.

The Assembly's Budget has accepted the Governor's proposal with modifications.

The Assembly provides \$5 million for capital improvements to local detention facilities associated with raising the age at juvenile jurisdiction. It also provides an additional \$10 million in aid to local probation departments to support adjustment and diversion services for juveniles in preparation for raising the age of juvenile jurisdiction.

Modifications include:

- restoring provisions to allow and increase the standards for placing PINS in foster care and enhance services for juvenile delinquents and PINS;
- narrowing the list of juvenile offenses for 16 and 17 year olds to the existing list of felonies in current law as well as certain other serious violent felony offenses, and allow for the removal of juvenile offenders to Family Court under certain circumstances;
- including youth charged with misdemeanor and felony vehicle and traffic offenses with the non-juvenile offenses processed in family court;
- expanding youthful offender eligibility to anyone under the age of 21 and create a presumption for granting such status;
- providing for 100 percent local cost reimbursement from the state; and
- creating opportunities for the sealing of certain convictions.

The Senate's Budget omits the language. However, it was noted in their budget resolution that the Senate will modify the Executive proposal that raises the age of criminal responsibility for 16 and 17 year olds in the State of New York. The Senate supports raising the age of criminal responsibility while ensuring public safety and the proper balance of the role and responsibilities of established court systems. The Senate believes that the State should assist in ensuring that 16 and 17 year olds receive the treatment and programming they need to avoid the repeated cycle of mass incarceration that many of our youth experience today. At the same time, we must ensure that the victims of crimes and the effect of criminal actions against society are also taken into consideration as we weigh changes to criminal justice policy. Further, the Senate believes that any confinement of 16 and 17 year olds, if needed, must be in an appropriate setting and expresses concern about 16 and 17-year old inmates

incarcerated at the Rikers Island Facility. The Senate will also ensure that any changes necessary to achieve these desired reforms will have no added financial burden to the counties or other local governments/entities.

Jail-Based Restoration

The Governor's Budget proposal included establishing jail-based restoration programs for felony level defendants. The Office of Mental Health (OMH) will work with participating counties on a voluntary basis to develop specialized residential treatment units within their jails. The Executive Budget invests \$850,000 to assist county jails in making any necessary infrastructure improvements to provide these separate treatment units.

The Senate and Assembly budgets reject the Executive proposal to establish county jail-based restoration Units.

Reducing Penalties for Possession of Small Amounts of Marijuana

The Governor's Budget proposal included amending the Penal Law relating to the penalties administered for possession of small amounts of marijuana to reduce the population of non-violent individuals needlessly thrust into the criminal justice system.

The Senate's Budget rejects this proposal

The Assembly's Budget accepts the Executive proposal to decriminalize possession of small amounts of marijuana, and additionally includes new legislation to provide for the sealing of records in low-level marijuana possession cases.

Transportation

All-Terrain Vehicles (ATVs) Registration of weighing up 1,500 pounds

The Senate's Budget included a proposal to increase the registration weight limit on ATVs to 1,500 pounds from the current 1000 pound limit. Permitting the registration of these ATVs will generate more revenue through the DMV registration process. It will also increase consumer interest in purchasing new ATVs within this weight category because, such ATVs will be able to be registered, insured, and used on trails in New York State.

DMV Fees

The budget proposes to increase the following DMV related fees:

- The certificate of title fee from \$50 dollars to \$75 dollars.
- the duplicate certificate of title fee from \$20 dollars to \$40 dollars.
- increases the fine range (\$25-\$200 to \$100-\$500) for motor vehicles on toll roads with altered or obscured license plates.
- Increases the reinstatement fee from \$25 to \$100 for non-residents seeking to have their driving privileges restored.
- add a five-dollar fee for driver's licenses, renewals or amendments of such licenses that are marked as REAL ID licenses.

- Assess a five-dollar fee to cover the cost of producing an identification card for real estate license applicants.

The Senate's Budget rejects all proposed fee increases.

The Assembly's Budget accepts all proposed fee increases.

Design Build for Counties

The Governor's Budget extended design build authority to counties and a broad array of state agencies as follows:

- To qualify it must be a capital project and not be less than one million two hundred thousand dollars (\$1,200,000) in scope.
- The types of capital projects for which design-build contracts can be used would be as follows: related to physical infrastructure, including, but not limited to, highways, bridges, dams, flood control projects, canals, and parks, including, but not limited to, to repair damage caused by natural disaster, to correct health and safety defects.

The Assembly's Budget rejects this proposal.

The Senate's Budget rejects this proposal.

Road and Bridge Funding

The Governor's Budget proposes \$ 438,097,000.00 for the Consolidated Local Street and Highway Program (CHIPS) and \$39,700,000.00 for Marchiselli funding. This level is consistent with last year's budget. PAVE-NY and BRIDGE-NY are both funded at authorized levels of \$100 million each.

The Assembly's Budget provides \$50 million of additional CHIPS funding to be added to the base for a total of \$488 million. And concurs with PAVE-NY and BRIDGE-NY Executive proposal.

The Senate's Budget provides \$75 million of additional CHIPS funding to be added to the base for a total of \$512 million. And concurs with PAVE-NY and BRIDGE-NY Executive proposal.

Veterans

Expands the Available of Veterans' Court Services

The Governor's Budget provided \$10.7 million for local veteran services including an increase of \$1 million toward the veterans' treatment courts peer to peer program. New York now has 29 veteran diversion treatment courts. This bill would broaden the services stemming from veterans' treatment courts by increased availability of the peer mentoring services.

The Assembly's Budget accepts the Governor's proposal

The Senate's Budget modifies with the Executive proposal by specifies how the \$1 million additional funding should be distributed. The Senate proposes:

- \$350,000 for Legal Services of the Hudson Valley's Veterans and Military Families Advocacy project
- \$100,000 to expand Legal Services of the Hudson Valley's Veterans and Military Families Advocacy project into Westchester County
- \$250,000 for Nassau Suffolk Law Services Committee's Veterans' Rights Project
- \$250,000 in additional funding for the Veterans Outreach Center in Monroe County
- \$300,000 for Warrior Salute