

Executive 2016-17 State Budget Proposal County Impact Summary



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

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Financial Plan Overview – State Fiscal Year 2016-17

The Governor's 2016-17 budget proposes to maintain the Governor's self-imposed two percent spending cap on the State Operating Funds side of the ledger. Total spending in the Budget for 2016-17 comes in just over \$146 billion. This total does not include spending related to extraordinary federal disaster aid and from the affordable care act, as well as capital spending related to the bank settlements (when these costs are included the total budget rises to \$154.5 billion).

Without any actions the Executive Budget estimates the SFY 2016-17 budget will have a general fund shortfall of \$1.8 billion. The following major actions are taken in the budget to eliminate the projected fiscal gap.

Spending Reductions of just over \$2 billion

- **\$397 million from state agency operations** including savings related to keeping agency staffing and costs at current levels, increasing the employee share of retiree health insurance benefits based on years of service (\$180 million), and reducing spending for SUNY medical facilities (\$19 million), among other items.
- **\$1.33 billion reduction in local assistance grants** including:
 - Shifting about \$500 million in current state fiscal support for CUNY to New York City on a full annual basis,
 - Eliminating the zero growth Medicaid cap for New York City – the “hard cap” would be replaced with growth of 3.6 percent in SFY 2016-17 costing NYC (\$180 million over current cap) and 5.8 percent growth in 2017-18 (\$476 million over current cap), and then two percent growth each year thereafter.
 - There is no proposal in the budget that limits the Medicaid cap to only those counties that stay within the property tax cap.
 - Converting the STAR rebate program to a tax credit for new homes and property transfers (purchases). This would reduce general fund spending by \$185 million in 2017, rising to \$670 million by 2020, and growing thereafter. This lower general fund spending will show up as a tax expenditure in the following state fiscal year, and
 - Reducing the current 2 percent growth allowance in the STAR exemption to zero percent—lowering general fund spending by \$55 million in 2016-17, growing to \$228 million by 2020.
- **\$439 million in debt restructuring, refinancing and other debt management actions.**
- **\$154 million from human services including:**
 - Using Temporary Assistance for Needy Families (TANF) federal funding sources to reduce the Office of Children and Family Services (OCFS) Child Care General Fund spending.
 - Revising, on a one time basis, the Pay For Success program based on timing, and
 - Updating spending forecasts in several programs, including OCFS spending on detention reconciliation, the Committee on Special Education, and Medicaid-related foster care spending.

Tax Actions

These spending cuts are offset by a series of tax cuts that will become effective in SFY 2017-18 and beyond including:

- *Small Business Tax Rate Reductions* -- \$300 million when fully annualized
- *Thruway Toll Credits* -- \$119 million when fully annualized (temporary 3-year program)
- *Education Tax Credits* – \$150 million beginning in SFY 2018-19

Bank Settlement Funds

The SFY 2016-17 Executive Budget proposes to use \$2.3 billion of unbudgeted settlement funds for a variety of purposes including:

- *Thruway Stabilization Plan (\$700 million)* – The Executive Budget invests in Thruway infrastructure, on top of last year's commitment of \$1.285 billion. This two-year investment of nearly \$2 billion will support both the New NY Bridge project and other transportation infrastructure needs for the rest of the Thruway's core system across the State.
- *Thruway Toll Freeze (\$340 million)* – it will allow the Thruway to be able to freeze tolls for all drivers until at least 2020.
- *Transportation Capital Plan (\$200 million)* – as part of the broader \$22.1 billion five-year State Transportation Capital Plan.
- *Housing and Homeless Plan (\$640 million)* – establishes a multi-year investment in affordable housing, services and other housing opportunities for individuals and families who are homeless or at risk of homelessness. Over the next five years, funding will be used to create new housing opportunities for individuals and families in need of supportive services, as well as assist vulnerable populations in securing stable housing – \$590 million for capital projects and \$50 million for other service costs.
- *Environmental Protection Fund (\$120 million)* – one-time deposit into the fund.
- *Economic Development (\$255 million)* – The Executive Budget includes \$170 million to continue support of the revitalization of Upstate New York through a competitive process. An additional \$85 million will continue the economic development strategy of creating jobs, strengthening and diversifying economies, and generating economic opportunities across the state.
- *Empire State Poverty Reduction Initiative (\$25 million)* – Planning grants totaling \$5 million will be available in ten communities with high concentrations of poverty. In addition, \$20 million will be available for grants to match private sector and foundation funding.
- *Municipal Consolidation Competition (\$20 million)*: The Executive Budget proposes funding for a new Municipal Consolidation Competition to encourage the reduction of costs through a competitive process, to be administered by the Department of State.

Similar to the use of bank settlement funds last year, the Governor may transfer any amount of this funding in the case of an economic downturn, or to cover disallowances or settlements related to overpayment of Federal Medicare and Medicaid revenues in excess of \$100 million.

State Revenue Assumptions

The budget assumes growth in major state revenues as follows:

	2017	2018	2019	2020
Personal Income Tax	6.1%	3.6%	1.3%	4.7%
Consumption/Sales Tax	3.5%	4.2%	3.6%	3.1%
Business Taxes	-4.6%	3.8%	1.5%	5.0%

Local Government Assistance

Assistance to local governments is projected to be lower than last year's enacted budget.

Local Government Assistance		
	2015-16 Final	2016-17 Proposed
AIM	\$715,000,000	\$715,000,000
NYC	\$0	\$0
Citizens Reorganization Grants		
Citizens Reorganization Grants	\$35,000,000	\$35,000,000
Local Govt. Efficiency Grants		
Local Govt. Efficiency Grants	\$40,000,000	\$0
Other		
Other	\$4,000,000	\$4,000,000
Small Govt Asst.		
Essex	\$124,000	\$124,000
Franklin	\$72,000	\$72,000
Hamilton	\$21,300	\$21,300
VLT		
VLT	\$29,331,167	\$29,331,167
Madison	\$0	\$0
Oneida	\$0	\$0
Onondaga Co.	\$2,000,000	\$0
+School demo w/Syracuse	\$250,000	\$0
Cayuga	\$92,500	\$0
Seneca	\$340,000	\$0
Franklin	\$340,000	\$0
Dutchess County	\$3,500,000	\$0
Dutchess County - Jail Services	\$1,400,000	\$0
Gaming Compact	\$91,700,000	\$122,500,000
Appropriations		
TOTAL	\$923,170,967	\$906,048,467

In addition to these direct funding items, the budget eliminates the local sales tax on noncommercial aviation fuels. This is being proposed to satisfy a FAA ruling related to the use of taxes raised at airports and the requirement they must be retained by the airport for aviation

purposes only. The Division of Budget estimates the county budget impact at less than \$4 million when implemented.

Agriculture

Taste NY

The proposal includes \$1.1 million for the “Taste NY” program. The “Taste NY” program is branding and expanding New York’s food and beverage industry by making the wide variety of foods and beverages grown and produced in the state readily available and recognizable to New Yorkers and the public.

FreshConnect

The budget provides \$350,000 for the FreshConnect farmers’ market program, the program is a competitive grant to create and expand farmers markets in underserved communities.

Hops

The proposal includes \$40,000 for a program to evaluate and test hop varieties in New York.

NYS Certified High Quality Initiative

The budget proposes the implementation of the NYS Certified High Quality initiative. This program will fund marketing, branding, food safety, environmental management, and economic development initiatives to create the safest food system in the nation. A unique label will be created that identifies food from a New York producer who uses best practices in food safety, food handling, and environmental stewardship.

Agriculture and Dairy

The proposal transfers statutory authorization for agricultural and dairy product marketing orders, which are currently administered by the Department of Agriculture and Markets (DAM), to the Empire State Development Corporation (ESD).

The budget proposal eliminates a significant number of agriculture assistance grants to specific organizations. While most of the items eliminated are linked to additions made by the Legislature during the prior year budget process, some are not. Eliminating prior year “member items” is the standard procedure used in most Executive Budget Recommendations. The deletions will be subject to negotiations as the budget moved through the process.

Executive 2016-17 State Budget Proposal
County Impact Summary

Agriculture Grant Programs	2012/13 Enacted Budget	2013/14 Enacted Budget	2014/15 Enacted Budget	2015/16 Enacted Budget	2016/17 Proposed Budget
Ag. Child Care (Migrant)	\$6,521,000	\$6,521,000	\$7,521,000	\$7,521,000	\$8,275,000
Core Diagnostic Lab	\$3,750,000	\$3,750,000	\$5,425,000	\$5,425,000	\$4,425,000
Quality Milk (Mastitis)	\$1,174,000	\$1,174,000	\$1,174,000	\$1,174,000	\$1,174,000
NYS Cattle Health Assurance	\$360,000	\$360,000	\$360,000	\$360,000	\$360,000
Johnes Disease	\$480,000	\$480,000	\$480,000	\$480,000	\$480,000
Rabies Prevention	\$150,000	\$250,000	\$490,000	\$610,000	\$50,000
Long Island Rabies Prevention	\$100,000	\$0	\$0	\$0	\$0
Avian Disease	\$252,000	\$252,000	\$252,000	\$252,000	\$252,000
Farm Family Assistance	\$484,000	\$584,000	\$500,000	\$800,000	\$384,000
Integrated Pest Mgmt	\$500,000	\$500,000	\$500,000	\$500,000	\$0
Geneva Experiment Station – Seed Inspection Program	\$128,000	\$128,000	\$128,000	\$128,000	\$128,000
Geneva Experiment Station – Hop Testing		\$40,000	\$160,000	\$200,000	\$40,000
Golden Nematode	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000
Future Farmers of America	\$192,000	\$192,000	\$350,000	\$392,000	\$192,000
Ag in Classroom	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Ass'n of Ag Educators	\$66,000	\$66,000	\$66,000	\$66,000	\$66,000
NYS Apple Growers Association	\$206,000	\$1,000,000	\$750,000	\$750,000	\$206,000
Wine / Grape Foundation	\$713,000	\$1,000,000	\$1,000,000	\$1,019,000	\$713,000
Farm Viability Institute	\$1,221,000	\$1,320,000	\$1,100,000	\$1,900,000	\$400,000
Pro Dairy	\$822,000	\$822,000	\$1,244,000	\$1,200,000	\$598,000
Agriculture Domestic Arts	\$340,000	\$340,000	\$500,000	\$500,000	\$340,000
Dairy Excellence Programs (Dairy Profit Teams)	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
TASTE NY Program			\$1,100,000	\$1,100,000	\$1,100,000
School Local Food Program Competitive Fund				\$250,000	\$250,000
Maple Producers Association	\$100,000	\$125,000	\$150,000	\$213,000	\$0
Tractor Rollover Program	\$100,000	\$100,000	\$150,000	\$250,000	\$0
NYS Apple Research and Development Program			\$500,000	\$500,000	\$0
Cornell Maple Research			\$105,000	\$125,000	\$0
FVI Berry Industry Programs		\$200,000	\$320,000	\$320,000	\$0
Christmas Tree Farmers Assn		\$100,000	\$120,000	\$125,000	\$0
NY Corn and Soybean Growers			\$75,000	\$75,000	\$0
Cornell Honeybee Research			\$50,00	\$50,00	\$0
Cornell Onion Research			\$50,00	\$50,00	\$0
Cornell Vegetable Research			\$100,000	\$100,000	\$0
Long Island Deer Fence Grants				\$200,000	\$0
Eastern Equine Encephalitis	\$150,000	\$150,000	\$175,000	\$175,000	\$0
FVI – Dairy Profit Teams	\$300,000	\$220,000	\$220,000	\$220,000	\$0

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Genesee Livingston Steuben Wyoming Ag. Academy		\$100,000	\$100,000	\$100,000	\$0
Long Island Farm Bureau		\$200,000	\$100,000	\$100,000	\$0
Island Harvest		\$25,000	\$20,000	\$20,000	\$0
North Country Vaccine Prog.		\$20,000	\$25,000	\$25,000	\$0
Northern NY Ag Development	\$500,000	\$500,000	\$600,000	\$600,000	\$0
Precision Agriculture Study				\$100,000	\$0
Quality Assurance and Control				\$250,000	\$0
NYS Turfgrass Assn.		\$150,000	\$150,000	\$150,000	\$0
Wood Products Council			\$100,000	\$100,000	\$0
Senior Farmers Market Nurtition				\$500,000	\$0
Apple Research and Development				\$500,000	\$0
Regional Food Hubs				\$1,064,000	\$0
Farm Drain Tile Revolving Loan Fund				\$500,000	\$0
NYC Animal Control and Shelters (Mobile Adoption)			\$250,000	\$250,000	\$0

Community Colleges

The Executive Budget establishes a new Apprentice SUNY program and provides \$5 million in funding. Apprentice SUNY aims to provide 2,000 students with classroom and practical training through new registered apprenticeships linked to degrees that provide new participants with paid on-the-job skills training, a degree or certificate, a portable, national industry-recognized credential and a full-time job upon graduation.

The Budget includes \$1.5 million to provide three additional Community College Community Schools grants.

Consolidation of Local Governments

The Governor's Budget proposes the creation of a \$20 million competitive grant program that is intended to encourage government consolidations that help to permanently lower property taxes in the combined jurisdictions. Historically, voters in New York seldom approve formal consolidations and dissolutions.

The funding for this new competition is to come from one-time bank settlement funds. However, the Governor's Budget has zeroed out funding authorization for the ongoing \$40 million Local Government and Performance Efficiency Program.

In addition, the \$150 million set aside from bank settlements funds last year for local government shared services program grants is being repurposed for a state OTDA developed program to address anti-poverty programs and also to fund a \$100 million downtown revitalization efforts.

District Attorneys

Funding for District Attorney Salary

- \$ 4,212,000 is proposed for counties to cover 100% of the District Attorney salary increase that, under state law, is tied to the state judge salaries and their salary increases.

Proposal to Codify the Governor's Executive Order No. 147

- On July 8, 2015 the Governor signed Executive Order No. 147, which appoints the New York State Attorney General as a special prosecutor in matters surrounding allegations of the use of deadly physical force by a police officers. The proposal in the Executive Budget is to codify this Executive Order into law.

Early Intervention (EI) Program

The budget includes a series of program improvements that will result in a net state savings of \$5.0 million in FY 2017 and \$20.3 million in FY 2018. These actions also provide fiscal and administrative mandate relief to counties and generate cumulative local savings of more than \$105 million over five years without impacting service levels.

Reforms include:

- *Increase Insurance Reimbursement.* The budget requires insurers, including Child Health Plus (CHP) plans, to pay medically appropriate claims, abide by existing prompt payment requirements, and send payments to the billing provider. Providers must submit claims within 90 days of the date of service unless they are delayed due to extraordinary circumstances. Any extraordinary circumstance delays must be submitted within 30 days of the provider being relieved of the extraordinary circumstance. Claims that are not submitted within 90 days will not be reimbursed by the State Fiscal Agent. Reforms require insurers to request additional/supportive information from the provider within 15 days of receipt of a claim. Should the insurer fail to do so, the claim shall be deemed covered and payable.
- *Streamline Eligibility Determinations.* The budget requires initial screenings for children who may not require comprehensive medical evaluations. A child referred to EI must first receive a screening by an evaluator (with parental consent) to see if the child is suspected of having a disability. Should a child be suspected of having a disability after screening, then an evaluation (with parental consent) is the next step. If the screening does not identify a suspected disability, an evaluation is not completed unless specifically requested by a parent. Evaluations for children sent directly to EI without a screening because of an already diagnosed disability with developmental delays, must utilize medical records/reports to determine eligibility. An evaluator may wait until they receive appropriate documentation of the disability through medical or other records (obtained with parental consent), before proceeding with the evaluation. If a child's eligibility for the EI program is determined through proper documentation, the evaluation process will not be required or conducted. A parent has the right to request that a full evaluation be done on the child even when the county is not mandated to complete one.
- *Increase Administrative Reimbursement.* The budget increases the administrative component of provider rates by 1 percent.

Economic Development

Upstate Revitalization Initiative

The Executive Budget proposal includes \$170 million in settlement funds to support Upstate Revitalization Initiative projects across Upstate New York. An additional \$30 million is provided through Empire State Development capital appropriations, for a total of \$200 million.

This program, modeled on the existing structure of the Regional Economic Development Councils (REDCs), targets investment to economically-distressed Upstate regions. These additional funds will be available to the four regions (North Country, Capital District, Mohawk Valley and Mid-Hudson) that were eligible for the first round of the Upstate Revitalization Initiative but were not a 2015 Best Plan Awardee.

Mixed Martial Arts (MMA)

The proposal legalizes and regulates combative sporting events in New York State. Currently, New York is the only state in the nation that bans such events.

Small Business Tax Credits

The budget reforms to the tax law. Taxes will be lowered both for small businesses who pay via the corporate tax and those paying through the personal income tax.

Corporate Taxes—The Executive Budget proposal reduces the net income tax rate from the current 6.5 percent to 4 percent effective January 1, 2017 for small businesses that file under Article 9-A. For the purpose of this tax cut, the definition of “small business” is a business with less than 100 employees, with net income below \$390,000.

To avoid a “cliff” and stay consistent with how the dual rates are treated under current law, the lower tax rates would be available to small businesses with net income below \$290,000, and the rate is phased up to the standard rate applicable to businesses with net income of \$390,000 or more.

Personal Income Tax—For small businesses who pay taxes via the personal income tax, the Executive Budget proposes new and expanded tax cuts. The existing 5 percent sole proprietor and farm business income AGI subtraction available to taxpayers with small business income of \$250,000 or less, is increased to 15 percent.

Alcohol Production Tax Credit

Expands the availability of the beer production tax credit to cider, wine and liquor with limitations for each based on the volume of alcohol and total gallons produced.

Establish Additional Alcohol Beverage Tax Tasting Exemptions

Alcoholic beverages used in tastings are currently exempt from the sales and use tax. The Executive Budget proposal expands benefits for this industry by:

- exempting any product used in on-site tastings from the alcoholic beverage tax;
- amending the beer production credit to also include New York wine, liquor and cider production; and
- by conforming provisions of the Tax Law with the Alcoholic Beverage Control Law to eliminate confusion.

Private Activity Bond Cap Allocations

The Governor's budget proposes significant changes to the Private Activity Bond Cap program. While still being reviewed for the impact, the proposal seeks to consolidate more of the bond cap allocation under the Governor's control and state agencies in an attempt to focus on gubernatorial priorities related to affordable housing and regional economic development.

Education

The budget recommends \$24.2 billion in total education aid for FY 2017. School Aid will continue to represent the largest state-supported program, accounting for roughly 29 percent of total General Fund spending.

The proposal provides a \$2.1 billion increase in education aid over the next two years. For SY 2017, this growth consists of a \$991 million (4.3 percent) increase in formula-based aids and competitive grants. The increase reflects a Foundation Aid increase of \$266 million and a \$189 million Gap Elimination Adjustment (GEA) restoration, including fully restoring the GEA for approximately 200 higher need districts.

Supporting Non-Public School Programs

The budget increases aid by approximately four percent to \$174 million to reimburse non-public schools' costs for state-mandated activities. The budget also provides \$125 million in extraordinary aid, first authorized in June 2015, to reimburse non-public schools for the costs of performing State-mandated services in prior years.

Empire State Prekindergarten

The budget includes an additional \$22 million investment in prekindergarten to expand half-day and full-day prekindergarten programs to three-year-olds in the highest need school districts.

QUALITYstarsNY

The state will also provide \$5 million to support the implementation of QUALITYstarsNY, a quality rating and improvement system. This is an increase of \$2 million from the state's first investment in QUALITYstarsNY in the FY 2016 Enacted Budget.

Community Schools

The FY 2017 Executive Budget provides an additional \$100 million to expand the community schools initiative. Of which, \$75 million is specifically allocated amongst 17 school districts with a failing or persistently failing school. The remaining \$25 million will be available to other high-need school districts statewide that do not have a failing or persistently failing school. Schools will be able to use these funds for community school coordinators, before- and after-school mentoring services, summer learning activities, health and dental care referrals and connections, and other strategies to maximize student achievement.

Charter Schools

The Executive Budget increases statewide funding for charter schools by \$27 million. Further, the Executive Budget unfreezes the charter school tuition formula in New York City. In addition, the budget makes permanent the calculation of rental aid for New York City charter schools.

Early College High Schools

The FY 2017 Executive Budget provides \$4 million to expand the state's early college high school and career and technical education programs.

Mayoral Control

The Executive Budget extends Mayoral Control of New York City Schools. The existing governance structure for New York City schools is extended for an additional three years, until June 30, 2019.

Elections

Voter Registration Automatic With Motor Vehicle Registration

Any qualified person applying for a motor vehicle driver's license, a driver's license renewal or an identification card if such a card is issued by the department of motor vehicles shall be automatically registered to vote, unless such qualified person declines such application for voter registration and enrollment at the time of making an application for motor vehicle services.

Early Voting Authorization

The budget proposes early voting authorization in all special, primary, and general elections. This bill would require early voting polling sites to be open for a period of 12 days prior to special, primary, and general elections; require that the number of early voting polling sites be based on the number of registered voters in each county (at least one polling station per 50,000 registered voters, but requires no more than 7 such stations per county regardless of population), and that each county offer at least one site; and provide that any registered voter in a county can vote at any early voting polling place within their county.

According to the NYS Board of Elections 28 counties had fewer than 50,000 registered voters as of November 2015. The bill provides some flexibility to county boards of election to determine the "adequate" number of polling stations to be open for early voting for primary and special elections based on expected demand (meaning there may be more than 50,000 registered voters per polling station). However:

- Requires at least one polling place to be open at least 8 hours per weekday (with extended hours at least twice a week) and at least 5 hours per weekend or holiday during the early voting period.

The effective date for most of the early voting provisions is April 1, 2017. DOB estimates this would increase local election costs by \$3 million.

Environment

The FY 2017 Executive Budget increases funding for the Environmental Protection Fund (EPF) from \$123 million to \$300 million. The budget includes a one-time increase of \$120 million from bank settlement funds to support capital projects within the EPF.

Appropriations include \$33.8 million for solid waste programs, \$76.8 million for parks and recreation, \$156.9 million for open space programs, and \$32.5 million for a new climate change mitigation and adaptation program.

Clean Water Infrastructure

The budget includes an additional \$100 million two-year commitment for municipal drinking water and waste water infrastructure grants, for a total \$250 million commitment including reappropriations.

Infrastructure Investment

The budget provides \$135 million of new capital appropriations:

- \$90 million is allocated to OPRHP to support health and safety projects and critical infrastructure rehabilitation.
- \$40 million is allocated to DEC.
- \$2.5 million is allocated to the Department of Agriculture and Markets to improve and rehabilitate the state fairgrounds.
- \$2.5 million is allocated for ORDA infrastructure, supplementing \$7.5 million of capital appropriations in the authority's budget.

Energy

The budget includes legislation that transfers the New York State Canal Corporation from the New York State Thruway Authority to the New York Power Authority (NYPA).

Clean Energy Workforce Opportunity Program

The Executive Budget creates a new \$15 million fund to expand clean technology and renewable energy programs offered by SUNY.

Ethics Reform

- The budget proposes that state lawmakers would be limited to outside income of 15% of their base salary. This is similar plan to current outside income limits to members of Congress. The proposal has exceptions carved out of 15% outside income cap including, pension payments, payments tied to armed service/military service, and/or any royalties from book sales.
- The budget calls for the forfeiture of pensions to any public official who is convicted of a crime related to public office. This proposal would amend the New York State Constitution and therefore be subject to voter approval after the proposal has been passed in two consecutive years by the legislature.
- The budget seeks to amend the law regarding political donations from limited liability corporations (LLC's). The proposal would require that each LLC that makes an expenditure for political purposes must file with the state board of elections and provide the identity of all direct and indirect owners of the membership interests in the LLC.

Gaming Revenue from VLT Revenue and Casino Compacts

VLT Revenues

The budget is not proposing any reductions in VLT revenues from prior year amounts.

Gaming Revenues

The budget includes increased appropriation authority for gaming compact revenues to provide sufficient authority in case outstanding settlements are finalized. As a result, it is expected that the gaming compact payments to counties in the SFY 2016-17 period should be very close to what they were last year. Actual amounts will vary by region based on the actual performance of gaming facilities in their regions. There is no expectation of revenue (other than license fees) in the budget for recently licensed commercial gaming operations in the 2016-17 state fiscal year, as those facilities are not expected to be operational during the budget year.

There is gaming license revenue sharing with host communities and counties related to the Tioga Downs Casino license upon completion. Given the requirements of the casino license approval process, it is expected that the Tioga Downs application can be completed by the end of the 2016 calendar year – allowing payments to occur. The host communities (county and village) will split \$2 million and the counties in that region will split another \$2 million, based on population, upon payment of that license fee.

Eastern Southern Tier Region - License Fee Shares		
Jurisdiction	Host Community Share	Regional Share by County
Broome County		\$1,073,387
Chemung (E. of Rte 14)		\$222,597
Schuyler (E. of Rte 14)		\$53,450
Seneca County		
Tioga County	\$1,000,000	
Tompkins County		\$543,457
Wayne (E. of Rte 14)		\$107,109
Village of Nichols	\$1,000,000	
Total	\$2,000,000	\$2,000,000

Homeless and Affordable Housing

The Executive Budget establishes a \$20 billion, five year investment in affordable housing, and housing opportunities and services for the homeless. The program will invest \$9.7 billion to establish 94,000 units of affordable housing, \$2.6 billion for 6,000 units of supportive housing, and will establish 1,000 new emergency shelter beds. Over the next 15 years, the plan will result in 20,000 units or shelter beds, including 18,000 new supportive housing units. There is currently no breakdown of the distribution of these shelter beds and supportive housing units across the state.

The budget commits \$640 million in settlement funds towards the \$20 billion comprehensive multi-year investment in affordable housing and services for individuals and families who are homeless or at risk of homelessness. Funding will be used to expand efforts to create, improve, and ensure homeless and affordable housing opportunities through a statewide multiagency housing program, and to support the state's emergency homeless response. Each community providing services will be asked to assess the size and precise needs of each homeless subgroup within its population, as to effectively and efficiently provide the best service additions or upgrades necessary. Governor Cuomo has also enlisted the state and city comptrollers to audit and inspect existing shelters to push them to improve conditions, making them cleaner and safer.

As stated in the 2016-2017 Capital Budget Bill, under the division of Housing and Community Renewal, all funds appropriated may be used in conjunction with other resources made available as part of the state fiscal year 2016-17 local assistance, capital, and state operations budget. This will allow contracts with eligible applicants for services and expenses of providing housing construction, housing rehabilitation, community development activities, public housing modernization activities, technical assistance and implementing the provisions of the homeless housing and assistance program. This includes, but is not limited to, site evaluation, site acquisition, planning, design, preparation of specifications and estimates, environmental studies, option fees, legal and closing costs, and architectural design fees, including the payments on liabilities incurred or contracts executed prior to April 1, 2016.

Human Services

For the most part, with the exception of specific legislative additions to the budget, the Governor funds major human services programs at prior year levels. State general fund support for child care subsidies are reduced by about \$100 million, but they are replaced with federal TANF dollars so the funding levels are the same year over year.

Major Human Services Funding Commitments 2016-17 (Dollars in Thousands)		
<u>PROGRAM</u>	2015-16 Enacted	2016-17 Enacted
<i>(TANF) Family Assistance and Emergency Assistance</i>	\$1,300,000	\$1,300,000
<i>Safety Net (State's 29% share)</i>	\$437,000	\$480,000
<i>Child Welfare preventive and protective</i>	\$635,073	\$635,073
Child Care Subsidies - General Fund	\$268,845	\$168,845
Child Care Block Grant – Federal	\$308,746	\$308,746
Child Care – TANF	\$323,000	\$424,519
Child Care professional development (multiple groups)	\$18,891	\$11,303
Child Care Block Grant – Federal	\$308,746	\$308,746
Close-to-Home Initiative – NYC	\$41,400	\$41,400
Flexible Fund for Family Services	\$964,000	\$964,000
Foster Care Block Grant	\$444,852	\$445,526

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Summer Youth Employment	\$30,000	\$31,000
TOTALS	\$5,080,553	\$5,119,158

Indigent Legal Defense

The Executive Budget recommendation provides increased funding for implementing the Hurrell-Harring settlement, but the increase is limited to the five counties involved in the settlement. The budget does not hold the remaining counties to the same requirements as those involved in the settlement.

	SFY 2015-16 Enacted	SFY 2016-17 Proposed	Difference
State Operations	\$3 million	\$3.2 million	+\$200,000
Local Assistance	\$84 million	\$96.2 million	+\$12.2 million
Total	\$87 million	\$99.4 million	+\$12.4 million

Hurrell-Harring Settlement Implementation Details

- \$3.2 million in total State Operations appropriation authority is provided in the FY 2016-17 Executive Budget:
 - Of this amount, \$1.2 million would be dedicated to the ILS Office operations for the Hurrell-Harring settlement implementation unit.
- \$96.2 million in local assistance is provided as allocated below.
 - \$15.2 million would be dedicated to implementation of the Hurrell-Harring settlement, as follows:
 - \$10.4 million represents funding under the terms of the Hurrell-Harring settlement to begin adding staff and other resources necessary for the five counties to come into compliance with settlement caseload/workload standards;
 - \$2 million represents funding to implement the written plan submitted by ILS on November 12, 2015 to provide each criminal defendant in the five settlement counties who is eligible for publicly funded legal representation with In person representation at arraignment;
 - \$2 million represents funding to implement the written plan submitted by ILS on November 12, 2015 to improve the quality of indigent defense in the five settlement counties; and
 - \$800,000 represents contingency funding to ensure that the four settlement counties participating in ILS's Counsel at First Appearance Demonstration Grant continue to receive at least the same level of funding upon the reissuance of the Grant in 2016.
 - \$81 million for payments to counties and New York City to support indigent defense services.

Juvenile Justice Reform

Raising the Age of Criminal Responsibility

The 2016-17 Executive Budget proposes language to implement recommendations made by the 2014 Commission on Youth, Public Safety and Justice to raise the age of criminal responsibility in New York.

The State's Five Year Financial plan estimates full annual costs of \$400 million, not including capital. The Governor has indicated that all incremental costs associated with this initiative will be funded by the State.

Age Changes and Phase in Periods

The Executive Budget proposes to raise the age of juvenile jurisdiction from age 16 to age 17 on January 1, 2018 and to age 18 on January 1, 2019. Further, the proposal would raise the lower age of juvenile jurisdiction from age 7 to 12 on January 1, 2018 for all offenses except homicide and expand Family Court jurisdiction to include youth ages of 16 and 17 charged with non-violent felonies, misdemeanors, and harassment or disorderly conduct violations.

Court Modification

The proposal creates "Youth Parts" in a superior court to process juvenile offense cases and allow the Youth Part to hear cases removed to Family Court under the provisions of the Family Court Act. Crimes committed by individuals age 16 and 17 will originate in the Youth Part for all violent felony offenses, class A crimes, homicide offenses, sexually motivated felonies, crimes of terrorism, felony vehicular assaults, aggravated criminal contempt, and conspiracy to commit any of these offenses or tampering with a witness related to any of these offenses.

The proposal would also ensure juvenile offender cases are heard in family court, and 16 and 17 year old cases to the Youth Part for the current juvenile offender crime of second degree robbery and for any violent felony offense that is not a juvenile offender crime for youth age 15 and under.

Detention, Placement, and Arrest Procedural Changes

This proposal prohibits the confinement of any minor in adult jail or prison. For first or second time misdemeanor offenders, this proposal would prohibit detention and placement for youth who are low risk, so long as the crimes do not involve harm to another person. This proposal also prohibits detention for youth who have technical violations of probation and do not pose an imminent risk to public safety. The current juvenile practice of parental notification of arrest would be expanded to 16 and 17 year olds.

Impacts to Probation Departments

Probation is also to leverage a continuum of evidence based diversion services for impacted youth. The proposal also allowed for additional time for probation adjustment in order to access necessary services and create the capacity for probation to obtain an order of protection while adjusting a case.

PINS, Juvenile Offenders and Youthful Offender Changes

The proposal adds a new title to Article 6 of the social services law to establish Family Support Centers (FSC) to provide comprehensive services to children at risk of person in need of supervision (PINS) adjudications and their families as well as very young children who are no longer subject to jurisdiction as juvenile delinquents. FSCs will provide services either directly or through referrals with partner agencies, including crisis intervention, assessments and screenings, mental and behavioral health services, case management and respite services.

Effective January 1, 2019, use of detention in PINS proceedings would be prohibited and PINS foster care placement would only be authorized for sexually explicit youth who may be in need of specialized services. This bill further provides access to bail and weekend arraignment for family court cases.

This proposal requires the use of determining sentencing for youth sentences under Juvenile Offenders and Youthful Offender status, including 16 and 17 year olds. Post-release supervision by OCFS would also be required for Juvenile Offender youths coming out of OCFS facilities.

The proposal expands the presumption for granting Youthful Offender status and provides for confidentiality of felony filings that are eligible for Youthful Offender status. The law would also provide for the conditional sealing of records of certain convictions.

Expenditures

The proposal authorizes state reimbursement for 100 percent of foster care, afternoon care and independent living services, detention and Close to Home for 16 and 17 year old youth newly placed as a result in the changes of age of juvenile jurisdiction.

The proposal authorizes state reimbursement of 100 percent for increased probation costs as a result of the change of juvenile jurisdiction.

The proposal requires no Local Social Service Districts to reimburse OCFS for youth cared for under this proposal. Further, the law amends language stipulating the state’s reimbursement to counties for youth in detention facilities prior to January 1, 2018. After January 1, 2018, state reimbursement will be made available to cover 100% of the county’s expenditures for youth in non-secure and secure detention.

Labor and Workforce Training

Raise the Minimum Wage to \$15.00

The Executive Budget proposal includes gradually increasing the minimum hourly wage from \$9 to \$15. The minimum wage requirement would not apply to local governments as employers. This bill would amend section 652 of the Labor Law to increase the minimum wage following the schedule below.

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

Paid Family Leave (PFL)

The Executive Budget includes legislation creating a paid family leave program. Under this program, employees will be eligible for twelve weeks of paid family leave when caring for an infant or ill family member. The maximum paid benefit will grow to 50 percent of the State's Average Weekly Wage by 2021. This program will be funded entirely through a payroll deduction on employees, not to exceed 60 cents per week.

This bill would establish a comprehensive statewide PFL program providing:

- Employees up to 12 weeks of PFL on an annual basis to bond with an infant or newly adopted child or to care for a seriously-ill family member. All private employees would be covered and State and local government employers would be able to opt-in to coverage through collective bargaining or other agreements;
- Job protections and protection against retaliatory actions; and

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- A phase-in of PFL benefits over four years, beginning in 2018, when employees would be eligible to receive 35 percent of their average weekly wage to a maximum benefit of 35 percent of the State’s average weekly wage. The PFL benefit would be fully phased-in by 2021, as follows:
 - In 2019, the effective rates increase to 40 percent;
 - In 2020, to 45 percent; and
 - In 2021, to 50 percent.

Costs to support the PFL program would be established as follows:

- Premiums for PFL policies would be supported through a minimal payroll deduction on all covered employees; and
- PFL coverage will be provided by insurance carriers, the State Insurance Fund (SIF), or self-insured employers. In order to limit premium volatility, the Superintendent of Financial Services will determine whether coverage provided by carriers and SIF will be experience rated or community rated.

Binding Arbitration

Binding Arbitration reforms, which apply to police and firefighters, were enacted in 2013 and set to sunset this year. These reforms require arbitrators to give additional weight to a distressed local government’s ability to pay and to consider the property tax cap when making awards. The proposed budget extends these reforms for three years.

Youth Employment

- Summer Youth Employment receives a slight increase from \$30 million to \$31 million. Numerous “member item” job training programs are not funded included displaced homeowners and Rochester Anti-Poverty Taskforce, and Career Pathways.
- Urban Youth Jobs Program Tax Credit – The Executive Budget proposed a jobs program that makes it possible for businesses to hire unemployed, disadvantaged youth, ages 16 to 24, living in the cities and towns with the highest poverty and unemployment rates. The annual allocation is increased from \$20 million to \$50 million for hiring years 2016 and 2017, of which \$10 million annually may be allocated statewide.

Workforce

Funding for a variety of workforce programs is highlighted in the chart below:

Adult Education Funding	Agency	2015-16 Enacted Budget	2016-17 Executive Budget
Adult Literacy Education (ALE)	Education	\$6,293,000	\$6,293,000
Basic Adult Education/Welfare Education Program (WEP)	Education	\$1,843,000	\$1,843,000
Employment Preparation Education (EPE)	Education	\$96,000,000	\$96,000,000
Workforce Innovation and Opportunity Act (WIOA) Title II	Education	\$48,704,000	\$48,704,000

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Workforce Development Funding (Job Training/Workforce Services/Career & Tech Education/Employment Services)	Agency	2015-16 Enacted Budget	2016-17 Executive Budget
Workforce Innovation and Opportunity Act (WIOA) Statewide Services to Adult, Dislocated Worker, Youth and Rapid Response Activities	Labor	\$151,015,000	\$147,394,000
Misc. Services & Expenses Related to Administration of WIOA	Labor	\$20,000,000	\$35,000,000
Self-Employment Assistance Program operated by Small Business Development Centers or Entrepreneurial Assistance Programs	Labor	N/A	\$5,102,000
UI Occupational Training Fund	Labor	\$26,500,000	\$26,500,000
Senior Community Services for Older Americans	Aging	\$9,000,000	\$9,000,000
Summer Youth Employment	OTDA	\$30,000,000	\$31,000,000
Career Pathways Program	OTDA	\$1,500,000	\$0
Employment support for individuals with HIV/AIDS	OTDA	\$1,161,000	\$1,161,000
Displaced Homemaker	Labor	\$1,630,000	\$0
Chamber/Community Organization Workforce Activities	Labor	\$1,495,000	\$0
AFL-CIO Workforce Development Institute funding	Labor	\$7,650,000	\$0
Center for Employment Opportunities Services workforce development activities	Corrections	\$1,029,000	\$1,029,000
Office of New Americans	Dept. of State	\$6,440,000	\$6,440,000
Health Workforce Retraining	Health	\$26,817,000	\$26,817,000
Direct Care Worker recruitment and retention	Health	\$22,400,000	\$22,400,000
YouthBuild	Labor	\$300,000	\$0
Brooklyn Chamber of Commerce	Labor	\$500,000	\$0
Solar Energy Consortium	Labor	\$500,000	\$0
Hillside Works	Education	\$490,000	\$490,000
College Access and Workforce Services in Higher Education	Agency	2015-16 Enacted Budget	2016-17 Executive Budget
Next Generation Job Linkage Program	CUNY & SUNY	\$5,000,000	\$5,000,000

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State Financial Assistance for Community College contract courses and workforce development	CUNY & SUNY	\$3,760,000	\$3,760,000
Foster Youth College Transition Support	Education	\$0	\$1,500,000
Early College High Schools and P-Tech Expansion	Education	\$3,500,000	\$1,465,000
CUNY Accelerated Study in Associates Program	CUNY	\$2,500,000	\$0
Apprentice SUNY/CUNY Program	CUNY	\$0	\$5,000,000
STEP/CSTEP Programs	CUNY/SUNY	\$23,161,070	\$23,161,070
Higher Education Opportunity Program	Education	\$29,605,920	\$29,605,920
Provides resources and capacity of career centers at community colleges in coordination with NYSDOL	CUNY & SUNY	\$1,750,000	\$0

Medicaid & Health Care

Medicaid Zero Percent Growth Cap

The budget proposes to eliminate the Medicaid cap for New York City. This would require New York City to again pay for a portion of the growth in Medicaid costs beginning October 1, 2016. In SFY 2016-17 this would cost New York City \$180 million more than what they are currently spending. This would grow to \$476 million in SFY 2017-18 above the current cap, and grow 2 percent per year thereafter. The budget proposal maintains the Medicaid cap for all other counties - with no special restrictions.

Medicaid Administrative Takeover

The budget maintains the county cap for local Medicaid administrative expenses at current levels including aggregate transfer authority of up to \$23 million in case a county exceeds their allocation.

State Medicaid Spending

Under reforms enacted a few years ago the growth in state general fund costs for Medicaid are limited to the 10-year average of the medical component of the CPI. Under this methodology state general fund Medicaid spending is expected to increase on the following schedule.

Medicaid Global Cap (\$ in millions)					
	SFY 2016	SFY 2017	SFY 2018	SFY 2019	SFY 2020
Global Cap	\$17,104	\$17,692	\$18,259	\$18,812	\$19,339
<i>% Change</i>		3.4%	3.2%	3.0%	2.8%

In order to maintain these cost parameters a variety of Medicaid cost containment actions have been extended, expanded or new savings proposals have been presented in the Executive Budget recommendation.

Mental Health

The Executive Budget proposals result in Mental Hygiene system spending of \$8.2 billion in FY 2017, reflecting annual spending growth of \$260 million (3.3 percent), however actual projected spending decreases by \$219 million.

The budget also invests \$120 million for OPWDD New Service Opportunities.

In FY 2017, OPWDD will provide an additional \$10 million in capital funding (\$15 million in total) to support the development of affordable housing, which will ensure the availability of safe and accessible residential opportunities for individuals with intellectual and/or developmental disabilities.

OASAS – Heroin Epidemic

In total, the budget provides \$141 million, an increase of \$6 million from FY 2016, to address the growing heroin and opiate epidemic in communities across the State.

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

- Family Support Navigators,
- On-Call Peers,
- Adolescent Clubhouses,
- Recovery Community and Outreach Centers,
- Treatment Availability Tools, online search tools for available treatment statewide, and
- Kitchen Table Toolkit and Talk2Prevent. New resources are offered including videos which can be used by parents, teachers and community members.

Pension Contributions

The Executive Budget assumes the following pension contribution rates. These assumptions are not binding as it is the responsibility of the State Comptroller to set these rates which are dependent on a variety of actuarial assumptions and common retirement fund (CRF) annual returns on investment. The State does not forecast the need to continue amortizing its pension contributions.

DOB Projected Pension Contribution Rates (w/GLIP)

	2017	2018	2019	2020
ERS	15.9%	15.5%	15%	15.2%
PFRS	25.1%	23.8%	23.3%	23.5%

Public Health

The Executive Budget provides \$198,681,000 for reimbursement to counties for article 6 public health programs.

The Executive Budget provides \$40 million for services and expenses related to public health emergencies as declared by counties or the commissioner of the department of health, and approved by the director of the budget.

General Public Health Works – Article 6

2016 (Current Year)	2017 (Executive Budget Proposal)	2018 (projected)	2019 (projected)	2020 (projected)
\$194 million	\$199 million (+2.6%)	\$202 million (+1.5%)	\$206 million (+2.0%)	\$210 million (+1.9%)

Community Fluoridation

The budget includes another \$10,000,000 to support grants related to municipalities for community fluoridation projects.

Public Safety

Interoperable Emergency Communications

The Governor’s Executive Budget proposes level funding for the Statewide Interoperable Emergency Communications Grants (SICG) program at \$75 million, dividing this up into \$50 million for traditional grants to counties, \$10 million for operating expenses to Public Safety Answering Points (PSAPs), and \$15 million set aside to advance completion of a fully interoperable statewide public safety communication network.

Jail-Based Restoration

The Executive Budget proposal includes establishing jail-based restoration programs for felony-level defendants. The Office of Mental Health (OMH) will work with participating counties to develop restoration units for felony-level defendants while they are restored to competency as they await trial. The restoration units will be operated in counties that volunteer to participate, and will be maintained as separate residential treatment units within the jail.

Video Visitation

The Executive recommends an increase in Aid to Localities Funding of \$300,000 for expansion of the video visitation program, locations to be determined.

Navigation Law

The Executive Budget proposal would reduce the authorized reimbursement rate paid to governmental entities that voluntarily enforce the provisions of the navigation law. This proposal would reduce the authorized reimbursement rate paid to governmental entities that voluntarily enforce the navigation law from 50 percent to 25 percent.

STAR Tax Reforms

The budget proposes, like last year, to convert the STAR rebate program to a tax credit for new homes and property transfers (purchases). This would reduce general fund spending by \$185 million in 2017, rising to \$670 million by 2020, and growing thereafter. This lower general fund spending will show up as a tax expenditure in the following state fiscal year.

The budget also proposes to reduce the current 2 percent growth allowance in the STAR exemption to zero percent by reducing general fund spending by \$55 million in 2016-17, and growing to \$228 million by 2020. More details are provided below.

Converting the STAR Benefit from Property to Income Tax Credit for New Homeowners

The Budget proposes to convert the STAR benefit from a property tax credit to income tax credit for first-time homebuyers and homeowners who move. Under current law, school districts collect reduced revenue as a result of the STAR exemptions, and the State compensates them for the cost of the exemption.

Late Filing of Enhanced STAR Renewal Applications & Senior Exemptions for Cases of Hardship

The budget allows late filing of Enhanced STAR renewal applications for cases of hardship (such as a serious personal illness or hospitalization for the taxpayer or an immediate family member), as late as the last day of the interest-free period for payment of school taxes. Additionally, the local option under the senior exemption in RPTL 467 is expanded to allow a late filing of renewal applications for hardship up to the last day of the interest-free period for payment of school taxes.

Make Participation in Income Verification Program (IVP) Mandatory

Under current law, participation in IVP is optional and seniors who are not enrolled have to re-apply for their Enhanced STAR benefits annually. The budget proposes participation in the Income Verification Program (IVP) for Enhanced STAR recipients mandatory, therefore eliminating the annual need to re-apply. IVP allows seniors who are re-applying for Enhanced STAR to authorize the assessor to have their incomes verified in subsequent years by the Department of Taxation and Finance.

Make Direct STAR Payments to Property Owners in Appropriate Cases

The budget would allow the Commissioner of Taxation and Finance to directly reimburse a STAR-eligible property owner who didn't receive the STAR tax savings to which she was entitled due to an administrative error, and where no other remedy is readily available.

Tourism

In FY 2017, the State's economic development agencies will implement a \$50.5 million tourism campaign to attract visitors from around the world, a \$5 million increase in funding from FY 2016. The program includes a fourth round of \$13 million in competitive funding through the Market NY initiative to support tourism marketing plans and projects that best demonstrate regional collaboration among counties to promote regional attractions.

The Executive Budget proposal includes \$10 million in new capital funding for the Olympic Regional Development Authority (ORDA), including \$7.5 million for critical maintenance and energy efficiency upgrades to the Olympic and Ski facilities.

Transportation

CHIPS and Marchiselli

This budget proposes \$ 438,097,000.00 for CHIPS funding and \$39,700,000.00 for Marchiselli funding. This level is consistent with last year's budget. The lump sum increase for severe winter conditions was not included this year.

Thruway Infrastructure

The budget proposes to invest \$700 million in Thruway infrastructure, in addition to last year's commitment of \$1.285 billion. This two-year funding will be dedicated to both the New NY Bridge project and other transportation infrastructure needs on the rest of the Thruway.

Thruway Toll Reduction

The proposal cuts tolls for New York residents and businesses who utilize the Thruway most often by creating a three-year nonrefundable credit for Thruway tolls paid electronically. Drivers of passenger vehicles who spend at least \$50 annually, and businesses and commercial account holders who spend between \$100 and \$9,999 annually in tolls would receive a tax credit worth 50 percent of tolls paid. For farmers, the Budget provides a 100 percent nonrefundable credit, regardless of usage, for farm vehicle use on the Thruway. The program would be effective for taxable years beginning on and after January 1, 2016 and sunset December 31, 2018 at a total cost of \$340 million.

Transportation Capital Plan

The proposed budget calls for \$22 billion for a multi-year transportation capital plan to upgrade roads, bridges and other vital transportation infrastructure throughout the New York. \$200 million in settlement funds will be allocated to DOT to help fund the plan. The \$22 billion plan includes \$1 billion each for the BRIDGE NY and PAVE NY programs to replace, rehabilitate, pave and maintain state and local bridges and roads. It also includes \$500 million for the Extreme Weather Infrastructure Hardening program, which will make investments in roadways across the state susceptible to flooding and other extreme weather related events.

MTA Budget

The Governor is proposing to commit the State and New York City to provide a total of \$10.8 billion to fund projects in the MTA's 2015-2019 capital program as follows:

- \$8.34 billion from the State
 - \$1 billion as already committed in the SFY 2015-16 budget,
 - \$7.34 billion in future years (which could be pay as you go or bonding through the MTA)
 - Year 2 - \$1.5 billion
 - Year 3 - \$2.6 billion
 - Year 4 - \$1.84 billion
 - Year 5 - \$1.396 billion
- \$2.49 billion from New York City (no delineation by year)

Raises the total bonding authority for the NYC transit authority through 2019 from \$41.8 billion to 55.5 billion.

- Allows the MTA to implement the use of electronic bidding for projects under which it can notify bidders if they are not low bid and allow them to submit new bids.
- Allows for public private partnerships.

Transfer the Canal Corporation to NYPA

The budget proposes to transfer the New York State Canal Corporation from the New York State Thruway Authority to the New York Power Authority (NYPA).

\$200 Million Competition to Support Upstate Airports

The proposal is designed to enhance airports throughout Upstate New York, and promote new opportunities for economic development and partnership between the public and private sectors.

The State will award five airports approximately \$40 million each. Grants will fund projects that enhance safety, improve operations and access, reduce environmental impact, and create better passenger experiences.

Veterans' Services

Extend the Hire-A-Vet Credit for Two Years

The budget proposes to extend the Hire-A-Veteran credit for an additional two years. This program provides a refundable tax credit to employers equal to 10 percent of wages paid to a qualified veteran (up to \$5,000) and 15 percent of wages paid to a disabled veteran (up to \$15,000).

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