

New York State Senate Majority Coalition

Finance / Counsel Staff Analysis of the 2013-14 Executive Budget



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and Majority Coalition Leader

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ES A

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January 28, 2013

Dear Senators:

Please find attached the "Staff Analysis of the SFY 2013-14 Executive Budget." It is intended to assist the members of the Finance Committee and the Senate as a whole, in their deliberations. We hope that our readers find it useful.

This analysis of the Executive Budget begins with a summary of the spending plan. It then examines an explanation of proposed changes that affect receipts and provides for Senate Issues in Focus. Finally, it provides a summary of the Executive's Article VII language bills submitted as part of the Executive Budget. The report provides an analysis of the appropriations recommended this year and an analysis of the Governor's recommendations.

Each member of the Senate Finance Committee devotes considerable time and effort to the passage of a budget that serves the interest of every New Yorker. I am most grateful for their cooperation. It is also a pleasure to thank the staffs of both the Senate Finance Committee, and the Counsel and Program Office, whose assistance has been invaluable.

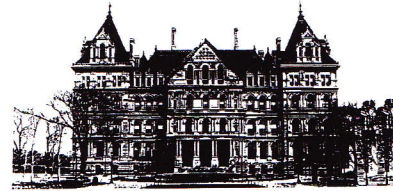
Sincerely,

A handwritten signature in black ink that reads "John A. DeFrancisco". The signature is written in a cursive, flowing style.

John A. DeFrancisco



EX A-19



STAFF ANALYSIS OF THE SFY 2013-14 EXECUTIVE BUDGET

As Prepared by the Senate Majority Coalition Finance / Counsel Staff

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balance was \$6 million. Seven million dollars in grants were disbursed in SFY 2012-13.

Office for the Prevention of Domestic Violence

The SFY 2013-14 Executive Budget proposes an increase of \$220,000 in state operations funding. This represents an increase of \$100,000 in personal service and \$120,000 in non-personal service associated with domestic violence prevention legislation enacted last year. The funding would be used for the creation of the new Statewide Fatality Review Team. The Team would be charged with examining trends and patterns of domestic violence; educate the public, service providers and policymakers on domestic violence fatalities and recommend polices, practices, procedures and services to reduce and prevent domestic violence fatalities. The team would consist of 26 members and there are no new positions associated with this proposal.

The Executive also modifies appropriation language at the request of the Western New York Family Violence Clinic and Regional Resource Center. Appropriation language would be changed to the Women Children and Social Justice Center Clinic and Regional Resource Center.

Office of Indigent Legal Services

The Executive Budget recommends \$78.5 million in All Funds support for the Office, a decrease of \$4 million from SFY 2012-13 levels. This decrease reflects the elimination of a Legislative add to provide additional funding to upstate counties for case load relief associated with indigent legal services.

Miscellaneous – Pilot Program for Counsel at Arraignment

The SFY 2013-14 Executive Budget includes a Miscellaneous All State Local Assistance \$3

million appropriation for a pilot program for counsel at arraignment. Funding would be provided from the Indigent Legal Services Fund. It is unknown at this time what agency would administer this program, and where the pilot program would be located.

Office of Victim Services

The SFY 2013-14 Executive Budget recommends maintaining All Funds appropriations of \$76.4 million. This represents no growth in spending from SFY 2012-13 levels. The Executive proposes an increase of four positions, to assist in the processing of victim claims. No new funding is requested for these positions.

State Commission of Corrections

The SFY 2013-14 Executive Budget recommends maintaining All Funds appropriations of \$2.9 million.

Department of Law

The SFY 2013-14 Executive Budget reflects the Department of Law's All Funds spending authority request of \$220.6 million. This is an increase of \$5.3 million, or 2.5 percent, from SFY 2012-13. The increase includes a \$4.8 million increase in funding for the Medicaid Fraud Control Unit and \$3.2 million increase towards the existing Economic Justice Unit, offset by smaller cuts to other programs.

Judiciary

The SFY 2013-14 Executive Budget reflects the Unified Court System's All Funds spending authority request of \$2.6 billion. This represents an increase of \$94.2 million, or 3.7 percent. Courts of Original Jurisdiction would receive a decrease of \$14.3 million, or -0.9 percent, due primarily to reductions in nonpersonal services.

General State Charges would increase \$73.4 million, or 12.5 percent. This increase is the result of an additional \$86.2 million for obligations to the New York State Employees' Retirement System. Social Security, Medicare, health insurance, and employee benefit funds would receive a reduction in appropriations. Social Security and Medicare costs would decrease due to attrition savings and expenditure-based reductions. Insurance employee benefit funds are expected to decrease due to a new anticipated credit from the federal government for providing retirees prescription drug coverage.

Judiciary Wide Maintenance Undistributed appropriations would increase by \$15 million from \$25 million to \$40 million. This 60 percent increase is designated for additional resources to nonprofit organizations that provide civil legal services for indigent persons as part of the Civil Legal Services Program.

Judicial Commissions

The Executive Budget reflects the Judicial Commission's All Funds budget request of \$5.4 million for SFY 2013-14. Spending authority would remain unchanged from SFY 2012-13. One additional employee would be funded from administrative savings actions.

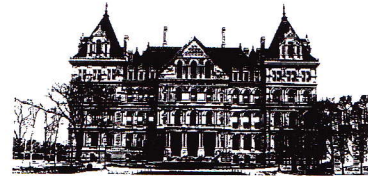
Judicial Commissions have traditionally been represented under a single section in the budget. For SFY 2013-14, the Executive Budget breaks the funding into three sections: The Commission on Judicial Conduct (\$5.4 million), Commission on Judicial Nomination (\$30,000), and the Judicial Screening Committees (\$38,000). Each individual program would receive the same level of funding as in SFY 2012-13.

Public Protection
Proposed Disbursements - All Funds
(Thousands of Dollars)

Agency	Estimated 2012-13	Proposed 2013-14	Change Amount	Percent
Department of Corrections and Community Supervision	3,034,908	2,863,778	(171,130)	-5.64%
Division of Criminal Justice Services	282,569	249,363	(33,206)	-11.75%
Division of State Police	703,211	701,258	(1,953)	-0.28%
Office of Victim Services	67,197	67,406	209	0.31%
Commission of Correction	2,672	2,672	0	0.00%
Judicial Conduct / Judicial Nomination Commissions and Judicial Screening Committees	5,354	5,452	98	1.83%
Division of Military and Naval Affairs	95,996	96,145	149	0.16%
Division of Homeland Security and Emergency Services	370,335	416,157	45,822	12.37%
Disaster Assistance	1,983,224	5,131,939	3,148,715	158.77%
Office of Indigent Legal Services	62,244	62,900	656	1.05%
Office for the Prevention of Domestic Violence	2,098	2,298	200	9.53%
Totals:	6,609,808	9,599,368	2,989,560	45.23%
✓ Judiciary	2,551,700	2,662,000	110,300	4.32%
Department of Law	215,198	217,202	2,004	0.93%

Ex A-1c

Public Protection Fact Sheet



The Executive Budget proposes total All Funds cash disbursements of \$2.9 billion an increase of 45 percent from State Fiscal Year (SFY) 2012-13. This increase primarily reflects Federal Disaster Aid.

- **Superstorm Sandy:** The Executive anticipates New York State will receive \$30 billion from the \$60 billion Federal Disaster Relief Aid Package. Federal reimbursement is expected for all \$6 billion of FEMA eligible projects. Total State costs related to Superstorm Sandy after Federal reimbursement is estimated to total \$2 million. Of the \$30 billion in Federal assistance, the Executive assumes \$13.9 billion will flow through the State Budget and \$16.1 billion will be distributed directly to recipients. The estimated Sandy relief spending through the State Budget for SFY 2012-13 is \$1.5 billion and \$5.1 billion in SFY 2013-14. Federal funding is only available through 2017. Project lists and a regional break down of the State appropriated disaster aid was not included in the Executive Budget documents.
- **Prison Closures:** The Executive proposes the closure of two women's correctional facilities: Bayview (Medium Security) located in Manhattan and Beacon (Minimum Security) located in Dutchess County. The Department of Corrections and Community Supervision (DOCCS) is estimated to save \$18 million and reduce 430 beds within the prison system. The Executive also proposes to reduce the one-year closure notification requirement to 60 days to allow these two facilities to close in SFY 2013-14.
- **NY SAFE ACT:** The Executive includes \$35.9 million to implement the recently enacted gun control legislation - NY SAFE Act. Of this amount \$3.2 million is included for additional staff at the Division of State Police and other public safety agencies to administer the five-year recertification of all pistol licenses, and deploy school safety improvement teams. The remaining \$32.7 million in capital funding is appropriated for the creation of an electronic database of all current gun licenses.
- **Statewide Interoperable Communications Grant Funding:** The Executive proposes accelerating the 2013 grant cycle by awarding \$102 million in grants for statewide interoperable communications in early 2013. Counties had expected to receive an award from the \$36 million grant in August of 2012, however grants were never announced. No new Request for Proposal (RFP) is necessary for the 2013 amount of \$66 million. In addition, the Executive eliminates \$9.3 million in funding for local wireless Public Safety Answering Points (PSAPs) associated with eligible wireless 911 service costs.
- ✓ • **District Attorney Salaries:** The Executive includes an appropriation of \$3.8 million for District Attorney salary reimbursement including \$700,000 from SFY 2012-13 and adds \$350,000 to fund the April 2013 increase related to Judicial salaries. This additional funding provides mandate relief to counties.

Ex A-1d

of the State, would be authorized to make such transfer, upon an application by Osborne. The Executive estimates that the transfer of this property would save the State approximately \$250,000 annually related to maintenance and security of the facility. The Market value of this property has not been determined.

Division of Criminal Justice Services (DCJS)

DCJS SFY 2012-13 Enacted Adjustments

The Executive Budget includes adjustments to the Division's SFY 2012-13 Enacted Budget appropriations related to the transfer of \$8.8 million (117 FTEs) to the Office of Information Technology Services (OITS). This funding is related to the Executive proposal to consolidate information technology personnel into a single agency; \$1.1 million transfer to the Division of State Police related to DNA Database Expansion funding of 2012; and \$235,000 transfer between General Fund personal service and nonpersonal service funding related to DNA Database Expansion costs in 2012.

DCJS SFY 2013-14 Executive Budget Recommendations

The Executive Budget recommends \$265 million in All Funds appropriations for DCJS, an increase of \$4 million from SFY 2012-13 levels. This primarily reflects an increase of \$3 million in Special Revenue spending from the Fingerprint Identification and Technology Account, a portion is achieved from the Executive using reappropriation authority.

Personal service spending is increased by \$235,000 of which \$144,000 is associated with payment of \$775 to certain employees resulting from the most recent contract negotiations and \$496,000 from the expiration of the Deficit Reduction Plan; \$910,000 from the annualization

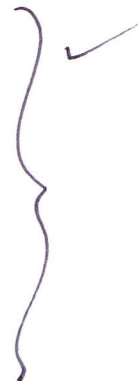
of 35 FTEs in various Federal programs; and \$135,000 in personal service and nonpersonal service costs associated with the DNA Databank Expansion of 2012. These increases in General Fund spending are offset by \$1.4 million in savings of which \$1.1 million is related to vacancy saving through attrition, and \$350,000 in rent expenses.

Traditional Criminal Justice Aid to Localities Program Funding

The Executive proposes an increase of \$1.8 million in General Fund Local Assistance and Probation Programs, primarily in the District Attorney Salary Reimbursement appropriation. The Executive eliminates the \$700,000 Legislative appropriation, and combines it with the original District Attorney Salary Reimbursement appropriation and adds \$350,000 to fund the April 2013 increase related to Judicial salaries. This additional funding provides mandate relief to counties.

The Executive proposal combines two existing Alternative to Incarceration (ATI) programs totaling \$4.4 million and adding an additional \$7 million for \$11.4 million in funding under a competitive process to target high risk offenders. This is being accomplished by replacing \$7 million in Federal Byrne Justice Assistance Grant (JAG) American Recovery and Reinvestment Act (ARRA) with General Fund spending. In addition, two programs: ATI and Drug and Alcohol funding of \$5.1 million is being combined and allocated through a competitive process.

This increase is offset by the elimination of Legislative funding of \$4.5 million and \$1 million in additional funding for the New York Defenders Association. The changes to local assistance are outlined in the chart on the following page:



EX A-1e



**NEW YORK STATE
UNIFIED COURT SYSTEM**

BUDGET

FISCAL YEAR 2013-2014

Jonathan Lippman
CHIEF JUDGE

A. Gail Prudenti
CHIEF ADMINISTRATIVE JUDGE

Lawrence K. Marks
FIRST DEPUTY CHIEF ADMINISTRATIVE JUDGE

Ronald Younkins
CHIEF OF OPERATIONS

Maureen McAlary
BUDGET DIRECTOR

EX A-2

Major Purpose Summary
COURTS OF ORIGINAL
JURISDICTION

2013-14 All Funds Budget Request:	\$1,488,405,661
<i>General Fund:</i>	1,433,033,887
<i>State Special Revenue Funds:</i>	46,371,774
<i>Federal Special Revenue Funds:</i>	9,000,000

Major Purpose Description

The Courts of Original Jurisdiction (COJ) Major Purpose is comprised of the following program components: Supreme and County Courts, Family Courts, Surrogate's Courts, Multi-Bench Courts, City and District Courts, New York City Housing Court, Community Courts, Drug Treatment Courts, Court of Claims, Jury Operations, New York City County Clerks, Law Libraries, the Office of Alternative Dispute Resolution and Court Improvement Programs, Court Support Services, Town and Village Courts, Public Safety, COJ Maintenance Undistributed and Administration.

Summary of 2013-14 Funding: Courts of Original Jurisdiction

The COJ Major Purpose State Operations All Funds budget request is \$1.49 billion, or a decrease of \$21.1 million (-1.4%) from the current year adjusted appropriation. The request includes the following: ✓

Personal Service

The personal service request of \$1.31 billion represents a decrease of \$7.4 million (-0.6%) from the current year adjusted appropriation. This includes funding for all judicial positions and all filled nonjudicial positions with adjustments for changes in certificated justices and their associated staff. Funding is also included for the payment of increments, longevity bonuses, uniform allowance and location pay, as required by law, for all eligible employees. The net increase in these funding requirements is offset by attrition savings, staffing adjustments and by reappropriation of the funding required for the statutorily mandated judicial salary increase effective April 1, 2013. ✓

The personal service request also includes \$3.3 million for temporary service in support of ongoing operations, including the New York City County Clerks Offices (\$1.1 million), the New York City Commissioner of Juror's Offices (\$0.6 million), and various trial courts (\$0.7 million). Temporary Service funding is also included for six Commercial Division Law Clerks (\$0.4 million); for Acting City, Town and Village Justices and associated legal support (\$0.1 million); and for technology positions where grant support will end during the next fiscal year (\$0.4 million). Also reflected in the personal service request is \$15.6 million for overtime.

Nonpersonal Service

Nonpersonal service funding supports usual and necessary expenses associated with trial court operations, support and administration. These expenses include: supplies; legal reference materials and online services; telecommunications; rentals and repairs of equipment; real estate rentals for office and training space; maintenance agreements for hardware, software and office equipment; payments for jury *per diems*, lodging and meals; *per diem* interpreter and court reporter costs; ADR contracts;

transcript payments; and contractual security services provided in upstate courts by local law enforcement agencies. Also reflected are appropriations which provide the framework through which federal and other grants are realized.

The nonpersonal service request is \$181.3 million, or a decrease of \$13.7 million (-7%) from current year funding. The decrease is attributable to the continuation of cost saving measures controlling expenditures in legal reference print materials, supplies, travel, postage, printing, telecommunications, judicial hearing officers, jury *per diems*, contractual security services and equipment. A decrease in other professional services reflects elimination of the use of outside clerical services, elimination of financial assistance for local Court Appointed Special Advocates programs, and the anticipation of the Judiciary receiving fewer federal grant awards. These decreases are partially offset by contractual increases in online legal research services, real estate rentals and information technology services. An increase is also reflected in accounting and auditing services to accommodate the expansion of e-filing. The nonpersonal service request also transfers \$4 million in nonpersonal appropriation for the Division of Technology from the General Fund to the Judiciary Data Processing Offset Fund which is supported by revenue collected from criminal history search fees. ✓

**NEW YORK STATE
UNIFIED COURT SYSTEM**

BUDGET

GENERAL STATE CHARGES

FISCAL YEAR 2013-2014

Jonathan Lippman
CHIEF JUDGE

A. Gail Prudenti
CHIEF ADMINISTRATIVE JUDGE

Lawrence K. Marks
FIRST DEPUTY CHIEF ADMINISTRATIVE JUDGE

Ronald Younkins
CHIEF OF OPERATIONS

Maureen McAlary
BUDGET DIRECTOR

Major Purpose Summary

GENERAL STATE CHARGES

2013-14 All Funds Budget Request:	\$660,660,607
<i>General Fund:</i>	634,428,210
<i>Special Revenue Funds:</i>	26,232,397

Major Purpose Description

This Major Purpose includes funding required for fringe benefits provided to state-paid judges and nonjudicial employees. Appropriations are required for pension contributions, Social Security and Medicare, health, dental, vision and life insurance, and employee benefit funds. These General State Charges appropriations are included in the 2013-14 budget bill submitted by the Judiciary.

Summary of 2013-14 Funding: General State Charges

The General State Charges Major Purpose All Funds budget requirement is \$660.7 million, or an increase of \$93 million (16.4%) over the current year adjusted appropriation. Required amounts for payment of fringe benefits include funding for the continuation of all collectively bargained benefit provisions, as follows: ✓

Nonpersonal Service

Pension: \$265.8 million

The amount required reflects an amortized estimate of \$265.8 million for the New York State Employees' Retirement System, which includes amortized obligations from prior years. This represents an increase of \$76.4 million (40.3%) over the current year's amortized estimate. The funding requirement also reflects an obligation of \$55,000 to the New York City Retirement System. ✓

Social Security and Medicare: \$100.7 million

The amount reflects a statutorily-mandated employer contribution rate of 7.65% applied to earnings up to \$113,700 and 1.45% on earnings exceeding \$113,700. This represents a decrease of \$6.5 million from the current year reflecting attrition savings and expenditure-based reductions.

Health, dental, vision & life insurance: \$270.2 million

The amount required reflects an increase of \$23.2 million over the 2012-13 adjusted appropriation. This amount reflects increases in health insurance costs as projected by the NYS Department of Civil Service, offset by an anticipated credit provided by the federal government for employers who provide retiree prescription drug coverage. Funding is also included for retired employees' health insurance; administrative costs payable to the NYS Department of Civil Service, and funds necessary to reimburse localities for certain employees and retirees who remain in local health plans.

The amount also includes costs associated with dental, vision and life insurance coverage for judges, and unrepresented and managerial/confidential nonjudicial employees.

Employee Benefit Funds: \$24 million

The amount includes contractual obligations to employee benefit funds for eligible employees and retirees. Employees participating in these funds are generally ineligible for other judiciary dental plans and in some instances, the prescription drug reimbursement plan, thus reducing the amounts required for health and dental insurance.

State of New York - Judiciary
Budget Summary for Fiscal Year 2013-2014

ALL FUNDS
GENERAL STATE CHARGES

	<u>Current Appropriation as Adjusted</u>	<u>UCS Recommended</u>	<u>Changes to Current Appropriation</u>
<u>Nonpersonal Service</u>			
Pension	189,400,000	265,755,001	76,355,001
Social Security and Medicare	107,211,602	100,692,143	(6,519,459)
Health, Dental, Vision and Life	247,023,011	270,249,463	23,226,452
Employee Benefit Funds	24,004,709	23,964,000	(40,709)
Total Nonpersonal Service	<u>567,639,322</u>	<u>660,660,607</u>	<u>93,021,285</u>
Grand Total	567,639,322	660,660,607	93,021,285 ✓