

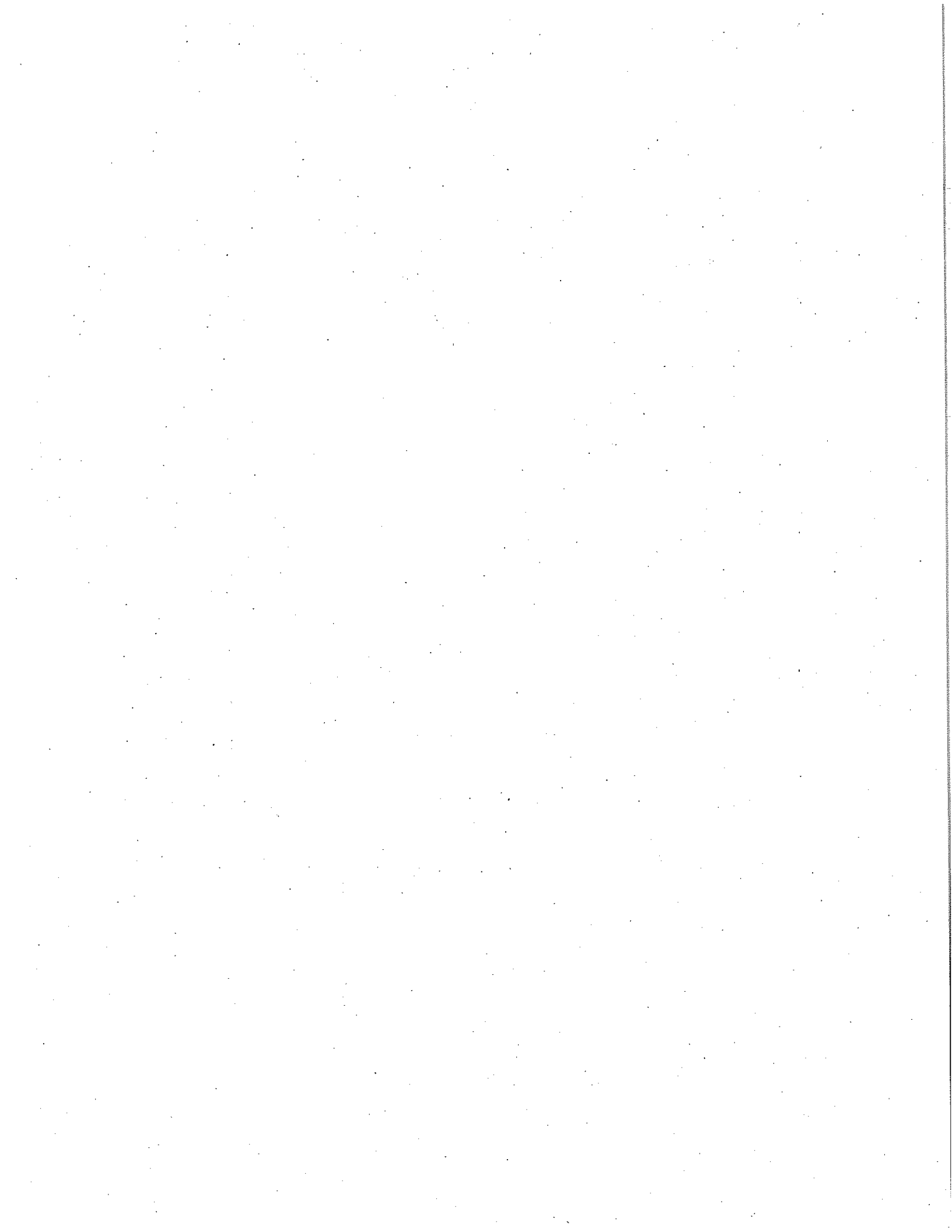
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Assembly Minority Leader

ED RA
*Ranking Minority Member,
Assembly Ways & Means
Committee*

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*Minority Director,
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2020-21

EXECUTIVE BUDGET ANALYSIS



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COMMITTEE SUPPORT

[REDACTED]

[REDACTED]

[REDACTED]

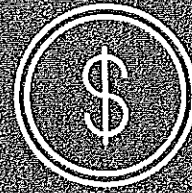
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FINANCIAL PLAN ANALYSIS

WAYS & MEANS CONTACT:

[REDACTED]

The State Financial Plan, submitted by the Governor with the Executive Budget, provides an estimate of State receipts and disbursements based on the parameters of existing statute and the appropriation, Article VII, and language bills proposed. It is the means by which the "cash basis" budget is developed, and is used to determine how much will actually be available to be spent and when. The Financial Plan provides an estimate of the monthly flow of revenues and expenditures in the All Funds budget, which is comprised of the General Fund, Special Revenue Funds, Capital Projects Funds, Federal Funds and Debt Service Funds. It excludes Proprietary Funds (Enterprise Funds or Internal Service Funds) and Fiduciary Funds (Trust Funds or Agency Funds like the State and Local Employees' Retirement System).

The State Finance Law requires that the Financial Plan be updated upon budget enactment and on a quarterly basis throughout the fiscal year. Estimated surpluses and shortfalls in the State Budget are determined through analysis of the Financial Plan. Gaps or surpluses typically only refer to the General Fund portion of the Plan. The General Fund is the State's major operating fund, receiving all income that is not earmarked for specific purposes. It comprises approximately one-half of the All Funds budget, which also includes Federal funds and other State funds derived from dedicated fees and other earmarked revenues.

MITIGATING RISKS

FEDERAL FUNDING UNCERTAINTIES

The Executive Budget proposes the continuation of the Federal Funding contingency language that was included in the 2017-18, 2018-19 and 2019-20 Enacted Budgets.

Medicaid Funding

- In the event that Federal legislation, Federal regulatory actions, Federal Executive actions or Federal Judicial actions reduce Federal financial participation in Medicaid funding to NYS or its subdivisions by \$850 million or more in SFY 2020-21 through 2021-22, the Director of Budget must prepare a plan that will specify the total amount of the reduction in Medicaid funding, itemize specific programs or activities that will be affected and identify the General Fund and State Special Revenue Fund appropriations or disbursements that will be reduced by program area. The reductions must be applied equally and proportionally to the programs affected by the reduction. This plan must be submitted to the Legislature where they will have 90 days to either prepare their own plan, which must be adopted by concurrent resolution passed by both houses, after 90 days of inaction the plan submitted by the Division of Budget will take effect automatically.

Financial Plan Funding

- In the event that Federal legislation, Federal regulatory actions, Federal Executive actions or Federal Judicial actions reduce Federal financial participation or other Federal Aid in funding to NYS (exclusive of Medicaid) by \$850 million or more in SFY 2020-21 through 2021-22, the Director of Budget must prepare a plan that will specify the total amount of the reduction in Federal aid, itemize specific programs or activities that will be affected, exclusive of Medicaid and identify the General Fund and

State Special Revenue Fund appropriations or disbursements that will be reduced by program area. The reductions must be applied equally and proportionally to the programs affected by the reduction. This plan must be submitted to the Legislature where they will have 90 days to either prepare their own plan, which must be adopted by concurrent resolution passed by both houses, after 90 days of inaction the plan submitted by the Division of Budget will take effect automatically.

GENERAL FUND IMBALANCE CONTINGENCY

If the Financial Plan estimates that the General Fund is reasonably anticipated to end the fiscal year with an imbalance of \$500 million or more, the Director of the Division of Budget (DOB) will prepare a plan that will be submitted to the Legislature, which will identify the General Fund and State Special Revenue Fund appropriations and related disbursements that may be reduced to eliminate the imbalance in the General Fund.

- The total reduction in disbursements identified in the plan will not exceed an amount equal to 1% of estimated disbursements in total State Operating Funds for SFY 2020-21.
- The Legislature will have 30 days after submission of the plan to either prepare its own plan, which may be adopted by concurrent resolution passed by both houses and implemented by DOB. If after 30 days the Legislature fails to adopt its own plan, the reductions identified by DOB will automatically go into effect.

Programs exempt from the reduction are:

- Public assistance payments for families and individuals and payments for eligible aged, blind and disabled persons related to supplemental social security;
- Any reductions that would violate Federal Law;
- Payments of debt service and related expenses

for which the State is constitutionally obligated to pay debt service or is contractually obligated to pay debt service, subject to an appropriation, including where the State has a contingent contractual obligation; and

- Payments the State is obligated to make pursuant to court orders or judgments.

APPROPRIATION CONTINGENCY LANGUAGE

The Governor is again proposing the following parts in his Executive Budget; to-date these provisions have never been included in an enacted budget:

- Delegates the Director of the Division of Budget the authority to increase or decrease by interchange and/or transfer appropriations without limit; and
- Condition the effectiveness of the State Operations Budget Bill upon the passage of the Aid to Localities Budget Bill.

The Governor has proposed two new contingency provisions this year relating to the appropriations bills:

- All of the appropriation bills have new language that would make any refunds, rebates, reimbursements, credits, repayments and/or disallowances received by the State Comptroller to be credited back to the original appropriation and reduce expenditures in the year which such credit is received regardless of the timing of the initial expenditure; and
- The Aid to Localities Budget Bill has new language that would authorize the State to reduce local assistance payments to New York City in the amount equal to what the State spends on rent administration. This would eliminate the need to send a bill after incurring costs.

SPENDING QUICK FACTS

- General Fund (including transfers) enacted spending has increased 45.4% in the last 10 fiscal years (2010-11 to 2019-20).
- State Operating Funds enacted spending has increased 26.8% over the last 10 years (2010-11 to 2019-20).
- All Funds enacted spending has increased 32.3% in the last 10 fiscal years (2010-11 to 2019-20).
- According to the Comptroller
 - Since 2015, the growth in All Fund State spending (18.8%) has exceeded the rate of inflation (6.5%).
 - If State spending had increased at the rate of inflation, actual State spending in 2019 would total \$153.3 billion, instead of the \$175.9 billion.
 - In 2019, New York's spending was \$8,744 per person:
 - \$3,831 per person for Public Health purposes;
 - \$2,330 per person for Education purposes;
 - \$757 per person for General Government purposes;
 - \$485 per person for Transportation purposes;
 - \$478 per person for Public Welfare purposes;
 - \$291 per person for Public Safety purpose; and
 - \$572 per person for Other purposes.
 - Spending on public health and education represents 70.5% of the total State spending.

DISBURSEMENTS/SPENDING

2019-20 (CURRENT YEAR) UPDATE

At the time of the Mid-year update, the Governor was tasked with closing a \$1.8 billion gap caused entirely by Medicaid. By law, the General Fund must be balanced. The proposed Executive Budget now assumes that the current year gap has been eliminated and will end the year (March 31, 2020) balanced with the help of the following:

- The proposed budget is assuming net additional receipts of \$1.05 billion. This is primarily due to increased personal income tax receipts of approximately \$1 billion and non-tax receipts of \$127 million (investment income and fees). Offset by additional debt service costs of \$90 million.
- Further, the Division of Budget was able to find \$533 million in disbursement revisions.
- The largest portion of this savings is the result of the 1% across the board reductions in rates paid to health related providers and plans and discretionary payments totaling \$599 million.

- The Executive Budget does not include the deferral of an additional \$552 million in Medicaid payments that was assumed in the Mid-year Update. The \$552 million is now being paid for in the current year and will not be part of the deferral. The Financial Plan does continue the deferral of the \$1.7 billion payment to the 2019-20 and 2020-21 Fiscal Years.
- The remainder of the disbursement savings is a combination of agency spending and fringe benefit adjustments, \$408 million and \$216 million respectively.
- Lastly, the Executive is proposing a capital advance of \$200 million in settlement funds that will be reimbursed in full in 2020-21.

2020-21 PROPOSED SPENDING

- *Figure 1* compares the proposed FY 2020-21 Executive Budget spending with the FY 2019-20 adjusted spending levels.
- State Operating Funds proposed spending increased by 1.9%, which stays within the Governor's self-imposed 2% spending cap.

EXECUTIVE BUDGET PROPOSED SPENDING (MILLIONS)				
FIGURE 1				
FUND TYPE	2019-20 ADJUSTED	2020-21 PROPOSED	ADJUSTED \$ CHANGE	ADJUSTED % CHANGE
General Fund (including transfers)	\$79,011	\$81,921	\$2,910	3.68%
State Operating Funds	\$103,882	\$105,811	\$1,929	1.86%
State Funds	\$115,509	\$118,510	\$3,001	2.60%
All Funds	\$175,909	\$178,029	\$2,120	1.21%
This stays within the Governor's initiative to keep spending increases within 2%				

The Executive Budget Financial Plan shows a \$6.96 billion deficit, up from the Mid-year deficit of \$6.1 billion. This includes a \$3.1 billion Medicaid Structural Gap, the baseline gap and the addition of \$890 million that was supposed to be a reoccurring savings found in the Governor's FY 2020 savings plan; these savings were not realized over the life of the plan. The Executive Budget also does not assume a deferred Medicaid payment of \$177 million, as was included in the Mid-year update. The proposed Financial Plan balances the \$6.96 billion deficit in the following ways:

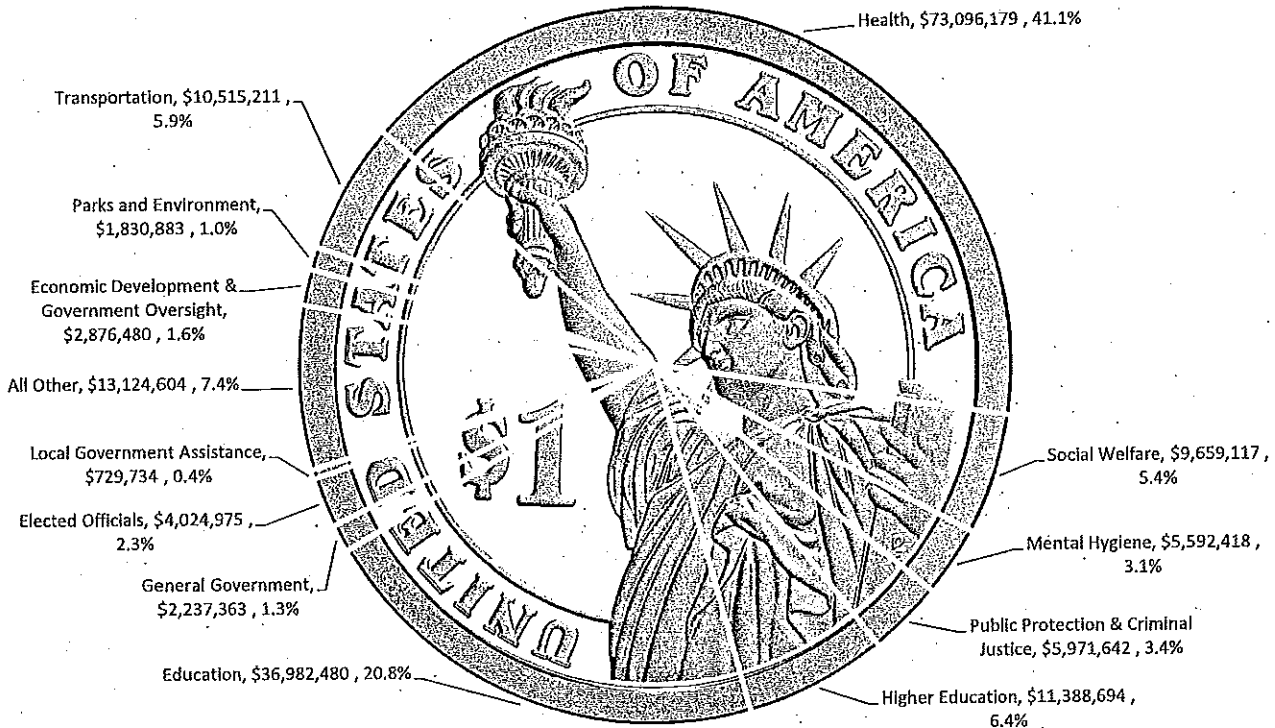
- Tax Receipt Revisions: \$2.1 billion;

- Medicaid MRT II Savings: \$2.5 billion;
- Local Assistance: \$1.8 billion (includes \$851 million in Medicaid savings);
- Agency Operations: \$359 million; and
- Other savings/revisions: \$252 million.

DOB projects that the State will end FY 2020-21 with a General Fund balance of \$5.9 billion, a decrease of \$623 million due to the expected use of monetary settlement funds.

Figure 2 breaks down the 2020-21 Executive Budget spending by program area.

**2020-21 EXECUTIVE BUDGET ALL FUNDS SPENDING
BY PROGRAM AREA: \$178.029 billion
FIGURE 2**



RECEIPTS QUICK FACTS

ACCORDING TO THE COMPTROLLER

- Over the past 5 years, Total Receipts (including Federal & Misc/Lottery) have increased by 12.7%.
- Over the past 5 years, New York State tax collections have increased by over 13.7%.
- PIT and Consumption & Use Taxes accounted for 38.9% of 2019 receipts and have increased 10.7% since 2015.
 - In 2019, PIT (the State's largest tax revenue source) decreased 6.6% over the previous year, due to lower estimated payments in January and February.
 - Only Oregon and Virginia have a heavier reliance on PIT than NYS.
- For every \$1 New York generates in tax receipts, it receives only \$0.90 back in Federal spending, compared to the National average of \$1.21.
 - This ranks NY last among States.

ACCORDING TO THE TAX FOUNDATION

- New York ranks 49th in the Tax Foundation's State Business Tax Climate Index of 2020. The Index compares the states in five areas of taxation that impact business: corporate taxes, individual income taxes, sales taxes, unemployment insurance taxes, and taxes on property, including residential and commercial property.
 - The ranks of neighboring states are as follows: Pennsylvania, 29th; New Jersey, 50th; Connecticut, 47th; Vermont, 44th and Massachusetts, 36th.
 - The bottom 5 states are: New Jersey, 50th; New York, 49th; California, 48th; Connecticut, 47th; and Arkansas, 46th.

RECEIPTS/REVENUE

TAX RECEIPTS

Figure 3 compares the proposed FY 2020-21 Executive Budget receipts with the FY 2019-20 adjusted receipt levels.

- General Fund total receipts are projected to be \$81,298 million in 2020-21, an increase of \$2,966 million or 3.8% from the 2019-20 estimated receipts.
- All Funds total receipts for 2020-21 are

projected to be \$176,372 million, a decrease of \$1,881 million or -1.1% below 2019-20 estimated receipts. This decrease is mostly attributable to a decline in Federal receipts and lower collections in Miscellaneous receipts.

- From the Mid-year Update to the Financial Plan, tax receipts were revised upward across all years of the plan as follows:
 - 2019-20: \$1.049 billion;
 - 2020-21: \$2.069 billion;
 - 2021-22: \$1.869 billion;

EXECUTIVE BUDGET PROJECTED TOTAL RECEIPTS (Millions)				
FIGURE 3				
Fund Type	2019-20 Adjusted	2020-21 Proposed	Adjusted \$ Change	Adjusted % Change
General Fund	\$78,332	\$81,298	\$2,966	3.79%
All Funds	\$173,253	\$176,372	(\$1,881)	(1.1%)

- 2022-23: \$1.44 billion; and
- 2023-24: \$1.097 billion.

2020-21 EXECUTIVE BUDGET GENERAL FUND SURPLUS/(GAP) PROJECTIONS

Budget surpluses or gaps are estimated on a General Fund basis due to the legal requirement that General Fund receipts and disbursements are balanced. A budget surplus is estimated when State receipts come in higher than what the State plans to spend in that given year. Budget gaps represent shortfalls in State receipts versus expected State spending.

The Executive Budget for 2020-21 estimates that the General Fund will be balanced, as shown in *Figure 4*. With increased tax receipts and spending/resource adjustments; the Governor believes the State will have enough available resources that can be used to close the current year's budget gap and minimize existing out-year budget gaps.

STATE OPERATING FUNDS SPENDING BENCHMARK

In the past, the Governor's proposed out-year budget surpluses were based on spending pro-

jections that adhere to the 2% year-to-year State Operating Funds (SOF) spending cap; and forecast State tax receipts for the corresponding fiscal years. In this Executive Budget proposal, the Governor has stopped providing out-year surplus or gap projections with the adherence to the 2% SOF spending cap.

GAP-CLOSING PLAN IN DETAIL

RECEIPTS

The Governor proposes \$1.9 billion in additional receipts to help close the gap for the 2020-21 Fiscal Year.

- PIT: \$1.5 billion – these include higher than expected Withholdings and Estimated Payment receipts, Making Warrantless State Tax Debt Collection Methods Permanent; Capping the Maximum Amount and Income for the Long-term Care Insurance Credit; Enhancing Empire State Child Credit; and STAR changes.
- Other Taxes: \$397 million – these include stronger than expected Business Tax collections, Reducing the Burden on Small Businesses; Reform the Tobacco Products Tax and other Tax Actions.
- Miscellaneous Receipts: \$58 million – these include additional revenues generated from implementation of Green Light NY, updated estimates of investment income, motor vehicle and ABC license fees.

- Debt Service Transfers: (\$80 million) – offset by spending estimates reflect the prepayment of additional debt service costs.
- Non-Tax Transfers: \$35 million – resource changes include a Certificate of Need fees and mental hygiene Federal reimbursements.

DISBURSEMENTS

The Governor proposes \$4.6 billion in spending savings to help close the gap for the 2020-21 Fiscal year.

- Local Assistance: \$4.5 billion – these are targeted actions and continuations of prior-year cost containments in education, health care, human services, mental hygiene, and revisions to the County-wide Shared Services Initiatives.
- Agency Operations: \$377 million – the proposed budget holds spending flat, with limited expectations such as Raise the Age implementation costs and planned payment of the full FY 2020-21 Employees’ Retirement System/Police and Fire Retirement System pension bill in May 2020.

- Debt Service Transfers: \$64 million – this is reflected savings from expected refundings, continued use of competitive bond sales and other debt management actions.
- Capital Project Transfers: (\$409 million) – offset by the use of new hard dollar resources to fund capital projects, rather than debt.
- Monetary Settlement Transfers: \$0 million – timing of transfers has been updated.
- Other Transfers: (\$168 million) – offset by updated estimates of various transfers to other funds.

FINANCIAL SETTLEMENTS

The State has received a total of \$12.8 billion in Extraordinary Monetary Settlements for violations of State laws by major financial institutions. Refer to the Settlement Money Agency section of this book for more detailed information.

GENERAL FUND SURPLUS/(GAP) PROJECTIONS				
FIGURE 4				
	2020-21	2021-22	2022-23	2023-24
Mid-Year Budget Surplus/(Gap) Estimate	(\$6,073)	(\$7,529)	(\$8,549)	(\$8,899)
FY 2020 Savings Plan	(\$890)	(\$890)	(\$890)	(\$890)
Executive Budget Surplus/(Gap) BEFORE FY 2021 Savings Plan	(\$6,963)	(\$8,419)	(\$9,439)	(\$9,789)
FY 2021 Savings Plan	\$6,963	\$6,480	\$6,126	\$6,523
Tax Receipt Revisions	\$2,069	\$1,869	\$1,440	\$1,097
Medicaid MRT II Savings	\$2,500	\$2,722	\$3,122	\$3,522
Local Assistance	\$1,783	\$1,778	\$1,594	\$1,644
Agency Operations	\$359	\$377	\$461	\$412
Other Savings/Revisions	\$252	(\$266)	(\$491)	(\$152)
Executive Budget Surplus/(Gap) AFTER FY 2021 Savings Plan	\$0	(\$1,939)	(\$3,313)	(\$3,266)
All budget gaps are shown before actions to adhere to the 2% State Operating Fund spending cap.				

- There have been no additional settlements since the Mid-year Update.
- To help close the 2019-20 General Fund gap (current year), the Executive is proposing a capital advance of \$200 million in settlement funds that will be reimbursed in full in 2020-21.
- Settlement money is now being reserved in the "Economic Uncertainties" fund. This fund has \$890 million.
 - ⇒ This Executive Budget is continuing the 2019-20 Enacted Budget practice of no longer distinctly identifying or classifying any settlement of less than \$25 million. Any settlement that is less than \$25 million will be reserved in the "Economic Uncertainties" fund.

RESERVE FUNDS

STATUTORY RESERVES

There are two rainy day reserve funds, the Tax Stabilization Reserve Fund and the Rainy Day Reserve Fund. These aforementioned funds are not proposed to be accessed this year by the Governor. The Governor is proposing two deposits to the Rainy Day Reserve Fund. The total combined amount of these two funds is \$2.476 billion:

- The Tax Stabilization Reserve Fund allows the State to transfer two-tenths of 1% of any excess General Fund revenue at the end of a fiscal year, not to exceed 2% of total General Fund spending. If utilized, this fund must be repaid in the same fiscal year. If it is used to cover an operating deficit at year end, these loans must be repaid within six years in no less than three annual installments.
 - ⇒ Tax Stabilization Reserve Fund: \$1.258 billion, same level as last year.

- The Rainy Day Reserve Fund allows a maximum deposit is 0.75% of General Fund spending. The Fund has a maximum allowable balance of 5% of General Fund spending during the fiscal year immediately following the then-current fiscal year. Funds may be used in the case of an economic downturn or catastrophic events. An economic downturn is defined by 5 consecutive months of decline in the composite index of business cycle indicators. This index is calculated by the Commissioner of Labor. Further, all funds transferred from the Rainy Day Reserve Fund must be repaid within 3 years of the date of authorization for transfer.
 - ⇒ Rainy Day Reserve Fund: \$1.218 billion, same as last year.

CONTINGENCY RESERVE FUND

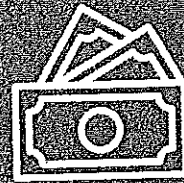
The Contingency Reserve Fund provides a reserve to fund extraordinary needs arising from litigation against the State. It may be used for payment of judgments against the State where the amounts is in excess of \$25 million and such are not previously appropriated, or emergency payments relating to natural or physical disasters, or to make payments for the enhancements of the State's economy. The Governor maintains in 2020-21, the fund balance of \$21 million.

OTHER RESERVES

- Debt Management purposes: \$500 million, same as last year.
- Economic Uncertainties: \$890 million, same level as the Mid-year Update to the Financial Plan.
- Insurance and Securities Funds Reserve Guarantee: \$1.6 billion, same as last year.
- New York State Financial Control Board: \$3.5 million, same as last year.

- Reserve for Federal Audit Disallowances: \$500 million, same as last year.
- Special Emergency Appropriation: \$1 billion, same as last year.
- Special Federal Emergency Appropriation: \$2 billion, same as last year.

Highlights



CAPITAL PROGRAM & DEBT FINANCING PLAN

WAYS & MEANS CONTACT:

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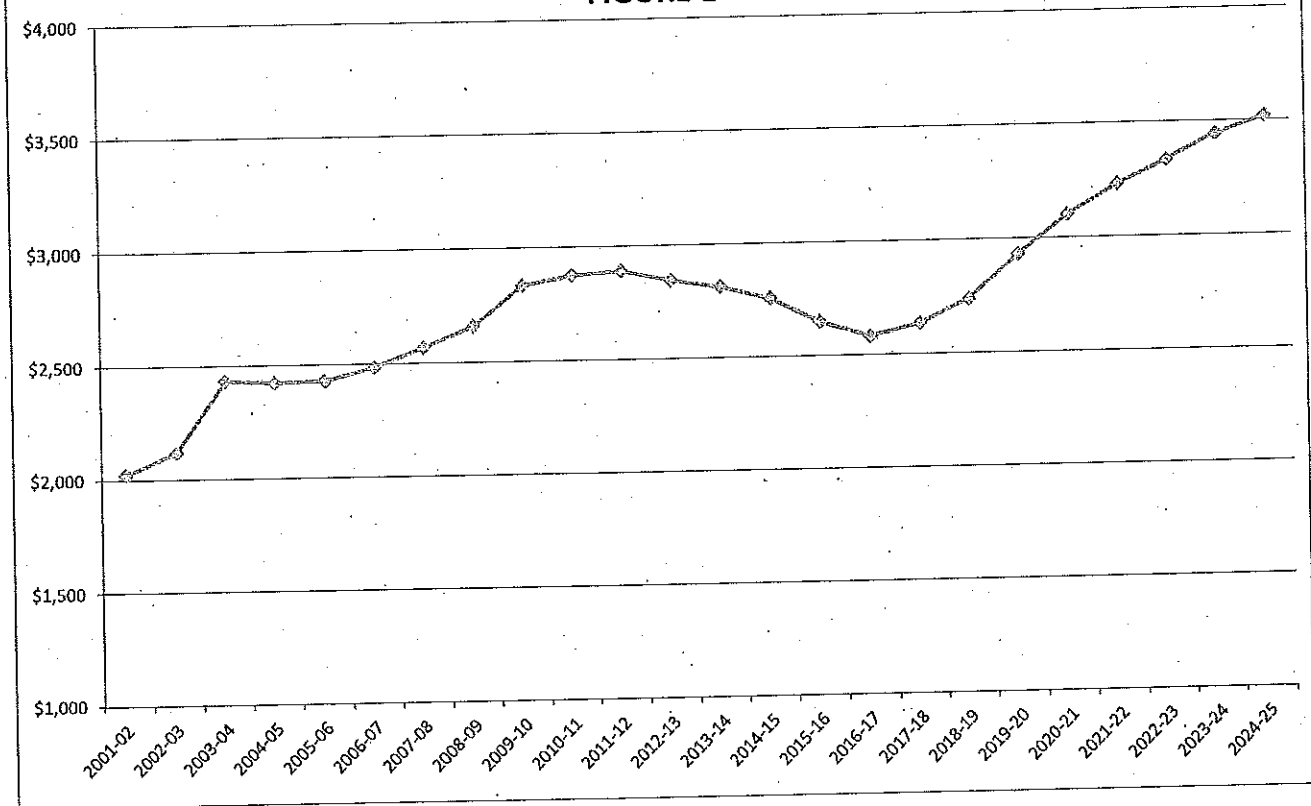
The Division of the Budget (DOB) issues two reports each year, which provide information on the State's Capital Program and Financing Plan. These reports intend to provide a single, comprehensive report on State debt levels, debt service costs and capital project spending. The first report accompanies the Executive Budget and the second with the Enacted Budget. Data is also updated with each Quarterly Financial Plan Update.

DEBT & CAPITAL QUICK FACTS

- The Executive Budget estimates 0.8% average annual growth in State-related debt, which is less than the average annual growth in inflation (1.7%) and personal income (4.2%) over the last 10 years.
- The Executive Budget estimates 0.6% average annual rate of growth in debt service, which is lower than the growth in inflation (1.7%) and lower than the growth in All Funds Budget (2.8%) during that same time period over the last 10 years.
- The Executive Budget estimates that State debt per capita is proposed to be \$3,100 for 2020-21, an increase of \$177 or 6.1% from 2019-20. The State Comptroller estimates this number to be closer to \$3,311. *Figure 1* shows historical and forecasted debt per capita.
 - New York is ranked 7th behind Connecticut, Massachusetts, Hawaii, New Jersey, Delaware and Illinois.
 - State-related debt per capita is projected to increase from \$2,873 in 2010-11 to \$3,517 in 2024-25, an annual average increase of 1.5%.
 - State debt per capita is growing at a higher rate of 0.8% than the growth of the population of 0.1% over the last 10 years.
- According to the 2019 ALEC-LAFFER State Economic Competitiveness Index:
 - From 2008-2017, New York State is ranked 50th, last, in absolute Domestic Migration, with a cumulative loss of 1,316,263 people.
 - New York State is ranked 50th, last, in the Economic Outlook Rank, a forward-looking ranking based on State's standing in 15 important state policy variables.
- According to the Comptroller:
 - In 2018, New York was the second most indebted State behind California.
 - For 2018-19, New York's debt as a percentage of personal income was 4.8%.
 - In 2017, New York's debt as a percentage of GDP of 4.1% is nearly twice the median of peer States and the national median average of 2.2%.
- The Executive Budget increases debt caps (authorization to issue debt up to a certain amount) by \$10.3 billion
 - The Executive Budget is also proposing to increase the MTA's statutory bonding authority by \$34.6 billion for a cumulative total of \$90.1 billion; this would also extend their bonding authority until 2024.
- The Authorities Budget Office estimates that in 2018 Total Public Authority Debt (State & Local) equaled \$275 billion. Of which \$160.4 billion was issued by State authorities, with the remainder being issued by Local authorities, IDAs and LDCs.

STATE-RELATED DEBT PER CAPITA 2001-02 THROUGH 2024-25

FIGURE 1



OUTSTANDING DEBT

- The projected State-related debt outstanding for SFY 2020-21 is \$60.4 billion, which is a \$3.4 billion or a 6% increase from 2019-20 levels.
 - ⇒ This annual increase in debt outstanding includes \$610 million for educational facilities, \$898 million for transportation, \$488 million for health and mental hygiene, \$1.3 billion for economic development and housing, and \$505 million for environmental facilities.
 - ⇒ It is projected that State-related debt will increase from \$57 billion in 2019-20 to \$68.4 billion in 2024-25 (over the period

of the Capital Plan) or an average increase of 3.7% annually.

- Total State-supported Debt outstanding for 2020-21 is \$60.2 billion, an increase of \$3.4 billion or 6.1% from 2019-20 levels.
- Total General Obligation Bonds outstanding for 2020-21 is \$3.2 billion, an increase of \$666.3 million or 25.9% from 2019-20 levels.
 - ⇒ This increase is attributable to the continued issuance on behalf of the Smart Schools Bond Act and that anticipated approval of the \$3 billion Restore Mother Nature Bond Act that is proposed in this Executive Budget.

DEBT ISSUANCE

- For 2020-21, debt issuances will total \$7.7 billion to finance new capital project spending. This is an increase of \$486 million or 7% from last year.
 - The bond issuances will finance capital commitments for education, \$1.3 billion; transportation, \$2.4 billion; economic development and housing, \$2 billion; health and mental hygiene, \$785 million; State facilities and equipment, \$417 million; and the environment, \$775 million.
- Over the period of the Capital Plan, new debt issuances are projected to total \$32.2 billion.
- The State has transitioned to using only three credits, Personal Income Tax (PIT) Revenue Bonds, Sales Tax Revenue Bonds and General Obligation Bonds with the following issuance for 2020-21:
 - \$5.4 billion or 71% through the AA+ rated PIT Revenue Bond Program.
 - \$1.4 billion or 18% through AA+ rated Sales Tax Revenue Bond Program.
 - \$848.2 million or 11% of AA+ rated State General Obligation Bonds.

DEBT RETIREMENTS

- Debt retirements total \$4.3 billion, approximately \$849 million or 24% more than in 2019-20. Additional retirements are possible through debt management actions, including the use of the Debt Reduction Reserve Fund.
- Debt retirements are projected to average \$4.2 billion annually over the Capital Plan period.
- Any bonds issued under the Tobacco Settlement Financing Corporation have been fully retired since 2017-18.

- In five years, the State will be able to retire 29% of existing debt.

DEBT SERVICE

- Total State-related debt service for SFY 2020-21 is \$6.1 billion, an increase of \$846 million or 16% from 2019-20.
 - The vast majority, about \$5.9 billion, consists of debt service payments due on existing debt. The remainder, \$204 million, is expected to result from new money debt issuances.
- As the State issues bonds under the PIT and Sales Tax Credit structures, debt service for these financing programs will increase as debt service for service contract bonds will decline.
 - The majority of debt service costs are for bonds approved by the Legislature, on behalf of the people, and issued on the State's behalf by public authorities.
- The Financial Plan assumes roughly \$450 million in debt service prepayments to be made in FY 2019-20 for costs associated in FY 2020-21; the Financial Plan already assumed \$200 million and the Executive Budget is proposing the additional \$250 million.

DEBT CAP

- The Debt Reform Act of 2000 restricts the issuance of State-supported debt to capital purposes only and limits such debt to a maximum of 30 years. The Act limits the amount of new State-supported debt to 4% of State Personal Income. The restrictions apply to debt issued since April 1, 2000.
- State-supported debt outstanding is projected to remain under the statutory debt cap over the Plan period.

- For 2020-21, the available room under the debt cap is \$963 million.
 - ➔ The Executive Budget indicates that the available room under the debt cap is expected to decline to an estimated low point of about \$28 million in 2023-24.
 - ➔ These debt cap numbers include revisions, re-estimates and the insertion of new hard dollar capital spending that are proposed within the Executive Capital Plan to reduce the reliance on debt. Please refer to the Capital and Debt Management section of this write-up to get more detailed information on the "Capital Plan to Stay Within State Debt Limit".

CAPITAL PROJECTS AND INITIATIVES

The 2020-21 Executive Capital Plan estimates a total of \$15 billion in State capital project spending and \$21.4 billion of public authority spending, for a total of \$36.4 billion. The State portion includes \$563 million in "off-budget" spending that is financed directly from bond proceeds and does not appear in the Financial Plan.

Capital spending in 2020-21 is expected to be financed with State-supported debt, \$8.8 billion or 59%; State cash resources, \$4.1 billion or 27%; and Federal aid, \$2.2 billion or 14%. Capital spending is projected to increase by 7.5% as compared to 2019-20.

Figure 2 shows capital projects spending by function and financing source.

FIVE-YEAR INFRASTRUCTURE PLAN

In May 2018, the Governor announced a plan to invest \$150 billion in the State's Infrastructure between 2019-20 and 2023-24. Implementation

of the new MTA and DOT plans are expected to increase the statewide plan to \$175 billion. When added to the previous \$100 billion infrastructure plan undertaken prior to 2019-20, New York's investment to upgrade and preserve transportation and mass transit systems, affordable housing, economic and community development, schools, environmental and park facilities, and energy efficiency upgrades will be over one-quarter of a trillion dollars.

MAJOR INFRASTRUCTURE INVESTMENTS

The 2020-21 Executive Capital Plan adds and/or continues funding for the following:

- **Affordable and Homeless Housing:** Continues the \$20 billion 5-year investment in affordable and supportive housing. Funding includes \$3.5 billion in capital resources, \$8.6 billion in State and Federal tax credits, and \$8 billion to support the operation of shelters, supportive housing units and rental subsidies. The 2020-21 Executive Budget is also proposing \$63 million in additional homeless housing capital funding.
- **Clean Water Infrastructure Act:** The Capital plan continues a \$5 billion commitment by including an additional \$500 million to support water initiatives.
- **Economic Development:** \$500 million is proposed in this Executive Budget for a 4th round of Downtown Revitalization Initiative (DRI) grants, REDC Round X, a fifth round of Downtown Revitalization grants and support for high technology, infrastructure and manufacturing.
- **Election Reforms:** The Capital Plan continues \$15 million in funding to support the purchase of Electronic Poll Books and includes an additional \$16 million to create an online voter registration system.
- **Empire Station:** The State is continuing the

**CAPITAL SPENDING BY FUNCTION AND FINANCING SOURCE
CAPITAL PROGRAM AND FINANCING PLAN
2019-20 AND 2020-21
FIGURE 2**

Spending	2019-20 Current	2020-21 Proposed	\$ Change	% Change
Transportation	\$5,478,754	\$5,913,200	\$434,446	7.9%
Education	\$519,134	\$559,340	\$40,206	7.7%
Economic Development	\$1,490,982	\$2,149,263	\$658,281	44.2%
Parks and Environment	\$1,198,942	\$1,301,021	\$102,079	8.5%
Mental Hygiene	\$623,089	\$607,961	(\$15,128)	(2.4%)
Health	\$668,814	\$789,132	\$120,318	18.0%
Social Welfare	\$845,413	\$1,008,783	\$163,370	19.3%
Public Protection	\$608,588	\$590,468	(\$18,120)	(3.0%)
Higher Education	\$1,417,261	\$1,513,652	\$96,391	6.8%
General Government	\$368,127	\$530,418	\$162,291	44.1%
Other	\$772,181	\$65,941	(\$706,240)	(91.5%)
TOTAL	\$13,936,285	\$15,029,179	\$1,092,894	7.5%
Off-Budget Spending	(\$558,089)	(\$568,012)	(\$9,923)	0.9%
Financial Plan Capital Spending	\$13,428,196	\$14,466,167	\$1,037,971	7.7%

Financing Source	2019-20 Current	2020-21 Proposed	\$ Change	% Change
Authority Bonds	\$7,424,647	\$7,918,736	\$494,089	6.7%
Federal Pay-As-You-Go	\$2,195,787	\$2,168,500	(\$27,287)	(1.2%)
State Pay-As-You-Go	\$3,979,480	\$4,093,854	\$114,374	2.9%
General Obligation Bonds	\$336,371	\$848,089	\$461,718	119.5%
TOTAL	\$13,936,285	\$15,029,179	\$1,092,894	7.5%

Source: DOB

\$700 million investment to leverage a total of \$3 billion, from private sector and Federal partner, for the transformation of the James A. Farley Post Office Building into the Moynihan Train Hall and the new Empire Station.

- **Environmental Protection:** \$300 million for the EPF. The expanded EPF will provide

funding for stewardships, agriculture programs, invasive species prevention and eradication, water quality improvement, municipal recycling and an environmental justice agenda.

- **Hazardous Waste Remediation:** Includes an additional \$100 million in new authority for the State Superfund to remediate hazardous

waste sites. This is part of a multi-year \$1 billion investment.

- **Health Care:** The Executive Budget continues capital investment for a total amount of \$3.8 billion.
- **Higher Education:** SUNY and CUNY campuses continue to receive support for their capital assets in the Executive Budget. The 2020-21 Executive Capital Plan continues to provide \$1.5 billion in State capital support for SUNY and CUNY campuses.
- **MTA Capital Commitment:** The Capital Plan includes a new \$3 billion appropriation for the State contribution to the \$51.5 billion 2020-24 MTA Capital Plan.
- **ORDA Capital Improvements:** The Capital Plan includes \$147 million in new capital funding, including \$135 million for a modernization plan to support improvements at Olympic facilities.
- **Parks 2020:** The State is making a multi-year capital investment of \$900 million to fund capital rehabilitation and improvement of State parks and historic sites. This budget proposes \$110 million in New York Works capital funding to the Office of Parks, Recreation & Historic Preservation (OPRHP).
- **Resiliency Initiative:** The Capital Plan continues funding for the recently announced Lake Ontario Resiliency and Economic Development Initiative (REDI). In May 2019, \$300 million was committed to infrastructure and promoting natural solutions along Lake Ontario and St. Lawrence River waterfronts. The REDI Commission has designated 133 projects for grants which were announced in October of 2019.
- **Restore Mother Nature Bond Act:** The Executive Capital Plan is proposing a \$3 billion General Obligation bond act focused on habitat restorations and flood reduction.

- **Smart Schools Bond Act:** The Executive Budget continues the Smart Schools Bond Act of 2014, which provides funding to support enhanced education technologies.
- **Transportation and Transit:** The Capital Plan proposes \$11.9 billion for a new 2-year DOT Capital Plan to fund improvements to the State's roads, bridges, airports, rail facilities, ports and transit systems. The State will also be investing in \$100 million in electric buses for non-MTA transit systems.

CAPITAL AND DEBT MANAGEMENT REFORMS

The Executive Capital Plan includes a package of statutory and administrative reforms that the Governor claims will enhance the State's capital and debt management practices and generate savings for 2020-21 and beyond. The Governor's proposals include:

- **Capital Plan to Stay Within State Debt Limit:** The State added new bond-financed capital commitments of \$7.5 billion that are expected to drive \$5 billion in new debt over the 5-year Capital Plan. To accommodate these needs, the State will have to reduce its reliance on debt. Specific elements of the plan include:
 - ⇒ Adding \$1.2 billion in new hard dollar resources to fund capital projects, rather than using debt. The Executive budget is assuming \$400 million of hard dollar capital annually from 2020-21 through 2022-23. This will reduce debt issuances and save approximately \$2 billion in debt service.
 - ⇒ Agencies will be implementing a Statewide Capital Efficiency Plan that results in 5% reduction in capital spending across the 5-year Capital Plan. Agencies will need to prioritize projects and reduce bond financed

spending by approximately \$1 billion. This will save an estimated \$1.6 billion in debt service.

- DOB plans on issuing guidance to State agencies in the spring.
- ⇒ Updating capital spending estimates to better reflect historical spending patterns and current-year results; this reduces borrowing needs by \$2.1 billion across the plan.
- Expanding Authorization for Design-build procurement method for DASNY, ESD, OGS, SUCF, ORDA and Battery Park City Authority: This will allow design and construction services to be contracted by a single entity, reducing potential cost increases due to misunderstandings between building designers and contractors. Further, the Governor proposes extend the Infrastructure Investment Act.
- Making the "New York Buy American" Act Permanent: Current law is set to expire and it requires DOT, MTA, NYSTA, OGS, SUCF and DASNY to include a contract provision requiring the use of American-made structural steel and iron for all surface road and bridge projects with contracts over \$1 million.
- Eliminating "off-budget" Capital Spending: A portion of spending in the State's Capital Plan is paid directly from bond proceeds held at the State's public authorities, primarily DASNY. This capital spending supports projects at CUNY and SUNY Community Colleges, Mental Hygiene Agencies and certain economic development programs. While still counting this towards State spending and debt, it was recorded as an "off-budget" expense. The State is trying to streamline all State capital spending; this conversion began with the CHIPS transportation program in 2014-15. The 2018-19 Enacted Budget included authorization that allowed for the conversion over time of all remaining capital spending that is currently recorded as an off-budget expense in the State-

wide Financial System. As of April 1, 2019 the State transitioned the SUNY Community College program, which improves transparency by capturing these capital disbursements on-budget in the Capital Plan. On April 1, 2020 the State plans to transition Mental Hygiene agencies.

- Transfer Language to the Debt Reduction Reserve Fund: Includes a \$500 million appropriation, no cash behind this.
- Continue State's Policy of selling 50% of New Debt Issuances on a Competitive Basis & Refunding Current Debt: The State has issued \$4.2 billion, or 55%, of bonds on a competitive basis to date and over the past five years the State has issued 65% of its bonds competitively. Refundings reduce debt service costs.

CAPITAL PROJECTS – A.9504

SIGNIFICANT ACTIONS INCLUDE:

- Consolidated Capital Projects Program: \$300 million in reappropriations. This is a new program that is transferring and consolidating many old programs and undisbursed balances. These are typically member item pots that DOB has relayed will be easier to track if they are combined into this newly created capital program.
 - ⇒ Funds must still meet the eligibility requirements of the original programs.
 - ⇒ Qualifying projects may be nominated by the President Pro Temp of the Senate in an aggregate amount not to exceed \$45 million and the Speaker of the Assembly in an aggregate amount not to exceed \$255 million.
 - Funding under this appropriation must be pursuant to an agreed upon plan between the Director of the Budget ,

the Speaker of the Assembly and the President Pro Temp of the Senate.

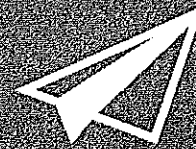
- ♦ Individual grants issued will not be less than \$50,000.

THE FINANCING PLAN OVER THE 5-YEAR PERIOD

The Executive Budget has stated that 59% of capital spending over the entire Capital Plan will be financed with bonds; 54% issued on behalf of the State through public authorities and 4% with General Obligation bonds.

Federal aid is expected to fund 17%, primarily for transportation, \$9.4 billion; and the environment, \$838 million. Federal PAYGO spending is projected to average \$2.2 billion per year, with an average of \$1.9 billion spent annually on transportation.

State cash (PAYGO) resources, including settlement monies, will finance the remaining 26% of capital spending at \$17.5 billion.



REVENUE

WAYS AND MEANS CONTACT:



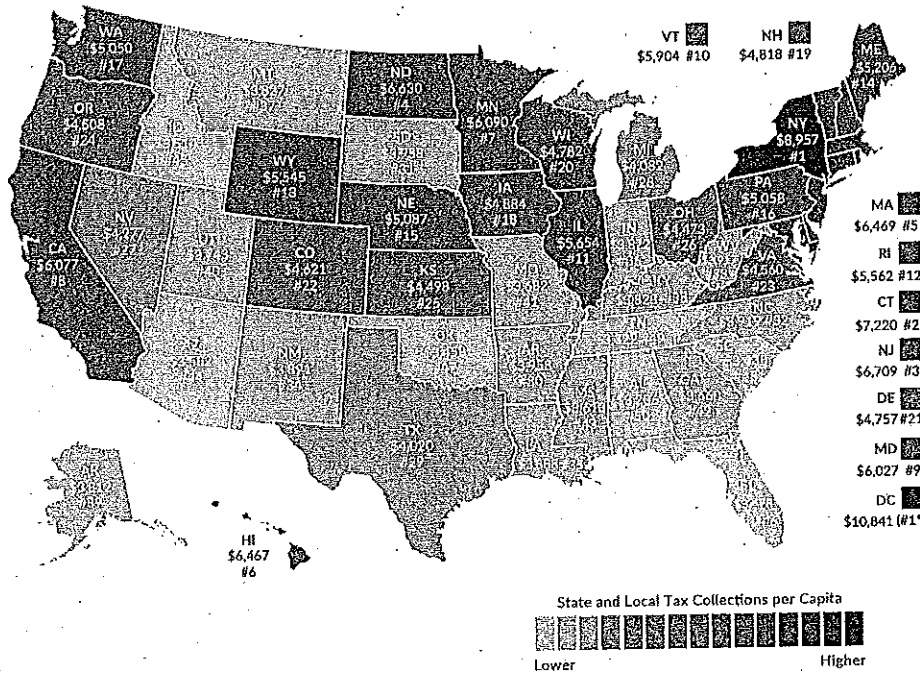
Since Governor Cuomo took office, New York has experienced a significant population outflow, a net population loss to other states around the country of approximately 1.4 million residents. While out-migration can be attributed to a number of factors, chief among them is New York's tax climate, which makes life increasingly difficult for residents who want to work, own a home, raise a family, or start a new business. New York has the highest per capita tax collections in the nation, coming in at nearly \$9,000 per person. The top five destinations for fleeing New Yorkers all have significantly lower per capita tax burdens: Florida (\$3,478), New Jersey (\$6,709), Pennsylvania (\$5,058), North Carolina (\$3,919), and California (\$6,077) as shown in Figure 1.

In 2019, as shown in Figure 2, New York dropped to 49th in overall tax climate according to the Tax Foundation's annual business tax climate rankings. New York has the third worst Personal Income Tax rates in the nation and the fifth worst property taxes. Since 2015, New York has ranked better than 49th only once, in 2018. With a one-two combination like the worst per capita tax climate and the 2nd worst business tax climate in the nation, identifying the cause of New York's population loss becomes easy. Using that history as a guide, the Governor in this budget has finally adopted a tax policy long advanced and supported by the

How High Are Tax Collections in Your State?

State and Local Tax Collections per Capita, Fiscal Year 2016

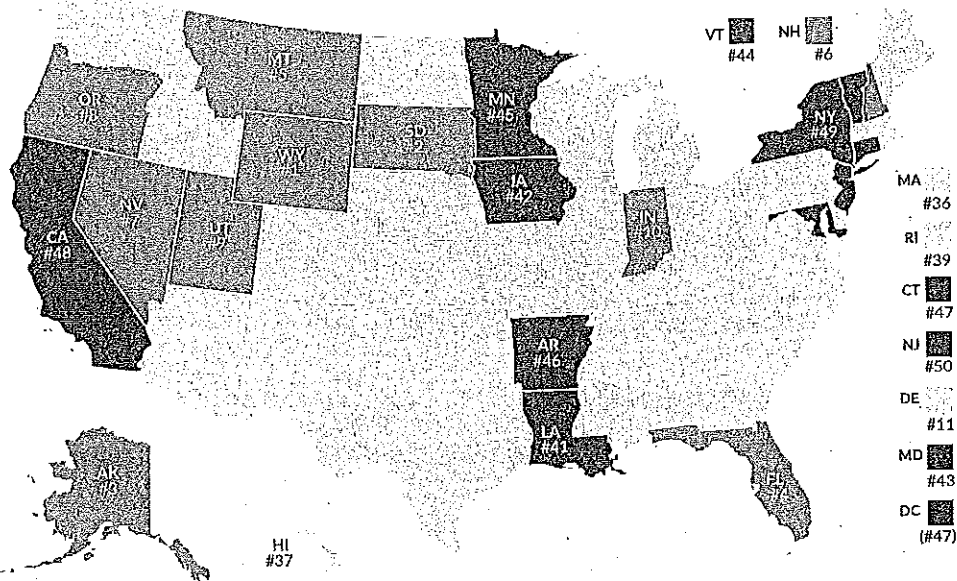
FIGURE 1



Note: D.C.'s rank does not affect states' ranks, but the figure in parentheses indicates where it would rank if included.
Source: Census Bureau; Tax Foundation calculations.

2020 State Business Tax Climate Index

FIGURE 2



Note: A rank of 1 is best, 50 is worst. D.C.'s score and rank do not affect other states. The report shows tax systems as of July 1, 2019 (the beginning of Fiscal Year 2020).
Source: Tax Foundation.

10 Best Business Tax Climates
10 Worst Business Tax Climates

Assembly Republican Conference: tax cuts for small businesses. However, this is just one small step. With no meaningful Real Property Tax relief, these cuts will only go so far in diminishing the impact of population outflow. The following is a description of the revenue actions in this year's Executive Budget, as found in A.9505, A.9507, and A.9509. Unless noted, all parts can be found in the Revenue Article VII Budget Bill (A.9509). A table of revenue actions can be found at the end of this highlight in Figure 3.

TAX INCREASES

Cap the Maximum Amount and Income Threshold for the Long-Term Care Insurance Credit (Part E) This part establishes a cap for the Long-Term Care Insurance Tax Credit and an income limit for eligibility to claim the Long-Term Care Insurance Personal Income Tax credit. The cap on this credit as established by this part is not to exceed \$1,500 and, in order to qualify, a taxpayer's adjusted gross income must be less than \$250,000.

- **Effective Date:** Immediately and apply to taxable years beginning January 1, 2020.
- **Fiscal Impact:** Increases State revenue by \$28 million beginning FY 2022.

Taxation of Adult-Use Cannabis (Part BB) This part imposes three new taxes on adult-use cannabis.

- The first tax is imposed on the cultivation of cannabis at the rate of \$1 per dry weight gram of cannabis flower, \$0.25 per dry weight gram of cannabis trim and \$0.14 per gram of wet cannabis.
- The second tax is 20% of the invoice price on the sale by any person to a retail dispensary.
- The third tax is 2% of the invoice price on the same sale by any person to a retail dispensary but collected in trust for, and on account, of the county in which the retail dispensary is located including New York City.

Any person defined under the Cannabis Law engaging in the sale of cannabis would be required to apply to the Commissioner of Taxation and Finance for a Certificate of Registration prior to commencing business and renew such registration every two years, subject to a fee of \$600.

There are two forms of penalties enforced by the Department of Taxation and Finance. Those include penalties for inadequate record keeping and the possession of illicit cannabis:

■ Penalty for inadequate record keeping:

- ⇒ Any person who is required to obtain a certificate of registration from the Department of Taxation and Finance and fails to maintain or make available to the Commissioner the records required is subject to a penalty not to exceed \$500 per month.

■ Possession of illicit cannabis subject to taxation:

- ⇒ For a first violation, any person in possession of, or having control over, illicit cannabis, after notice and opportunity for a hearing, will be liable for the following civil penalties:
 - \$400, but not to exceed \$800, per ounce of illicit cannabis plant material;
 - \$10, but not to exceed \$20, per milligram of tetrahydrocannabinol contained in illicit cannabis infused products;
 - \$100, but not to exceed \$200, per gram of illicit cannabis concentrate or extract;
 - \$250, but not to exceed \$500, per immature illicit cannabis plant; and
 - \$1,000, but not to exceed \$2,000, per mature cannabis plant.
- ⇒ For a second or subsequent violation within three years following a prior violation a person would be liable for the following civil penalties:

- \$800, but not to exceed \$1,000, per ounce of illicit cannabis plant material;
- \$20, but not to exceed \$40, per milligram of tetrahydrocannabinol contained in illicit cannabis infused products;
- \$200, but not to exceed \$400, per gram of illicit cannabis concentrate or extract;
- \$500, but not to exceed \$1,000, per immature illicit cannabis plant; and
- \$2,000, but not to exceed \$4,000, per mature cannabis plant.

Revenues from State cannabis taxes shall be deposited in a newly created New York State Cannabis Revenue Fund and expended for the following purposes as recommended by the Director of the Office of Cannabis Management and approved by the Director of the Budget:

- Administration of the regulated cannabis program;
- Data gathering, monitoring, and reporting;
- The Governor's Traffic Safety Committee;
- Social and Economic Equity Plan in the Office of Cannabis Management;
- Substance abuse, harm reduction, and mental health treatment and prevention;
- Public health education and intervention;
- Research on cannabis uses and applications;
- Program evaluation and improvements; and
- Other identified purposes recommended by the Director of the Office of Cannabis Management, subject to the approval of the Director of the Budget.

For a more detailed overview on the regulation of adult-use cannabis, see the Cannabis Highlight.

- Effective Date: Immediately.
- Fiscal Impact: Increases State revenue by \$20 million in FY 2021, \$63 million in FY 2022, \$85 million in FY 2023, \$141 million in FY 2024, and \$188 million in FY 2025.

TAX CUTS AND CREDITS

Extend the Hire-A-Vet Tax Credit for Two Years (Part B) This part would extend the Hire-A-Vet Tax Credit for an additional two years, through tax year 2022. This is a refundable credit provided to employers which is equal to 10% of wages paid to a qualified veteran, up to \$5,000, and 15% of wages paid to a disabled veteran, up to \$15,000.

- Effective Date: Immediately.
- Fiscal Impact: Reduces State revenue by \$5 million in FY 2023 and FY 2024.

Reduce the Tax Burden on Small Businesses (Part D) This part makes four changes to the Tax Law that would alleviate the tax burden on small businesses.

- First, this part (Section 1) would reduce the Corporate Franchise Tax rate on business income from 6.5% to a flat rate of 4% for qualifying small businesses with a net income below \$390,000 beginning on January 1, 2021.
- Second, this part (Sections 2 and 3) makes the Investment Tax Credit refundable for taxpayers who are eligible farmers filing either under the Corporate Franchise Tax or the Personal Income Tax. An eligible farmer is one whose income from farming makes up two-thirds of their excess federal gross income. Currently, this tax credit is only refundable for new businesses.
- Third, this part (Section 4) triples the current income exclusion under the Personal Income Tax for farmers and small businesses from 5% to 15% in taxable years beginning after 2020. Qualifying small businesses are those that

are either a sole proprietor or farm business employing one or more individuals during the taxable year with a net business income of less than \$250,000.

- Lastly, this part (Section 5) eliminates the estimated tax underpayment penalty for New York S-Corporations. The current penalty is at least 7.5% of the estimated tax that was not paid.
 - **Effective Date:** Immediately; provided that Sections 2 and 3 apply to property acquired by purchase on or after January 1, 2021, and Section 5 shall apply to taxable years beginning January 1, 2020.
 - **Fiscal Impact:** Reduces State revenue by \$39 million in FY 2022, \$56 million in FY 2023, and \$42 million in FY 2024 and thereafter.

Enhance the Empire State Child Credit (Part G) This part expands the Empire State Child Credit to allow taxpayers who have an adjusted gross income of \$50,000 or less to claim a child under the age of four. Currently, this credit is equal to 33% of the pre-2018 Federal Child Tax Credit, or \$100 per qualifying child, aged four to 16.

- **Effective Date:** Immediately and apply to taxable years beginning January 1, 2021.
- **Fiscal Impact:** Reduces State revenue by \$157 million annually beginning FY 2023.

Extend the Excelsior Tax Credit Program and Enhance for Green Projects (Part L) This part expands the Excelsior Jobs Tax Credit Program to include "green projects" as eligible for the program. This part further adds a new statutory cap, set at \$200 million per year for the years 2025 through 2039, and extends the program through 2049. In addition, this part would increase the tax benefits under the Excelsior Jobs Program when the participant is engaging in a green project. These include:

- The Excelsior Jobs Tax Credit for green projects would be increased from 6.85% to 7.5%;
- The Excelsior Investment Tax Credit for green projects would be increased from 2% to 5% of the costs of qualified investments; and
- The Excelsior Research and Development Tax Credit for green projects would be increased from 6.5% to 8% of the research and development expenditures attributable to activities conducted within the State.

This proposal defines "green project" as one "deemed by the Commissioner of Economic Development to make products or develop technologies that are substantially aimed at reducing greenhouse gas emissions or supporting the use of clean energy."

This part also adds to the list of eligible Excelsior Jobs Program participants to include green projects in the industries of manufacturing, software development and new media, scientific research and development, and agriculture.

- **Effective Date:** Immediately.
- **Fiscal Impact:** Reduces State revenue by \$200 million annually beginning in FY 2025.

Reform the Film Tax Credit (Part M) This part makes reforms to the Empire State Film Tax Credit and extends the credit an additional year, until 2025. Specifically, this part would:

- Reduces the amount of the credit for qualified production costs from 30% to 25%;
- Reduces the Empire State Post Production Tax Credit from 30% to 25% for qualified films produced at post-production facilities located within the Metropolitan Commuter Transportation District and from 35% to 30% for qualified films produced at post-production facilities located elsewhere in the State;
- Changes the definition of a "qualified film" to exclude one episode of a television show;

- Requires that a qualified film, with the exception of a television pilot, whose majority of principal photography shooting days in the production of the film are shot in Westchester, Rockland, Nassau, or Suffolk county, or any of the five boroughs of New York City, must have a minimum budget of \$1 million. Qualified films shooting in other counties in the State must have a minimum budget of \$250,000; and
- Excludes variety shows, sketch shows, and variety talk programs from the definition of a "qualified film". Series that are conditionally eligible prior to April 1, 2020 would continue to be eligible, provided they remain in continuous production.
 - Effective Date: Immediately.
 - Fiscal Impact: Reduces State revenue by \$420 million in FY 2025.

TAX REFORM/ENFORCEMENT

Make Warrantless State Tax Debt Collection Permanent (Part A) This part makes permanent the authority of the Commissioner of Taxation and Finance to:

- Garnish the wages of individual tax debtors and, if necessary, on the employers of such debtors, without being required to file a public warrant; and
- Use the financial institution data match system for the collection of fixed and final tax debts, regardless of whether a warrant has been filed.
- This authority is set to expire on April 1, 2020.
 - Effective Date: Immediately.
 - Fiscal Impact: Increases State revenue by \$40 million annually beginning in FY 2021.

Authorize the Department of Taxation and Finance to Provide Unclaimed Tax Benefits (Part F) This part authorizes the Department of Taxation and Finance to issue any available refund for an unclaimed Earned Income Tax Credit (EITC) to an eligible taxpayer. Under this part, if the Department determines that a taxpayer is eligible for the EITC but has not claimed the credit, the Department may, at its discretion, compute the taxpayer's liability and issue, if applicable, a refund to the taxpayer.

This part also authorizes the Department to recalculate a taxpayer's tax liability if the taxpayer has elected to use itemized deductions in lieu of the standard deduction. If the Department determines that the standard deduction is greater than the itemized deduction, the Department would be authorized to adjust the taxpayer's return accordingly, without the need for the taxpayer to file an amended tax return. The Department would be required to notify the taxpayer of the adjustment.

- Effective Date: Immediately.
- Fiscal Impact: Reduces State revenue by \$2 million annually beginning FY 2021.

Reform the Tobacco Products Tax (Part H) This part requires the wholesale or invoice price to be used when imposing the Excise Tax on cigars and tobacco products. Absent a wholesale price, the invoice price would be used when a manufacturer sells the tobacco product to the distributor.

- Currently, State Tax Law imposes an Excise Tax on tobacco products at a rate of 75% of the wholesale price, which is defined as the price paid by a distributor to a manufacturer.

→ However, there is a loophole in the law which allows tobacco distributors to establish a different wholesale price by demonstrating an industry standard of markups relating to the purchase price when tobacco products did not pass directly from the manufacturer to the distributor.

- ⇒ This loophole has resulted in a significant loss of State tax revenue due to tobacco distributors who claimed a wholesale price that is lower than the amount they actually paid for the tobacco products they distributed.

Additionally, this part provides a \$1,000 penalty for each monthly reporting period for which a business fails to maintain records required for cigarette and tobacco product taxes.

- Effective Date: October 1, 2020.
- Fiscal Impact: Increases State revenue by \$10 million in FY 2021 and \$23 million annually thereafter.

Enhance Cigarette Tax Enforcement and Penalties (Part I) This part enhances Cigarette Tax enforcement and licensing penalties against retail dealers who sell unstamped or unlawfully stamped cigarettes and against persons affiliated with those retail dealers. Specifically this bill would:

- Revoke the registration of the retail dealer for one year upon the first possession or sale of unstamped cigarettes;
- Revoke the registration of the retail dealer and any person affiliated with the retail dealer for three years upon the second possession or sale of unstamped cigarettes within five years of the first offense; and
- Revoke the registrations of both the retail dealer and any affiliated person for five years upon a third violation.

This part further requires the Commissioner of Taxation and Finance to notify the Division of the Lottery and the State Liquor Authority who would be required to suspend or revoke the lottery sales agent and the liquor licenses for any retail dealer whose registration has been revoked for the same duration as the revoked cigarette certificate of registration. This is currently allowed in practice but is not required by the Division of Lottery and State Liquor Authority.

Finally, this part would allow the Department of Taxation and Finance to refuse to issue or revoke the Sales Tax certificate of authority of a retail dealer and any affiliated person when a cigarette retail registration is revoked.

- Effective Date: September 1, 2020 and would apply to any possession or sale of unstamped or illegally stamped cigarettes on and after such date.
- Fiscal Impact: None to the State; preserves existing Cigarette Tax revenue streams by enhancing cigarette enforcement actions.

Technical Changes to Alcoholic Beverage Taxes (Part J) This part makes the following technical amendments:

- Updates and conforms annual reporting requirement thresholds for small alcohol producers in the Tax Law to the State Liquor Authority's annual alcohol production caps for farm producer licenses;
- Standardizes the Alcohol Beverage tax exemption on inter-distributor sales by extending the exemption to every registered distributor. Currently, language only applies to holders of a distiller's license or winery license; and
- Repeals the one cent per liter tax levied on liquor containing less than two percent of alcohol by volume.
 - Effective Date: June 1, 2020.
 - Fiscal Impact: None to the State.

Update Criminal Tax Fraud Statutes (Part K)

This part makes various changes to the Tax Law to establish fines and eliminate vagueness relating to criminal tax fraud charges and to target fraudulent tax return preparers.

- First, this part establishes new penalties for tax fraud felonies. Under this part, courts may impose a fine not to exceed the greater of double the amount of tax liability evaded

or fraudulent refund received or applied for as a result of the commission of a crime, or \$50,000. In the case of a corporation, the fine may not exceed the greater of double the amount of tax liability evaded or fraudulent refund received or applied for as a result of the commission of a crime, or \$250,000.

- Second, this part makes technical amendments to the charges of Criminal Tax Fraud in the first, second, third, and fourth degrees to eliminate vagueness to ensure that tax fraud statutes apply when anyone attempts to deprive or defraud the State or any political subdivisions of tax liabilities.
- Third, this part establishes that the amount of tax liability deprived or defrauded within 365 consecutive days may be aggregated into a single count. This part also establishes that when a person is shown to be acting pursuant to a common plan constituting an ongoing course of conduct, the total amount of tax liability deprived or defrauded within 365 consecutive days may be aggregated into a single account.
- Lastly, this part adds two new criminal provisions to the Tax Law, Criminal Tax Preparation in the Second Degree, a class D felony, and Criminal Tax Preparation in the First Degree, a class C felony. A person is guilty of Criminal Tax Preparation in the Second Degree when, within one year, they knowingly file ten or more tax returns with the Department containing materially false information or omitting material information with the intent to evade or reduce any tax liability owed or to effect or inflate a refund. A person is guilty of Criminal Tax Preparation in the First Degree when they file 50 or more such tax returns within a year.
 - Effective Date: Immediately.
 - Fiscal Impact: None to the State.

REAL PROPERTY TAX AND STAR

Provide Local Options for Placing Converted Condos into the Homestead Class (Part N)

This part allows municipalities to place converted condos assessed at full value using the sales-based approach into the homestead class, thus aligning these units with other residential properties. Typically, converted condos were once rental apartments that were subsequently sold as residential properties. Since they are no longer rental properties, this part would allow them to be placed into a homestead class and lower their taxable rate for property real taxes.

- Effective Date: Immediately.
- Fiscal Impact: None to the State.

Deny STAR Benefits to Delinquent Property Owners (Part O) This part eliminates STAR benefits (either the STAR Exemption or the STAR Personal Income Tax Credit) for homeowners who are delinquent in paying their real property taxes.

- A property owner must be delinquent one year after the last date on which the real property taxes could have been paid without interest, or the last day on which the final real property tax installment could have been paid without interest.
- The Commissioner of Tax and Finance would establish all procedures for the administration of the program. This includes procedures in which local governments shall report past-due real property taxes either to the Department of Taxation and Finance or to the County Director of Real Property Tax Services, who would then report all delinquencies in a single file to the Department of Taxation and Finance.
- Delinquent property owners would be notified by the Department at least 30 days prior to their past-due real property tax due date. The notice would state that such real property taxes must be paid in full by a date specified in order to continue to receive the STAR benefit.

■ If a delinquent property owner pays his or her past-due real property taxes in full on or before the date specified in such notice, the municipality receiving such payment shall notify the Department that full payment has been made. The property owner shall then be permitted to receive the STAR Personal Income Tax Credit or Real Property Tax Exemption.

■ If a delinquent property owner fails to make a timely payment of past-due real property taxes based on the notice sent by the Commissioner, his or her STAR Credit or STAR Exemption would be disallowed until all past-due real property taxes are paid.

→ Once payment is made, if the property owner had previously been receiving the STAR Credit, the Commissioner will allow the property owner to resume his or her participation in the program on a prospective basis.

→ Once payment is made, if the property owner had previously been receiving the STAR Exemption, the Commissioner will allow the property owner to participate in the STAR Credit Program on a prospective basis and shall not be allowed back into the STAR Exemption Program.

- Effective Date: Immediately.
- Fiscal Impact: None to the State.

Allow for the Appointment of Acting County Directors of Real Property Tax Services (Part P)
 This part grants counties the authority to appoint an Acting County Director of Real Property Tax Services. In the event of a vacancy of a County Director of Real Property Tax Services, an authorized Acting County Director of Real Property Tax Services can provide the necessary service coverage until a new director is appointed. Current law allows for the appointment of an acting assessor when an assessor is unable to perform the duties of the office or the office becomes vacant. This part extends the same authority to the county level.

- Effective Date: Immediately.
- Fiscal Impact: None to the State.

Modernize and Merge Real Property Tax Forms and Processes (Part Q)
 This part would authorize the Commissioner of Taxation and Finance to modernize and combine two forms relating to the transfer of real property, the Real Estate Transfer Tax (RETT) Return (TP-584) and the Real Property Transfer (RPT) Report (RP-5217), into a consolidated Real Property Transfer Form. Specifically, the Commissioner would be authorized to establish an electronic, consolidated form and design implement a system for e-filing and the collection of associated taxes and fees.

Currently, these forms cannot be consolidated because of privacy requirements associated with the RETT Return. The Real Property Transfer Report is subject to public disclosure. Authorizing the Commissioner to consolidate these two forms in an electronic format submitted directly to the Department of Taxation and Finance would maintain the confidentiality of the RETT portion of the form, while allowing for the public disclosure of the RPT portion.

Authorizing the use of the electronic, consolidated Real Property Transfer Report would streamline the transfer process for applicants. However, use of this form would not be mandatory. Applicants would maintain the option of using the traditional paper forms. Upon submission of the consolidated Real Property Transfer Form, the applicant would receive a receipt, a copy of which would be submitted by the applicant to the appropriate County Clerk or to the City of New York.

Currently, County Clerks and the City of New York are authorized to retain a portion of the fee associated with each traditional form, \$9 for each RPT Report and \$1 for each RETT Return. The Commissioner would be required to retain the portion of each consolidated Real Property Transfer Form that would otherwise have been retained by the City of New York or the County Clerk so that

such portion may be transferred to the City or appropriate County Clerk.

In addition, Westchester County and the City of New York have already instituted an electronic deed recording system. This proposal would not require the use of the Department's system by the County nor the City, but would provide each the option to do so.

- Effective Date: Immediately.
- Fiscal Impact: None to the State.

Abolish the State Board of Real Property Tax Services (Part R) This part would eliminate the State Board of Real Property Tax Services and transfer its powers to the Tax Commissioner, consistent with the structure of other agencies that hear appeals.

- Effective Date: October 1, 2020.
- Fiscal Impact: None to the State.

Remove References to the STAR Offset Program (Part S) The Executive Budget removes an obsolete provision to the STAR program applicable from the 2013-14 to the 2015-16 School Tax Years, which penalized homeowners with past-due State tax liabilities by withholding their STAR exemption benefit and applying such benefit to offset the amount of past-due taxes owed to the State. This program is no longer in effect, having lapsed after the 2015-16 School Year. This part removes all references to this temporary program.

- Effective Date: Immediately.
- Fiscal Impact: None to the State.

Make Technical Amendments to Telecommunications and Railroad Assessment Ceiling Programs (Part T) This part clarifies that the equalization rate to be used for telecommunications ceiling purposes is the prior year's equalization rate. This provision also aligns the mismatched valuation dates to December 31st of each year in the railroad ceiling program to ensure that the State ceiling and the

local assessment for railroad properties both reflect the same data.

- Effective Date: Immediately.
- Fiscal Impact: None to the State.

Make Exceptions for Late Enhanced STAR Filers (Part U) The 2018-19 Enacted Budget required senior citizens receiving the Enhanced STAR Real Property Tax Exemption to enroll in the Income Verification Program (IVP) administered by the Department of Taxation and Finance.

■ Verification of proof of income by the Department of Taxation and Finance is a requirement for future eligibility in the STAR program since many senior citizens are on a fixed income and are not required to file State or Federal Personal Income Taxes.

■ While the majority of senior citizens successfully enrolled in the IVP in sufficient time to retain their Enhanced STAR Real Property Tax Exemption benefit, a number did not, effectively pushing these homeowners out of the Enhanced STAR Real Property Tax Exemption.

■ This part reopens the IVP enrollment period to give senior citizen homeowners another opportunity to enroll.

■ Upon review by the Department of Taxation and Finance, homeowners who qualify will be sent checks to offset the increases they saw in their school tax bills due to the initial failure to enroll.

- Effective Date: Immediately.
- Fiscal Impact: Reduces State revenue by \$4 million in FY 2021.

Shift Basic STAR Exemptions to the Basic STAR Personal Income Tax Credit Program (Part AA) Starting with the 2020-21 school year, this part lowers the income limit for homeowners in the Basic STAR Real Property Tax Exemption program from \$250,000 to \$200,000 while keeping the

income threshold for the Basic STAR Personal Income Tax Credit unchanged at \$500,000.

■ Homeowners enrolled in the Basic STAR Real Property Tax Exemption with incomes ranging from \$200,000 to \$250,000 would be identified by the Department of Tax and Finance and would be automatically switched from the STAR Real Property Tax Exemption to the STAR Personal Income Tax Credit unless more information is needed to verify income, age and/or residency.

- Effective Date: Immediately.
- Fiscal Impact: Reduces State revenue by \$74 million in FY 2021; offset by a like amount in reduced State spending.

GAMING INITIATIVES

Authorizes NYRA to Build a New Equine Drug Testing Lab (Part V) Authorizes the New York Racing Association (NYRA) to build, at its expense, an equine drug testing and research laboratory within the State for the exclusive use of the State Gaming Commission. To pay for such laboratory, NYRA could use a portion of their Video Lottery Terminal (VLT) racing support payments that are designated for use as capital expenditures at their three racetracks: Aqueduct, Belmont, and Saratoga.

- Effective Date: Immediately.
- Fiscal Impact: None to the State.

Authorizes New York to Enter into the Mid-Atlantic Drug Compact (Part W) Authorizes the Gaming Commission to enter into a Mid-Atlantic Drug Compact to enhance and standardize equine drug testing. Member states (Maryland and Delaware have adopted the compact to date) would act jointly to create uniform rules in relation to drugs and medications for racehorses and drug testing. This Compact would not apply to any aspect of harness racing.

- Effective Date: Immediately
- Fiscal Impact: None to the State.

Sports Wagering Lounge Restrictions in Casinos (Part X) Authorizes the conduct of sports wagering in a licensed commercial casino outside the physical confines of the sports wagering lounge, provided that sports wagering still occurs "primarily" in such lounge. Any additional locations for sports wagering must still be located on the gaming floor.

- Effective Date: Immediately.
- Fiscal Impact: None to the State.

Eliminates Quick Draw Minimum Premises Size Restrictions (Part Y) This part repeals the restriction limiting sales of Quick Draw lottery tickets to those lottery licensees with premises larger than 2,500 square feet if they do not hold an on-premises license to sell alcoholic beverages. This change would greatly increase the number of licensees able to sell Quick Draw lottery tickets.

- Effective Date: Immediately.
- Fiscal Impact: Increase State revenue by \$15 million in FY 2021 and \$30 million annually thereafter.

Simulcasting of Out-of-State Thoroughbred and Harness Horse Races (Part Z) Extends, for one year, the laws authorizing the simulcasting (by tracks and OTBs) of out-of-state thoroughbred and harness horse races and the distribution of revenue including purse enhancements from the simulcasting of out-of-state thoroughbred races. It also extends for one year the current statutory distribution of revenue for on-track wagering at the NYRA tracks and continues until 2021 the authorization for the in-home simulcasting of races, binding arbitration for simulcasting disputes, and telephone/internet betting accounts.

- Effective Date: Immediately.
- Fiscal Impact: The extension of these provisions will maintain current pair-mutual tax receipts.

FEES AND OTHER ACTIONS

Extend Oil and Gas Fee for Three Years (Part C)
Extends the oil and gas fee authorization to March 31, 2024. These fees are charged to oil and gas producers to recover the cost of assessing oil and gas wells for Real Property Tax purposes.

- Effective Date: Immediately.
- Fiscal Impact: None to the State.

Alcohol in Movie Theaters (Part DD of A.9505)
Authorizes movie theaters to qualify for an alcohol license for on-site consumption by removing the requirement that such movie theater meet the definition of a restaurant and provide meals and seating at tables. Theaters would be required to check for proof of age and to limit customers to one alcoholic drink per transaction. No alcoholic drinks shall be allowed in any theater showing a movie with a rating below PG-13. The sale of alcohol would be limited to one hour prior to the first showing and conclude at the end of the final showing. In the case of a motion picture theater applying for a license under this section, any municipality that is required to be notified under this law may express an opinion with respect to whether that application should be approved, and such opinion may be considered in determining whether good cause exists to deny any such application. Currently, the State Liquor Authority may not consider such opinions as support for a denial.

- Effective Date: Immediately.
- Fiscal Impact: Increases State revenue from additional licensing fees.

Implement Various Tobacco Control Policies (Part Q of A.9507)
This part implements various tobacco control policies, including a prohibition on the sale of flavored electronic cigarettes, liquid nicotine, or vapor products, except for tobacco flavored. This part also bans the sale of tobacco products within pharmacies or retail establishments with a pharmacy department.

In addition, this part also prohibits retailers from issuing coupons for electronic cigarettes, electronic liquids, or other vapor products and requires the disclosure of ingredients contained within electronic cigarettes and vapor products.

New York State implements a tax of \$4.35 per pack on the sale of cigarettes and a 20% tax on the sale of vapor products.

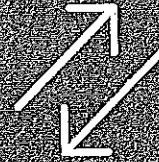
For more information, please refer to Part Q of Health Department's Article VII section.

- Effective Date: July 1, 2020, with the exception of the ban on flavored electronic cigarettes and prohibition on the sale of tobacco products within pharmacies or retailers with a pharmacy department, which takes effect 30 days after enactment.
- Fiscal Impact: Reduces State revenue by \$25 million in FY 2021 and \$33 million in FY 2022.

Certificate of Need Surcharge (Part S of A.9507)
Imposes a 3% surcharge on the total capital value of the application for construction projects in addition to the current \$2,000 application fee. This will not apply to contracts that are solely funded by state grants. These fees and surcharges shall not be eligible to be reimbursed by the State, including the Medicaid program.

- Effective Date: April 1, 2020.
- Fiscal Impact: Increases State revenue by \$70 million annually beginning in FY 2021.

REVENUE ACTIONS AND STAR ALL FUNDS (IN MILLIONS) FIGURES			
	PART	2020-21	2021-22
TAX INCREASES			
Cap the Maximum Amount and Income Threshold for the Long-Term Care Insurance Credit	E		\$28
Taxation of Adult-Use Cannabis	BB	\$20	\$63
TOTAL TAX INCREASES		\$20	\$91
TAX CUTS AND CREDITS			
Extend the Hire-A-Vet Tax Credit for Two Years	B		
Reduce the Tax Burden on Small Businesses	D		(\$39)
Enhance the Empire State Child Credit	G		
Extend the Excelsior Tax Credit Program and Enhance for Green Projects	L		
Reform the Film Tax Credit	M		
TOTAL TAX CUTS AND CREDITS		\$0	(\$39)
TAX REFORM/ENFORCEMENT			
Make Warrantless State Tax Debt Collection Permanent	A	\$40	\$40
Authorize the Department of Taxation and Finance to Provide Unclaimed Tax Benefits	F	(\$2)	(\$2)
Reform the Tobacco Products Tax	H	\$10	\$23
Enhance Cigarette Tax Enforcement and Penalties	I		
Technical Changes to Alcoholic Beverage Taxes	J		
Update Criminal Tax Fraud Statutes	K		
TOTAL TAX REFORM/ENFORCEMENT		\$48	\$61
REAL PROPERTY TAX AND STAR			
Provide Local Options for Placing Converted Condos into the Homestead Class	N		
Deny STAR benefits to Delinquent Property Owners	O		
Allow for the Appointment of Acting County Directors of Real Property Tax Services	P		
Modernize and Merge Real Property Tax Forms and Processes	Q		
Abolish the State Board of Real Property Tax Services	R		
Remove References to the STAR Offset Program	S		
Make Technical Amendments to Telecommunications and Railroad Assessment Ceiling Programs	T		
Make Exceptions for Late Enhanced STAR Filers	U	(\$4)	
Shift Basic STAR Exemptions to the Basic STAR, Personal Income Tax Credit Program	AA	(\$74)	(\$68)
TOTAL REAL PROPERTY TAX AND STAR		(\$78)	(\$68)
GAMING INITIATIVES			
Authorizes NYRA to Build a New Equine Drug Testing Lab	V		
Authorizes New York to Enter into the Mid-Atlantic Drug Compact	W		
Sports Wagering Lounge Restrictions in Casinos	X		
Eliminates Quick Drak Minimum Premises Size Restrictions	Y	\$15	\$30
Simulcasting of Out-of-State Thoroughbred and Harness Horse Races	Z		
TOTAL GAMING INITIATIVES		\$15	\$30
FEES AND OTHER ACTIONS			
Extend Oil and Gas Fee for Three Years	C		
Alcohol in Movie Theaters	DD of A.9505	\$0	
Implement Various Tobacco Control Policies	Q of A.9507	(\$25)	(\$33)
Certificate of Need Surcharge	S of A.9507	\$70	\$70
TOTAL FEES AND OTHER ACTIONS		\$45	\$37
TOTAL REVENUE ACTIONS		\$58	\$101



SWEEPS & TRANSFERS

WAYS & MEANS CONTACT:



This part will provide the statutory authorizations necessary for the administration of funds and accounts included in the 2020-21 Executive Budget proposal. Specifically, it would: (1) authorize temporary loans and the deposits of certain revenues to specific funds and accounts; (2) authorize the transfers and deposits of funds to and across various accounts; (3) extend various provisions in relation to capital projects and certain certifications; and (4) modify various debt and bond provisions.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

PART VV SWEEPS AND TRANSFERS

§1-1a Temporary Loans Authorizes the Comptroller to identify specific funds and amounts (both State and Federal) to receive temporary loans for the 2020-21 State Fiscal Year.

§2-3 Sweeps and Transfers Authorizes the Comptroller to transfer unencumbered balances to various funds and accounts.

TRANSFERS TO NOTE:

- \$4 million from the General Fund to the State Fair Account;

- \$3 million from the New York State Cannabis Revenue Fund to the General Fund;
- \$28 million from the General Fund to the Environmental Protection Fund;
- \$31 million from the General Fund to the MTA for the purpose of covering a portion of the State's \$7.3 billion commitment to the MTA's 2015-19 Capital Plan; and
- \$500 million from the General Fund to the Debt Reduction Reserve Fund.

§4 Direct Payments Authorizes the Comptroller to deposit earnings from investments that accrue in the General Fund to the Agencies Internal Service Fund, Banking Services Account on or before March 31, 2021.

§5 Dormitory Authority Directs the Dormitory Authority to transfer \$22 million in revenues to the State University of New York for reimbursement of bondable equipment costs. These funds will then be transferred to the State's General Fund.

§6 State University Authorizes the State University to transfer up to \$16 million to the General Fund for debt service costs related to capital project costs for the NY-SUNY 2020 Challenge Grant program at the University of Buffalo.

§7 State University Authorizes the State University to transfer up to \$6.5 million to the General Fund for debt service costs related to capital project costs for the NY-SUNY 2020 Challenge Grant program at the University of Albany.

§8 State University Authorizes the SUNY Chancellor to transfer estimated tuition revenue balances from the State University Collection Fund to the State University Fund, State University General Revenue Offset Account on or before March 31, 2021.

§9 State University Authorizes the Comptroller, at the request of the Director of the Budget, to transfer \$1.02 billion from the General Fund to the State University Income Fund, State University

General Revenue Offset Account from July 1, 2020 through June 30, 2021.

§10 State University Authorizes the Comptroller, at the request of the Director of the Budget, to transfer up to \$20 million from the General Fund to the State University Income Fund, State University General Revenue Offset Account from July 1, 2020 to June 30, 2021 to support operations in accordance with the maintenance of effort.

§11 State University Authorizes the Comptroller, at the request of the SUNY Chancellor, to transfer up to \$55 million from the State University Income Fund, State University Hospitals Income Reimbursement Account and the State University Income Fund, Long Island Veteran's Home Account to the State University Capital Projects Fund on or before June 30, 2021.

§12 State University Authorizes the Comptroller, after consultation with the SUNY Chancellor to transfer monies from the State University Collection Fund, Stony Brook Hospital Collection Account, Brooklyn Hospital Collection Account, and Syracuse Hospital Collection Account to the State University Income Fund, State University Hospitals Income Reimbursable Account in amounts sufficient to permit the full transfer of moneys authorized for transfer to the General Fund for SUNY hospital debt service on or before March 31, 2021.

§13 State University Authorizes the Comptroller, upon request of the Director of the Budget and SUNY Chancellor, to transfer monies between the State University Dormitory Income Fund and the State University Residence Hall Rehabilitation Fund, up to \$80 million.

§14 Special Revenue Fund Authorizes the Comptroller, at the request of the Director of the Budget, to transfer the unencumbered balance of any Special Revenue Fund (excluding Federal funds) or account to the General Fund, up to \$650 million.

§15 Technology Services Authorizes the Comptroller, at the request of the Director of the Budget, to

transfer \$100 million from any non-General Fund or account (excluding Federal Funds, or any fund in which the eligibility for Federal Benefits would be impacted) to the Technology Financing Account for the consolidation of operational costs related to technology services.

§16 Technology Services Authorizes the Comptroller, at the request of the Director of the Budget, to transfer \$400 million from any non-General Fund or account (excluding funds eligible for Federal benefits that would be impacted) to the General Fund as reimbursement for costs related to technology services.

§17 NYPA Authorizes the transfer of up to \$20 million from the New York State Power Authority to the General Fund to be utilized for energy-related state activities, after April 1, 2020.

§18 NYSERDA Authorizes the transfer of up to \$913,000 from NYSERDA proceeds, and an additional \$23 million from the proceeds of the auction or sale of carbon dioxide emission allowances to the credit of the General Fund, on or before March 31, 2021.

§19 NYSERDA Authorizes the transfer of up to \$5 million from NYSERDA proceeds collected from the auction or sale of carbon dioxide emission allowances to the credit of the Environmental Protection Fund, on or before March 31, 2021.

§20 STAR Deposits Authorizes the Comptroller to make deposits in the School Tax Relief (STAR) Fund in fiscal year 2020-21, up to \$2 billion.

§21 State Operation Costs Transferred to Capital Projects to Help Maintain 2% Spending Cap Authorizes the Comptroller, at the request of the Director of the Budget, to transfer designated special revenue fund balances to the capital projects fund for the purpose of reimbursement to such fund for expenses related to the maintenance and preservation of State assets. The following transfers are being made:

- Administrative Program Account: \$43,000;

- Helen Hayes Hospital Account: \$1,478,000;
- Litigation Settlement and Civil Recovery Account: \$1,000,000;
- New York City Veterans' Home Account: \$366,000;
- New York State Home for Veterans' and their Dependents at Oxford Account: \$513,000;
- New York State for Veterans in the Lower Hudson Valley Account: \$323,000;
- Patron Services Account: \$2,550,000;
- State University Dormitory Income Fund Account: \$48,000,000;
- State University General Income Reimbursable Account: \$7,300,000;
- State University Revenue Offset Account: \$132,000,000; and
- Western New York Veterans' Home Account: \$159,000.

§22 Medicaid Funding Contingency Language In the event that Federal legislation, Federal regulatory actions, Federal Executive actions or Federal Judicial actions in Federal fiscal year 2021 reduce Federal financial participation in Medicaid funding to NYS or its subdivisions by \$850 million or more in SFY 2020-21 or 2021-22, the Director of Budget must prepare a plan that will specify the total amount of the reduction in Medicaid funding, itemize specific programs or activities that will be affected and identify the General Fund and State Special Revenue Fund appropriations or disbursements that will be reduced by program area. The reductions must be applied equally and proportionally to the programs affected by the reduction. This plan must be submitted to the Legislature where they will have 90 days to either prepare their own plan, which must be adopted by concurrent resolution passed by both houses, after 90 days of inaction the plan submitted by the Division of Budget will take effect automatically.

§23 Financial Plan Funding Contingency Language

In the event that Federal legislation, Federal regulatory actions, Federal Executive actions or Federal Judicial actions in Federal fiscal year 2021 reduce Federal financial participation or other Federal Aid in funding to NYS (exclusive of Medicaid) by \$850 million or more in SFY 2020-21 or 2021-22, the Director of Budget must prepare a plan that will specify the total amount of the reduction in Federal aid, itemize specific programs or activities that will be affected, exclusive of Medicaid and identify the General Fund and State Special Revenue Fund appropriations or disbursements that will be reduced by program area. The reductions must be applied equally and proportionally to the programs affected by the reduction. This plan must be submitted to the Legislature where they will have 90 days to either prepare their own plan, which must be adopted by concurrent resolution passed by both houses, after 90 days of inaction the plan submitted by the Division of Budget will take effect automatically.

§24 General Fund Imbalance Contingency Language If the Financial Plan estimates that the General Fund is reasonably anticipated to end the fiscal year with an imbalance of \$500 million or more, the Director of the Division of Budget (DOB) will prepare a plan that will be submitted to the Legislature, which will identify the General Fund and State Special Revenue Fund appropriations and related disbursements that may be reduced to eliminate the imbalance in the General Fund.

- The total reduction in disbursements identified in the plan will not exceed an amount equal to 1% of estimated disbursements in total State Operating Funds for SFY 2020-21.
- The Legislature will have 30 days after submission of the plan to either prepare its own plan, which may be adopted by concurrent resolution passed by both houses and implemented by DOB. If after 30 days the Legislature fails to adopt its own plan, the reductions identified by DOB will automatically go into effect.

■ Programs exempt from the reduction are:

- ⇒ Public assistance payments for families and individuals and payments for eligible aged, blind and disabled persons related to supplemental social security;
- ⇒ Any reductions that would violate Federal Law;
- ⇒ Payments of debt service and related expenses for which the State is constitutionally obligated to pay debt service or is contractually obligated to pay debt service, subject to an appropriation, including where the State has a contingent contractual obligation; and
- ⇒ Payments the State is obligated to make pursuant to court orders or judgments.

§25. Comptroller Make permanent the Comptroller's authorization to receive money for deposit to funds and accounts identified by the Director of Budget.

§26 Liability Payments Makes permanent the authorization to permit payments for prior years' liabilities.

§27 Mental Health Arbitrage Rebate Continues the authorization to allow Mental Hygiene facilities to use excess debt service appropriations to make arbitrage rebate payments to the Federal Government, if necessary, to protect the tax-exempt status of the bonds.

THE EXECUTIVE BUDGET PROPOSES TO INCREASE BOND CAPS BY \$10.3 BILLION. THIS DOES NOT INCLUDE THE PROPOSED MTA BOND CAP INCREASE OF \$34.6 BILLION, FOR A CUMMULATIVE TOTAL OF BONDING AUTHORITY OF \$90.1 BILLION.

THE FOLLOWING SECTIONS OUTLINE EACH SPECIFIC BOND CAP INCREASE:

§28 Correctional Facilities Bond Cap Increases the bond cap for financing correctional facilities from \$8.5 billion to \$8.8 billion.

§29 State Police Bond Cap Increases the bond cap for State Police Capital Projects and projects for IT from \$271.6 million to \$323.1 million.

§30 Environmental Facilities Bond Cap Increases the bond cap for financing environmental infrastructure projects, including capital costs of clean water infrastructure projects, from \$5.6 billion to \$6.4 billion.

§31 Homeland Security/State Facilities/Buildings Bond Cap Increases the bond cap for Homeland Security and Training Facilities from \$286 million to \$314 million and the bond cap for improvements to State office buildings and facilities from \$952.8 million to \$1.12 billion.

§32 SUNY Educational Facilities Bond Cap Increases the bond cap for SUNY educational facilities from \$13.8 billion to \$14.7 billion.

§33 CUNY Senior & Community College Bond Cap Increases the bond cap for CUNY senior & community colleges from \$8.7 billion to \$9.2 billion.

§34 SUNY Community College Bond Cap Increases the bond cap for SUNY community colleges from \$1.01 billion to \$1.05 billion.

§35 Youth Facilities Bond Cap Increases the bond cap for financing youth facilities from \$804.6 million to \$840.3 million.

§36 Mental Health Facilities Bond Cap Increases the bond cap for financing mental health service facilities improvement from \$9.3 billion to \$9.9 billion.

§37 Division of Military and Naval Affairs Bond Cap Increases the bond cap for financing capital projects for public protection facilities from \$92

million to \$157 million.

§38 State Equipment Bond Cap Increases the bond cap for the purposes of funding costs for the acquisition of equipment, including but not limited to the creation or modernization of information technology systems and related research and development equipment, health and safety equipment, heavy equipment and machinery, the creation or improvement of security systems, and laboratory equipment from \$93 million to \$193 million.

§39 Local Highway Bond Cap (CHIPS) Increases the bond cap for financing local highway projects from \$10.8 billion to \$11.3 billion.

§40 Library Bond Cap Increases the bond cap for library facilities from \$251 million to \$265 million.

§41 Economic Development Bond Cap Increases the bond cap for financing of economic development projects from \$9.8 billion to \$10.3 billion.

§42 Transportation Capital Projects Bond Cap Increases the bond cap for Transportation initiatives from \$4.65 billion to \$6.9 billion.

§43 Housing Program Bond Cap Increases the bond cap for financing housing programs from \$6.3 billion to \$6.5 billion.

§44 Private Special Education Bond Cap Increases the bond cap for financing on behalf of special act school districts, state-supported schools for the blind and deaf, approved private special education schools, non-public schools, community centers and daycare facilities from \$130 million to \$155 million.

§45 Information Technology Bond Cap Increases the bond cap for the Office of Technology Services from \$677.4 million to \$830.1 million.

§46 Debt Service Makes permanent the authorization for the quarterly set-aside of monies to pay State general obligation and other debt service.

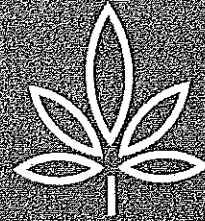
§47-49 General Obligation (GO) Bonds These sections update the printing requirements for GO

bonds to allow the notice of sale to be published two business days prior to a bond sale on an electronic or physical platform. It adds the definition of "business day" to State Finance law for clarification purposes.

§50-51 OSC Cash Report Clarifications These sections clarify that the annual and monthly cash reports provided from the Comptroller to the Legislature shall be prepared and presented in accordance with the accounting principles, policies and legislative intent, including but not limited to refunds of appropriations, set forth in a budget bill enacted with Article VII of the State Constitution.

§52 Appropriation Contingency Language This section provides definitions of refunds, rebates, reimbursements, credits, repayments and/or disallowances. If any "refund of appropriations" are received by the Comptroller, they must be credited back to the original appropriation and reduce expenditures in the year which such credit is received regardless of the timing of the initial expenditure. This language can also be found in the beginning text of each appropriation bill.

§53 Effective Dates



CANNABIS LEGALIZATION

WAYS & MEANS CONTACTS:



OFFICE OF CANNABIS MANAGEMENT (OCM)

The Governor is proposing to establish the Office of Cannabis Management (OCM) within the Division of Alcoholic Beverage Control in Part BB of A.9509. The new Office would regulate and control the cultivation, processing, distribution and retail sale of cannabis, cannabis related products, medical cannabis and hemp within the State of New York in order to protect the public health, safety, and welfare; and to promote social equality. OCM would be responsible for the management and administration of the State's Medical Cannabis Program, adult-use cannabis, and hemp cannabis.

CANNABIS CONTROL BOARD

- Creates a 5 member Cannabis Control Board appointed by the Governor. Members will serve 3-year terms and receive \$260 a day compensation plus expenses. Powers of the Board include:
 - Approve OCM's social and economic equity plan;
 - Approve the type and number of available licenses;
 - Approve the opening of new license application periods;
 - Creation of any new type of license;
 - Approve price quotas or price controls set by Executive Director;
 - Appoint necessary advisory committees;

- Issue final determinations to any appeals; and
- Promulgate any necessary rules and regulations, such as:
 - Preventing the distribution to cannabis to persons under 21 years old;
 - Preventing cannabis revenue from going to criminal enterprises, gangs and cartels;
 - Preventing violence and use of firearms in cultivation and distribution of cannabis;
 - Preventing drugged driving; and
 - Preventing predatory marketing practices targeted towards at-risk populations.

EXECUTIVE DIRECTOR

- The Executive Director of OCM shall be responsible for:
 - Issuing all registrations, licenses and permits;
 - Revoking or suspending any license and impose a civil penalty for persons operating without the appropriate documentation;
 - Establishing criteria for cultivation, processing, packaging, marketing, and sale of medical cannabis, adult-use cannabis and cannabinoid hemp;
 - Developing the application and review process for all documents;
 - Developing criteria for certifying employees to work in the cannabis industry;
 - Recommending the State enter into Tribal State Compacts with Indian Nations to authorize their participation in the program; and

- Coordinating across State agencies to study changes in cannabis use and the impact of the industry on cannabis products, public health and public safety.

- The total fees assessed under this program would be set at an amount that will generate sufficient revenue to fully cover the costs of administering the program. All fees shall be deposited into the Cannabis Reserve Fund.
 - Fines for violations of cannabis law or regulations would be up to \$5,000 per violation, per day.

DRIVING SAFETY AND PUBLIC HEALTH

- Traffic Safety Oral Fluid or Other Roadside Detection Method Pilot Program. OCM in consultation with the Commissioner of the Department of Motor Vehicles and the Superintendent of the State Police, would develop and implement a workgroup together with other states to outline goals for a statewide or regional oral fluid or other roadside detection method pilot program. The workgroup would include, but not be limited to, representatives from district attorney offices, local and county police departments, and other relevant public safety experts.
- OCM in consultation with other State Agencies shall develop a comprehensive public health campaign.

MEDICAL CANNABIS

The Medical Marijuana Program, currently regulated by the Department of Health, will be moved under the control of the new Office of Cannabis Management (OCM) and be known as Medical Cannabis.

CERTIFICATION OF PATIENTS

Patients of the Medical Cannabis program will continue to be certified as a patient of Medical Cannabis. Practitioners will continue to not need to be registered with DOH, or the new Office of Cannabis Management (OCM), in order to certify a person is a patient of the Medical Cannabis program. Practitioners will also be given the ability to consider which form of medical cannabis a patient should consume.

LAWFUL MEDICAL USE

Medical Cannabis supply is determined by the Executive Director.

REGISTRY IDENTIFICATION CARDS

The Executive Director of OCM is given the authority to issue regulations exempting certified patients or designated caregivers from filing registration applications with OCM. A certified patient or designated caregiver will still be required to file an application.

Individuals over the age of 18 will now be allowed to file a registry application on their own.

REGISTERED ORGANIZATIONS

The Executive Director of OCM is required to approve the laboratory, which is being used for testing by a registered organization. Registered organizations are authorized to dispense no more than the determined amount by the Executive Director to a certified patient or caregiver.

Registered organizations may be managed by or employ convicted drug felons, but not those who have other felony convictions. This is a change from current law.

CANNABIS RESEARCH LICENSE

This is a new provision added to the Medical Cannabis program. The Executive Director must establish a Cannabis Research License. This license will allow for the production, processing, purchasing, and possession of cannabis for research purposes. These purposes include:

- Testing chemical potency and composition levels;
- Conduct clinical investigation of cannabis-derived drug products;
- Conduct research on the efficacy and safety of administering cannabis as part of medical treatment; and
- Conduct genomic or agricultural research.
- An applicant must submit information on the type of research they will be doing, as well as the amount of cannabis that will be grown or purchased.
- A Cannabis Research Licensee will only be allowed to sell cannabis grown or purchased, to other cannabis research licensees. A Cannabis Research Licensee will be allowed to contract with a Higher Education Institution to perform the research. The fee for a Cannabis Research License will be determined by the Executive Director of OCM.

REGISTERED ORGANIZATIONS AND ADULT-USE CANNABIS

The Executive Director is authorized to permit, some or all of the 10 registered organizations and future registered organizations, the ability to grow and sell Adult-Use Cannabis and Cannabis products. The Executive Director will determine conditions and restrictions for these organizations as a result of provisions in the Adult-Use Cannabis Program, which prevents Adult-Use organizations from acting as a grower and a seller. Medical

Cannabis Organizations will also have the ability to apply for separate licenses as an Adult-Use Cannabis Cultivator, Adult-Use Cannabis Processor, and Adult-Use Cannabis Distributor. Those who cultivate adult-use cannabis must keep a sufficient supply of medical cannabis.

HOME CULTIVATION OF MEDICAL CANNABIS

This is a new provision which allows certified patients and their designated caregivers (who are 21 years or older) the ability to register with OCM to grow and possess no more than four cannabis plants. All Medical Cannabis grown at home must be grown in an enclosed space, locked and not viewable or open to the public. This homegrown cannabis is for personal use and not to be distributed, sold or gifted. The Board shall develop rules and regulations related to this section.

ADULT-USE CANNABIS

LICENSE STRUCTURE

- Adult-Use Cannabis would be licensed and regulated in a manner similar to the way the State licenses and regulates alcohol. Licenses include, but are not limited to:
 - Cultivator License: authorizes the acquisition, possession, cultivation and sale of cannabis from the licensee's authorized premises to licensed processors in New York State;
 - Cultivator licensee would be eligible to apply for a processor license and a distributor license.
 - A Microbusiness Cultivator Licensee would be allowed to sell directly to a

retailer.

- Processor License: authorizes the acquisition, possession, processing and sale of cannabis from the licensee's authorized premises to a licensed distributor;
 - Cooperative License: authorizes the acquisition, possession, cultivation, processing and sale of cannabis from the licensee's authorized premises to a licensed distributors and/or retail dispensaries;
 - Distributor License: authorizes the acquisition, possession, distribution and sale of cannabis from the licensee's authorized premises to licensed dispensaries;
 - Dispensary License: authorizes the acquisition, possession and sale of cannabis from the licensee's retail dispensary premises to of-age cannabis consumers; and
 - On-Site Consumption License: No retail dispensary shall be granted an on-site consumption license for any premises within 500 feet of a school or 200 feet of a place of worship.
- Each license would be valid for 2 years.

ADULT-USE RESTRICTIONS

- No individuals or entities possessing a cultivator license, processor license, cooperative or distributor license may have any direct or indirect economic interests in any adult-use cannabis retail dispensary.
- No license of any kind may be issued to a person under the age of 21, nor shall any licensee employ anyone under the age of 18.
- Retail dispensaries would be prohibited from selling adult-use cannabis to anyone under the age of 21, or anyone who is visibly intoxicated.
- Retail dispensaries may not sell more than one ounce of cannabis; and not more than

five grams of cannabis concentrate (oil) per consumer per day. Dispensaries are prohibited from selling alcoholic beverages, and they may not possess a license or permit to sell alcoholic beverages on the same premises where adult-use cannabis products are sold.

- Advertising of adult-use cannabis will be strictly regulated to prevent appeal to children or individuals under the age of 21.
- The Executive Director of OCM is authorized to approve and permit one or more independent cannabis testing laboratories for all testing required by the Office. Owners of testing laboratory permits may not hold any other cannabis licenses.

SOCIAL AND ECONOMIC EQUITY PLAN

- OCM would be required to implement a Social and Economic Equity Plan to promote diversity in ownership and employment in the industry and the inclusion of: Minority-owned Businesses; Women-owned Businesses; Social Equity Applicants; and Disadvantaged Farmers.
 - "Disadvantaged Farmer" would apply to farms in counties that have greater than a 10% rate of poverty, and have been disproportionately impacted by low commodity prices or facing the loss of farmland through development or suburban sprawl, and meet any other qualifications as defined by OCM regulation.
- The Social and Economic Equity Plan would provide enhanced services and priority access to these highlighted applicants.
 - The Board will have the authority to create and distribute local social and economic equity grants to community based organizations which are located or operate

in areas of disproportionate enforcement from the way on drugs.

HEMP CANNABIS

- Currently, Industrial Hemp, also known as Hemp Cannabis, is overseen by the Department of Agriculture and Markets, which regulates, under specific agreements, hemp products such as fiber or pulp. Industrial Hemp contains less than 0.3% THC, the active chemical compound found in adult-use cannabis.
- Under this Act, the Department of Agriculture and Markets will continue oversight of hemp products not intended for human or animal consumption (Industrial Hemp), and the remainder of the Hemp Cannabis program will be shifted under OCM.
- Under this legislation, OCM would assume oversight responsibilities related to Hemp Cannabis, with the authority to issue licenses related to entities growing, processing, extracting, and/or manufacturing hemp cannabis or producing hemp cannabis products distributed, sold or marketed for cannabinoid (CBD) content and used or intended for human or animal use.
- Any licensed grower of Industrial Hemp who wishes to enter the Hemp Cannabis market must apply for a license to do so from OCM.
- OCM would develop a Cannabinoid Hemp Processor License and a Cannabinoid Hemp Retailer License under this program.
- Penalties for failure to comply with the Hemp Cannabis program may be punishable by a civil penalty of not more than \$1,000 for the first violation; not more than \$5,000 for second violation within 3 years and up to \$10,000 for a third violation.
- OCM shall coordinate with additional State

agencies to create a NYS Hemp and Hemp Extract Workgroup to make recommendations for industrial hemp and cannabinoid hemp programs.

- New markets for Cannabinoid (CBD) for dietary uses have expanded and exceeded the scope of Agriculture and Markets oversight. This legislation provides a new regulatory framework for CBD that does not currently exist and would allow for CBD testing to ensure public health safety.

GENERAL PROVISIONS

- Any county, or city with a population of 100,000 or more are required to pass a local law or resolution in order to opt-out of permitting cannabis businesses to operate within such city or county.
 - Municipalities may adopt ordinances or regulations governing the time, place and manner of licensed adult-use cannabis retail dispensaries.
- This legislation prohibits entities registered, licensed, or permitted by OCM from:
 - Allowing gambling on its premises;
 - Allowing the premises to become disorderly;
 - Allow the use, by any person, of any fireworks or other pyrotechnics on the premises; or
 - Allow any person to appear as an entertainer who is under the age of 18.
- Schools and landlords would be prohibited from denying enrollment, leases to, or otherwise penalize a person solely for conduct allowed under medical or adult-use cannabis, except:
 - If failing to do so would cause the school

- or landlord to lose a monetary or licensing benefit under federal law or regulation;
- If the institution has adopted a code of conduct prohibiting cannabis use on the basis of religious belief; or
- If a property is registered with the New York Smoke-Free Housing Registry.

- This legislation would also provide for a series of special use permits, including, but not limited to, nursery, solicitors, broker's, trucking, warehouse, delivery, temporary retail, caterer's, packaging and miscellaneous permits.
- Certain individuals and entities would be prohibited from the manufacture or sale of cannabis products, including, but not limited to: individuals who have been convicted of a felony and who have not received an executive pardon, or other dispensation, a person under the age of 21, a person who is not a citizen of the United States or alien lawfully admitted for permanent residence, and any person who has had any registration or license revoked in the last two years.
- Law enforcement officers would also be prohibited from having, directly or indirectly, a financial interest in the cultivation, processing, sale, or distribution of cannabis products.
- Any person seeking a license or permit to cultivate process, distribute, or sell cannabis products shall be subject to a full criminal history search and also be required to submit fingerprints to the Division of Criminal Justice Services for the purposes of the investigation.
- OCM will work with State Agencies to engage in activities with other states, territories and jurisdictions in order to coordinate and establish uniform policies regarding regulation which may include but are not limited to: laboratory testing, product safety, taxation, road safety, and any other issues identified by the Executive Director.

ILLCIT CANNABIS

“Illicit Cannabis” is defined as any cannabis product or medical cannabis owned, cultivated, distributed, bought, sold, packaged, rectified, blended, treated, fortified, mixed, processed, warehoused, possessed or transported on which required taxes have not been paid; or any adult use cannabis or medical cannabis in which the form, packaging or content is not permitted by the Office of Cannabis Management.

Any person who knowingly possesses illicit cannabis shall be guilty of a misdemeanor. Any person who knowingly barter, exchanges, sells or transports illicit cannabis shall be guilty of a class A misdemeanor. An individual owner, lessee or occupant of any structure used for the cultivation, processing, distribution, purchase, sale, warehousing, transportation or storage of illicit cannabis is guilty of a misdemeanor.

- “Marijuana” is removed from the list of schedule one substances included in Public Health Law and various additional definitions are updated.

PENAL LAW

This section amends various offenses in Penal Law to reflect the legalization of adult use cannabis as follows:

- A person would now be guilty of unlawful possession of cannabis in the second degree when he or she knowingly possesses cannabis and is less than 21 years of age or has cannabis that is burning in a public place. This offense would be classified as a violation punishable by a fine of no more than \$50 when the defendant is less than 21 years of age and possesses less than one half of one ounce or less than two and a half grams of concentrated cannabis. A fine of no more than \$100 may be imposed when the defendant is less than 21 years of age and possesses and aggregate weight between ½ an

ounce and one ounce or more than two and a half grams of concentrated cannabis. Possession in a public place that is burning shall be punishable by a fine no more than \$25.

- A person would be guilty of unlawful possession of cannabis in the first degree when he or she possesses cannabis product that has an aggregate weight of more than one ounce or more than five grams of concentrated cannabis. This offense would be classified as a violation punishable by a fine of no more than \$125. These provisions shall not apply to certified patients or lawfully registered designated caregivers
- A person is guilty of criminal possession of cannabis in the second degree when he or she knowingly possesses more than two ounces of cannabis or more than 10 grams of concentrated cannabis. This offense would be classified as a class A misdemeanor punishable by a fine of no more than \$125 per ounce possessed over two ounces of cannabis and 10 grams of concentrate; or a fine no more than \$200 per ounce above two ounces of cannabis or 10 grams of concentrate if previously convicted of a drug related offense in the past three years; or a fine no more than \$250 or a sentence of imprisonment no longer than 15 days if multiple drug related offenses were committed within the past three years.
- A person would be guilty of criminal possession of cannabis in the first degree when he or she possesses more than 64 ounces of cannabis or more than eighty grams of concentrated cannabis. This offense would be reclassified as a class E felony.
- A person would be guilty of criminal sale of cannabis in the fifth degree when he or she knowingly sells cannabis or concentrated cannabis of any weight. This offense would be classified as a violation punishable by a fine of no more than \$250 or two times the value of such sale.

- A person would be guilty of criminal sale of cannabis in the fourth degree when he or she knowingly sells cannabis of an aggregate weight of more than one ounce or more than five grams of concentrated cannabis. This offense would be classified as a misdemeanor punishable by a fine no more than \$500, twice the value of such sale or no longer than three months imprisonment.
- A person would be guilty of criminal sale of cannabis in the third degree when he or she knowingly sells cannabis of an aggregate weight of more than four ounces or more than 20 grams of concentrated cannabis. This offense would be classified as a misdemeanor punishable by a fine no greater than \$1,000, two times the value of such sale or no longer than one year imprisonment.
- A person would be guilty of criminal sale of cannabis in the second degree when he or she knowingly sells cannabis of more than 16 ounces or more than 80 grams of concentrated cannabis, or engages in the sale of any amount of cannabis to a person less than 21 years of age.
- A person would be guilty of criminal sale of cannabis in the first degree when he or she knowingly sells cannabis which has an aggregate weight of more than 64 ounces or more than 320 grams on concentrated cannabis.

The provisions in Penal Law shall not apply to any person exempted from criminal penalties pursuant to any lawful activity in this Act which allows for the processing, manufacturing, transporting, distributing, selling or transporting cannabis.

RE-SENTENCING FOR EXISTING CRIME

- A person who is currently serving a sentence for a conviction of a marijuana related offense, whether by trial or negotiated plea, who would not have been guilty of the offense after the effective date of this Act, may petition for a

recall or dismissal of sentence before the court that entered the judgement.

- The court shall presume the movant satisfies the criteria of such motion unless the opposing party proves by clear and convincing evidence that the movant does not satisfy the criteria to be granted a dismissal.
- In exercising its discretion, courts may consider, but not be limited to; the movant's criminal conviction history, including types of crimes, extent of injury to the victims, length or prior prison commitments, the remoteness of the crime, and the movant's disciplinary record of rehabilitation while incarcerated.
- A person who is currently serving a sentence for a conviction of a marijuana related offense, whether by trial or negotiated plea, who would not have been guilty of the offense after the effective date of this Act, may file for a motion of dismissal or reclassification of the conviction with the court that entered the judgement. Any felony conviction that is vacated shall be considered a misdemeanor or violation for all purposes under the law.

TAX ON ADULT-USE CANNABIS PRODUCTS

This part imposes three new taxes on adult-use cannabis.

- The first tax is imposed on the cultivation of cannabis at the rate of \$1 per dry weight gram of cannabis flower, \$0.25 per dry weight gram of cannabis trim and \$0.14 per gram of wet cannabis.
- The second tax is 20% of the invoice price on the sale by any person to a retail dispensary.
- The third tax is 2% of the invoice price on the same sale by any person to a retail dispensary but collected in trust for, and on account, of

the county in which the retail dispensary is located including New York City.

Any person defined under the Cannabis Law engaging in the sale of cannabis would be required to apply to the Commissioner of Taxation and Finance for a Certificate of Registration prior to commencing business and renew such registration every two years, subject to a fee of \$600.

There are two forms of penalties enforced by the Department of Taxation and Finance. Those include penalties for inadequate record keeping and the possession of illicit cannabis:

■ **Penalty for inadequate record keeping:**

⇒ Any person who is required to obtain a certificate of registration from the Department of Taxation and Finance and fails to maintain or make available to the Commissioner the records required is subject to a penalty not to exceed \$500 per month.

■ **Possession of illicit cannabis subject to taxation:**

⇒ For a first violation, any person in possession of, or having control over, illicit cannabis, after notice and opportunity for a hearing, will be liable for the following civil penalties:

- \$400, but not to exceed \$800, per ounce of illicit cannabis plant material;
- \$10, but not to exceed \$20, per milligram of tetrahydrocannabinol contained in illicit cannabis infused products;
- \$100, but not to exceed \$200, per gram of illicit cannabis concentrate or extract;
- \$250, but not to exceed \$500, per immature illicit cannabis plant; and
- \$1,000, but not to exceed \$2,000, per mature cannabis plant.

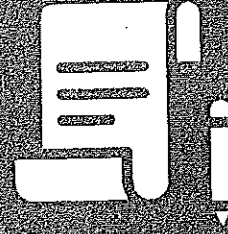
⇒ For a second or subsequent violation within three years, following a prior violation a person would be liable for the following civil penalties:

- \$800, but not to exceed \$1,000, per ounce of illicit cannabis plant material;
- \$20, but not to exceed \$40, per milligram of tetrahydrocannabinol contained in illicit cannabis infused products;
- \$200, but not to exceed \$400, per gram of illicit cannabis concentrate or extract;
- \$500, but not to exceed \$1,000, per immature illicit cannabis plant; and
- \$2,000, but not to exceed \$4,000, per mature cannabis plant.

Revenues from State cannabis taxes shall be deposited in a newly created New York State Cannabis Revenue Fund and expended for the following purposes as recommended by the Director of the Office of Cannabis Management and approved by the Director of the Budget:

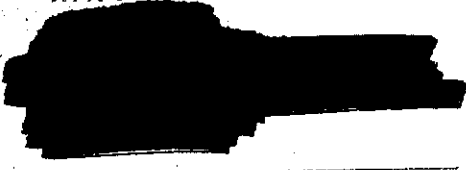
- Administration of the regulated cannabis program;
- Data gathering, monitoring, and reporting;
- The Governor's Traffic Safety Committee;
- Social and Economic Equity Plan in the Office of Cannabis Management;
- Substance abuse, harm reduction, and mental health treatment and prevention;
- Public health education and intervention;
- Research on cannabis uses and applications;
- Program evaluation and improvements; and
- Other identified purposes recommended by the Director of the Office of Cannabis Management, subject to the approval of the Director of the Budget.

- **Fiscal Impact:** Increases State revenue by \$20 million in FY 2021, \$63 million in FY 2022, \$85 million in FY 2023, \$141 million in FY 2024, and \$188 million in FY 2025.



CONSTITUTIONAL AMENDMENTS

WAYS & MEANS CONTACT:



TRIAL COURT CONSOLIDATION AND RESTRUCTURING

The concurrent resolution follows a proposal by New York State Chief Judge Janet DiFiore and consolidates the State's current 11 separate trial courts into the following three-tiered structure:

- Supreme Court: consisting of six divisions: Family; Probate; Criminal; State Claims; Commercial and General;
- Municipal Court: all city courts, district courts and NYC civil and criminal courts; and
- Justice Court: town and village courts (unchanged from current law).

CONSOLIDATION EFFECTIVE DATES

The resolution abolishes the Court of Claims (effective October 1, 2022); County Court; Family Court, and Surrogate's Court (each effective January 1, 2025). The courts would all be consolidated into the Supreme Court. All current Court of Claims, County Court, Family Court and Surrogate's Court judges would become Supreme Court justices. The resolution abolishes all city courts, district courts (Long Island) and New York City criminal and civil courts, and creates a uniform Municipal Court (effective January 1, 2027). The proposal preserves the current selection and terms of office for all currently elected judges.

This proposed constitutional amendment requires passage by two consecutive Legislatures (in 2020 and 2021), and a public referendum, which could be as early as November 2021.

JUDICIAL CHANGES

The resolution eliminates the constitutional limit of one judge per 50,000 residents in a judicial district. While the proposal does not create any new judgeships, absent the constitutional cap, the Legislature could create new judgeships via future legislation. Per the State Constitution, once every 10 years, the Legislature may increase or decrease the number of judicial departments and the boundaries thereof. The resolution changes the boundaries of the Twelfth District (to include only Bronx County) and the Thirteenth District (to include only Richmond County).

FISCAL IMPLICATIONS OF COURT RESTRUCTURING

The resolution will result in additional costs to the annual judiciary budget once full implemented in FY 2027-28, as follows:

- \$3.8 million to equalize the salaries of all Supreme Court Justices.
- \$14.3 million to provide adjustments in non-judicial staffing, including normalizing chamber staff for all of the new Supreme Court Justices, and adjustments in compensation for Supreme Court staff.

According to the Office of Court Administration (OCA), the aggregate of salary equalization can be offset by savings of \$5 million annually in non-personal service costs that consolidation would make possible. OCA notes that the net necessary cost to the State of the Chief Judge's proposal would be \$13.1 million a year or less than one-half of one percent of the Judiciary's annual budget.

EQUAL RIGHTS

This concurrent resolution would amend the equal protection clause of the State Constitution to add ethnicity, national origin, age, disability, sex, sexual orientation, and gender identity or expression to the protected classes.

This proposed constitutional amendment requires passage by two consecutive Legislatures (in 2020 and 2021), and a public referendum, which could be as early as November 2021.

Agency Summary

AGENCY SUMMARY

This section contains a budget summary for nearly all the State agencies, boards, commissions and public benefit corporations.

BUDGETARY FUNDS

- **All Funds:** This is the broadest measure of spending; includes all State Operating Funds, Capital Funds and Federal Funds.
- **General Fund:** This is the primary operating fund of the State. It receives all State revenue not earmarked for a particular program or activity and not specified by law to be deposited in another fund.
- **State Operating Funds:** Includes all State spending from the General Fund, State Special Revenue Funds and Debt Service Funds. This measure excludes Capital Projects Funds and Federal spending.
- **State Funds:** The State Funds operating budget comprises the General Fund, Capital Funds and other State supported activities financed by dedicated revenues in State Special Revenue funds.
- **Special Revenue Fund:** State revenues from specific revenue sources that are legally restricted to disbursement for specified purposes. (Example, Motor Fuel Excise Tax that is dedicated to highway and mass transit purposes).
- **Capital Projects Fund:** These funds finance capital construction costs.
- **Federal Funds:** Revenue received from the Federal government.
- **Internal Service Funds:** Funds used to account for the financing of goods and services supplied by one State agency to other State agencies or government units on a cost reimbursement basis.
- **Enterprise Funds:** Funds used to account for operations that operate similarly to private business enterprise.
- **Fiduciary Funds:** Funds used to account for money held by the State in a trust capacity whose principle and income may be spent for designated operations or whose principle must remain intact.

APPROPRIATION BILLS

- **Expenditure Budget Bills:** These bills provide appropriation and reappropriation amounts for each State agency. The appropriation authority is the total amount the agency may spend on that particular program or category.

- State Operating Budget Bill, A.9500: Salaries and non-wage compensation for most State employees and other operating costs of State departments and agencies.
- Legislature and Judiciary Budget Bill, A.9501: Salaries, non-wage compensation and capital improvement funding for the Legislature and Judiciary.
- Debt Service Budget Bill, A.9502: Provides funding to cover payments on the State's outstanding debt.
- Aid-to-Localities Budget Bill, A.9503: State grants to, or State expenditures on behalf of, counties, cities, towns, villages, school districts and other local entities.
- Capital Projects Budget Bill, A.9504: State financing for capital construction (bonding or pay-as-you-go).

LANGUAGE BILLS

- Article VII Budget Bills: These bills accompany the expenditure budget bills. They direct the method of distribution of the appropriation; provide programmatic changes to existing law; create new programs; and authorize revenue actions.
 - Public Protection and General Government: A.9505
 - Education, Labor and Family Assistance: A.9506
 - Health and Mental Hygiene: A.9507
 - Transportation, Economic Development and Environmental Conservation: A.9508
 - Revenue: A.9509

Agency Summary

ADIRONDACK PARK AGENCY

WAYS & MEANS CONTACT:

[REDACTED]

STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Agency Operations: \$5.03 million, \$350,000 more than last year, as a result of a growth in personal service and contractual services.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Building Rehabilitation: \$1 million in new funding for renovations of the Adirondack Park Agency headquarters facility in Ray Brook, Essex County, NY.

Agency Summary

AGING

WAYS & MEANS CONTACT

[REDACTED]

STATE OPERATIONS – A.9500

MAINTAINS FUNDING FOR THE FOLLOWING:

- Administration and Grants Management Program: \$12.1 million.

AID TO LOCALITIES – A.9503

SIGNIFICANT DECREASES INCLUDE:

- Community Services for the Elderly: \$259.6 million; \$1.5 million less than last year, due to a decrease in funding for services for the elderly programs. The below list of proposed funding for Aging programs includes:
 - Caregiver Resource Centers: \$353,000;
 - Community Services for the Elderly: \$94.9 million;
 - Congregate Services Initiative: \$403,000;
 - Elder Abuse Programs: \$745,000;
 - Health Insurance Information and Counseling: \$1 million;

- Long Term Care Ombudsman Program: \$1.2 million;
- Managed Care Consumer Assistance Program: \$793,000;
- Naturally Occurring Retirement Community (NORC): \$4 million;
- Neighborhood Naturally Occurring Retirement Communities: \$4 million;
- Respite Services for the Elderly: \$656,000;
- Social Model Adult Day: \$1.1 million;
- Transportation Costs for the Elderly: \$1.1 million; and
- Wellness in Nutrition (WIN) Program: \$28.3 million.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Legislative Program Additions: \$2.96 million for the elimination of 23 programs, including New York Legal Assistance Group, Nassau Senior Respite Program, and Foster Grandparents Program.

Agency Summary

AGRICULTURE & MARKETS

WAYS & MEANS CONTACT:

[REDACTED]

STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- State Fair Program: \$26.6 million, \$5.3 million more than last year, driven mainly by costs associated with the Governor's proposal to extend the New York State Fair by 5 days. In addition, 21 new positions are included in the agency operating budget for the State Fair.

AID TO LOCALITIES – A.9503

SIGNIFICANT DECREASES INCLUDE:

- Local Assistance Programming: \$27.4 million, \$5.8 million less than last year, for agricultural local assistance programming. Several legislative additions have been eliminated. Please see *Figure 1* at the end of this section for a breakdown.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- New York Works: \$15.7 million, a \$10 million increase over last year, for New York State Fair capital improvements, resulting from the Governor's proposal to extend the State Fair by 5 days.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Humane Shelter Capital Improvements: There is no new appropriation for this year. However, \$4.1 million has been re-appropriated from previous years.

TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION — A.9508

Part II Expand the Definition of “Immediate Family Member” in Farm Labor Statute The Farm Statute of 2019 exempted immediate family members from the provision of requiring 24 consecutive hours of rest each calendar week. This bill defines an immediate family member as family related to the third degree of blood kinship.

Part JJ: Child Nutrition Program Procurement Raises the discretionary limit for school districts buying food from NYS farms from \$50,000 to \$250,000. In addition, this bill amends municipal law to apply federal procurement procedures discretionary limits to child nutrition programs in NYS school districts. School districts would not need to obtain quotes for purchases of \$10,000 or less; purchases up to \$250,000 would require school districts to obtain 3 quotes from growers/producers in lieu of a formal bid process.

AGRICULTURE LOCAL ASSISTANCE PROGRAMMING FIGURE 1			
PROGRAM	2020 FUNDING REQUEST	2020 FUNDING AVAILABLE	CHANGE FROM PREVIOUS YEAR
Ag. and Domestic Arts (Local Fairs)	\$500,000	\$420,000	(\$80,000)
Agribusiness Child Development Program	\$8,275,000	\$8,275,000	(\$1,000,000)
Agricultural Economic Development	\$1,000,000	\$2,000,000	\$1,000,000
Barn Owners Assoc.	\$50,000	\$50,000	\$0
Christmas Tree Farmers Assoc.	\$125,000	\$125,000	\$0
Cornell Apple Growers Assoc.	\$75,000	\$75,000	\$0
Cornell Agriculture in the Classroom	\$380,000	\$380,000	\$0
Cornell Animal Health Research	\$1,889,000	\$1,425,000	(\$414,000)
Cornell Association of Ag. Educators	\$418,000	\$416,000	\$0
Cornell Avian Research	\$250,000	\$250,000	\$0
Cornell Berry Research	\$260,000	\$260,000	\$0
Cornell Cattle Health Insurance	\$80,000	\$80,000	\$0
Cornell Concord Grape Research	\$250,000	\$200,000	(\$50,000)
Cornell Farm Family Assistance (FarmNet)	\$72,000	\$84,000	(\$208,000)
Cornell Farm Labor Specialist	\$200,000	\$200,000	\$0
Cornell Fruit Farmers of America	\$72,000	\$72,000	\$0
Cornell Golden Nematode	\$62,000	\$0	(\$62,000)
Cornell Hardwood Production	\$200,000	\$200,000	\$0
Cornell Honeybee Research	\$150,000	\$150,000	\$0
Cornell Horses Disease Research	\$180,000	\$180,000	\$0
Cornell Maple Research	\$125,000	\$75,000	(\$50,000)
Cornell Onion Research	\$70,000	\$50,000	(\$20,000)
Cornell Pro-Dairy Program	\$1,201,000	\$1,201,000	\$0
Cornell Quality Milk Promotion	\$1,177,000	\$1,177,000	\$0
Cornell Rabies Research	\$350,000	\$50,000	(\$300,000)
Cornell Salmonella DNA Testing	\$200,000	\$0	(\$200,000)
Cornell Vegetable Research	\$100,000	\$50,000	(\$50,000)
Cornell Veterinary Extension	\$105,000	\$115,000	\$0
Center for Dairy Excellence (Profit Teams)	\$370,000	\$370,000	\$0
Farmers Market Regional Network NY&VT	\$8,000	\$8,000	\$0
Farm-to-School Competitive Grants	\$750,000	\$750,000	\$0
Geneva Exp. Station Horse Testing	\$100,000	\$80,000	(\$100,000)
Harvest New York	\$600,000	\$0	(\$600,000)
Maple Production	\$280,000	\$300,000	(\$138,000)
Met Council Kosher Food Network	\$50,000	\$0	(\$50,000)
New Generation Regional Network	\$200,000	\$0	(\$200,000)
New Generation Research Center	\$200,000	\$0	(\$200,000)
New York State Apple Growers	\$750,000	\$478,000	(\$272,000)
New York State Turfgrass Assoc.	\$150,000	\$0	(\$150,000)
Northern NY Ag. Development	\$800,000	\$0	(\$300,000)
NY Farm Viability Institute	\$1,900,000	\$800,000	(\$1,100,000)
NYS Apple Research and Development	\$500,000	\$500,000	\$0
NYS Brewers Association	\$75,000	\$75,000	\$0
NYS Cider Association	\$75,000	\$75,000	\$0
NYS Distillers Association	\$75,000	\$75,000	\$0
Red Hook Farms Initiative	\$0	\$0	(\$40,000)
Taste NY	\$1,100,000	\$0	(\$1,100,000)
Teens for Food Justice	\$20,000	\$0	(\$20,000)
Tractor Rollover Prevention/On Farm H & S	\$250,000	\$125,000	(\$125,000)
Wine and Grape Foundation	\$109,000	\$109,000	(\$6,000)
TOTAL	\$21,236,000	\$21,089,000	(\$5,835,000)

Agency Summary

ALCOHOLIC BEVERAGE CONTROL

WAYS & MEANS CONTACT:

[REDACTED]

STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Cannabis Management Program: \$34.3 million for the Office of Cannabis Management (OCM). The new Office would regulate and control the cultivation, processing, distribution and retail sale of cannabis, cannabis related products, medical cannabis and hemp within the State of New York. This funding will support 191 Full Time Employees (FTEs).

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part CC Creates a Higher Education Institution License for Alcoholic Beverage Sale and Manufacture Any college or university accredited by the Board of Regents of the New York State Education Department may apply to the Liquor Authority for a higher education institution license. Under this new license, higher education institutions would be able to manufacture mead, beer, cider, liquor,

and wine and also have the ability to sell those products to retail customers for on and off premises consumption. The application would be in writing and would contain information as required by the Liquor Authority and would carry a fee of \$400. The annual fee for a higher education institution license would be \$2,000.

Part DD Alcohol in Movie Theaters Authorizes movie theaters to qualify for an alcohol license for on-site consumption by removing the requirement that such movie theater meet the definition of a restaurant and provide meals and seating at tables. Theaters would be required to check proof for age and limit customers to one alcoholic drink per transaction. No alcoholic drinks shall be allowed in any theater showing a movie with a rating below PG-13. The sale of alcohol would be limited to one hour prior to the first showing and conclude at the end of the final showing. In the case of a motion picture theater applying for a license under this section, any municipality that is required to be notified under this law may express an opinion with respect to whether that application should be approved, and such opinion may be considered in determining whether good cause exists to deny

any such application. Currently, the State Liquor Authority may not consider such opinions as support for a denial.

Part EE Allow Craft Beverage Brewers and Distillers to Sell Their Products on-Premise without Additional Legislative Approval Allow manufacturers/wholesalers to have a direct or indirect interest in a retail establishment. Currently, Tied House Law prohibits alcohol beverage suppliers from having such an ownership stake for fear that they would exert control over retailers. This provision would allow a manufacturer/wholesaler to have such a relationship with a retailer if the following provisions are met:

- the manufacturer or wholesaler does not, directly or indirectly, exercise control over or participate in the management of the retailer's business or business decisions;
- the interest does not result in the retailer purchasing alcoholic beverages from the manufacturer or wholesaler to the exclusion of others;
- the products and services of the manufacturer or wholesaler are offered to all retailers in the local market on the same terms; and
- the retailer purchases from a wholesaler licensed under this chapter without an interest in the retailer.

Lastly, the same provisions are applied to a retailer with an interest in a wholesaler or manufacturer.

Part FF Establish the Hours During Which Alcohol may be Sold at Certain International Airports Changes the hours of service for which alcohol may be sold at airports owned and operated in New York by the New York New Jersey Port Authority. Under this proposal, alcohol sales would be allowed Monday-Saturday at all hours, except between 3 am and 6 am. Currently, such sales are prohibited between the hours of 4 am and 8 am. This change would bring airports owned and operated in New York by the New York New

Jersey Port Authority (JFK, LaGuardia and Stewart International) into alignment with the same hours set for the airports operated by the Port Authority in New Jersey.

REVENUE – A.9509

Part BB The Cannabis Regulation and Taxation Act This proposal would legalize the adult-use of cannabis in New York State. This Act will establish the Office of Cannabis Management (OCM) within the Division of Alcoholic Beverage Control for the purposes of properly regulating and controlling the cultivation, processing, distribution and retail sale of cannabis, cannabis related products, medical cannabis and hemp within the State of New York in order to protect public health, safety, and welfare, and to promote social equality. OCM would be responsible for the management and administration of the State's Medical Cannabis Program, adult-use cannabis, and hemp cannabis. For additional information on this program, please see the Cannabis Highlight contained in this publication.

Agency Summary

ARTS

WAYS & MEANS CONTACT:

[REDACTED]

STATE OPERATIONS – A.9500

MAINTAINS FUNDING FOR THE FOLLOWING:

Administration: \$4.4 million. This funding covers the cost of the Council on the Arts agency and the administration that oversees the grants provided to various arts organizations.

AID TO LOCALITIES – A.9503

SIGNIFICANT ELIMINATIONS INCLUDE:

Museum of the City of New York: \$50,000 is eliminated.

The Bronx Museum of the Arts: \$50,000 is eliminated.

MAINTAINS FUNDING FOR THE FOLLOWING:

Arts Grants: \$40.6 million. This funding is provided to various nonprofit cultural organizations through a competitive grant process.

Empire State Plaza Performing Arts Center: \$220,000.

CAPITAL – A.9504

SIGNIFICANT ACTIONS INCLUDE:

Arts and Cultural Facilities Improvement: No new funding. There is \$13.7 million in funding reappropriated for competitive grants for capital projects in eligible arts or cultural facilities to improve the quality, efficiency and accessibility of arts and cultural organizations.

Agency Summary

AUDIT & CONTROL

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Audit and Control Program: \$141.3 million in new funding to support services and expenses related to various programs and services, which include the Achieving a Better Life Experience (ABLE) program and other audits conducted by the Department.
- Retirement Services Program: \$141.5 million, \$4.1 million more than last year, to support personal service costs and fringe benefits.

SIGNIFICANT DECREASES INCLUDE:

- Chief Information Office Program: \$28.8 million, \$25 million less than last year, due to a reduction in personal service costs and travel expenses.
- Executive Direction Program: \$2.9 million, \$10.5 million less than last year, due to a decrease in personal service costs.
- State and Local Accountability Program: \$2.2 million, \$49 million less than last year, related to Executive direction internal audits.

- State Operations Program: \$19.2 million, \$31 million less than last year.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Investigation Program: \$2.2 million has been eliminated for all services and expenses related to operating the investigation program.
- Legal Services Program: \$4.08 million has been eliminated in this year's Executive proposal.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASE INCLUDE:

- I.T. Initiative Program: \$10.1 million in new funding for services and expenses related to acquiring technological equipment and improving software services.

Agency Summary

BOARD OF ELECTIONS

WAYS AND MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Help America Vote Act (HAVA): \$21.8 million in new Federal funding under the HAVA to support costs associated with election enhancement and security.

AID TO LOCALITIES – A.9503

SIGNIFICANT ACTIONS INCLUDE:

- Early Voting: No new funding. \$10 million is reappropriated to support the costs related to the implementation of early voting.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Online Voter Registration System: \$16 million in new funding to support the development of an online voter registration system.

SIGNIFICANT ACTIONS INCLUDE:

- Poll Books: No new funding. \$14.6 million is reappropriated to support technology costs of electronic poll books.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part JJ Automatic Manual Recount of Elections
This part would require County Boards of Elections to conduct manual recount of ballots within 15 days after each general, special, or primary election, in the following circumstances:

- In a statewide election if the margin of victory is 0.2% or less of all ballots cast in the contest; and
- In any other election for public office if the margin of victory is 0.5% or less of all ballots cast in the contest.

This part shall take effect on the 1st of the January next succeeding the date on which it shall have become law and shall apply to any elections held 120 days or more after such effective date.

Part SS Ban on Contributions from Foreign-Influenced Corporations This part would ban political contributions from foreign influenced corporations or entities. Foreign influenced shall mean companies which are:

- Owned or controlled by a foreign national with 5% or more control or ownership of the company;
- Owned or controlled by two or more foreign nationals with 10% or more, in aggregate, control or ownership; and
- Has a foreign national participating, directly or indirectly, in the company's decision making process as it relates to political activities in the United States.

Violations of these provisions shall be a misdemeanor and may result in a fine, not to exceed \$10,000 per contribution, in addition to any other penalties under the law. The definition of "foreign national" shall be as defined in subsection b of section 30121 of title 52 of the United State Code, including, but not limited to a foreign government or a foreign principal.

Agency Summary

CHILDREN & FAMILY SERVICES

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Central Administration Program: \$56.6 million, \$987,000 more than last year, due to increases in personal service, supplies and materials, and equipment.
- Child Care Program: \$62.8 million, \$11.1 million more than last year, due to increased costs to administer the Federal Child Care Block Grant.
- New York State Commission for the Blind Program: \$46.4 million, \$3.8 million more than last year, due to an increase in nonpersonal service.

SIGNIFICANT DECREASES INCLUDE:

- Youth Facilities Program: \$159.5 million, \$1.2 million less than last year, due to a decrease in funding for the New York model treatment program.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Family and Children's Services: \$81.5 million.
- Systems Support Program: \$43 million.
- Training and Development Program: \$58.7 million.

AID TO LOCALITIES – A.9503

SIGNIFICANT DECREASES INCLUDE:

- Child Care Program: \$105.9 million, \$24 million less than last year, due to a decrease in money from the Federal Child Care Development Fund.
- Child Welfare Services: \$610 million, \$25 million less than last year, due to a decrease in needed State funding to reimburse local child welfare service districts.
- Union Child Care Support: \$4.25 million, \$4.25 million less than last year, for CSEA and the United Federation of Teachers to provide professional development and quality training classes to members.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Adoption Subsidy Program: \$187.9 million.
- Child Protective Services and Preventive Adoption Services Provided by Indian Tribes: \$4.7 million.
- Community Based Medicaid Waiver Services: \$78.3 million.
- Child Care Subsidies: \$832 million.

SIGNIFICANT ACTIONS INCLUDE:

- Survivor Centered Pilot Program to Address Domestic Violence: \$5 million in new funding.
- Federal Family First Prevention Services Act (FFPSA): \$75 million in new funding to bring New York into compliance with FFPSA. (See Article VII Part M below)

SIGNIFICANT ELIMINATIONS INCLUDE:

- State's Share for the Committee on Special Education: \$22 million.
- Public/Private Partnership Pilot Program: \$3.5 million.
- Eighty-six programs added by the Legislature: \$76.9 million, including: 2-1-1 (\$1.2 million); Child Advocacy Centers (\$2 million); and Fresh Air Fund (\$1 million).

CAPITAL PROJECTS – A.9504**MAINTAINS FUNDING FOR THE FOLLOWING:**

- Design and Construction Supervision: \$7 million.
- Facilities Maintenance and Operations: \$5.7 million.
- Maintenance and Improvement of Youth Facilities: \$20.6 million.
- Program Improvement or Program Change: \$10 million.

**PUBLIC PROTECTION AND
GENERAL GOVERNMENT – A.9505**

Part RR Expansion of Access to Civil Orders of Protection in Family Courts This bill authorizes concurrent jurisdiction to criminal courts and family courts to issue orders of protection for petitioners alleging family offenses. Criminal courts previously held sole jurisdiction to issue orders of protections in family offense cases.

**EDUCATION, LABOR AND FAMILY
ASSISTANCE – A.9506**

Part M Comply with Federal Family First Prevention Services Act Requirements Requires local social service districts and the Office of Children and Family Services (OCFS) to comply with Federal Family First Prevention Services Act by enacting the following provisions:

- The local social service district or OCFS must notify the Family Court when a child is placed in a qualified residential treatment program (QRTP);
- The court must conduct an initial assessment 30 days after a child is placed in a QRTP to determine if the placement is appropriate and necessary;
- A follow up assessment must be conducted by the court every 60 days thereafter to determine if the placement is appropriate and consistent with the short and long-term permanency goals of the child; and
- Permanency hearings must be held to determine if evidence supports keeping children in QRTP or if the agency can adequately prepare the child to return home or to the least restrictive, most family-like setting.

Part N Realign Financing for Residential Placements of Children with Special Needs Outside of New York City The Executive Budget proposal restructures the funding model for the Committee on Special Education, which is tasked with placing students with special needs in residential schools. This proposal eliminates the State's share of costs associated with the placement of special education children in residential facilities and equalizes the share of school districts' placement costs to 56.8% throughout the State, including New York City. This is an unfunded mandate.

Agency Summary

CITY UNIVERSITY OF NEW YORK

WAYS & MEANS CONTACT:

[REDACTED]

STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Additional Tuition Revenue: \$36 million in additional revenue, as a result of an anticipated \$200 increase in tuition. This action raises CUNY tuition to \$7,130; however, this increase is subject to a vote by the CUNY Board of Trustees.
- CUNY Fringe Benefits: \$841.8 million, \$24.3 million more than last year.

MAINTAINS FUNDING FOR THE FOLLOWING:

- CUNY SEEK: \$28.1 million.

AID TO LOCALITIES – A.9503

SIGNIFICANT DECREASES INCLUDE:

- Community College Child Care Centers: \$813,000, \$902,000 less than last year.

SIGNIFICANT ELIMINATIONS INCLUDE:

- CUNY Accelerated Study in Associates Program (ASAP): \$2.5 million.
- Family Empowerment Community College Pilot Program: \$2 million in funding to provide a comprehensive system of support for single parents returning to community college. Although no new funding is appropriated this year, \$2 million is included for this program in CUNY reappropriations.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Community College Base Aid: \$2,947 per student. The total appropriation is \$225.2 million, \$3.7 million less than last year reflecting a slight decrease in enrollment. Removes 98% hold harmless provision from last year's Enacted Budget.
- Community College Contract Courses: \$1.9 million.
- CUNY Community College Apprenticeship Program: \$2 million. This program develops apprenticeship programs with local businesses.

- Metropolitan Commuter Transportation Mobility Tax: \$5.5 million. These funds are for reimbursement for CUNY senior colleges that employ individuals in the commuter transportation district.
- Next Generation NY Job Linkage Program Incentive Fund Grants: \$2 million.
- Rental Aid: \$8.9 million.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- CUNY Capital Projects: \$685.5 million, \$296 million more than last year. Of this funding:
 - Community College General Maintenance and Improvements: \$64.3 million.
 - Project Administration: \$37 million.
 - Senior College General Maintenance and Improvements: \$284.2 million.
 - Strategic Needs Capital Matching Program: \$200 million in new funding for the State share of a new 2:1 capital matching program to support new construction and major renovations of academic buildings at CUNY senior colleges. The program requires a \$1 campus match for every \$2 invested by the State.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part CC Creates a Higher Education Institution License for Alcoholic Beverage Sale and Manufacture Any college or university accredited by the Board of Regents of the New York State Education Department may apply to the Liquor Authority for a higher education institution license. Under this

new license, higher education institutions would be able to manufacture mead, beer, cider, liquor, and wine and also have the ability to sell those products to retail customers for on and off premises consumption. The application would be in writing and would contain information as required by the Liquor Authority and would carry a fee of \$400. The annual fee for a higher education institution license would be \$2,000.

EDUCATION, LABOR AND FAMILY ASSISTANCE – A.9506

Part D Extends the Predictable Funding Plan for SUNY and CUNY Currently, SUNY and CUNY are in the third year of a four year plan which authorizes the raising of the resident undergraduate rate of tuition by up to \$200 annually. This part extends that authorization for four years, commencing in the 2021-2022 academic year and ending in the 2024-2025 academic year. Students receiving an award under the Tuition Assistance Program (TAP) will receive a tuition credit from their campus in an amount proportional to how much TAP they receive. A student receiving the maximum TAP award will receive a credit equal to the difference between the TAP award and tuition cost. On or before November 30, 2021, the SUNY Board of Trustees will approve and submit a master tuition plan setting proposed tuition rates for the four year period. Also included is a continuation of the maintenance of effort provision for SUNY and CUNY, which will provide State operating support to SUNY and CUNY in an amount not less than the amount appropriated in the prior fiscal year. This part would also authorize the SUNY College of Environmental Science and Forestry to raise tuition rates for non-resident undergraduate students by up to 10% annually for four years beginning in the 2021-2022 academic year and ending in the 2024-2025 academic year. This is intended to set the non-resident tuition rate similar to that at SUNY University Centers.


Part E Raises the Excelsior Scholarship Income Eligibility Threshold from \$125,000 to \$150,000
Increases the Excelsior Scholarship income eligibility threshold to \$135,000 in the 2020-2021 academic year and to \$150,000 in the 2021-2022 academic year and thereafter.

Part F Raises the Enhanced Tuition Awards Program Income Eligibility Threshold from \$125,000 to \$150,000
Increases the Enhanced Tuition Awards Program income eligibility threshold to \$135,000 in the 2020-2021 academic year and to \$150,000 in the 2021-2022 academic year and thereafter.

Agency Summary

CORRECTIONS & COMMUNITY SUPERVISION

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Supervision of Inmates Program: \$1.6 billion, \$112.6 million more than last year, as a result of an increase in both personal service costs and holiday and overtime compensation.

SIGNIFICANT DECREASES INCLUDE:

- Offender Programming Account: \$600,000, \$900,000 less than last year, to provide correctional facilities with grant funding to operate various comprehensive program services. Program services offer inmates an opportunity to improve themselves through educational and rehabilitative services.
- Health Services Program: \$396.5 million, \$1.7 million less than last year, mostly in personal services costs. The Health Services Program provides inmates in correctional facilities with medical, dental and pharmaceutical services.
- Support Services Program: \$349.8 million, \$7.3 million less than last year, for monies that may be available for expenses related to lease payments to the Dormitory Authority.

AID TO LOCALITIES – A.9503

SIGNIFICANT DECREASE INCLUDE:

- Local Assistance Account: \$680,000, \$180,000 less than the last year, in funding for the Osbourne Association Family Works Program, which provides re-entry services to the incarcerated and recently released.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Health and Safety: \$23 million, \$8 million more than last year, to improve safety standards within State correctional facilities.

SIGNIFICANT DECREASES INCLUDE:

- Environmental Protection: \$16 million, \$1 million less than last year, to improve facilities and ensure environmental standards are updated.

- Preservation of Facilities: \$165 million, \$1 million less than last year, for altering and improving facilities and related departmental costs.
- Program Improvement: \$87 million, \$77 million less than the previous year, as a result of a reduction of departmental administrative costs.
- Rehabilitation Projects: \$16 million, \$1 million less than last year, for administrative costs related to ongoing rehabilitative work of DOCCS facilities.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part A Extend Various Criminal Justice and Public Safety Programs Extends several criminal justice and safety programs until September 1, 2022, such as; psychological testing of correctional officer candidates, expanding the geographic employment of certain police officer areas, determinate sentencing, inmate work release programs and furloughs, the Earned Eligibility Program, substance abuse treatment for inmates, incarceration fees, parole and probation fees, mandatory surcharge and crime victim assistance fees, alternatives to incarceration, prison litigation reform, armory rent, the ignition interlock program for individuals convicted of alcohol related violations, electronic court appearances, the Adult Interstate Compact, community treatment facilities, pre-criminal proceeding settlements and mandatory arrest in cases of domestic violence and protective measures of child witnesses.

Part F Prison Closures Authorizes the Governor to close any State correctional facility operated by the Department of Corrections and Community Supervision as he deems necessary for the cost effective and efficient operation of the correctional system, provided he gives at least 90 days' notice, to the Legislature.

Part G Authorize the Transfer of Adolescent Offenders from Department of Corrections and Community Supervision to Office of Children and Family Service This part would authorize the transfer of adolescent offenders who are younger than 18 years old from the Department of Corrections and Community Service (DOCCS) to the Office of Children and Family Services (OCFS). OCFS residential facilities for adolescent offenders must include services including but not limited to: residential care, educational and vocational training, physical and mental health services, and employment counseling. This authorization will allow current facilities allocated for adolescent offenders within DOCCS to be repurposed into medium security facilities in order to comply with the Executive's original Raise the Age proposal.

Part H Preferred Services Status by the Correctional Industries Program in Department of Corrections and Community Supervision This proposal would allow the correctional industries program to now provide services in addition to commodities and enable Corcraft to provide services to an expanded population of customers. State agencies, political subdivisions and public benefit corporations would now have preferred status and the ability to bid for services provided by the correctional industries program.

Part OO Authorize Shared County Jails The Executive Budget proposes to allow counties to pursue shared services agreements for county jails. Currently, County Law requires counties to maintain a jail. This opt-in proposal relieves counties of fiscal mandates associated with maintaining a jail and if inmate capacity is shareable with another county.

**TRANSPORTATION, ECONOMIC
DEVELOPMENT AND
ENVIRONMENTAL CONSERVATION
– A.9508**

Part GG Economic Transformation Program Eligibility This part would remove eligibility restrictions for the Economic Transformation Program and allow additional communities affected by a prison closure to participate. This program was created in 2011 to support the economies of communities affected by the closure of certain correctional and juvenile justice facilities. The Economic Transformation Program provides tax credits and capital funding for projects that leverage investments to create jobs and support economic development initiatives in these areas. Currently, only communities that had a prison closure before March 31, 2012 could qualify. This part removes the March 31, 2012 cutoff date and allows all communities affected by prison closures since April 1, 2011 to qualify for the program.

Agency Summary

CRIMINAL JUSTICE SERVICES

WAYS & MEANS CONTACT:



AID TO LOCALITIES – A.9503

CRIME PREVENTION AND REDUCTION STRATEGIES PROGRAM

SIGNIFICANT INCREASES INCLUDE:

- District Attorneys Discovery Compensation Fund: \$2 million in new funding to assist local district attorneys within the State purchase equipment which supports digital evidence transmission.
- Legal Action Center: \$180,000 in new funding to support the Legal Action Center.
- Legal Services Assistance: \$12.5 million, \$9 million more than last year, to support various legal aid and public defender programs throughout the State.
- Indigent Legal Services: \$7.6 million, \$1.5 million more than last year, to be distributed as competitive grants to localities.
- Rape Crisis Centers: \$2.7 million in new funding for grants to support rape crisis programs.

SIGNIFICANT DECREASES INCLUDE:

- Crime Prevention and Reduction Strategies: \$131.5 million, \$22.2 million less than last year, to fund more than 100 community based and not-for-profit crime prevention programs.
- Local Prosecution Assistance: \$8.9 million in new funding prosecutorial services to counties in the form of competitive grants has been eliminated.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Securing Communities Against Hate Crimes Grant Program: \$25 million in new funding, formerly appropriated within the State Education Department, to provide nonprofit schools, nonprofit day care centers, nonprofit community centers, not-for-profit cultural museums and nonprofit residential camps financial assistance for reinforcing facilities physical security systems and staff training.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part B Close the (e-STOP) Loophole This proposal adds to the list of personal identifiers that convicted sex offenders must register with the Division of Justice Services to now include: electronic mail addresses; phone numbers; account names; user names; screen names and gamer tags as well as aliases used for the purpose of chatting, messaging, gaming, dating, networking; social media, file sharing, information sharing or other internet communication. Offenders must also register the names of internet applications or mobile device applications, platforms or software where such aliases are used to engage in internet communication.

This part also requires authorized internet entities or internet access providers to review information provided by DCJS regarding an individual's status as a sex offender and develop policies and procedures related to the use of information provided to them by DCJS which cannot be published or publicly disclosed.

If enacted, a new penal offense of Criminal Personation by a sex offender would be created. A person would be guilty of such offense if when required to register or verify with DCJS personal identifiers used to engage in communication or contact on the internet, an individual knowingly misrepresents his or her actual name, gender, date of birth, address, or status as a sex offender to another person with intent to defraud, deceive or injure such individual. Criminal personation by a sex offender would be classified as a E felony for their first offense and a D felony for any second or subsequent offense.

Part C Close the Rape Intoxication Loophole Establishes that a person is unable to give consent when he or she, in addition to being forcibly compelled, engages in a sexual act while under the influence of any drug, intoxicant or other known substance which renders a person unable to give voluntary consent and that condition is known or reasonably should be known to the parties involved.

This part adds to the criteria as to what constitutes rape in the 1st degree to now include: when an individual engages in sexual intercourse with another person who is unable to consent by reason of being mentally incapacitated and such incapacitation is due in part to the conduct of the actor who intended to cause the victim to be in an incapacitated state.

Part D Adds DCJS Waiver Elimination This legislation would allow the Division of Criminal Justice Services to hire licensed professionals that provide programs and services to communities without first obtaining a waiver from the Department of Education.

Part E District Attorney Discovery Compensation Fund Establishes the District Attorney Discovery Compensation Fund which makes funding available for district attorneys for local services and expenses related to digital evidence transmission. The Office of the Manhattan District Attorney shall annually remit \$2 million into the fund secured from State sanction deferred prosecution cases.

Part N Disqualify Individuals from Gun Ownership For Serious Misdemeanors in Another State Prohibits individuals who commit serious offenses in any jurisdiction outside New York State from obtaining a firearms permit. This proposal also adds the following offenses to the list of serious offenses that would render an individual ineligible of possessing a firearm to now include: obscenity in the 3rd degree; sexual misconduct; forcible touching; sexual abuse in the 3rd and 2nd degree; criminal possession of a controlled substance in the 7th degree; criminally possessing a hypodermic instrument; criminally using drug paraphernalia in the 2nd degree; and criminal possession of a methamphetamine manufacturing material in the 2nd degree.

Part P Share Flags from Mental Health Professionals This would allow the Division of Criminal Justice Services to share certain medical records with law enforcement agencies in other states

for the sole purpose of determining eligibility to purchase, possess or carry a firearm, granted each law enforcement agency obtains a confidentiality waiver.

Part R New York Hate Crime Anti-Terrorism Act
This proposal first adds to the list of specified hate crime offenses to now include: soliciting or providing support for an act of terrorism in the 2nd or 1st degree; making a terroristic threat; crime of terrorism; hindering prosecution of terrorism in the 2nd and 1st degree; criminal possession of a chemical weapon or biological weapon in 3rd, 2nd or 1st degree; and criminal use of a chemical weapon or biological weapon in the 3rd, 2nd or 1st degree.

The new offenses of domestic terrorism motivated by hate in the 2nd and 1st degree are created in penal law.

A person would be guilty of domestic terrorism motivated by hate in the 2nd degree when acting with the intent to cause serious physical injury or death of five or more persons because of their perceived race, color, national origin, ancestry, gender, gender identity or expression, religion, age, disability or sexual orientation a person attempts to cause such injury. This offense would be classified as an A-I felony.

A person would be guilty of domestic terrorism motivated by hate in the 1st degree when acting with the intent to cause serious physical injury or death of five or more persons because of their perceived race, color, national origin, ancestry, gender, gender identity or expression, religion, age, disability or sexual orientation and the person; causes the death of at least one person; causes or attempts to cause the death of four or more additional persons; or the defendant was more than 18 at the time of the commission of the crime. This offense would be classified as an A-I felony and the sentence shall be life imprisonment without the possibility for parole.

Lastly, this Act creates the Domestic Terrorism Task Force which shall examine, evaluate and determine

how to prevent mass shootings by domestic terrorists. This task force shall consist of nine members to include: the Commissioner of DCJS; Superintendent of State Police; three appointees by the Governor; and one appointee each from the Temporary President of the Senate; Minority Leader of the Senate; Speaker of the Assembly and Minority Leader of the Assembly.

TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION — A.9508

Part N Metropolitan Transportation Authority Worker Assault This proposal adds the following list of transit employee titles to the list of public employees enumerated in Penal Law whose injury caused by another individual whose intent was to cause physical injury would constitute second degree assault. These titles include: station customer assistant; defined as a person whose official duties include the sale or collection of tickets, passes, vouchers, or other fare payment media for use on a train or bus; a person whose official duties include maintenance, repair, inspection, troubleshooting, testing or cleaning of a transit signal system, elevated or underground subway tracks; transit station structure, train yard, revenue train in passenger service or train or bus station or terminal; or supervisor of such personnel.

Part O Metropolitan Transportation Authority Worker Assault This proposal adds to the list of transit workers of which it is a felony to attack and physically injure. A person would be guilty of second degree aggravated harassment if she or she strikes, shoves, kicks, spits on or otherwise subjects another person to physical contact and that individual is an on duty train operator; ticket inspector; conductor; signal person; bus operator; station agent; station cleaner; terminal cleaner; station customer assistant.

Part P Subway Sex Offender Ban This proposal allows both courts and the Metropolitan Transportation Authority (MTA) to issue orders of protection or administrative prohibition orders to individuals who commit unlawful sexual acts in MTA facilities.

When a defendant is charged with an offense involving unlawful sexual conduct committed against any MTA passenger, customer or employee courts may impose a temporary order of protection of public transit riders to ensure public safety. Such order may require the defendant refrain from entering, remaining or using facilities owned by the MTA or its subsidiaries and such order would remain in effect until the final disposition of the case. Upon sentencing of one of the aforementioned offenses, courts may impose an order of protection against the defendant for a period of three years.

The MTA may also issue prohibition orders to any person if it determines: the person has been issued a summons, appearance ticket or violation for committing an offense against any of the rules governing the conduct or safety of the public; the violation was related to a sex offense against an MTA passenger, customer or employee; or the person has been designated a level three sex offender. A person who has been issued a prohibition order may not enter or use any transportation facility for a period of three years. If an individual who has been subject to a prohibition order issued by the MTA knowingly enters, remains or uses transportation facilities he or she is guilty of transit trespass, which is classified as an A misdemeanor.

Agency Summary

DEBT SERVICE

WAYS & MEANS CONTACT:

[REDACTED]

STATE DEBT SERVICE – A.9502

SIGNIFICANT ACTIONS INCLUDE:

- Debt Service Bill: Approximately \$11.2 billion for payments to principal, interest and related expenses towards the State's outstanding debt. This bill is necessary to make legally-required payments related to the sale and servicing of debt by the State, as well as contractual debt agreements with public authorities and agencies. Specifically, these payments are going towards general obligation bonds, revenue bonds, lease purchase agreements and other special contractual obligations. Further, the appropriation provides reserve funds for market rate fluctuations and debt reduction needs.

FINANCIAL PLAN IMPLICATIONS:

- Cash Payments Accounted for in the Financial Plan: \$6.1 billion, this is an increase of \$846.4 million or 16.2%. The vast majority, about \$5.9 billion, consists of debt service payments due on existing debt. The remainder, \$204 million, is expected to result from new money

debt issuances. The Financial Plan assumes roughly \$450 million in debt service prepayments to be made in FY 2019-20 for costs associated in FY 2020-21; the Financial Plan already assumed \$200 million and the Executive Budget is proposing the additional \$250 million.

→ A breakdown of the \$6.1 billion is as follows:

- Dedicated Highway Revenue Bond Cash Payment: \$106.7 million;
- General Obligation Cash Payment (voter-approved debt): \$280 million;
- Health Income Revenue Bond Cash Payment: \$25.8 million;
- LGAC Revenue Bond Cash Payment: \$251.4 million;
- Mental Health Services Revenue Bond Cash Payment: \$9.8 million;
- Moral Obligation Revenue Bond Cash Payment (HFA): \$0;

- Other (MBBA Prior Year School Aid Claims): \$41.3 million;
 - Personal Income Tax Revenue Bond Cash Payment: \$3.7 billion;
 - Sales Tax Revenue Bond Cash Payment: \$1.3 billion;
 - Service Contract Bonds: \$341.3 million; and
 - Special Contractual Obligation Payment Appropriation (DASNY/MCFFA Secured Hospitals Program): \$4.6 million.
- Debt Reduction Reserve Fund: \$500 million, same as last year. There is no cash behind this appropriation.

§47-49 General Obligation (GO) Bonds These sections update the printing requirements for GO bonds to allow the notice of sale to be published two business days prior to a bond sale on an electronic or physical platform. It adds the definition of “business day” to State Finance law for clarification purposes.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part VV Sweeps and Transfers

§2 Miscellaneous Transfers

- \$500 million transfer from the General Fund to the Debt Reduction Reserve Fund; and
- \$31 million from the General Fund to the MTA for the purpose of covering a portion of the State’s \$7.3 billion commitment to the MTA’s 2015-19 Capital Plan. These funds are intended to help cover and/or free up resources towards the MTA’s debt service costs.

§27 Mental Health Arbitrage Rebate Continues the authorization to allow Mental Hygiene facilities to use excess debt service appropriations to make arbitrage rebate payments to the Federal Government, if necessary, to protect the tax-exempt status of the bonds.

§46 Debt Service Makes permanent the authorization for the quarterly set-aside of monies to pay State general obligation and other debt service.

Agency Summary

ECONOMIC DEVELOPMENT

WAYS & MEANS CONTACT:

[REDACTED]

STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Empire State Entertainment Diversity Job Training: \$2 million in new funding to support grants for job creation and training programs that recruit, hire, promote and train an inclusive workforce as production company employees in the motion picture and television industry.

MAINTAINS FUNDING FOR THE FOLLOWING:

- I Love NY: \$2.5 million.
- Regional Economic Development Councils Administration: \$1 million.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Online Database: \$500,000 to support the development of an online database of economic development projects.

AID TO LOCALITIES – A.9503

SIGNIFICANT INCREASES INCLUDE:

- Innovation Hub: \$1.5 million in new funding to support the creation of an Innovation Hub to provide grants for collaboration of academic, non-profit and industry projects to accelerate technology and commercialization.

SIGNIFICANT DECREASES INCLUDE:

- Local Tourism Matching Grants: \$3.8 million, \$593,000 million less than last year. This program provides matching funds to local Tourism Promotion Agencies (TPAs) to market their destination in order to increase the number of visitors and tourism spending across the State. This reduction is due to elimination of a Legislative addition.
- Technology Development Organization Matching Grants: \$1.4 million, \$609,000 less than last year. The purpose of this program is to attract more Federal R&D funding to support technology development commercialization efforts in NY. This reduction is due to elimination of a Legislative addition.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Agritourism: \$4 million, same as last year. This funding supports marketing, advertising and retail operations to promote local agritourism and NY produced products. This funding will support the Taste NY initiative, including:
 - ⇒ Cornell Cooperative Extension of Broome County: \$415,000;
 - ⇒ Cornell Cooperative Extension of Columbia and Greene Counties: \$450,000;
 - ⇒ Cornell Cooperative Extension of Erie County: \$550,000;
 - ⇒ Cornell Cooperative Extension of Nassau County: \$600,000;
 - ⇒ Cornell Cooperative Extension of Sullivan County: \$550,000;
 - ⇒ Lake George Regional Chamber of Commerce: \$350,000;
 - ⇒ Montgomery County Chapter of NYARC, Inc.: \$350,000; and
 - ⇒ Thousand Islands Bridge Authority: \$300,000.
- Innovation Hot Spots: \$5 million. This funding provides operating support for NYS Hot Spots (\$250,000 each) and NYS Certified Incubators (\$125,000 each). Businesses located in these Hot Spots are exempt from business, real property and sales taxes for five years.
- Manufacturing Extension Partnership Program: \$12 million, same as last year. This funding supports a network of organizations that provide growth and innovation services to small and mid-sized manufacturers.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Visitor Centers at Beekmantown and Binghamton: \$196,000 for each center is eliminated.

SIGNIFICANT ACTIONS INCLUDE:

- Centers for Advanced Technology (CAT): \$19.5 million. The Executive is proposing to combine the Centers of Excellence and Centers of Advanced Technology programs into one competitive program. Under this program, up to 29 Centers can be designated to support university-industry collaborative research and technology transfer in commercially relevant technologies. In addition, these funds may support other initiatives including: quantum technology, drone science, atmospheric science, robotics, smart cities, autonomous vehicles, cyber security, 3-D printing and health technology. This funding is \$7.2 million less than the total funding for these programs compared to last year.

Agency Summary

EDUCATION

WAYS & MEANS CONTACT:

According to the US Census, New York State's public school per pupil spending (\$23,091) continues to rank the highest among the United States and is 90% above the national average (\$12,201), as shown in *Figure 1* and *Figure 2*.

FIGURE 1

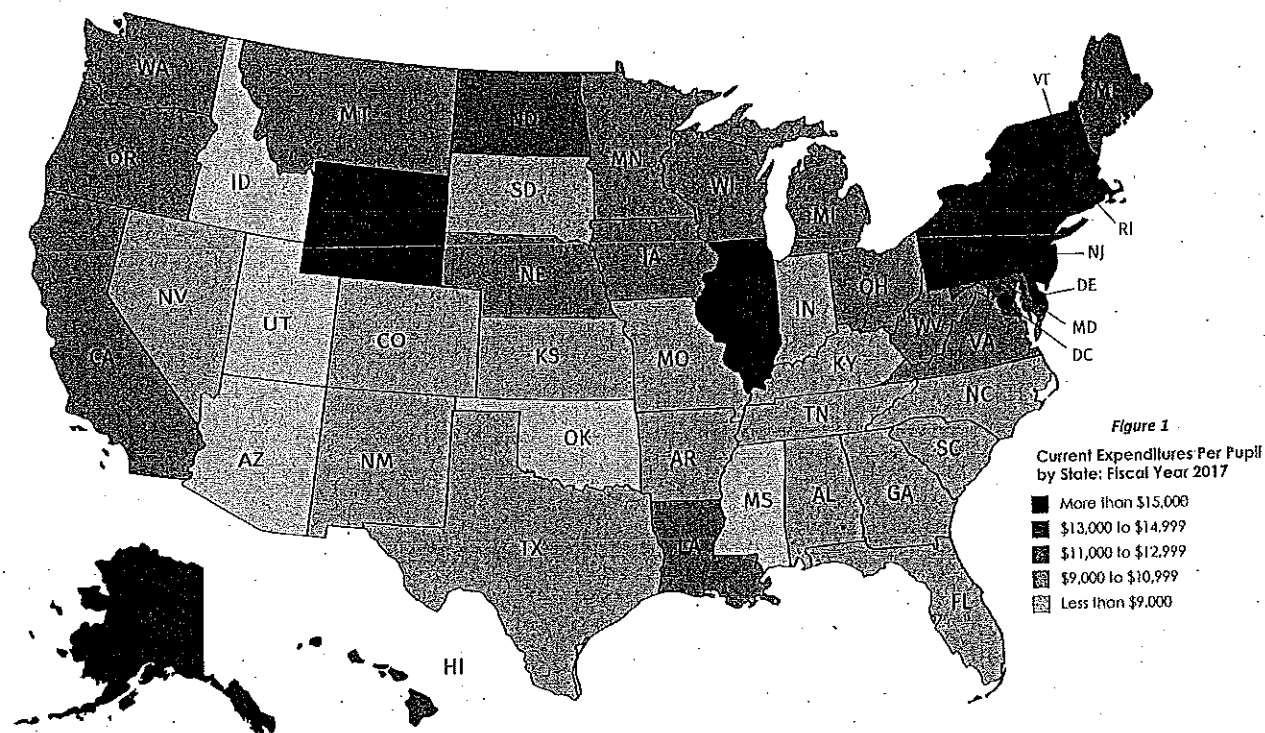
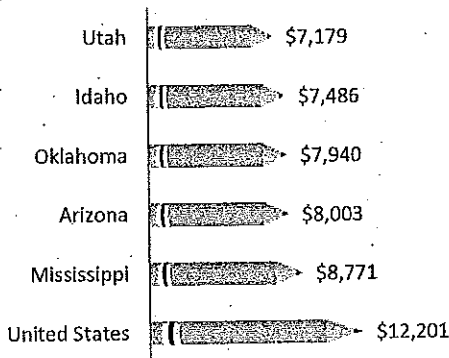
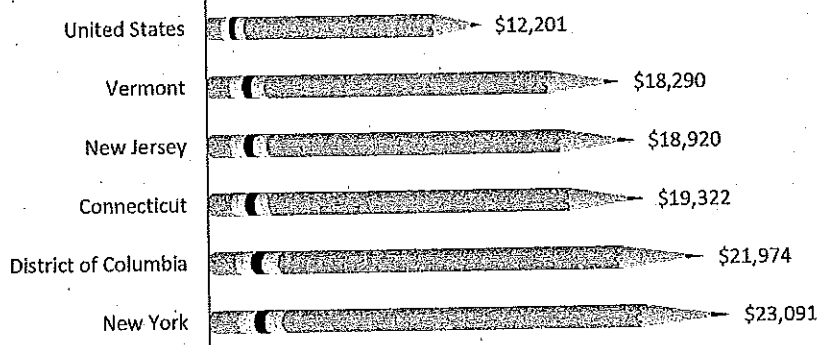


FIGURE 2

Lowest Spenders



Highest Spenders



STATE OPERATIONS – A.9500

SIGNIFICANT DECREASES INCLUDE:

- Office of Prekindergarten through Grade Twelve Education Program: \$250.6 million, \$132,000 less than last year. This decrease can be attributed to:
 - ⇒ \$265,000 more for the administration of grants, including 21st Century Community Learning Centers and student support and academic enrichment pursuant to Federal Title IV of the Elementary and Secondary Education Act;
 - ⇒ \$265,000 more for support for preschool children under the Federal Individuals with Disabilities Education Act of 1991;
 - ⇒ \$1 million less for the development and implementation of the translation of grades 3-8 English Language Arts (ELA) and Math state assessments and regents exams; and
 - ⇒ \$602,000 more for the administration of programs funded through the National School Lunch Act.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Adult Career and Continuing Education Services Program: \$144.4 million. The Adult Career and Continuing Education Services administer the high school equivalency diploma exam.
- Cultural Education: \$72.3 million. This funding goes to the State museum, State library and State archives.

- Office of Higher Education and the Professions: \$69.7 million. These offices oversee higher education programs operated by the Department and licensing of various professions.
- Office of Management Service (Chief Financial Officer): \$55.1 million. This office oversees the finances of school districts and includes the State Aid unit which produces school aid runs.

AID TO LOCALITIES – A.9503

This year's Executive Budget will increase education spending by \$826 million, or 3%. Of this spending, formula-based School Aid will increase by \$578.5 million, or 2.1%. See *Figure 5 after the Capital Projects summary for a complete program-by-program breakdown of these increases.*

GENERAL SUPPORT FOR PUBLIC SCHOOLS (SCHOOL AID)

SIGNIFICANT FORMULA BASED AID INCREASES INCLUDE:

- BOCES Aid: \$1.02 billion, \$11 million more than last year. The Governor proposes to consolidate this aid category into Foundation Aid. This proposal is further explained below in Part A of the Education, Labor and Family Assistance Article VII summary section.

- Community Schools Aid: \$300 million, \$50 million more than last year. This funding is for schools to transition into Community Schools. This funding is contained within Foundation Aid as highlighted in the Education, Labor and Family Assistance Article VII summary section.
 - Computer Software Aid: \$45.2 million, \$690,595 more than last year. The Governor proposes to consolidate this aid category into Foundation Aid. This proposal is further explained below in Part A of the Education, Labor and Family Assistance Article VII summary section.
 - Foundation Aid: \$20.8 billion, \$503.8 million more than last year. This total includes the consolidated aid categories, which is further explained in the Education, Labor and Family Assistance Article VII summary section.
 - Hardware and Technology Aid: \$37 million, \$340,142 more than last year. The Governor proposes to consolidate this aid category into Foundation Aid. This proposal is further explained below in Part A of the Education, Labor and Family Assistance Article VII summary section.
 - Library Materials Aid: \$18.9 million, \$446,850 more than last year. The Governor proposes to consolidate this aid category into Foundation Aid. This proposal is further explained below in Part A of the Education, Labor and Family Assistance Article VII summary section.
 - Private Excess Cost (Special Education) Aid: \$422.5 million, \$27.7 million more than last year. This aid is funded at present law levels.
 - Textbook Aid: \$174.8 million, \$1.3 million more than last year. The Governor proposes to consolidate this aid category into Foundation Aid. This proposal is further explained below in Part A of the Education, Labor and Family Assistance Article VII summary section.
 - Transportation Aid, including Summer Transportation Aid: \$2.1 billion, \$102 million more than last year. This aid is funded at present law levels.
 - Universal Prekindergarten: \$848.6 million, \$2.5 million more than last year. This aid is funded at present law levels.
- SIGNIFICANT DECREASES INCLUDE:
- Building Aid: \$3 billion, \$6.5 million less than last year. This aid is funded at present law levels.
 - Charter School Transitional Aid: \$45.4 million, \$672,709 less than last year. The Governor proposes to consolidate this aid category into Foundation Aid. This proposal is further explained below in Part A of Education, Labor and Family Assistance Article VII summary section.
 - Full-Day Kindergarten Conversion Aid: \$2.5 million, \$1.9 million less than last year. This aid is funded at present law levels.
 - Public Excess Cost High Cost (Special Education) Aid: \$612.6 million, \$47.2 million less than last year. This aid category is available to school districts that have high special education costs that are not covered within the Foundation Aid formula. This aid is funded at present law levels.
 - Reorganization Incentive Building Aid: \$20 million, \$892,837 less than last year. This aid is funded at present law levels.
 - Reorganization Incentive Operating Aid: \$5.4 million, \$876,954 less than last year. This aid is funded at present law levels.
 - Special Services Aid: \$260.5 million, \$3.1 million less than last year. This aid is funded at present law levels.

MAINTAINS FUNDING FOR THE FOLLOWING:

- **Academic Enhancement Aid: \$28.3 million.** This funding is provided to seven districts: New York City (\$1.2 million); Yonkers (\$17.5 million); Syracuse (\$2.3 million); Hempstead (\$2.5 million); Wyandanch (\$1 million); Central Islip (\$2.5 million) and Albany (\$1.25 million). The Governor proposes to consolidate this aid category into Foundation Aid. This proposal is further explained below in Part A of the Education, Labor and Family Assistance Article VII summary section.
- **High Tax Aid: \$223.3 million.** The Governor proposes to consolidate this aid category into Foundation Aid. This proposal is further explained below in Part A of the Education, Labor and Family Assistance Article VII summary section.
- **Supplemental Public Special Education Aid: \$4.3 million.** The Governor proposes to consolidate this aid category into Foundation Aid. This proposal is further explained below in Part A of the Education, Labor and Family Assistance Article VII summary section.

COMPETITIVE GRANTS

The Governor has once again included \$50 million in new competitive grants for the 2020-21 School Year. These grants are as follows:

- **Curriculum on Diversity and Tolerance: \$1 million** to create a curriculum on civic education and values, the State's shared history of diversity, and the role of religious freedom.
- **Early College High School: \$6 million** to expand programs in high schools that offer a jump start on college credits. The additional funding seeks to expand these programs to 10 new schools in underprivileged communities. The maximum annual grant to a program would be \$500,000. This would increase to \$600,000 if the program partners with an employer in an industry identified as having a favorable job outlook according to the Department of Labor.
- **Empire State After-School Grants: \$10 million** to provide after-school programs to an additional 6,250 students in underprivileged neighborhoods. Of this funding, \$2 million would initially be made available to applicants located in high-need school districts in Nassau and Suffolk counties. Grants would be awarded to districts based on district need of the students and programs designed to focus on homeless or effected students of gang violence. Districts would receive \$1,600 per student.
- **Improving Teacher Performance and Achievement: \$16 million** provided to improve teacher and student performance and achievement. A plan developed by the Director of the Budget will create a structure of competitive grants and award amounts authorized for the 2020-21 school year.
- **Master Teacher and Counselor Awards: \$1.5 million** for another round of the Master Teacher program and to expand awards to school counselors in schools with high rates of mental health incidents. Teachers or school counselors will be awarded stipends of \$15,000 annually over four years.
- **Prekindergarten for 3 and 4-Year olds: \$15 million** to expand half-day and full-day prekindergarten programs for over 2,000 3 and 4 year olds in high-needs school districts.
- **STEM Entrepreneur in Residence: \$500,000** for a pilot program in high-need middle schools to expose students to female- or minority-owned STEM companies and promote careers in STEM.

GRANT PROGRAMS AND OTHER AID CATEGORIES

SIGNIFICANT INCREASES INCLUDE:

- Charter School Supplemental Tuition Payments: \$161 million, \$10 million more than last year. This increase is for charter school payments as a result of increasing the tuition paid to charter schools for the 2019-20 School Year.
- Charter Schools Facilities Aid: \$50 million, \$18.5 million more than last year. This funding is provided to New York City to help fund available spaces for charter schools.
- Education of Homeless Pupils: \$32 million, \$750,000 more than last year.
- Nonpublic School Aid: \$198.9 million, \$5.8 million more than last year. Of this funding, \$119.1 million is provided in Mandated Services Aid to cover the costs associated with State mandates; and \$79.8 million to cover the costs associated with the Comprehensive Attendance Policy requirement.
- Nonpublic School Aid STEM Programs: \$35 million, \$5 million more than last year.

SIGNIFICANT DECREASES INCLUDE:

- Bard High School Early College in Queens: \$461,000 is eliminated.
- Building Aid for Native Americans: \$5 million, \$5.57 million less than last year. Building Aid is provided to school districts educating pupils residing on Native American reservations.
- Bilingual Education Training Programs: \$770,000 is eliminated.
- Consortium for Worker Education (CWE): \$11.5 million, \$1.5 million less than last year.
- East Ramapo School District State Monitor: \$3 million is eliminated.
- Executive Leadership Institute: \$475,000 is eliminated.

- Henry Viscardi School: \$903,000 is eliminated.
- Incarcerated Youth Education: \$10.5 million, \$1.5 million less than last year.
- Long Island Latino Teachers Association: \$25,000 is eliminated.
- Magellan Foundation Inc.: \$475,000 is eliminated.
- Mill Neck Manor School for the Deaf: \$500,000 is eliminated.
- National Association of Social Workers – NYC Chapter: \$150,000 is eliminated.
- New York City Community Learning Schools Initiative: \$450,000 is eliminated.
- New York School for the Deaf: \$903,000 is eliminated.
- Nonpublic State School Immunization Program (SSIP): \$1 million is eliminated. This funding was to cover the mandated costs of complying with the State School Immunization Program.
- Postsecondary Aid to Native Americans: \$800,000, \$200,000 less than last year.
- School Health Services for Buffalo: \$1.2 million is eliminated.
- School Health Services for Rochester: \$1.2 million is eliminated.
- School Tax Relief (STAR) Program: \$2 billion, \$186.5 million less than last year. This decrease is attributable to the phase-in of the STAR Personal Income Tax Credit.
- Supplemental Valuation Impact Grants: \$400,000 is eliminated. This grant was provided to the Fort Edward Central School District to mitigate the impact of significant property value calculations on the school district budget.
- Supportive Schools Grant Program: \$2 million is eliminated.

- Teacher Diversity Pipeline Pilot Program: \$500,000 is eliminated. This funding was for a pilot program operated by the State University College at Buffalo for the Buffalo City School District to assist teacher aides and teaching assistants in attaining the necessary educational and professional credentials to obtain teacher certification.
- Teacher Resource and Computer Training Centers: \$14.3 million is eliminated.
- Yonkers City School District: \$12 million is eliminated.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Allowances to Private Schools for the Blind and the Deaf (4201 Schools): \$103.9 million.
- BOCES Aid for Special Act Districts: \$700,000.
- Bilingual Education Grants: \$18.5 million.
- Building Aid for Districts Educating Pupils on Native American Reservations: \$5 million.
- Building Aid for Special Act School Districts: \$2.7 million.
- Center for Autism and Related Disabilities at SUNY Albany: \$1.2 million; \$500,000 was eliminated from State funding, however, it is restored through Federal funding provided for this program.
- Charter School Payments to New York City Charter Schools: \$24.9 million for New York City charter schools. This funding is in addition to the charter school basic tuition and supplemental basic tuition that New York City charter schools receive.
- Community School Regional Technical Assistance Centers: \$1.2 million. This funding is for the operation of three regional centers that would provide technical assistance to school districts establishing and operating community schools programs.
- County Vocational Education and Extension Boards (CVEEB): \$932,000.
- Early College High School Programs: \$1.5 million.
- Education of Children of Migrant Workers: \$89,000.
- Education of Students located by Office of Mental Health and the Office of People with Developmental Disabilities: \$52.75 million.
- Employment Preparation Education: \$96 million.
- Extended Day Competitive Grant Program: \$24.3 million.
- Health Education Programs: \$691,000.
- Just for Kids Program at SUNY Albany: \$235,000.
- Learning Technology Grants: \$3.3 million.
- Locally Sourced Food Reimbursement: \$10 million. This funding is to reimburse school lunch programs that have purchased at least 30% of their total food products from New York State farmers, growers, producers or processors.
- Math and Science High Schools: \$1.4 million.
- Mentoring and Tutoring program: \$490,000.
- Minimum Wage Increase Offset for 4201, 853, Special Act and 4410 Schools: \$17.2 million. This funding is provided to support the direct salary costs and fringe benefits associated with any minimum wage increase that takes effect this year for 4201, 853, Special Act and 4410 schools.
- My Brother's Keeper Initiative: \$18 million.
- Native American Education: \$48.83 million.
- New York State Center for School Safety: \$466,000.

- Nonpublic School Aid, Academic Intervention Services: \$922,000.
- Preschool Special Education: \$1.04 billion. This funding is the State's 59.5% share of costs for preschool special education. The remaining 40.5% is paid for by the counties.
- Primary Mental Health Project at the Children's Institute: \$894,000.
- Reduced Price Meals: \$2.3 million to pay for the student cost of reduced price meals.
- Roosevelt Union Free School District Academic Improvement Grants: \$12 million.
- School Bus Driver Training Grants: \$400,000.
- School Health Services for the Big Four City school districts: \$13.4 million.
- School Lunch and Breakfast programs: \$34.4 million.
- Small Government Assistance to School Districts: \$1.9 million.
- Summer Food Program: \$3 million.
- Summer School Handicapped Programs: \$364.5 million.
- Syracuse City School District Say Yes to Education: \$350,000.
- Targeted Prekindergarten Grants: \$1.3 million.
- Teacher-Mentor Intern Program: \$2 million. This program allows new teachers to work with experienced teachers as their mentor.
- Teachers of Tomorrow Program: \$25 million. This funding is specifically targeted for math and science teachers entering the profession by means of alternative certification.
- Universal Full-Day Prekindergarten Program: \$340 million for the continuation of a state-wide Universal Pre-kindergarten Program. In 2014, the Budget included \$1.5 billion to be phased-in over five years to create a new state-

wide Universal Full-Day Prekindergarten Grant program. This \$340 million will continue the grants awarded under this program for the upcoming school year. Of this funding, \$300 million is provided to New York City and \$40 million is provided for the rest of the State.

- Voluntary Interdistrict Urban-Suburban Transfer Program: \$8.13 million.

ADULT CAREER AND CONTINUING EDUCATION SERVICES PROGRAM (ACCESS)

DECREASES FUNDING FOR THE FOLLOWING:

- Adult Literacy Education: \$6.3 million, \$1.5 million less than last year.
- Independent Living Centers: \$13.4 million, \$500,000 less than last year.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Case Services for Disabled Individuals: \$54 million.
- College Readers Aid Payments: \$294,000.
- Literacy and Basic Education Grants: \$1.8 million.
- Supported and Integrated Employment: \$15.2 million.

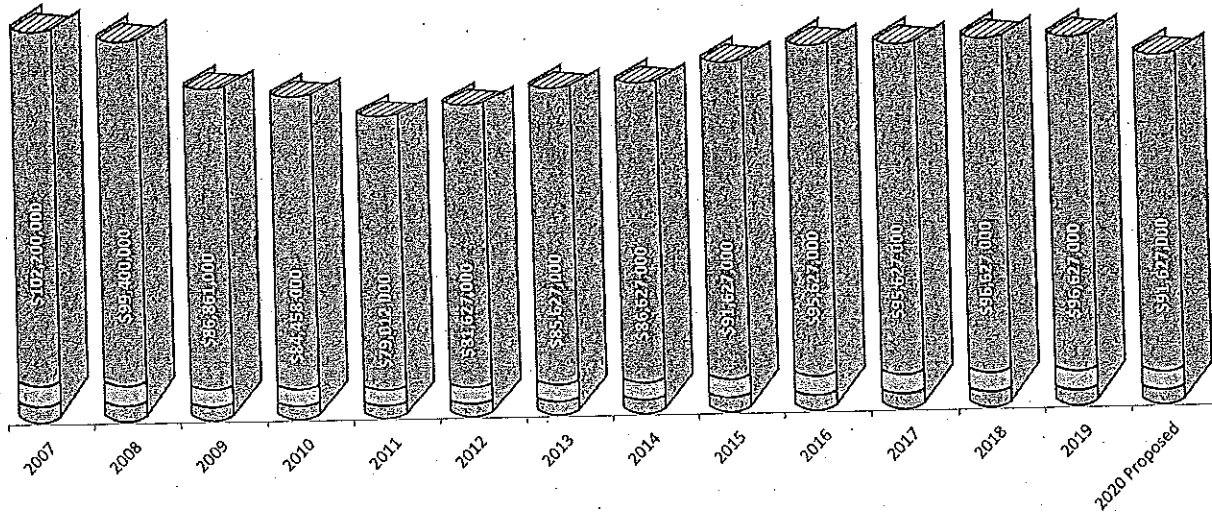
CULTURAL EDUCATION PROGRAM

SIGNIFICANT DECREASES INCLUDE:

- Educational Television and Radio: \$14 million, \$250,000 less than last year.
- Langston Hughes Community Library and Cultural Center of the Queens Library: \$75,000 is eliminated.
- Library Aid: \$91.6 million, \$5 million less than last year.

⇒ Please see *Figure 3 for historical Library Aid.*

HISTORICAL STATE LIBRARY AID



- Schomburg Center for Research in Black Culture: \$250,000 is eliminated.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Documentary Heritage Grants and Aid to Archives: \$461,000.
- Local Governments Records Management Grants: \$8.3 million.

OFFICE OF HIGHER EDUCATION & THE PROFESSIONS

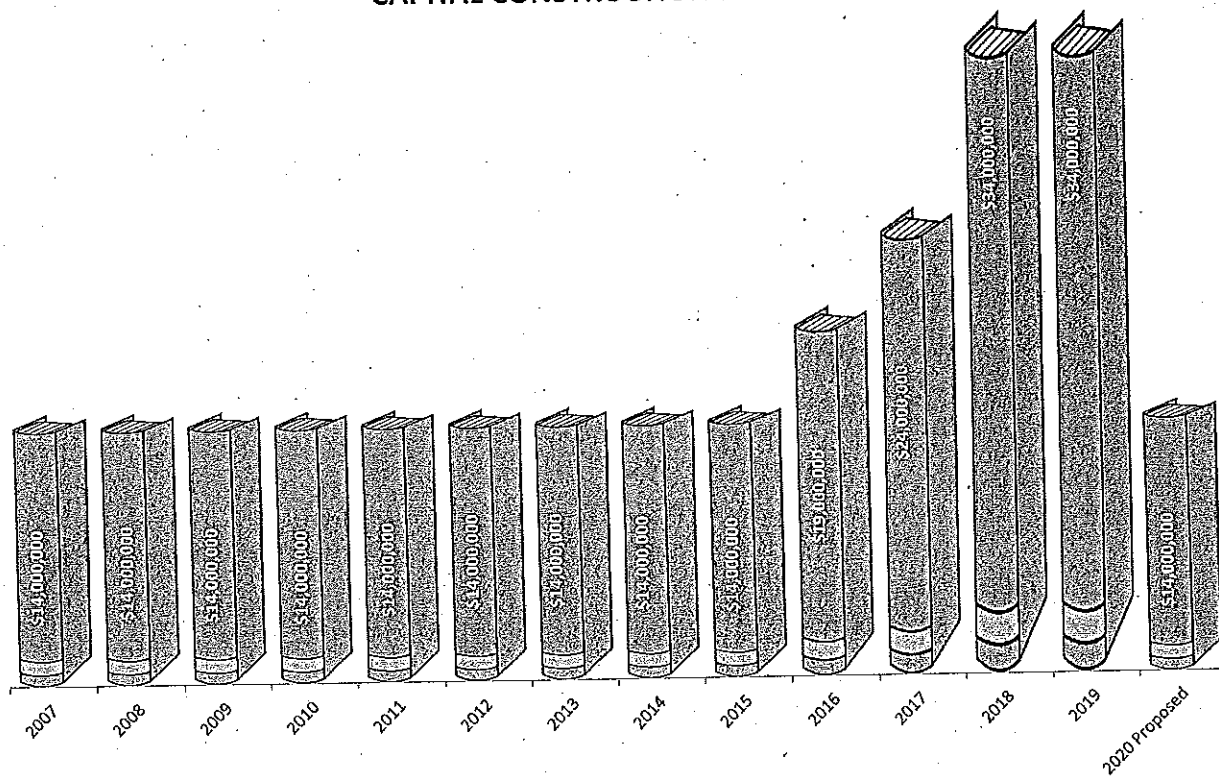
MAINTAINS FUNDING FOR THE FOLLOWING:

- Collegiate Science and Technology Entry Program (C-STEP): \$12 million.
- Foster Youth College Success Initiative: \$6 million. The Foster Youth College Success Initiative provides support services to assist youth in foster care to apply for, enroll in and succeed in college.
- Higher Education Opportunity Program (HEOP): \$35.5 million.

- High Needs Nursing Programs: \$941,000. This program provides financial assistance to expand High Needs Nursing Programs at private colleges and universities.
- Independent Colleges and Universities (Bundy Aid) Aid: \$35.1 million.
- Liberty Partnerships Program: \$18.4 million.
- National Board for Professional Teaching Standards Certification Grant Program: \$368,000.
- Science and Technology Entry Program (STEP): \$15.8 million.
- Teacher Opportunity Corps Program: \$450,000.

FIGURE 4

HISTORICAL STATE LIBRARY CAPITAL CONSTRUCTION FUNDING



CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Office of Professions Electronic Licensing System: \$25.4 million, \$18.2 million more than last year. This funding is for the development of an electronic licensing system for the Office of the Professions.

SIGNIFICANT DECREASES INCLUDE:

- Library Construction Grants: \$14 million, \$20 million less than last year. Library Construction Grants are available to public libraries for the acquisition, rehabilitation, renovation or construction of buildings.
 - Please see *Figure 4 for Historical Library Construction Aid.*
- Safety and Security Projects for at Risk Facilities: \$45 million is eliminated. This funding was previously for competitive grants to provide safety and security projects at nonpublic

schools, community centers and daycare facilities at risk of hate crimes or attacks because of their ideology, beliefs or mission.

- State-Supported Schools for the Blind and Deaf (4201 Schools): \$30 million is eliminated. This funding was for alteration, rehabilitation and improvements of various facilities operated by the State-supported schools for the blind and deaf.
- Technology Upgrade: \$2.5 million is eliminated. This funding was previously used for new equipment and software for the State Education Department.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Nonpublic School Health and Safety Equipment Programs: \$15 million. Nonpublic safety grants are available for health and safety equipment, security personnel and related assessments and training needs for nonpublic schools.

**2020-21 EXECUTIVE SCHOOL AID
APPROPRIATIONS FOR THE 2019-20 AND 2020-21 SCHOOL YEARS
FIGURE 5**

Program	2019-20	2020-21	Amount Change	Percent Change
Foundation-Based Aids				
Foundation Aid Pre-Adjusted	\$18,404,769,721	\$18,404,769,721	\$0	0.0%
Academic Enhancement Aid	\$28,271,832	\$28,271,832	\$0	0.0%
BOCES Aid	\$1,012,265,807	\$1,023,295,816	\$11,030,009	1.1%
Charter School Transition Aid	\$46,035,380	\$45,363,171	(\$672,709)	(1.5%)
Computer Software Aid	\$44,562,011	\$45,192,606	\$690,595	1.6%
Hardware and Technology Aid	\$36,638,025	\$36,978,167	\$340,142	0.9%
High Tax Aid	\$223,298,324	\$223,298,324	\$0	0.0%
Library Materials Aid	\$18,403,620	\$18,855,470	\$446,850	2.4%
Non-BOCES Academic Improvement Aid	\$61,288,022	\$61,877,936	\$589,914	1.0%
Non-BOCES Career Education Aid	\$165,377,536	\$163,070,167	(\$2,307,369)	(1.4%)
Non-BOCES Computer Administration Aid	\$36,881,601	\$35,537,673	(\$1,343,928)	(3.6%)
Supplemental Public Excess Cost Aid	\$4,313,167	\$4,313,167	\$0	0.0%
Textbook Aid	\$173,456,360	\$174,786,033	\$1,329,673	0.8%
Total Foundation Aid (Incl. all amounts above) *	\$20,255,506,906	\$20,759,305,306	\$503,798,490	2.5%
Reorganization Incentive Operating Aid	\$6,245,156	\$5,368,202	(\$876,954)	(14.0%)
Full-Day-Kindergarten Conversion Aid	\$4,336,681	\$2,481,816	(\$1,854,865)	(42.8%)
Universal Prekindergarten Aid	\$846,104,225	\$848,613,111	\$2,508,886	0.30%
Non-BOCES Excess Cost Aids				
Private Excess Cost Aid	\$394,789,480	\$422,472,670	\$27,683,190	7.0%
Public Excess Cost Aid (High Cost)	\$659,813,942	\$612,598,987	(\$47,214,955)	(7.2%)
Supplemental Excess Cost Aids				
Building Aid	\$3,035,175,210	\$3,028,644,658	(\$6,530,552)	(0.2%)
Reorganization Incentive Building Aid	\$20,897,539	\$20,004,702	(\$892,837)	(4.3%)
Transportation Aid	\$1,987,643,127	\$2,089,524,762	\$101,881,635	5.1%
Summer Transportation Aid	\$4,999,874	\$4,999,883	\$9	0.0%
Excess Cost Aids and Subtotal				
	\$846,104,225	\$848,613,111	\$2,508,886	0.30%
Parent-Related Aids and Subtotal				
	\$27,746,000,000	\$27,746,000,000	\$0	0.0%
All Grant Programs and Additional Aid Categories				
Bilingual Education Grants	\$18,500,000	\$18,500,000	\$0	0.0%
BOCES Aid for Special Act Districts	\$700,000	\$700,000	\$0	0.0%
Bus Driver Safety Training Grants	\$400,000	\$400,000	\$0	0.0%
Chargebacks	(\$48,750,000)	(\$45,250,000)	\$3,500,000	0.0%
Edu. of OMH/OPWDD	\$52,750,000	\$52,750,000	\$0	0.0%
Employment Preparation Education Aid	\$96,000,000	\$96,000,000	\$0	0.0%
Homeless Pupils	\$31,230,000	\$31,980,000	\$750,000	2.4%
Incarcerated Youth	\$12,000,000	\$10,500,000	(\$1,500,000)	(12.5%)
Learning Technology Grants	\$3,290,000	\$3,290,000	\$0	0.0%
Native American Building Aid	\$10,570,000	\$5,000,000	(\$5,570,000)	(52.7%)
Native American Education	\$48,830,000	\$48,830,000	\$0	0.0%
Roosevelt	\$12,000,000	\$12,000,000	\$0	0.0%
Special Act School Districts	\$2,700,000	\$2,700,000	\$0	0.0%
School Health Services	\$13,840,000	\$13,840,000	\$0	0.0%
Teacher-Mentor Intern	\$2,000,000	\$2,000,000	\$0	0.0%
Teachers of Tomorrow	\$25,000,000	\$25,000,000	\$0	0.0%
Urban-Suburban Transfer	\$8,130,000	\$8,130,000	\$0	0.0%
Grant Programs Subtotal				
	\$219,110,000	\$269,110,000	\$50,000,000	22.8%
Competitive Grants	\$0	\$200,000,000	\$200,000,000	NA
Fiscal Stabilization Fund	\$0	\$0	\$0	0.0%
Schools Setaside				
* Community Schools Setaside (In Foundation Aid)	\$250,001,547	\$300,002,323	\$50,000,781	20.0%

EDUCATION, LABOR, AND FAMILY ASSISTANCE – A.9506

Part A: Education Funding

§1 Contract for Excellence (C4E) This section requires that all school districts currently in the Contracts for Excellence program to remain in the program unless all of the school buildings in the district are reported as “In Good Standing.” School districts that remain would be required to maintain funding on C4E programs at the same level required for the 2019-20 School Year.

§2-7 Instructional Materials Aid Consolidation These sections change the reimbursement dates for various instructional materials aid categories, as part of consolidating these Aid categories into Foundation Aid. These include:

- Limiting reimbursement for Textbook Aid purchases by School Districts on or before July 1, 2019. Language is provided to ensure all loan requirements to nonpublic schools continue for the 2020-21 school year (Section 2).
- Limiting reimbursement for Library Materials Aid to purchases by school districts on or before June 30, 2020. Language is provided to continue to loan out library materials to nonpublic schools at the amounts currently set in law (Sections 3 and 4).
- Limiting reimbursement for Software Aid to purchases by School Districts to the 2019-20 school year and prior. Language is provided to continue to loan out software technologies to nonpublic schools at the amounts currently set in law (Section 5 and 6).
- Limiting Reimbursement for Computer Hardware Aid purchases to the 2019-20 school year and prior. Language is provided to continue to loan out Computer Hardware Aid to nonpublic schools at the amounts currently set in law (Section 7).

§8 BOCES Aid Consolidation Limits claims for BOCES Aid to the 2019-20 school year and prior. As one of the aid categories consolidated into Foundation Aid, after the 2019-20 school year, schools will receive the base amount of BOCES Aid provided to them prior to the consolidation.

§9 Foundation Aid Base Sets the proposed Foundation Aid base to calculate Foundation Aid for the 2020-21 school year. This amount includes the totals of base Foundation Aid for the previous year plus the 2019-20 base amounts for several consolidated Aid categories. These include: BOCES Aid; Academic Improvement Aid; Career Education Aid; Computer Administration Aid; Hardware & Technology Aid; Software Aid; Library Materials Aid; Textbook Aid; Charter School Transitional Aid; Academic Enhancement Aid; High Tax Aid; and Supplemental Public Excess Cost Aid.

§10 Community Schools Increase in Foundation Aid Increases Community Schools Aid by \$50 million for a total of \$300 million. School districts that receive Community Schools Aid are required to spend this funding on the transformation of school buildings into community hubs to deliver co-located or school linked academic, health and mental health services and personnel, afterschool programming, dual language programs, nutrition, trauma informed support, counseling, legal and or other services to students and their families, including but not limited to providing a community school site coordinator and programs for English language learners.

§11 Foundation Aid and Community Schools

These sections provide the calculation for the increase in Foundation Aid, as well as the increase in Community School funding.

Foundation Aid was created in 2007 in response to the Campaign for Fiscal Equity court case. The case focused on the State's inadequate funding of New York City schools. Foundation Aid was a way to increase State School Aid to New York City and school districts throughout the State. Foundation Aid is the biggest aid category school

districts receive from the State. The money provided through Foundation Aid does not come with restrictions like other School Aid categories (ex: Transportation Aid, Building Aid, etc.).

When first created, the formula had a four-year phase-in of \$5.5 billion, meaning that after four-years, a school district's total Foundation Aid increase would equal the full amount the State dedicated to such school district. In its first two years, Foundation Aid provided an additional \$2.4 billion in School Aid.

Foundation Aid was praised by school districts as being fair and predictable at the time. The formula was relatively easy to understand and school districts were able to accurately forecast their State school aid as they prepared their district budgets. However, as the economy took a turn in 2008, which led the State to have over a \$6 billion deficit, Foundation Aid was frozen for three years and districts did not see any increase in Foundation Aid. The four-year promise of \$5.5 billion in additional Foundation Aid was broken. On top of this came the Gap Elimination Adjustment (GEA) which cut school aid by \$2.5 billion. Since School Aid takes into account district wealth and student need, these two actions negatively impacted poorer districts that rely heavily on State aid more.

As the State's economy rebounded, Foundation Aid has gradually increased. The major increases in Foundation Aid that districts saw in 2007 and 2008 have never materialized. Each year, starting in 2011, Foundation Aid has increased through budget negotiations. Please see Figure 6 for the history of Foundation Aid.

2020 FOUNDATION AID INCREASE CALCULATION

This year, the Executive Budget increases Foundation Aid by \$503.8 million, for a total of \$20.8 billion. This increase is significantly lower than what the Board of Regents and other school groups

have requested. Specifically, the Board recommended increasing Foundation Aid by \$1.6 billion.

The increase a district receives under the Foundation Aid is based on several different factors. Of the increase, New York City receives just over 44%, and when the Big 5 City School Districts are combined (Syracuse, Rochester, Yonkers, Buffalo and New York City) they receive 52.5% of the total increase.

2020 EXECUTIVE FOUNDATION AID CONSOLIDATION

In the proposed Foundation Aid plan, the Executive consolidates ten Expense-Based Aid categories into Foundation Aid, including:

- BOCES Aid;
- High Tax Aid;
- Special Services Aid;
- Charter School Transitional Aid;
- Hardware and Technology Aid;
- Software, Library, and Textbook Aid;
- Supplemental Public Excess Cost Aid; and
- Academic Enhancement Aid.

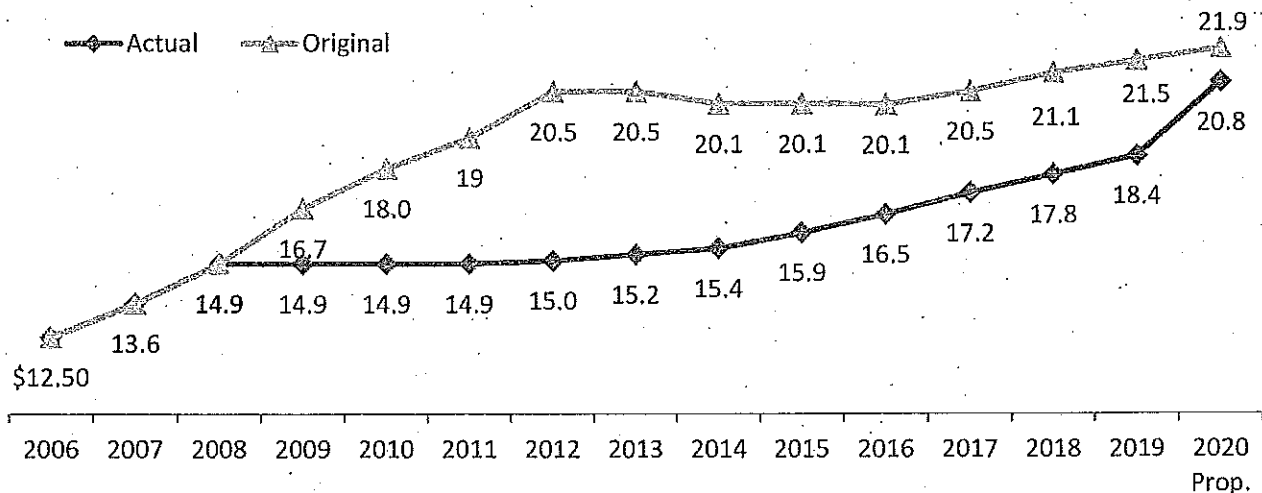
With this new structure, the aid categories will be grouped into a School District's total Foundation Aid, and will count as part of the remaining Foundation Aid owed to each School District. As such, they will not be listed as their own aid categories on the school aid run.

The Governor provides this Foundation Aid increase using several factors, which include the district's remaining Total Foundation Aid amount, the district's wealth and student need.

The minimum Foundation Aid increase a district would receive is 0.25% more than their 2019-20 Foundation Aid.

FIGURE 6

HISTORY OF FOUNDATION AID (\$ Billions)



FOUNDATION AID INCREASE

The Foundation Aid increase a district receives under the Governor’s Foundation Aid Proposal is based on several different factors using the greater of Tiers A through E. The tiers take into account school district wealth and student need among other factors. The five tiers are:

- **Tier A – Phase-In: Percentage:** This is a set of percentages with the percentage multiplied by the district’s remaining Foundation Aid (if there is a positive difference, some school districts have reached their fully phased-in Foundation Aid). These percentages include:
 - ⇒ 26.367% for New York City;
 - ⇒ 18% for the Big 4 City School Districts (Buffalo, Rochester, Syracuse, and Yonkers); and
 - ⇒ 4% for all other districts.
- **Tier B – Phase-In Percentage:** This tier equals the product of a School District’s Remaining Foundation Aid and the Tier B Phase-in Factor. The Tier B Phase-in Factor equals the

product of 9% and a Scaled Factor, which takes into account the school’s Pupil Wealth Ratio (PWR).

- **Tier C – Phase-In:** This tier is eligible to schools with a modified Free or Reduced-Price Lunch index of 1.5 or greater (excluding NYC), and will equal the product of the 2019-20 district enrollment and the Tier C Per Pupil Amount, which takes into account (a) a district’s regional cost index, (b) free and reduced price lunch count (FRPL), and (c) the combined wealth ratio (CWR).
- **Tier D – Phase-In:** This tier equals the product of the Extraordinary Needs count of a school and a special Per Pupil Amount, which takes into account a district’s (a) sparsity factor, (b) Extraordinary needs ratio, and (c) Pupil wealth ratio.
- **Tier E – Due Minimum:** All districts are eligible for Tier E Aid. This is equal to the districts 2019-20 Foundation Aid base amount multiplied by 0.25%, or their 2020-21 Adjusted Foundation Aid minus their 2019-20 Adjusted Foundation Aid, whichever is greater.

COMMUNITY SCHOOLS INCREASE

The Governor proposes to increase community schools funding to eligible districts based on the greater of two tiers. The two tiers are:

- Tier 1: Eligible districts include (a) those that have at least one school identified as a Comprehensive Support & Improvement School for the 2018-19 school year, or (b) an adjusted per pupil amount multiplied by the public school enrollment.

⇒ This Tier provides the greater of (a) \$30,000 or (b) the product of \$66.05 and the District Enrollment count multiplied by the Community Schools Setaside ratio.

- Tier 2: Eligible districts include schools that did not receive a Community Schools Setaside for the 2019-20 school year, are ineligible for Tier 1, and have a Combined Wealth Ratio less than or equal to 0.84.

⇒ This Tier provides the greater of (a) \$25,000 or (b) an adjusted per pupil amount multiplied by the public school enrollment.

§12 Special Services Aid Consolidation Limits reimbursement for Special Services Aid for all expenditures by School Districts on or before the 2019-20 school year. However, the funding levels for this aid category will remain the same, but will be consolidated within Foundation Aid.

§13 Charter School Transitional Aid Consolidation Limits reimbursement for Charter School Transitional Aid for all expenditures by School Districts on or before the 2019-20 school year. However, the funding levels for this aid category will remain the same, but will be consolidated within Foundation Aid.

§14 and §15 BOCES Aid Payment Preserves current BOCES Aid payments at the 75% current year/25% out year amounts. This language is added as a result of the proposal to consolidate BOCES Aid into Foundation Aid.

§16 to §18 Building Aid for Future Projects These sections make several changes to how Building Aid is calculated, starting in the 2020-21 School Year. These include:

- Building Cost Allowance Limits current cost allowances for school building construction projects to facilities that the Commissioner of Education deems to be critical to instructional program, and the protection of health and safety. This is added to exclude the cost allowance for projects such as stadiums and other facilities deemed non-essential and seeks to close the incidental cost loophole. The current cost allowances for projects is 25% for high schools, and 20% for all other schools (Section 16).

- Building Aid Incentive Adjustment For any projects approved on or after July 1, 2020, the 10% Building Aid Enhancement will be scaled back using a district's State sharing ratio, which is based on district wealth. High-need districts and the Big 5 City School Districts would not be affected and will continue to receive the additional 10% enhancement in Building Aid. The maximum Building Aid districts can receive remains 98% of total costs for high-need districts and the Big 5 City School Districts, and 95% of approved building costs for all other districts (Section 17).

- Building Aid Ratio For building projects beginning in the 2020-21 School Year, school districts would no longer be able to use the highest Building Aid ratio dating back to 1981-82. Moving forward, school districts would only calculate Building Aid using the most recent Building Aid ratio. Further, this part increases the minimum Building Aid ratio, beginning in the 2021-22 School Year from zero to 5%. Currently, schools receive a minimum of 10% Building Aid ratio because of the Building Aid incentive (Section 18).

§19 to §21 Transportation Aid Cap These sections cap Transportation Aid increases, starting in 2021-22, to the lesser of a district's current transportation expenses or the previous year's expenses multiplied by an inflation-enrollment index. This index is the greater of the Consumer Price Index (CPI), or an enrollment growth formula.

§22 Universal Full-Day Pre-Kindergarten (UPK) Education Department Authority Extends, for one year, the authority of the Education Department to administer the UPK Program to June 30, 2021.

§23 State Aid Claims and Database Freeze This section limits the time frame a school district can submit a claim for prior year school aid adjustments and freezes the data used for school aid purposes to the 2020-21 Executive Budget. No claims can be submitted after November 1st of the school year.

§24 Definitions of Base Year and Current Year Sets the definitions of base year and current year for the purposes of School Aid.

§25 Special Education Waivers Creates a waiver process to allow school districts, approved private schools or BOCES to file an application with the State Education Department for flexibility from special education requirements. This application must be submitted at least 60 days from which the waiver would be effective. Prior to submitting an application, the school district must give notice to parents of the students that would be impacted by the waiver if granted. Parents would be allowed to provide written comments on the proposed waiver and would have 60 days to submit comments on it. The Department would take into consideration parental comments when reviewing each waiver request. Upon granting a waiver, a school district is required to annually report to the Commissioner regarding their special education programs.

§26 Reissued Charter Schools Allows the Board of Regents and/or the Board of Trustees of the State University of New York to reissue charters that have been surrendered, renewed, revoked or terminated

after July 1, 2015. These reissued Charters do not count toward the limits on the current Charter School cap of 460.

§27 Curriculum on Diversity and Tolerance Establishes a new requirement for schools to provide instruction on civic education, New York's shared history of diversity, and the role of religious freedom in the United States. The Executive budget provides \$1 million for the Department of Education to develop this curriculum.

§28 NYC School Holocaust Instructional Program Establishes a new instructional requirement for New York City schools to require classroom instruction on the Holocaust, including field trips to sites such as the Holocaust Museum in Battery Park. This program would be paid for by the City of New York.

§29 Commercial Gaming Grant Payments This section changes the payment schedule of commercial gaming grants to school districts from paying 70% in March and 30% in June, to 100% of the payment made in March. The change claims to be easier for administrative purposes, and does not change the total amounts paid to schools.

§30 to §32 Consortium for Worker Education Establishes the reimbursement rate for costs per contact hour under the Consortium for Worker Education in New York City for the 2019-20 School Year and caps the number of contact hours at 1,244,588. This part allows the Commissioner of Education to withhold up to \$11.5 million in aid due to New York City from costs incurred by the Workforce Education program. Finally, the Consortium for Worker Education Work Force Education program is extended until June 30, 2021.

§33 Various Extenders Extends various sections of the law originally enacted in 1994 for two years. Specifically, these sections provide a two-year extender to provisions pertaining to: the New York City senior college programs; the Proprietary Vocational School Supervision Account; the School for the Blind in the City of Batavia; teacher misconduct hearing panels; school lunch and breakfast programs; and private blind and deaf schools.

§34 Conditional Appointments Extends for one-year, the ability for boards of education to conditionally employ school employees and allowing for emergency conditional appointments.

§35 to §36 Elementary and Secondary Education Act (ESEA) Conforming Language Extender Extends for one-year, language that conforms State law with ESEA requirements related to suspensions of pupils with firearms and disciplinary records.

§37 Discretionary Grants Extends the authority of the Commissioner of Education to exempt discretionary grants from the State procedures to award these grants, and expires June 30, 2023.

§38 School Bus Driver Training Grants Provides language allowing for \$400,000 to be available for School Bus Driver Training Grants.

§39 Special Apportionment for Salary Expenses Provides a special apportionment for salary expenses for the 2020-21 School Year.

§40 Special Apportionment for Public Pension Accruals Provides language to comply with GASB 45 requirements.

§41 Rochester Non-component School District Authorizes the Board of Education for the Rochester School District to purchase, for the 2020-21 School Year, BOCES services under Article 19 of the Education Law. Article 19 of the Education Law relates to medical and health services such as scoliosis screening and vision screening.

§42 Set-aside for Magnet Schools Provides language stating that magnet schools will be funded from a required amount from each school district containing a magnet school.

§43 Support of Public Libraries Provides language for the apportionment of library aid.

§44 Severability Provides that any provisions of this act shall be severable due to unconstitutionality of such provision from a judge.

§45 Effective Dates Sets the effective dates.

Part B: Syracuse Comprehensive Education and Workforce Training Center Establishes an education and workforce training center in the City of Syracuse, focused on Science, Technology, Engineering, Art, and Math (STEAM) for students in grades 9-12. The Syracuse Board of Education would have oversight of the program, and all students enrolled will receive a diploma from the Syracuse City School District, regardless of which school district they live in. The workforce training center will be housed in the same facility as the STEAM Education program, and the State Department of Labor, along with SUNY Empire and other local colleges will partner with the Board of Education to provide programs to prepare for emerging career fields in Syracuse and Central New York.

The facility will be owned by Onondaga County, which will bond out for the financing, and the School District will make annual lease payments to the County. The State will provide approximately \$71.4 million or 98% of the costs of renovating the facility housing the center.

Part C: Rochester City School District Monitor
This part would provide for the appointment of a monitor by the Commissioner of Education for the purpose of providing financial and academic oversight of the Rochester City School District.

The monitor would be a non-voting ex-officio member of the school board and cannot be a resident or employee of the School District. The actual and necessary expenses of the monitor would be paid by the School District.

Within 60 days of appointment, the monitor will schedule three public hearings to allow public comment from any community or school stakeholders. These hearings include:

- A public comment period to discuss existing statutory and regulatory authority of the Commissioner, Department of Education, and the Board of Regents and their authority over governance and intervention of the School District;
- A public comment period on the academic performance of the District; and
- A public comment period on the fiscal performance of the District.

By November 1, 2020, the district must develop with the monitor a financial plan and a separate academic improvement plan. The plans must cover the District's 2020-21 School Year and the four school years following. Public hearings on both plans must be conducted to consider the input of the community. Once approved by the Board of Education, such plan will be submitted by the monitor to the Commissioner of Education.

For both the financial and academic improvement plans, if the monitor and Board of Education disagree on any elements of either plan, all information on the disagreement will be made available to the public, and subsequently a public hearing will be held to address the disagreements. After

the public hearing period, the Board and monitor can alter their plans, and must submit all amendments and previous disagreements by December 1, 2020 to the Commissioner. The Commissioner of Education must approve the plan by January 15, 2021.

The Board of Education must annually submit the School District's proposed budget for the next school year to the monitor no later than March 1st prior to the District's budget vote. The monitor must review the budget to ensure that it is balanced and consistent with the District academic improvement plan and financial plan. The District must make available on their website: the initial proposed budget; the monitor's findings; and the final proposed budget prior to the budget vote.

The District must provide quarterly reports to the monitor and annual reports to the Commissioner, the Mayor of Rochester, and Board of Regents on the fiscal and operational status of the School District. The monitor must provide a semi-annual report to the Commissioner, Board of Regents, and the Mayor. This also includes all contracts that the District entered into throughout the year.

Agency Summary

EMPIRE STATE DEVELOPMENT CORPORATION

WAYS & MEANS CONTACT:



AID TO LOCALITIES – A.9503

SIGNIFICANT DECREASES INCLUDE:

- **Economic Development Initiatives and Marketing of New York:** \$42.5 million, \$2 million less than last year. This funding supports tourism promotion services, the Governor's Open for Business initiative, Global NY, international and domestic trade missions as well as advertising for START-UP NY. No more than 60% of START-UP NY advertising funding may be used for promotion outside of New York.
- **Complete Count Commission:** \$10 million, \$10 million less than last year, for expenses associated with the 2020 Census. Such efforts may include, but not limited to, community-based outreach and efforts by public libraries.
- **Community Development Financial Institutions:** \$1.5 million, \$150,000 less than last year, to support business loans in economically distressed areas. This reduction is due to the elimination of a Legislative addition.

MAINTAINS FUNDING FOR THE FOLLOWING:

- **Buffalo Bills:** \$4.6 million to support professional football in Western NY. This funding supports a 10-year agreement to retain the Buffalo Bills in Western NY. There is also a capital appropriation to support professional football in Western NY.
- **Economic Development Fund:** \$26.2 million. This is Empire State Development's primary flexible financing program used to provide loans and grants to support business and infrastructure development and the creation and retention of jobs.
- **Entrepreneurial Assistance Program:** \$1.76 million to support 21 statewide centers that provide business services to minorities, women and veterans beginning new businesses.
- **Market NY:** \$7 million to support winning tourism marketing plans that best demonstrate regional collaboration among counties to promote regional attractions. In addition, \$8 million in capital funding is provided to support this program, see Capital Projects section.

- Minority and Women-owned Business Development and Lending Program: \$635,000.
- Urban and Community Development: \$3.4 million for the Urban and Community Development program in economically distressed areas.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Legislative Additions: \$4.2 million in various Legislative additions were eliminated.

CAPITAL PROJECTS -- A.9504

SIGNIFICANT INCREASES INCLUDE:

- Buffalo Bills: \$2.4 million, \$26,000 more than last year. This funding will support the 10-year agreement to retain the Buffalo Bills in Western NY. This increase was negotiated as part of the contract with the Buffalo Bills. In addition there is \$4.6 million in aid to local funding to support the team.

SIGNIFICANT DECREASES INCLUDE:

- New York Works Economic Development Fund: \$220 million, \$500 million less than last year. This is a Governor's discretionary pot of funding used to provide capital grants to create / retain jobs or fund infrastructure investments necessary to attract new business and expand existing business.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Market NY: \$8 million to support winning tourism marketing plans that best demonstrate regional collaboration among counties to promote regional attractions. In addition there is \$7 million in aid to localities funding to support this program.
- Regional Economic Development Councils (REDCs): \$150 million. This funding will support a 10th Round of awards for the 10

Regional Councils, which were established in 2011.

- ➔ As in the previous 9 rounds, \$75 million in Excelsior Job Tax Credits and hundreds of millions in other resources from various existing agency programs will be available to support the 10th Round.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Clarkson-Trudeau Partnership: \$5 million to support operational costs and lab improvements at Trudeau Institute (Saranac Lake) and Clarkson University to assist in coordinating scientific research and expanding education and technology-based economic development.
- CUNY/SUNY 2020: \$110 million for CUNY and SUNY 2020 initiatives.
- High Technology Innovation and Economic Development Infrastructure: \$325 million. This is a Governor's pot that supports loans and grants for projects that foster R&D of innovative technologies to create or retain jobs, that continues to be funded from reappropriations.

EDUCATION, LABOR AND FAMILY ASSISTANCE -- A.9506

Part G Public Accounting Firm Non-Certified Public Accountant Minority Ownership Authorizes public accounting firms to incorporate in New York State with minority ownership by individuals who are not Certified Public Accountants (CPAs), provided the words "Certified Public Accountant" or the abbreviation "CPA" is excluded from the firm's name.

TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION - A.9508

Part EE Extends the Empire State Economic Development Fund (EDF) Reauthorizes the EDF and extends the program until July 1, 2021.

Part FF Loan Powers of Urban Development Corporation (UDC) Extends the general loan powers of the Urban Development Corporation by one year, until July 1, 2021.

Part GG Economic Transformation Program Eligibility This part would remove eligibility restrictions for the Economic Transformation Program and allow additional communities affected by a prison closure to participate. This program was created in 2011 to support the economies of communities affected by the closure of certain correctional and juvenile justice facilities. The Economic Transformation Program provides tax credits and capital funding for projects that leverage investments to create jobs and support economic development initiatives in these areas. Currently, only communities that had a prison closure before March 31, 2012 could qualify. This part removes the March 31, 2012, cutoff date and allows all communities affected by prison closures since April 1, 2011 to qualify for the program.

Part BBB Consolidation of the Centers of Excellence (COE) program into the Centers of Advanced Technology (CAT) Program Repeals the current COE Program and authorizes those 13 COEs to apply for designation as CATs. The Executive believes this would result in a more competitive program and will allow the State to better capitalize on the Centers with the highest performance. However, this shift could result in the termination of some of the existing COEs which provide valuable services to their local business communities.

Agency Summary

ENERGY RESEARCH & DEVELOPMENT AUTHORITY

WAYS & MEANS CONTACT:



CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Western NY Nuclear Service Center: \$18.2 million, \$500,000 more than last year, for continued cleanup. This increase in the State appropriation reflects an increased federal match for expenses of the cleanup. The Federal Department of Energy covers 90% of the annual costs of the cleanup, while the State pays for the remaining 10%.

TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION – A.9508

Part HH NYSERDA Finance Authorization Authorizes NYSERDA to finance their research, development and demonstration, and policy and planning programs from an assessment on gas and electric corporations. This is not a new assessment and is reauthorized annually. NYSERDA may collect

up to \$22.7 million from this assessment, an increase of \$3 million over last year. This increase is to make up for the transfer of funds from NYSERDA to other State agencies and organizations.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

PART VV SWEEPS AND TRANSFERS

§18 NYSERDA Authorizes the transfer of up to \$913,000 from NYSERDA proceeds, and an additional \$23 million from the proceeds of the auction or sale of carbon dioxide emission allowances to the credit of the General Fund, on or before March 31, 2021.

§19 NYSERDA Authorizes the transfer of up to \$5 million from NYSERDA proceeds collected from the auction or sale of carbon dioxide emission allowances to the credit of the Environmental Protection Fund, on or before March 31, 2021.

Agency Summary

ENVIRONMENTAL CONSERVATION

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Environmental Enforcement Program: \$73.1 million, \$2.8 million more than last year, due to increased staffing requirements for the implementation of the New York City Watershed Agreement. In addition, the Governor proposes hiring 20 new FTEs for REDI and 27 new FTEs for the Climate Leadership Council.

AID TO LOCALITIES – A.9503

SIGNIFICANT ELIMINATIONS INCLUDE:

- Legislative Additions: \$825,000, including:
 - Brooklyn Queens Land Trust: \$45,000;
 - Bronx River Alliance: \$40,000;
 - Community Growers Grant Program: \$100,000;
 - Feasibility Study American Water: \$75,000;

- Magnolia Tree Earth Center: \$75,000;
- North Brooklyn Neighbors: \$10,000;
- OSS Project, Inc.: \$25,000;
- Pa'lante Harlem, Inc.: \$75,000;
- Sustainable South Bronx: \$210,000;
- Water Quality Monitoring in Manhasset Bay, Hempstead Bay, Oyster Bay Harbor, and Cold Spring Harbor: \$75,000;
- Water Quality Monitoring in Setauket Harbor: \$20,000; and
- WEACT for Environmental Justice: \$75,000.

CAPITAL PROJECTS – A.9504

SIGNIFICANT ACTIONS INCLUDE:

- Clean Water Infrastructure Act: \$500 million in new funding. This builds upon the \$2.5 billion investment in water infrastructure made

in the 2017-18 Enacted Budget, and doubles the existing appropriation for FY 2020-21.

- Environmental Protection Fund: \$300 million, the same as last year. The Governor has proposed several new programs for 2020-2021. For a breakdown, please see *Figure 1* at the end of this section.

TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION – A.9508

Part KK Water Infrastructure Financing Allows the Environmental Facilities Corporation (EFC) to offer 40-year financing to municipalities facing financial hardship for clean water/drinking water infrastructure projects which qualify for zero-percent interest rates.

Part PP Styrofoam Container Ban Food service providers, stores and manufacturers would be banned from selling and using Styrofoam containers (bowls, cartons, clamshells, cups, lids, plates, trays or any other product used or designed for temporary food storage or transport, including single-use) and loose-fill packaging (packing peanuts) beginning January 1, 2022. Exemptions include containers for sealed/prepackaged food and containers for raw meat or raw fish. Food service providers, stores and manufacturers which violate the ban would be subject to a civil penalty of \$250 (1st offense), \$500 (2nd offense), \$1,000 (3rd offense), \$2,000 (4th offense/subsequent). Fines collected by the State would be paid into the EPPF, while fines collected by municipalities would be retained by those municipalities. This Act would take effect immediately if passed.

Part QQ Authorizes the \$3 billion Environmental Bond Act of 2020 This part establishes the "Environmental Bond Act of 2020 Restore Mother Nature", which would issue State debt in

an amount not to exceed \$3 billion. These bonds will be considered General Obligation debt of the State and the Comptroller will not be able to go to market for the bonds until this Act has been submitted and approved by the majority of the people at the general election held in November 2020. The money received by the sale of the bonds needs to be appropriated for capital projects before being disbursed. The State is responsible for the debt service on these bonds.

These bonds are authorized to be used for the single purpose of making environmental improvements that preserve, enhance and restore New York's natural resources and reduce the impact of climate change. These capital projects are intended to:

- Restore habitat and reduce flood risk including; wetland, floodplain and stream restoration and protection, acquisition of real property, enhance shoreline protection, forest preservation, development and improvement of fish hatcheries, and right-sizing of dams, bridges and culverts;
- Improve water quality through wastewater infrastructure improvements and upgrades including; green infrastructure projects that reduce storm water impacts, agricultural nutrient management, and expansion of riparian buffers;
- Protect open space and invest in associated recreational infrastructure including; land acquisition, development and improvement of park, campground, nature center, and other state recreational facilities;
- Expand the use of renewable energy to mitigate climate change including but not limited to; clean energy or resiliency projects; and
- Other such projects that preserve, enhance, and restore the quality of the State's environment.

Part RR "Restore Mother Nature" Bond Act Implementation Allocates funding for projects approved under the Bond Act to finance environmental improvements that preserve and restore

New York's natural resources. The funds received by the State would be used for capital projects in such areas as water quality improvement, right sizing of dams, bridges and culverts, recreational infrastructure investment, forest preservation and the reduction of flood risk including wetland, floodplain and stream restoration, as well as additional projects. This bill would take effect upon voter approval of the Bond Act in November 2020.

Part SS Product Stewardship Program This part adds a new title to the Environmental Conservation Law that provides for a new Product Stewardship Program (created and financed by carpet and mattress producers) for mattress and carpet recycling in New York State.

Part TT Freshwater Wetlands Improves the State's freshwater wetlands program by providing updated and more accurate maps of New York State freshwater wetlands; maps would become educational as opposed to merely locational.

Part UU Bay Park Conveyance Project Authorizes the establishment of easements (both temporary and permanent) to construct a sewer main beneath parklands owned by Nassau County, East Rockaway and the Village of Rockville Center, necessary in order to complete the Bay Park Conveyance Project.

Part VV Site Reclamation of Regulated Wells Amends the Environmental Conservation Law (ECL) to provide authority to adopt regulations specifying the financial security needed to plug and reclaim the sites of regulated wells. Provides authority within the ECL to classify wells and affected lands as "abandoned" or "orphaned."

Part WW Fracking Ban Amends the Environmental Conservation Law (ECL) to permanently ban fracking in New York State. The current ban was put into place by the Department of Environmental Conservation and is not codified in State law.

Part DDD Transfer of Pier 76 Requires New York City to vacate the Pier 76 tow pound by December 31, 2020 and to transfer Pier 76 to the Hudson River Park Trust.

ENVIRONMENTAL PROTECTION FUND (IN 000'S)			
FIGURE 1			
	2019-20 Enacted	2020-21 Executive	Monetary Change
SOLID WASTE			
Landfill Closure/Gas Management	\$700	\$765	\$65
Essex County	\$300	\$0	(\$300)
Hamilton County	\$150	\$0	(\$150)
Municipal Recycling	\$14,000	\$14,750	\$750
Food Donation and Food Scrap Recycling	\$2,000	\$2,000	\$0
Pollution Prevention Institute	\$4,000	\$4,000	\$0
Interstate Chemical Clearinghouse	\$100	\$100	\$0
Secondary Marketing	\$200	\$200	\$0
Environmental Justice Grants	\$7,000	\$7,000	\$0
Community Impact and Job Training Grants	\$3,000	\$3,000	\$0
Community Group Grants	\$500	\$500	\$0
Community Group Grants Env. Justice Communities	\$100	\$100	\$0
Adirondack North Country Association	\$250	\$250	\$0
Connect Kids	\$1,000	\$2,000	\$1,000
Environmental Health Centers	\$6,500	\$6,500	\$0
Fresh Connect	\$625	\$625	\$0
CleanSweep NY	\$500	\$500	\$0
Children's Environmental Health Centers	\$2,000	\$2,000	\$0
SUNY Stony Brook Center for Clean Water	\$1,000	\$1,000	\$0
Natural Resources Damages	\$2,025	\$2,025	\$0
Pesticide Database	\$1,800	\$1,800	\$0
Long Island Pesticide Pollution Prevention	\$200	\$200	\$0
Brownfield Opportunity Areas	\$1,500	\$2,000	\$500
Total	\$37,725	\$40,000	\$2,275
PARKS AND RECREATION			
Waterfront Revitalization	\$14,500	\$14,500	\$0
Inner City/Underserved	\$9,000	\$9,000	\$0
Climate Change Resiliency Planning	\$2,000	\$2,000	\$0
Niagara River Greenway Commission	\$200	\$200	\$0
Municipal Parks	\$19,500	\$19,500	\$0
Inner City/Underserved	\$10,000	\$10,000	\$0
Tivoli	\$250	\$250	\$0
East River Esplanade 107th Street Pier	\$1,000	\$0	(\$1,000)
Hudson River Valley Trail Grants	\$500	\$500	\$0
SUNY College of Environmental Science and Forestry	\$120	\$120	\$0
Catskill Center for Conservation and Development*	\$0	\$150	\$150
Adirondack Park Interpretive Centers	\$180	\$180	\$0
Hudson River Park	\$3,200	\$3,200	\$0
Public Access and Stewardship	\$8,000	\$8,000	\$3,000
ORDA/Belleayre	\$1,000	\$1,000	\$0
Essex County Shuttle Service*	\$0	\$1,200	\$1,200
New York Protected Areas Database	\$0	\$55	\$55
Friends Group Capacity Grants	\$1,000	\$1,000	\$0
Camp Santaroni Historic Area*	\$0	\$250	\$250
Parks and Trails NY	\$1,000	\$1,000	\$0
ZBCA	\$1,000	\$4,000	(\$2,000)
Navigation Law	\$2,000	\$2,000	\$0
Total	\$88,200	\$90,200	\$2,000

ENVIRONMENTAL PROTECTION FUND (IN '000'S)			
FIGURE 1			
	2019-20 Enacted	2020-21 Executive	Monetary Change
OPEN SPACE			
Land Acquisition	\$83,087	\$80,000	(\$3,087)
Land Trust Alliance	\$2,500	\$2,500	\$0
Urban Forestry	\$1,000	\$1,000	\$0
Lake George Park Commission	\$200	\$200	\$0
Conservation Easements for Land Trusts* Regions 1, 2, and 3	\$0	\$3,000	\$3,000
	\$3,000	\$3,000	\$0
Farm Land Protection	\$18,000	\$17,000	(\$1,000)
ACUB/Fort Drum	\$1,000	\$1,000	\$0
Cornell Land Classification	\$95	\$95	\$0
Agricultural Waste Management	\$1,500	\$1,500	\$0
Dairy Acceleration Program	\$700	\$700	\$0
Biodiversity Stewardship	\$1,350	\$1,400	\$50
Pollinator Protection	\$500	\$500	\$0
Cary Institute of Ecosystem Studies	\$100	\$100	\$0
Albany Pine Bush Commission	\$2,075	\$2,075	\$0
NY Pine Barrens Commissions	\$2,000	\$2,000	\$0
Environmental Commissions	\$1,063	\$1,035	(\$28)
Susquehanna River Basin Commission	\$259	\$259	\$0
Delaware River Basin Commission	\$359.5	\$359.5	\$0
Interstate Environmental Commission	\$42.6	\$41.6	(\$1)
Ohio River Valley Water Sanitation Commission	\$14.1	\$14.1	\$0
NE Interstate Water Pollution Control Commission	\$38	\$38	\$0
ESF Center for Native Peoples and the Environment	\$350	\$373	\$23
Invasive Species	\$9,300	\$13,300	\$4,000
Lake George	\$450	\$450	\$0
Golden Nematode*	\$0	\$62	\$62
Eradication	\$6,050	\$6,050	\$0
Hemlock Woolly Adelgid Control	\$500	\$500	\$0
Cornell University Plant Certification Program	\$120	\$120	\$0
Central Pine Barrens Joint Planning and Policy	\$250	\$250	\$0
Southern Pine Beetle Control	\$500	\$500	\$0
Oceans & Great Lakes Ecosystem	\$17,250	\$19,750	\$2,500
Peconic Bay Estuary Program	\$200	\$200	\$0
Great Lakes Commission	\$60	\$60	\$0
Water Quality Improvement Program	\$17,750	\$19,000	\$1,250
Suffolk County	\$4,500	\$4,500	\$0
Nassau County	\$5,000	\$5,000	\$0
Fire Dept. PFC Disposal	\$100	\$0	(\$100)
Source Water Assessment Plans	\$5,000	\$5,000	\$0
Chautauque Lake Association*	\$0	\$150	\$150
Chautauque Lake Partnership*	\$0	\$95	\$95
Town of Hempstead Marine Laboratory	\$350	\$0	(\$350)
South Shore Estuary Reserve	\$900	\$900	\$0
Agricultural Non-Point Source Pollution Control	\$18,000	\$18,000	\$0
Cornell Integrated Pest Management	\$1,000	\$1,000	\$0
Cornell Cooperative Extension of Suffolk County	\$500	\$500	\$0
Cornell Pesticide Management Education Program	\$250	\$250	\$0
Non-Agricultural Non-Point Source Pollution Control	\$7,000	\$6,000	(\$1,000)
Cornell Community Integrated Pest Management	\$550	\$550	\$0
Soil & Water Conservation Districts	\$10,500	\$10,500	\$0
Finger Lakes Ontario Watershed	\$2,300	\$2,300	\$0
Hudson River Estuary Plan	\$6,500	\$6,500	\$0
Mohawk River	\$1,000	\$1,000	\$0
Lake Erie Watershed Protection Alliance	\$250	\$250	\$0
Total	\$1,367,226	\$1,520,711	(\$1,515)

ENVIRONMENTAL PROTECTION FUND (IN 000'S)			
FIGURE 1			
	2019-20 Enabled	2020-21 Estimate	Monetary Change
CLIMATE CHANGE MITIGATION AND ADAPTATION			
Greenhouse Gas Management	\$1,200	\$1,500	\$300
<i>Regenerate NY Grant Program</i>	\$500	\$500	\$0
<i>Cornell University Working Lands Ag Inventory</i>	\$500	\$500	\$0
Local Climate Resiliency Plans and Adaptation Projects	\$2,000	\$1,700	(\$1,000)
<i>Wood Products Development Council</i>	\$200	\$200	\$0
Smart Growth	\$2,000	\$2,000	\$0
Climate Smart Community Programs	\$1,000	\$1,000	\$0
<i>Community Forests*</i>	\$0	\$500	\$500
<i>Resiliency Planting Program</i>	\$500	\$500	\$0
Climate Resiliency Programs	\$2,000	\$1,500	\$0
<i>Cornell Soil Health Program</i>	\$200	\$200	\$0
<i>Hudson Valley Carbon Farming Pilot Project</i>	\$400	\$0	(\$400)
Total	\$20,000	\$19,000	(\$1,000)
TOTAL ERF	\$800,000	\$800,000	\$0
Indicates New Program			

Agency Summary

FINANCIAL SERVICES

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

MAINTAINS FUNDING FOR THE FOLLOWING:

- Administration Program: \$82.9 million, same as last year.
- Banking Program: \$88.2 million, same as last year.
- Insurance Program: \$207.8 million, same as last year.

AID TO LOCALITIES – A.9503

SIGNIFICANT INCREASES INCLUDE:

- Insurance Program: \$59.5 million, \$1.3 million more than last year.

Provisions of the Insurance Program include:

- Entertainment Industry Health Insurance Demonstration Program: \$35,000, \$75,000 less than last year.
- Family Planning Services: \$19.9 million, same as last year.

FINANCIAL SERVICES

- Healthy NY Program: \$16.4 million, \$1.4 million more than last year.
- Immunization Program: \$7.5 million, same level as last year.
- Lead Poisoning Prevention and Assistance Program: \$14.6 million, same level as last year.
- New York City Fire Training Academy SFY 2019-20: \$989,000, same level as last year.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Administration Program: \$850,000.

TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION – A.9508

Part LL Licensure of Debt Collection Entities
This part adds a new Article VII to Banking Law, establishing licensure, prohibited acts, regulations and reasoning for either suspension or revocation of a license for consumer debt collectors. No

person may act within the State as a consumer debt collector, directly or indirectly, without first obtaining a license through the Department of Financial Services (DFS). No creditor may utilize the services of a consumer debt collector unless the consumer debt collector is licensed by the Superintendent of DFS. This new Article also details individuals that will be exempt from these requirements.

Applications for this license must be in writing and the applicant will pay a fee for the investigation into the application prescribed in Banking and Financial Services Law. The license will be for a period of one year, as of September 1st each year.

- The Superintendent of DFS may reject an application for a license or an application for renewal if they are not satisfied with the financial responsibility, character, reputation, integrity and general fitness of the individual applicant, the applicant of a partnership or association, or the applicant of the corporation are such as to command the confidence of the public and to warrant the belief that the business will be operated lawfully, honestly and fairly.
- This new Article lines out what should be included in the license and that any relocation of the business of the licensee must obtain prior approval and pay the fee prescribed in law.

Further, the Superintendent may participate in a multi-state licensing system for the sharing of regulatory information and for licensing of entities engaged in the business of debt collection. The Superintendent may require background investigations of each applicant and require fingerprinting of the applicant or each member, director and principal office if part of an organization.

A consumer debt collector will be required to file and maintain a surety bond of \$25,000. Failure to maintain such a bond will result in revocation of their license to collect debts.

The Superintendent of DFS may at any time investigate the loans and business, and examine

the books, accounts, records and files used of every licensee. Each licensee must keep records for at least five years after making the final entry regarding consumer debt.

- Each licensee will annually, on or before April 1st, file a report with the Superintendent giving information concerning the business and operations during the previous calendar year. The Superintendent has the ability to require additional regular or special reports as necessary.

The Article lists specific prohibited acts by consumer debt collectors and they must not engage in any unfair, unconscionable, deceptive, false, misleading, abusive or unlawful acts or practices as part of the Federal Fair Debt Collection Practice Act, State laws or Federal laws.

The Superintendent may suspend or revoke the license of a consumer debt collector or remove a "bad actor" if, after notice and an opportunity to be heard, it is found that the licensee has:

- Committed fraud or dishonest activities;
- Violated any provisions or any law regarding debt collection;
- Made a false statement or material omission in the application for a license; or
- Demonstrated incompetency or untrustworthiness as a consumer debt collector.

Lastly, this part does not allow judgements of confession on: (1) any amount due from one or more individuals for personal, family, household, consumer, investment or non-business purposes; (2) any amount under \$250,000 due from any person for any purpose and (3) any amount due from any person or business that either is currently not a resident of the State or was not a resident of the State at the time of the affidavit authorizing the entry of the judgement of confession was executed.

Part MM Stop Abuse and Deceptive Practices from Student Loan Debt Relief Companies
This part adds a new Article VII to the Financial

Services Law that set standards for student debt consultants. These provisions include:

■ Student debt consultant means, an individual or a corporation, partnership, LLC, or other business entity that, directly or indirectly, solicits or undertakes student debt consulting services.

→ Student debt consulting means services provided to a borrower that the consultant represents will help to achieve any of the following: stop, enjoin, delay, void, set aside, annul, stay or postpone a default, bankruptcy, tax offset or garnishment proceedings; obtain forbearance, deferment, or other relief that temporarily halts repayment of student loan; assist with preparing or filing documents related to repayment; advise the borrower on repayment or forgiveness programs to consider; enroll the borrower in any student loan repayment, forgiveness, discharge or consolidation program; assist the borrower in re-establishing eligibility for Federal student financial assistance or removing borrower from default; or educate the borrower about student loan repayment.

→ A student debt consultant is prohibited from performing services without a written and fully executed contract with a borrower; charging for or accepting any payment for services not completed; taking a power of attorney from a borrower; retaining any original documents of the loan; requesting a borrower's FSA ID; stating or implying a borrower will not be able to obtain relief on their own; or misrepresenting, expressly or by implication, that the consultant is a part of/affiliated with/endorsed by/sponsored by the government; or engaging in any unfair, deceptive or abusive acts or practices.

■ Creates specific disclosure requirements for advertisements by all student debt consultants who disseminate advertisements in New York,

or who intend to directly or indirectly contact a borrower who has a student loan is a resident of New York. All advertisements should be clearly and legibly displayed and avoid the possibility of deception or the ability to mislead or deceive the borrower.

■ Further, this part indicates what should be included in a student debt consulting contract and states that a borrower has the right to cancel with written notice, without penalty or obligation, any contract with a consultant until midnight of the fifth business day following the day the contract was signed.

If the Superintendent of DFS, after notice and hearing, finds that the consultant has violated any provisions of this new Article, the Superintendent may make null and void any agreement between the borrower and consultant and impose a civil penalty of not more than \$10,000 for each violation. The Superintendent of DFS is authorized and empowered to promulgate any rules or regulations to be consistent with this Article.

■ The borrower may recover actual and consequential damages and costs from the consultant and if damages were made intentionally or recklessly, the court may award the borrower treble damages and attorneys' fees and costs.

■ Any provision of a student debt consulting contract that attempts or purports to limit the liability of the consultant will be null and void; inclusion of such provision will, at the option of the borrower, render the contract void.

■ Any provision in a contract which attempts or purports to require arbitration of any dispute arising will be void at the option of the borrower.

■ Any waiver of the provisions of this Article will be void and unenforceable as contrary to public policy.

Lastly, DFS may require submission of fingerprints of a student loan servicer, which may be submitted

to the Division of Criminal Justice Services and the FBI for State and National criminal history record checks.

Part NN Protecting New York Consumers from Unfair and Abusive Practices by Strengthening New York's Consumer Protection Law This part amends the definition of a "financial product or service" to include financial products or services regulated under Banking or Insurance Law sold to small businesses; the sale or provision to a consumer or small business of any security, investment advice, or money management device; any warranty sold or provided to a consumer or small business or any guarantee or suretyships provided to the consumer; any merchant cash advance provided to a consumer or small business; and any contract that involves that product or service listed above.

A small business is defined as a business that is independently owned and operated, has less than \$10 million in annual gross receipts or sales and employs 100 or less people.

Further, this part allows the Superintendent of DFS to assess unlicensed entities using the same procedures it uses when assessing parties that are licensed under Insurance or Banking Law. An unlicensed entity is any person or entity that is required to be licensed, certified, registered, authorized, chartered, accredited or incorporated and that is not specifically exempted from the applicable Banking or Insurance Law or this Chapter.

If any administrative or judicial action is brought under this Chapter, the Banking Law or Insurance Law, the Superintendent of DFS will have explicit authority to order the individual or entity to make restitution to all consumers harmed by such individual or entity's conduct. This may be in addition to any other penalty or sanction imposed by law. The civil penalty is amended:

- Not to exceed the greater of \$5,000 for each offense;
- A multiple of two times the aggregate damages attributable to the offense; or

- A multiple of two times the aggregate economic gain attributable to the offense.

Lastly, the penalty for any authorized insurer, representative of the insurer, licensed insurance agent, licensed insurance broker, licensed adjuster, or any other person or entity authorized has increased to \$10,000 for each offense (currently \$1,000 per offense).

Part OO Fighting Elder Financial Fraud This part amends Banking Law to allow for a banking institution, at their discretion, to place a hold on an account of a vulnerable adult if there is reason to believe they are a victim of actual or attempted financial exploitations and that the placement of a transaction hold may be necessary to protect a vulnerable adult's money, assets or property from financial exploitation. The banking institution may also place a hold if adult protective services or law enforcement agency provides information establishing a reasonable basis for such financial exploitation.

- A vulnerable adult is an individual who, because of mental and/or physical impairment is potentially unable to manage his or her own resources or protect themselves from financial exploitation.
- A transaction hold means a delay in the completion of one or more financial transactions pending an investigation by a banking institution, adult protective services, or a law enforcement agency.

The banking institution must make a reasonable effort to provide notice of a hold to all parties on the account within two business days of when the hold was placed and immediately, but not later than one business day, notify adult protective services and law enforcement agencies.

- The transaction hold does not prohibit funds from being used to cover the account holder's housing, living expenses, or emergency expenses and must be reported within one business day after such dispersal is made to adult protective

services and to a law enforcement agency.

- The transaction hold will have a maximum limit of five days or can be extended up to an additional 15 days if requested by adult protective services and law enforcement agencies.

Banking institutions or an employee will be immune from criminal, civil and administrative liabilities if acting in good faith. Further, the DFS can develop a financial exploitation certification program for banking institutions.

Agency Summary

GAMING COMMISSION

WAYS & MEANS CONTACT:

[REDACTED]

COUNSEL CONTACT:

[REDACTED]

STATE OPERATIONS – A.9500

MAINTAINS FUNDING FOR THE FOLLOWING:

NYS Racing Fan Advisory Council: \$100,000 to support the NYS Racing Fan Advisory Council. The Council identifies recommendations to enhance the experience of horseracing fans and attract more fans to the sport.

AID TO LOCALITIES – A.9503

SIGNIFICANT INCREASES INCLUDE:

- Tribal State Compact: \$257 million, \$24 million more than last year. These funds support local host payments the State receives from such gaming devices at the various Indian casinos. In addition, under the 2013 Upstate New York Gaming and Economic Development Act, every county in an Indian exclusivity zone will share in Indian gaming facility revenues. Ten percent of the net electronic gaming revenue retained by the State from Native American gaming facilities will be shared

by the non-host counties in each respective exclusivity zone. In 2017, the Seneca Nation stopped remitting payments to the State over a dispute on the language in their Compact. This dispute went into arbitration and on January 7, 2019, the majority of the arbitration panel concluded that the Nation was obligated to make such payments to the State. In April 2019, the arbitration panel said the tribe owed New York \$255.9 million. Currently, the tribe has appealed the decision twice, in the first appeal the judge agreed with the panel and the second appeal is still pending. The Financial Plan assumes that the Seneca Nation will make these payments still owed and resume the regular payment; however, the appropriation levels reflect the possibility of the remaining local payments being rolled over into FY 2021.

- ⇒ Akwesasne Mohawk Casino Host Communities: \$15 million, same as last year. These funds support local host payments equal to 25% of the negotiated percentage of the net drop from electronic gaming devices the State receives from such devices at the Akwesasne Mohawk Casino.

- Akwesasne Mohawk Casino Non-Host Communities: \$6 million, same as last year. These funds are generated by the Akwesasne Mohawk casino to support non-host communities in the North County exclusivity zone.
- Oneida Nation Casino Non-Host Communities: \$10 million, same as last year. These funds are generated by the Oneida Nation casinos to support non-host counties in the Oneida exclusivity zone.
- Oneida Nation Casino Host Communities: \$32 million, same as last year. These funds support local host payments equal to 25% of the negotiated percentage of the net drop from electronic gaming devices the State receives from such devices at the Oneida Nation Casinos, as well as, \$6 million in additional revenue for the host communities due to the Oneida agreement.
- Seneca Allegany Casino Host Communities: \$30 million, \$1 million more than last year. These funds support local host payments equal to 25% of the negotiated percentage of the net drop from electronic gaming devices the State receives from such devices at the Seneca Allegany Casino.
- Seneca Allegany Casino Non-Host Communities: \$15 million, \$3 million more than last year. These funds are generated by the Seneca Allegany casino to support non-host communities in the Western NY exclusivity zone.
- Seneca Buffalo Creek Casino Host Communities: \$34 million, \$7 million more than last year. These funds support local host payments equal to 25% of the negotiated percentage of the net drop from electronic gaming devices the State receives from such devices at the Seneca Buffalo Creek Casino.

- Seneca Buffalo Creek Casino Non-Host Communities: \$18 million, \$7 million more than last year. These funds are generated by the Seneca Buffalo Creek casino to support non-host communities in the Western NY exclusivity zone.
- Seneca Niagara Casino Host Communities: \$65 million, same as last year. These funds support local payments equal to 25% of the negotiated percentage of the net drop from electronic gaming devices the State receives from such devices at the Seneca Niagara Casino.
- Seneca Niagara Casino Non-Host Communities: \$32 million, \$5 million more than last year. These funds are generated by the Seneca Niagara casino to support non-host communities in the Western NY exclusivity zone.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Gaming Program: \$62 million. This funding supports commercial casino payments to host municipalities / counties and non-host municipalities of casino gaming facilities.
 - del Lago / Tioga Casinos: \$22 million to support commercial casino payments for two casinos located in Region 5.
 - \$5.5 million to support the host municipality and Seneca County equally.
 - \$5.5 million to support the host municipality and Tioga County equally.
 - \$11 million to support non-host counties in Region 5 on a per capita basis.
 - Resorts World Casino: \$20 million in commercial casino payments for a casino located in Region 1.
 - \$10 million to support the host municipality and Sullivan County equally.

- \$10 million to support non-host counties in Region 1 on a per capita basis.
- Rivers Casino: \$20 million in commercial casino payments for a casino located in Region 2.
 - \$10 million to support the host municipality and Schenectady County equally.
 - \$10 million to support non-host counties in Region 2 on a per capita basis.

REVENUE – A.9509

Part V Authorizes NYRA to Build a New Equine Drug Testing Lab Authorizes the New York Racing Association (NYRA) to build, at its expense, an equine drug testing and research laboratory within the State for the exclusive use of the State Gaming Commission. To pay for such laboratory, NYRA could use a portion of their Video Lottery Terminal (VLT) racing support payments that are designated for use as capital expenditures at their three race-tracks: Aqueduct, Belmont and Saratoga.

- Effective Date: Immediately.
- Fiscal Implications: None to the State.

Part W Authorizes New York to Enter into the Mid-Atlantic Drug Compact Authorizes the Gaming Commission to enter into a Mid-Atlantic Drug Compact to enhance and standardize equine drug testing. Member states (Maryland and Delaware have adopted the compact to date) would act jointly to create uniform rules in relation to drugs and medications for racehorses and drug testing. This Compact would not apply to any aspect of harness racing.

- Effective Date: Immediately
- Fiscal Impact: None to the State.

Part X Sports Wagering Lounge Restrictions in Casinos Authorizes the conduct of sports wagering in a licensed commercial casino outside the physical confines of the sports wagering lounge provided that sport wagering still occurs “primarily” in such lounge. Any additional locations for sports wagering must still be located on the gaming floor.

- Effective Date: Immediately.
- Fiscal Impact: None to the State.

Part Y Eliminates Quick Draw Minimum Premises Size Restrictions This part repeals the restriction limiting sales of Quick Draw lottery tickets to those lottery licensees with premises larger than 2,500 square feet if they do not hold an on-premises license to sell alcoholic beverages. This change would greatly increase the number of licensees able to sell Quick Draw lottery tickets.

- Effective Date: Immediately.
- Fiscal Impact: Increase State revenue by \$15 million in FY 2021 and \$30 million annually thereafter.

Part Z Simulcasting of Out-of-State Thoroughbred and Harness Horse Races Extends, for one year, the laws authorizing the simulcasting (by tracks and OTBs) of out-of-state thoroughbred and harness horse races and the distribution of revenue including purse enhancements from the simulcasting of out-of-state thoroughbred races. It also extends for one year the current statutory distribution of revenue for on-track wagering at the NYRA tracks and continues until 2021 the authorization for the in-home simulcasting of races, binding arbitration for simulcasting disputes, and telephone/ internet betting accounts.

- Effective Date: Immediately.
- Fiscal Impact: The extension of these provisions will maintain current pair-mutual tax receipts.

Agency Summary

GENERAL SERVICES

WAYS & MEANS CONTACT:

[REDACTED]

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Maintenance of Facilities: \$234 million, \$30 million more than last year for infrastructure and maintenance for structures and facilities owned by the Office of General Services.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part AA. Office of General Services Permanent 15-Year Lease Authority Allow the Commissioner of General Services (OGS) the permanent authority to enter into real property leases for a term not to exceed 15 years to meet the space requirements of State departments, agencies and offices. The Commissioner's current authority for 15 year leases was last extended in June 2015 (Chapter 33 of the Laws of 2015) and is set to expire June 30, 2020. Leases with terms of 15 years are becoming more common and can offer savings of 7 to 10% over a 10-year term.

The bill would also make permanent the authority to enter into agreements for a Payment-in-Lieu-of-Taxes (PILOTs) when State buildings or other facilities are acquired by a lease or lease-purchase in instances where bonds and notes are issued. The State agency which is the tenant in occupancy shall remit tax payments or PILOTs to the appropriate taxing authority in a manner consistent with the terms established under the original lease for the full term of the lease.

Part BB Require Sexual Harassment Disclosure from State Contractors Requires that every bid made to the State, a public department or agency, where competitive bidding is required, shall include any reports of sexual harassment. Such bid must include the name of the bidder, the total number of adverse judgements or rulings arising from allegations of sexual harassment during proceeding year; number of employees; any equitable relief ordered and the total number of settlements.

**TRANSPORTATION, ECONOMIC
DEVELOPMENT AND
ENVIRONMENTAL CONSERVATION
- A.9508**

Part U Add "E Pluribus Unum" to the Arms of the State. Changes the current New York flag to incorporate the words "E Pluribus Unum", Out of Many, One, under the word "Excelsior" as part of the State flag. The NY Secretary of State would be required to begin using the new seal as of the effective date and any electronic depiction of the Arms shall be updated within 60 days. No agency, local government, or public authority shall be required to replace a flag solely because such flag contains the former arms of the State.

Part EEE Make Permanent the New York Buy American Act This Act requires that all contracts over \$1 million in value and made and awarded by the Department of Transportation (DOT), the Office of General Services (OGS), the State University of New York (SUNY) Construction Fund, the Dormitory Authority of the State of New York (DASNY), the Metropolitan Transit Authority (MTA), the Bridge Authority or the Thruway Authority for the construction, reconstruction, alteration, repair, maintenance or improvement of any surface roads or bridges contain a provision that the structural iron and steel used or supplied in any such contract be produced or made in whole or substantial part in the United States. This legislation would make this Act permanent, which is currently set to expire on April 15, 2020.

Agency Summary

GENERAL STATE CHARGES

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Healthcare Obligations: \$4.3 billion, \$192.6 million more than last year, that is reflective of the States contributions to provide employees with health insurance.
- Employee's Retirement: \$2.04 billion, \$10.5 million more than last year, for the states contribution to the employees' retirement system, police and fire retirement system and New York State public employee's group life insurance.
- Social Security: \$1.025 billion, \$57.5 million more than last year, which reflects a stable spending due to steady workforce levels.
- Workers Compensation: \$640 million, \$12.6 million more than last year, for increasing costs due to the growth in the average weekly wage and medical costs.
- Teachers Insurance: \$232 million, \$19.8 million more than last year, for the State's share to the teachers insurance and annuity associ-

ation and the college retirement equities fund for SUNY faculty.

- Public Lands Taxes: \$290 million, \$36.9 million more than last, for payments pursuant to Real Property Tax Law on public lands.
- Litigation: \$40.1 million, \$5.1 million more than last year, for the payment of private counsel defense and payments on behalf of State officers and employees in civil or judicial proceedings.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part S Eliminates High Income State Retirees Medicare Part B Income Related Monthly Adjusted Amounts (IRMAA) In 2007, the Federal Government imposed this supplemental IRMAA premium to require high income retirees to pay a greater share of their Medicare costs. New York taxpayers currently subsidize the entire IRMAA premium of New York State's high income retirees.

This proposal would not reimburse high-income retirees for the cost of a program designed to make Medicare coverage more affordable and sustainable, particularly since these higher earning individuals do not pay any more for supplemental New York State Health Insurance Program (NYSHIP) coverage than lower-income enrollees in NYSHIP. The Subsidy is worth \$694 per retiree annually, for retirees with an adjusted gross income between \$87,000 and \$109,000 at retirement. Eliminating this subsidy would save tax payers \$3.7 million in FY 2021 and \$15.7 million in FY 2022 and into the out-years.

Part U Establishes a Floor for State Reimbursement of Medicare Part B Standard Premium
Establishes a floor for State reimbursement of the Medicare Part B standard premium for eligible NYSHIP state retirees and their dependents at the 2020 level of \$144.60 per month. Retirees would not be impacted by this proposal in FY 2020 and most would see a dramatic increase in reimbursement to the \$144.60 monthly level provided in this proposal. If the reimbursement level is not increased in out-years, potential cost-avoidance for State taxpayers is projected at \$2.2 million in FY 2021 and \$1.8 million in FY 2022.

Part V Implements Differential Health Care Premium Contributions for New State Civilian Hires
This proposal would implement a plan that would change the way the State calculates taxpayer support for new civilian hires retirement benefits by modeling benefits on a scale based on years of service worked. Subsidies would begin after 10 years of service and would gradually increase until they are no different than current levels once an individual has reach 30 years of service. This proposal does not impact individuals eligible to retire before 20 years of service (uniformed employees) or individuals who retire with an ordinary, accidental or performance of duty disability.

Part W Continuing to Protect and Strengthen Unions
This legislation makes various technical amendments to previous labor statutes which, if

enacted, will allow public employers to provide the personal information of new hires and new employees who have been transferred or promoted. This also indemnifies public employers and employee organizations from liability from the collection, deduction or receiving of union dues before the Janus decision.

Agency Summary

HEALTH

WAYS & MEANS CONTACT



MEDICAID GAP CLOSING PLAN

The State is tasked with closing both the FY 2020 (current year) budget gap and the FY 2021 budget gap. The FY 2020 Savings Plan had to address an approximate \$4 billion Medicaid gap and the FY 2021 Savings Plan had to close a \$3.1 billion Medicaid gap. This deficit is caused mostly by increased enrollment, increased minimum wage costs, and the high costs of managed long-term care. The Governor also is assuming that increased Medicaid costs by localities have added to the Medicaid cap imbalance.

To close the FY 2020 \$4 billion Medicaid gap, the Mid-Year update to the Financial Plan (released in November 2019) identified a continuation of the \$1.7 billion Medicaid deferral payment. The Governor had to come up with a savings plan for the remaining \$1.8 billion for FY 2020 in order to end the year balanced. Refer to *Figure 1* for the entire FY 2020 Gap Closing Plan.

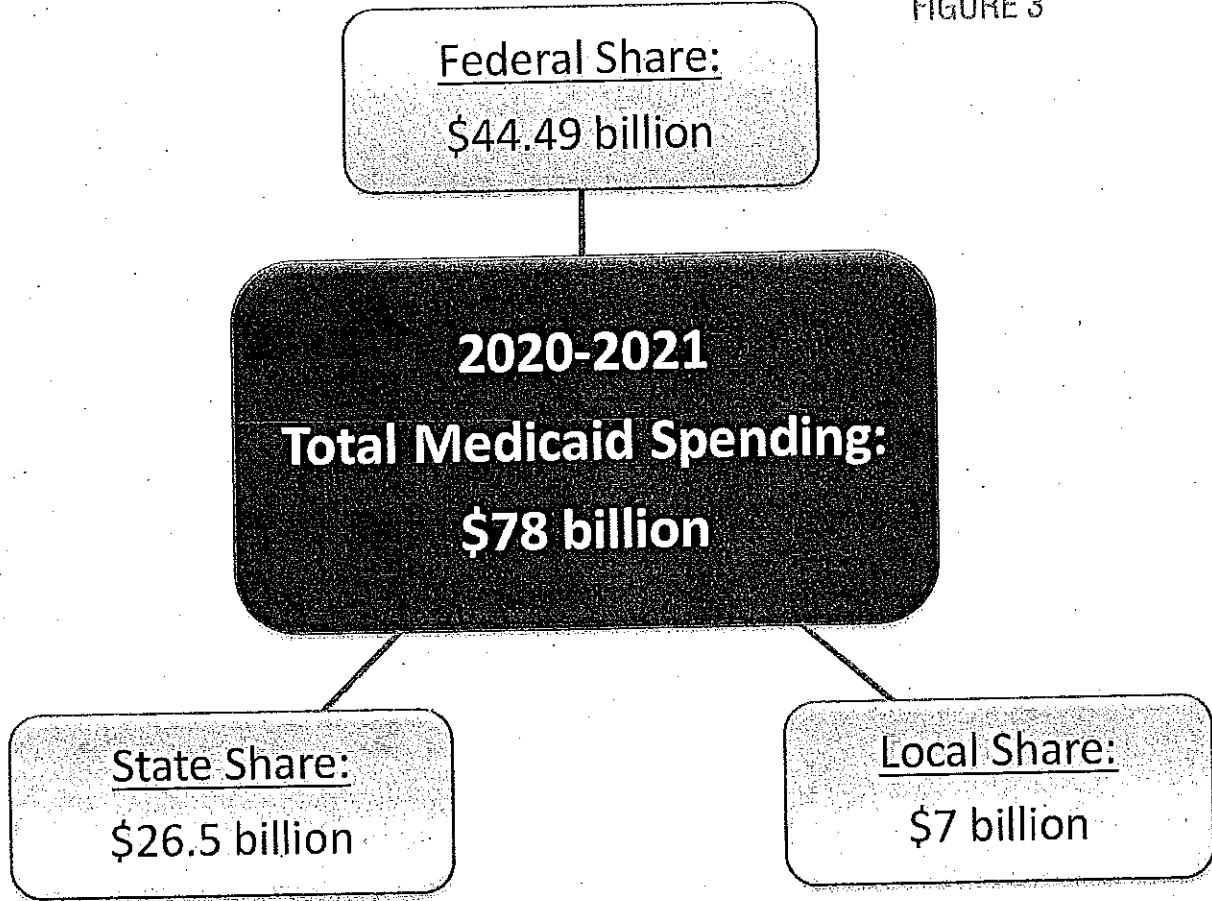
The 2020-21 Executive Budget proposal closes a nearly \$7 billion budget gap, of which \$3.1 billion is a result of going over the Medicaid cap. The FY 2021 Financial Plan proposes the continuation of the \$1.7 billion deferral payment into FY 2021. Refer to *Figure 2* for the entire FY 2021 Gap Closing Plan.

FY 2020 GAP CLOSING PLAN (\$ millions)	
FIGURE 1	
MEDICAID GAP	\$2,026
Original Deferral Amount Assumed in Mid-year Update:	(\$2,244)
Deficit remaining after deferral	\$1,782
Tax Receipt Increase (mostly PIT):	(\$1,012)
Non-tax Receipt Increase (investment income, fees):	(\$127)
Deficit remaining after tax receipts	\$643
Debt Service net costs due to prepayments:	\$90
Deficit remaining after net debt service costs	\$763
1% Medicaid Cut:	(\$599)
Deficit remaining after Medicaid cut	\$124
Paying additional Deferral Amount:	\$552
Deficit remaining after paying deferral amount	\$686
Local Assistance Savings (Agency Spending Revisions):	(\$408)
Agency Operations (Fringe Benefit Savings)	(\$216)
Transfer from Other Funds:	(\$62)
BALANCED BUDGET AFTER FY 2020 SAVINGS PLAN	\$0

FY 2021 GAP CLOSING PLAN (\$ millions)	
FIGURE 2	
MID-YEAR BUDGET GAP	\$6,073
Anticipated Savings from Governor that Didn't Happen	(\$890)
Total Deficit to Close for FY 2021 (includes \$3.1b Medicaid Gap)	\$6,963
Tax Receipt Increase (mostly PIT):	(\$2,069)
Deficit remaining after tax receipts	\$4,894
MRT II Savings (\$3.1b Medicaid Gap - \$851m Gov Savings= \$2.2b):	(\$2,500)
Deficit remaining after MRT II savings	\$2,394
Local Assistance Savings (3% Growth in School Aid vs 4%, Revisions to growth in Housing/Social Services/Mental Hygiene etc.):	(\$1,783)
Deficit remaining after Local Assistance savings	\$611
Agency Operation Savings (Fringe Benefits/Pension/Rate Renewals):	(\$359)
Deficit remaining after Agency Operation savings	\$252
Other Savings (Debt Service savings & Additional Refunds):	(\$252)
BALANCED BUDGET AFTER FY 2021 SAVINGS PLAN	\$0

MEDICAID OVERVIEW

FIGURE 3



The Executive Budget provides total Medicaid Spending of \$78 billion in Fiscal Year 2021. This includes a federal share of \$44.4 billion, a State share of \$26.5 billion, and a local share of \$7 billion.

Medicaid Local Share Reforms and Medicaid Redesign Team (MRT) II

Two of the proposals the Governor has included are reforming the Medicaid Local Share and instituting a reiteration of the Medicaid Redesign Team. The Local Share Reform proposal seeks to address the Medicaid deficit by penalizing counties for both going over the 2% Real Property Tax Cap and/or exceeding 3% growth in Medicaid expenditures. The MRT II is tasked with finding \$2.5 billion in savings before April 1, 2020. It was reported that

Budget Director Robert Mujica said that it is possible the MRT could raise taxes on health insurance plans. If the MRT II does not find the savings, the Aid to Localities budget bill provides language that allows the Governor to cut \$2.5 billion in Medicaid spending.

2019 Global Cap Spending

On January 28, 2020, the Department of Health released a detailed report of Medicaid Global Cap Spending for 2019. This report historically has been released quarterly, but has not been released since March of last year. This report covers the time period between April 2019 and December 2019. The following chart details spending by economic region:

MEDICAID GLOBAL CAP SPENDING APRIL - DECEMBER 2019 (MILLIONS)	
Economic Region	Non-Federal Total Paid
New York City	\$13,419
Long Island	\$2,042
Mid-Hudson	\$1,980
Western	\$1,029
Finger Lakes	\$871
Capital District	\$703
Central	\$523
Mohawk Valley	\$445
Souther Tier	\$388
North Country	\$286
Out of State	\$82
Total	\$21,748

FIGURE 4

STATE OPERATIONS - A.9500

The Executive Budget continues to include funding for the Essential Plan. The Essential Plan was established in January 2016, as a more affordable health insurance option for low-and moderate income New Yorkers. In the fall of 2017, a Presidential Executive Order eliminated Cost Sharing Reduction (CSR) payments which are what New

York used to help partially fund the Essential Plan. Approximately 25% of the federal funding for the Essential Plan is from the CSR. In order to continue to fund the Essential Plan, the Department of Health will transition supplemental programs from Medicaid to the Essential Plan by using remaining Federal Trust Fund balances to fund the non-federal share which was previously funded through Medicaid.

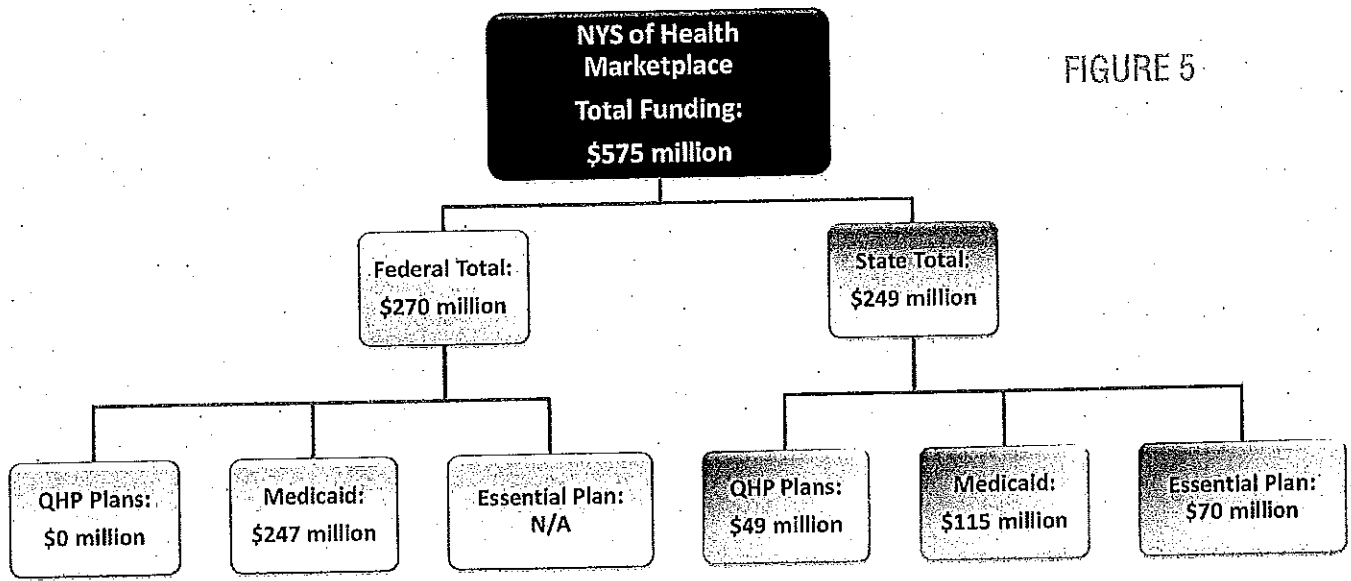


FIGURE 5

SIGNIFICANT INCREASES INCLUDE:

- Administration Program: \$199.6 million, \$8.6 million more than last year, for the administration of a number of Department of Health programs including: the New York State Donor Registry and the Professional Medical Conduct Program.
- Center for Community Health Program: \$175.5 million, \$750,000 more than last year, for health prevention, diagnostic, detection, and treatment services.
- Center for Environmental Health Program: \$26.9 million, \$319,000 more than last year, for Radiological Health Protection.
- Child Health Insurance Program (CHIP): \$155.6 million, \$3.8 million more than last year, for the Child Health Insurance Program.
- Clinical Laboratory Reference and Accreditation Program: \$15.1 million, \$957,000 more than last year.

SIGNIFICANT DECREASES INCLUDE:

- Essential Plan Program: \$78.1 million, \$6.1 million less than last year, for administration of the program for low-income people who do not qualify for Medicaid.
- Health Care Reform Act Program: \$7.4 million, \$1.1 million less than last year, resulting from the end of audit contracts.
- New York State of Health Program: \$49 million, \$4.4 million less than last year, for the operation of New York's Health Marketplace.
- Office of Primary Care and Health Systems Management: \$57.4 million, \$1.2 million less than last year, due to the elimination of the Health Occupation Development and Workplace Demonstration Program.
- Medical Cannabis: \$1.8 million, \$8 million less than last year.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Aids Institute: \$600,000.

HEALTH

- Elderly Pharmaceutical Insurance Coverage Program: \$13.3 million.
- Institutional Management Program: \$166.5 million.
- Office of Health Insurance Program: \$632 million.

AID TO LOCALITIES – A.9503

SIGNIFICANT INCREASES INCLUDE:

- State Share Medicaid: \$26.6 billion, \$667.4 million more than last year, for spending details see Figure 6.
- Center For Environmental Health Program: \$21.3 million, \$1.5 million more than last year, due to new funding for prevention, diagnostic, detection, and treatment services.
- Child Health Insurance Program: \$2.3 billion, \$90.2 million more than last year, to provide insurance to Children and Families that earn too much to qualify for Medicaid.
- Family Planning Grants: \$4.6 million in new funding.
- Family Planning Services: \$16.1 million, \$7.6 million more than last year.

SIGNIFICANT DECREASES INCLUDE:

- AIDS Institute Program: \$103.9 million, \$1 million less than last year, due to the removal of HIV education and support services, HIV diagnostic grants, and expenses of Camba, Inc.
- Early Intervention: \$165 million, \$8.2 million less than last year, for the State's support of Early Intervention services.
- Elderly Pharmaceutical Insurance Coverage Program: \$104.4 million, \$17 million less than last year, for the purchase of prescription drugs for the elderly.
- Local Health Departments and Laboratories:

\$161.3 million, \$18 million less than last year, for county cost reimbursements.

- Office of Primary Care and Health Systems Management Program: \$17.6 million, \$5.3 million less than last year, due to the elimination of various legislative additions, including: Alliance for Donation, Finger Lakes Health Systems Agency, and Long Term Care Community Coalition.
- Wadsworth Center for Laboratories and Research Program: \$14.8 million, \$160,000 less than last year due to the elimination of expenses for the International Lymphatic Disease and Lymphodema Patient Registry and Biorepository.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Administration Program: \$266,000.
- Essential Plan Program: \$5.3 billion.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Alzheimer's Disease Resource Center, Inc.: \$224,000.

Consumer Assistance – Independent Health Insurance Consumer Assistance Society of New York: \$1.4 million.

- Cystic Fibrosis: \$800,000 elimination for payments of health insurance premiums for those with Cystic Fibrosis.

- Legislative Program Additions: \$11.5 million

FIGURE 6

FY 2021 MEDICAID DETAIL (DOLLARS)			
CATEGORY OF SPENDING	FY 2020 AMOUNT	FY 2021 AMOUNT	CHANGE
Inpatient	\$2,297,317,218	\$2,248,514,942	(\$48,802,276)
Outpatient/Emergency Room	\$381,579,916	\$325,108,225	(\$56,471,691)
Clinic	\$421,471,365	\$401,906,895	(\$19,564,470)
Nursing Homes	2522352054	2540395173	77933183
Personal Care	536356523	570193533	33837010
Home Health	84217337	78362709	5854628
Home Nursing	4081535	3819093	-262442
Assisted Living	157026201	159510210	2493509
Managed Long Term Care	8685535851	9322409707	636873856
Managed Care	\$10,984,666,205	\$11,092,642,191	\$107,975,986
Pharmacy	\$335,439,730	\$344,873,436	\$9,433,706
Dental	\$18,086,100	\$17,606,000	(\$480,100)
Sickroom Supplies	\$23,220,402	\$22,666,364	(\$554,038)
Other Practitioners	\$74,997,079	\$69,165,466	(\$5,831,613)
Eye/DME	\$17,555,922	\$18,091,730	\$535,808
Lab/X-Ray	\$27,771,078	\$27,145,995	(\$625,083)
Early Intervention	\$139,076,061	\$139,075,798	(\$263)
Hospice	\$37,001,167	\$37,186,352	\$185,185
Transportation	\$391,526,222	\$396,219,459	\$4,693,237
SMI	\$941,000,000	\$907,199,996	(\$33,800,004)
Rehab/Therapy	\$16,229,772	\$15,150,655	(\$1,079,117)
Physician	\$184,462,407	\$142,796,042	(\$41,666,365)
Case Management	\$53,263,044	\$68,604,293	\$15,341,249
Adjustments	(\$1,892,405,389)	(\$2,264,389,753)	(\$371,984,364)
Total	\$26,389,808,937	\$26,675,215,785	\$285,406,848

for 30 legislative additions including: Gay Men Health Crisis, Safe Motherhood Initiative, and Sickle Cell Screening.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Facilities and Maintenance Operations: \$12.3 million, \$3.3 million more than last year for services and expenses of a quality program for adult care facilities.

MAINTAINS FUNDING FOR THE FOLLOWING:

- All Payers Claims Database: \$10 million.
- IT Initiatives Program: \$10 million.
- Laboratories and Research: \$8 million.
- Maintenance and Improvement of Existing Facilities: \$58.9 million.
- Statewide Health Information Network for New York: \$30 million.
- Water Resources: \$77 million.

HEALTH AND MENTAL HYGIENE – A.9507

Part A Reauthorize Health Care Reform Act (HCRA) for Three Years Extends HCRA through March 31, 2023, including the following:

- §1 Program Administration Extends for 3 years until March 31, 2020.
- §2 Surcharge Funds Between Various Financing Pools Extends for 3 years until March 31, 2020.
- §3-4 Medicaid Inpatient Hospital Reimbursement Methodology and HCRA Surcharges and Assessments Extends for 3 years until December 31, 2023.

§5 Health Care Initiatives Extends for 3 years until March 31, 2023.

§6-9 Discontinuation of Department of Health Public Health Programs Includes the following:

- Empire Clinical Research Program (ECRIP);
- Graduate Medical Education (GME) Doctors Across New York (DANY) Diversity in Medicine Program;
- GME DANY Ambulatory Training Program; and
- Area Health Education Center Public Health Program.

§10 Clinic Bad Debt and Charity Care Payments Extends for 3 years until March 31, 2023.

§11-12 Collection of Covered Lives Assessment Extends for 3 years until December 31, 2023.

§13 Collection of Covered Lives Assessment Over \$1.045 billion Extends for 3 years until December 31, 2023.

§14 Tobacco Initiative Extends for 3 years until March 31, 2023.

§15 Hospital Bill Requirements Extends for 3 years until March 31, 2023.

§16 Home Care Workforce Recruitment and Retention Program Extends for 3 years until March 31, 2023.

§17 Personal Care Workforce Recruitment and Retention Program Extends for 3 years until March 31, 2023.

§18 Medical Indemnity Fund Extends for 3 years until December 31, 2023.

§19 Discontinuation of the Health Workforce Retraining Initiative Program Discontinues the Health Workforce Retraining Initiative Program.

Part B Discontinue Hospital Resident Compliance Audits This part repeals the requirement that

the Commissioner of Health audit each hospital and their plan for compliance. The Department will instead substitute an annual compliance attestation requirement. The Department will also maintain their right to targeted audits and investigations. This is expected to result in a \$850,000 savings annually.

Part C Early Intervention Pay and Pursue
Requires insurers to cover Early Intervention (EI) services regardless of whether or not they believe the services are medically necessary. If the insurer believes the EI services were not medically necessary, they have the opportunity to initiate an external appeal by a third-party agent to make a determination. If the third-party agent determines the EI services were not medically necessary the insurer may recoup, offset, or otherwise require a refund for overpayment.

Part D Redirect Enhanced Quality of Adult Living (EQUAL) Funding Changes the purpose for which grants under the EQUAL Program may be used. For eligible adult care facilities in which at least 25% of the residents have serious mental illness, the grants will be used for mental hygiene training of staff and independent living skills training for residents. For eligible adult care facilities in which at least 25% of residents receive Supplemental Security Income (SSI), grants will be used for capital improvements that improve the quality of life for residents. If a facility is eligible for both, they are only authorized to use the grants targeted for facilities with residents with serious mental illness.

Part E Miscellaneous Public Health Recommendations

§1-4 Discontinues the Health Occupation Development and Workplace Demonstration Program This program's purpose was administration, development, implementation, and monitoring of the Health Workforce Retraining Initiative (HWRI), which is being discontinued under the Health Care Reform Act (HCRA).

§ 5 Discontinues the Adult Cystic Fibrosis Assistance Program Repeals the sections of law authorizing the Adult Cystic Fibrosis Assistance Program.

§ 6 Transfer the Autism Awareness and Research Fund Transfers the responsibility of the fund from the Department of Health to the Office for Persons With Developmental Disabilities.

§ 7-13 Transfer Authority of Eating Disorder Program and the Comprehensive Care Centers for Eating Disorders Program Transfers authority of these programs from the Department of Health to the Office of Mental Health.

Part F Extend Various Provisions of the Public Health and Social Services Laws

§1 Electronic Prescription Exemption Extended for three years until June 1, 2023.

§2 Limits on Method of Payment for Prescription Drugs Under the Medical Assistance Program Extended 3 years until March 31, 2023.

§3 Nursing Home Upper Payment Limit and Intergovernmental Transfer Provisions Extended 3 years until March 31, 2023.

§4 Comprehensive Health Services Program Extended for 3 years until March 31, 2023.

§5 Authorization for Use of Funds of the Office of Professional Medical Conduct Extended for 3 years through March 31, 2023.

§6 Statewide Health Information Network and Statewide Planning and Research Cooperative System Extended for 3 years until March 31, 2023.

§7 Methods of Reimbursement to Participating Provider Pharmacies and Prescription Drug Coverage Extended for 3 years until March, 31 2023.

§8 Certificates of Authority to Accountable Care Organizations Extended for 4 years until December 31, 2024.

§9 Federally Established Consumer Price Index (CPI) Penalties for Generic Drugs Extended for 2 years until March 31, 2022.

§10 Health Care Refinancing Shared Savings Program Extended for 5 years until March 31, 2025.

§11 Waiver Authority for the Delivery System Reform Incentive Payment (DSRIP) Program Extended for 4 years through April 1, 2024.

§13-15 Nursing Home Medicare Maximization Program Extended for 3 years until February 1, 2023.

§16 Utilization Threshold Exemption for Medicaid Services Extended for 1 year until July 1, 2021.

§17 State Authorization to Negotiate Supplemental Rebates Directly with Manufacturers Inside and Outside of Managed Care Extended for 3 years until March 1, 2023.

Part G Prescription Drug Pricing and Accountability Board Allows the Superintendent of the Department of Financial Services to investigate when a drug price increases by 100% or more in a calendar year, including the power of subpoena for information concerning pricing.

If the Department determines that any person, partnership, corporation, company, trust or association, or any agent or employee thereof has employed a device, scheme, or artifice to defraud or obtain money under false pretense, the Superintendent may levy a civil penalty. The penalty will be the greater of \$5,000, 2 times the aggregate damages, or two times the aggregate economic gain.

The proposal also creates a 9 member Drug Pricing Accountability Board appointed by the Superintendent to assist in investigations. The Board shall make determinations on the following issues:

- The drug's impact on the premium costs for commercial insurance in this state, and the drug's affordability and value to the public;
- Whether increases in the price of the drug over time were significant and unjustified;

- Whether the drug may be priced disproportionately to its therapeutic benefits; and
- Any other question the superintendent may certify to the board in aid of an investigation under section one hundred eleven of this chapter.

The Superintendent may hold a Public Hearing on the determinations of the Board with notice of the hearing being given to the manufacturer of the drug and posted on the website of the Department no less than 15 days before the hearing.

Part H Expansion of Assistance for Licensed Pharmacists Adds to the definition of practice for a registered pharmacy technician and clarifies that those employed by a facility or a pharmacy owned by a facility may assist a licensed pharmacist. This provision also increases the number of registered pharmacy technicians that may work under a licensed pharmacist from 2 to 4, and increases the total number of unlicensed persons able to work under a licensed pharmacist from 4 to 6.

Part I Pharmacy Adult Immunization Expansion and Collaborative Drug Therapy Management

§1-2 Immunizations by Pharmacists and Nurse Practitioners Allows pharmacists and nurse practitioners to administer immunizations recommended by the Advisory Committee of Immunization Practices of the Centers for Disease Control and Prevention to patients over the age of 18.

§3 Collaborative Drug Therapy Management Updates Education Law to include physician assistants and nurse practitioners to the list of those providing treatment that may receive collaborative drug therapy. Those who provide Collaborative Drug Therapy Management must also be Board Certified. This requires that a certified pharmacist have postgraduate residency, have provided clinical services, or have a practice agreement with a physician.

§4-6 Expiration Date and Effective Date Repeals the expiration of sections 1 through 3 and creates an effective date of 90 days after enactment.

Part J Health Related Consumer Protections

§1-3 Denial of Payment to a General Hospital for Medically Necessary Services Prohibits denial of claims to general hospitals for medically necessary inpatient, observation, and emergency department services for non-compliance with certain administrative requirements. This does not preclude payment claim denials for other reasons such as a reasonable belief of fraud.

§4 Product Information for Payment Purposes Requires payers to provide product information to providers when the insurer request payment documentation, and requires that claim payments be made within 15 days or there will be a requirement for interest.

§5 Down-Coding Guidelines When payers down-code claims submitted by providers they must use national coding guidelines accepted by the Centers for Medicare and Medicaid Services (CMS) and/or the American Medical Association.

§6 Healthcare Administrative Work Group Requires the Department of Financial Services and the Department of Health to convene a Healthcare Administrative Workgroup to evaluate mechanisms to limit healthcare administrative costs and complexities.

§7 Health Care Claims Payment Performance Requires Health Plans to submit quarterly and annual reports to the Department of Financial Services on Health Care Claims Payment Performance.

§8-9 Inpatient Prior Authorization Shortens the amount of time for utilization review agents to make prior authorization determinations for inpatient services from 3 business days to 1 business day.

§10-11 Appeal Determinations Shortens the timeframe for appeal determinations from 60 days to 30 days.

§12-13 Provisional Credentials for Physicians Requires payers to provisionally credential physicians to provide services to plan members while they are undergoing the credentialing process. The insurer is not required to pay claims for the provisionally credentialed physician until that physician is credentialed.

§14-15 Independent Dispute Resolution for Inpatient Services Expands the Independent Dispute Resolution process to include inpatient services following an emergency room visit.

§16 Independent Dispute Resolution for All Hospitals Expands the Independent Dispute Resolution Process to all hospitals.

§17 Out of Network Providers Requires that payers pay out of network providers for emergency services and their associated inpatient services. Providers are prohibited from billing the patient aside from any applicable cost sharing.

§18 Medical Debt Collection Shortens the time that a hospital may bring an action for a collection of medical debt from 6 years to 3 years.

Part K Physician Profile Enhancements Requires that a physician profile include hours of operation, availability of assisted technology, and availability to take new patients in addition to current requirements. A physician may authorize a designee to maintain their physician profile provided that:

- The designee is an employee of the physician;
- The physician ensures the designee is competent;
- The physician remains responsible for the accuracy of the profile; and
- The physician shall notify the Department if the designee authorization is terminated.

Part L Enhancing Physician Integrity and Accountability

§1 Eliminate Indefinite Licensure Requires the maintenance of a physician's licensure over two consecutive registration period.

§2 Background Checks Requires fingerprint-based background checks prior to physician licensure.

§3 Professional Misconduct Expands professional medical misconduct to include complaints resolved by agreement before an adjudicatory proceeding. Expands professional misconduct to include harassing of a caregiver or surrogate. Requires that licensees charged with a crime or misconduct must notify the Office of Professional Misconduct within 24 hours. The time frame the physician must respond to a records request related to the professional misconduct is shortened from 30 days to 10 days.

§4 Regulations Clarifies the authority of the Department of Health has the authority to promulgate rules and regulations for professional misconduct.

§5 Investigation Authority Requires documents requested for misconduct investigations to be made available within 10 days. The Office of Professional Misconduct may also seek a warrant to inspect all grounds, erections, vehicles, structures, apartments, buildings, places and their contents and is authorized to remove any books, records, papers, documents, computers, electronic devices, and other physical objects.

§6 Executive Secretary of the Board The Executive Secretary of the Board is required to serve at the direction of the Commissioner rather than the chairperson; including appointment, direction, and fixing of salary.

§7 Publication of Charges Removes the 90 day threshold for the publication of charges upon investigative requests, and the convening of an investigative committee.

§8 Commissioner Disclosure Grants the Commissioner sole discretion to publicly disclose information about investigations.

§9 Delivery Methods Allows for notice of hearing rules to be delivered by personal delivery, a current residence or practice mailing address, or certified mail to the most recent address, at least 45 days before a hearing. Charges will be made public immediately rather than 5 days.

§10 Administrative Warnings and Consultations Allows administrative warnings and consultations to be made public.

§11 Notification of Criminal Charges Licensees must notify the Department of Health within 24 hours if they have been charged with a crime.

§12 Actions by the Commissioner Allows the Commissioner to take action when a licensee does not respond to a Department of Health records request in a timely manner. Extends hearing dates from 90 to 120 days while increasing the threshold for commencement of proceedings from 10 days to 30 days.

§13 Hospital Reporting Requires hospitals to report to the Department of Health when a hospital notifies a third-party that a medical professional should not be assigned due to quality of care concerns.

Part M Combating Opioid Addiction by Banning Fentanyl Analogs The Governor proposes to add 24 fentanyl and fentanyl related substances to the list of Schedule I Controlled Substances and allows the Commissioner of Health to classify any Schedule I Controlled substances in the Federal Schedule to Section 3306 of the Public Health Law.

Part N Antimicrobial Resistance Prevention General hospitals and nursing homes must establish an Antibiotic Stewardship Program that meets or exceeds Federal Medicare and Medicaid conditions. The program must measure program impact, including at least an annual review of antimicrobial utilization data with development of response plans for high and increased utilization.

The hospitals and nursing homes must also develop an antimicrobial resistance and infection prevention and control training programs for all individuals that provide direct patient care. The Commissioner shall promulgate any rules and regulations necessary for this program.

Part O Expand the Sexual Assault Forensic Examiner (SAFE) Program Requires that hospitals, when caring for a sexual assault victim, meet the following requirements in addition to current requirements:

- The sexual assault victim is examined by a sexual assault forensic examiner within 60 minutes;
- There is a designated qualified staff person to exercise administrative and clinical oversight of the treatment of sexual assault patients;
- Ensure all emergency department personnel have training concerning the standards of care for victims of sexual assault; and
- Starting March 1, 2021 provide an attestation including the following:
 - The number of certified sexual assault forensic examiners available;
 - The name and contact information of the designated administrative and clinical staff member; and
 - Affirmation that the hospital staff has completed the appropriate trainings.

Hospitals without emergency must rooms establish a protocol for transferring sexual assault victims to a hospital with an emergency department, which shall include:

- Obtaining the sexual assault victim's consent for the transfer;
- Measures to ensure minimal delay in care;
- Preventing the loss of evidence; and
- Developing protocols if the sexual assault victim declines a transfer.

Part P Modernization of Center for Environmental Health Fees Increases various fees related to the Center for Environmental Health by \$4.9 million, from \$3.9 million to \$8.8 million. The Executive claims these fee increases are increasing to the amount of current operational cost standards. The following fees in aggregate are increased:

- Facility Permits (Bureau of Community Environmental Health and Food Protection), \$900,000 to \$3.8 million;
- Engineering Plan Review (Bureau of Architecture & Engineering Facility Planning), \$40,000 to \$152,000;
- Asbestos Safety Training (Bureau of Occupational Health and Injury Prevention), \$358,000 to \$900,000;
- Radiations Equipment Registration and Radioactive Materials License (Bureau of Environmental and Radiation Protection), \$2.6 million to \$3.6 million; and
- Bottle, Bulk, and Water Systems Operation (Bureau of Water Supply Protection), new fees totaling \$370,000.

Part Q Implement Various Tobacco Control Policies

§I Prohibits the Sale of Flavored Products and Prohibits the Sale of Tobacco Products in Pharmacies Prohibits the sale of flavored electronic cigarette, liquid nicotine, or other vapor products that have a taste or aroma other than tobacco. Violations of this provision will include a \$100 fine per individual package sold or offered for sale, with an affirmative defense for manufacturers if the product is sold without their knowledge, consent, authorization, or involvement.

Sales of tobacco products, including herbal cigarettes, electronic cigarettes, or other vapor products sold in a pharmacy or retail establishment with a pharmacy operated as a department, are prohibited. This also authorizes the Commissioner to promulgate regulations in relation to carrier oils.

§2 Includes Roofed Areas in Relations to Smoking and Vaping in Public Areas Includes full or partial roof covered areas in the definition of indoor areas for restrictions on smoking and vaping in public areas. There is an exemption included for facilities licensed under racing, para-mutuel wagering and breeding law for roofed areas where the wall surfaces are under 75% of the area of the notional wall area.

§3 Prohibition on Tobacco in Pharmacies Under Education Law Reiterates that the sale of tobacco products, including herbal cigarettes, electronic cigarettes, or other vapor product are prohibited in pharmacies or retail establishments with pharmacies in the Education Law.

§4 Definitions of Tobacco Price Reduction Instruments and Tobacco Menus Adds definitions of price reduction instrument, tobacco menu, menu cover page, vapor products, and vapor products dealer to the Public Health Law.

§5 Unlawful Transport of Cigarettes, Electronic Cigarettes, Liquid Nicotine, and Other Vapor Products Adds electronic cigarettes, liquid nicotine, and other vapor products to the Public Health Law regarding Unlawful Shipment and Transport of Cigarettes.

§6 Prohibitions on Distribution Without Charge and Price Reduction Instruments Clarifies that electronic liquids, electronics cigarettes, and other vapor products may not be distributed without charge. This also prohibits the distribution and honoring of price reduction instruments (coupons) for these products.

§7 Prohibitions on the Display of Tobacco and Vapor Products Prohibits tobacco and vapor product retailers from displaying any tobacco product, herbal cigarette, electronic liquid, electronic cigarette, or other vapor product in a manner that lets the consumer view the item prior to purchase. Customers may not view the products until it is confirmed with identification that they are over the age of 21. Tobacco menus must also be out of reach of the consumer without the assistance

of the retailer, and may only be viewed by those over the age of 21.

§8 Restrictions on Electronic Cigarettes and Electronic Liquid Advertisements Places restrictions on advertisements for electronic cigarettes, electronic liquids, and other vapor products other than in adult publications. Audio must have only words and no music or sound effects, and video may only be black text on a white background with words only. This also prohibits misleading statements which include referring to these products as a smoking cessation product unless they have Food and Drug Administration (FDA) approval and referring to these products as safe unless they have FDA approval.

§9 Ingredient Disclosures for Electronic Cigarettes or Vapor Products Manufactures of products offered for sale in the State must submit to the Commissioner of Health and post on their website the following ingredient disclosures for each vapor product:

- A list of each ingredient in descending order of predominance;
- The extent of investigations by or for the manufacturer in regards to the effect on human health;
- A statement if a product is published as a chemical concern; and
- The availability of potential alternatives for ingredients of chemical concern.

Disclosure for each electronic cigarette capable of being re-filled:

- A list of byproducts that may be introduced into the vapor through normal use;
- The extent of investigations by or for the manufacturer in regards to the effect on human health;
- A statement if a product is published as a chemical concern; and

- The availability of potential alternatives for ingredients of chemical concern.

These disclosures must be posted on or before January 1, 2021 and every 2 years thereafter, and this information must be produced with the introduction of new products or if there are changes to the list of products with chemical concern.

There is a penalty of \$5,000 for the first violation and \$10,000 for second and subsequent violations.

§10 Increased Penalties for Distribution to Minors The following penalties associated with the sale to a minor are increased:

- First violation: Imposing an increased penalty of \$1,000 to \$2,000 from \$300 to \$1,000;
- Second and subsequent violations: Imposing an increased penalty of \$1,500 to \$3,000 from \$500 to \$1,000;
- If a retail dealer accumulates three or more points on a registration, suspension increases from 6 months to 1 year; and
- Surcharge for every violation for compliance checks, will increase from \$50 to \$250.

§11 Suspensions for Lottery Sales Agent Penalties If a lottery sales agent accumulates three points, their license suspension is increased from 6 months to 1 year.

§12 Public Health Law Commissioner Regulations Repeals the section of Public Health Law that prohibits the Commissioner from promulgating rules or regulations to create, limit, or enlarge smoking or vaping restrictions.

Part R Medicaid Local District Spending Reforms

§1 Enhanced Federal Medical Assistance Percentage (eFMAP) Codification Codifies eFMAP into State law, which ensures the State does not pay a greater percentage of the non-federal share of State expenditures under the State's plan for medical assistance compared to the percentage paid in calendar year 2009.

§2 Real Property Tax Cap Compliance Beginning in calendar year 2020, each district will annually certify with the Department of Health (DOH) whether they have adopted a budget that does not exceed the 2% Real Property Tax Cap by April 20, 2020. New York City shall certify with DOH whether or not they exceeded the tax levy limit that would have applied to the City had the 2% Real Property Tax Cap been applied to them by July 15, 2020. For each district that does not certify that they are under the Real Property Tax Cap, that district shall be responsible to remit to the State the amount that is in excess of the Medicaid Local Share Cap. A financial hardship waiver may be granted for districts that must go over the Real Property Tax Cap for the occurrence of disaster or repair and maintenance of infrastructure.

§3 Data Sharing Requirements and Medicaid Growth Limits Requires that all districts make all records and reports determined necessary to manage and oversee the Medicaid program available to the Commissioner of Health and Director of the Division of Budget. Starting in State FY 2021 and every Fiscal Year after, if any district exceeds 3% of growth in Medicaid reimbursement from the State compared to the preceding fiscal year, they must remit the amount of excess growth to the State.

Part S Certificate of Need Surcharge Imposes a 3% surcharge on the total capital value of the application for construction projects in addition to the current \$2,000 application fee. This will not apply to contracts that are solely funded by State grants. These fees and surcharges shall not be eligible to be reimbursed by the State, including the Medicaid program.

Part T Extends Physicians Excess Medical Malpractice Extends the Physician Medical Malpractice program for one year until June 30, 2021.

Part U Authorize the Regulation of Pharmacy Benefit Managers Amends Insurance Law to regulate Pharmacy Benefit Managers (PBMs) through registration, licensure, examination and disclosure requirements.

§1 Definitions Defines in Insurance Law who is a Pharmacy Benefit Manager (PBM) and outlines the services they provide.

§2 Acting without a Registration No PBM can provide services prior to January 1, 2020 without having a registration from the Superintendent of Department of Financial Services (DFS). Any PBM that violates this section of law will be subject to a penalty (whichever is greater):

- \$1,000 for the first violation and \$2,500 for each subsequent violation; or
- The aggregate economic gross receipts attributable to all violations.

§3 Registration Requirements for PBMs Prior to January 1, 2021, an individual or organization must register each year with a \$1,000 fee to be an authorized PBM. The Superintendent of DFS shall require that the PBM disclose the managers or directors responsible for compliance in the State, the locations from which the PBM provides services, and a list of any entities the PBM contracts within the State. The Superintendent will have the ability to reject any application that does not meet the requirement. Every registration will expire by December 31st and must be renewed by paying a fee.

§4 Reporting Requirements Every PBM before July 1, 2021 must report information to DFS regarding the disclosure of financial incentives, benefits for promoting a certain drug, and other financial arrangements affecting health insurers. The Superintendent may also require filing of quarterly reports or other statements. In the event that a PBM does not submit a report, the Superintendent may issue a penalty of no more than \$500 per day for each day the report is late, after a 15 business day period. All information disclosed by the PBM will be deemed confidential and not subject to discovery in a private civil action.

§5 Acting Without a License No PBM can provide services after January 1, 2021 unless they are licensed with DFS. Should any PBM act without

a license, they will face a penalty (whichever is greater):

- \$1,000 for the first violation and \$2,500 for the second violation; or
- The aggregate economic gross receipts attributable to all violations.

§6 Licensing of a PBM The Superintendent may issue a license to any person or organization who has complied with the requirements regarding registration. The Superintendent and Commissioner of Health may establish regulations for minimum standards for licensure including:

- Conflicts of interests between PBMs and health plans;
- Deceptive practices in connection with the performance of pharmacy benefit manager services;
- Anti-competitive practices in connection with the performance of pharmacy benefit management services;
- Prohibitions on pricing models, including spread pricing;
- Unfair claims practices in connection with the performance of pharmacy benefit management services;
- Codification of standards and practices in the creation of pharmacy networks and contracting with network providers and other providers; and
- Best practices for protection of consumers.

Any license provided to an organization will be authorized to all members, officers, and directors of the organization. Before any PBM license shall be issued, a prospective license must be filed with DFS in the form of a written application. To be given a license, the person or firm must pay a \$2,000 fee for each year, or a fraction of a year in which the license is valid.

Every PBM's license will expire 36 months after the date of issue, all other licenses will be good for a two year period. Applications for license renewal must be to the Superintendent at least two months before expiration.

The Superintendent may refuse to issue a PBM a license if the applicant is deemed untrustworthy or have failed to comply with any prerequisite set forth by the Superintendent. As part of the determination, the Superintendent may fingerprint any member, principal, officer, or director for a criminal history check. The Superintendent will promulgate regulations establishing methods and procedures to verify compliance with the requirement of being a PBM. For any license that has been lost and needs to be replaced, a fee of \$200 will be charged.

§7 Revocation and Suspension of a Registration or License of a PBM The Superintendent may refuse, suspend or revoke a registration or license of any PBM if the PBM or any member, principal, officer, or director is determined to have:

- Violated any Insurance Law, regulation or order of DFS;
- Provided materially incorrect or untrue information;
- Obtained a registration or license through fraud;
- Used fraudulent, coercive or dishonest practices;
- Improperly withheld or converted monies or properties;
- Intentionally misrepresented the terms in the insurance contract;
- Admitted to or been found to have committed insurance fraud;
- Failed to pay State income taxes;
- Failed to pay any assessment required; or
- Had a PBM license revoked, suspended or denied by another State, province or region.

Before revoking a license, a PBM must be given notice and a hearing no less than 10 days from the notice. The Superintendent may delay the effective date of the revocation or suspension to allow the licensee to finish contractual obligations to perform remaining PBM services.

§8 Penalties for Violations The Superintendent, instead of revoking or suspending a licensee; may require the PBM to pay a penalty in a sum not exceeding the greater of:

- \$1,000 for the first violation and \$2,500 for the each subsequent; or
- The aggregate economic gross receipts attributable to all violations.

If the PBM does not pay the penalty within 20 days, the Superintendent may revoke the registration or license of the PBM.

§9 Stay or Suspension of Superintendent Determination A PBM may request to stay a determination of suspending or revoking an action by the Superintendent for a period of 30 days. Such stay shall be extended for a longer period if granted by a court.

§10 Revoked Registration or Licenses A PBM with a revoked or suspended license cannot engage in any business related to services of a PBM. No organization can employ an individual who has a revoked or suspended license to perform PBM roles unless the Superintendent approves of their employment.

§11 Change of Address A PBM must notify DFS of a change of address within 30 days of a change.

§12 Duties Duties of the PBM shall be the following:

- Adhere to the code of conduct establishes by the Superintendent;
- No contract with a health plan shall limit access to financial or utilization information of the PBM related to PBM services provided;

- Disclose to health plans any conflicts of interest;
- Assist health plans with inquiries under this chapter;
- Shall not violate any Public Health Law in relation to PBMs; and
- Release proprietary information to health plans to be kept confidential.

§12 Applicability of Other Laws A PBM is not exempt from any other provision of the Public Health or Financial Law.

§13 Assessment PBMs that file for a registration or license with DFS will be assessed by the Superintendent for the operating expenses of the Department that are solely attributable to regulating PBMs.

Part V Streamline the Pre-Admission Process for Residential Treatment Facilities (RTF) See Mental Health section of this Mental Health.

Part X Create a New Program for the Sex Offender Management and Treatment Act Population See Mental Health section of this publication.

Part Y Extend Comprehensive Psychiatric Emergency Programs (CPEP) and Make Other Technical Amendments to Improve Operation Efficiency See Mental Health section of this publication.

Part Z Establish the Behavioral Health Parity Compliance Fund and Strengthen Efforts to Ensure Compliance with State and Federal Behavioral Health Parity Laws See Mental Health section of this publication.

Part AA Justice Center Statewide Central Register Checks See People With Developmental Disabilities section of this publication.

Part BB Office for People with Developmental Disabilities (OPWDD) Authority to Issue Operating Certificates See People With Developmental Disabilities section of this publication.

REVENUE -- A.9509

Part BB Cannabis Regulation and Taxation Act, Article III Medical Cannabis See the Cannabis Highlight section of this publication.

Agency Summary

HIGHER EDUCATION SERVICES CORPORATION

WAYS & MEANS CONTACT:

[REDACTED]

STATE OPERATIONS – A.9500

SIGNIFICANT DECREASES INCLUDE:

- Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP): \$1.4 million, \$2.1 million less than last year. This Federal program is intended to maximize college preparation and access for economically disadvantaged and academically at-risk students in grades seven through twelve.

AID TO LOCALITIES – A.9503

SIGNIFICANT INCREASES INCLUDE:

- Enhanced Tuition Awards: \$7.6 million, \$389,000 more than last year. The eligible adjusted gross income threshold is set to rise from \$125,000 to \$135,000 in fall 2020. This scholarship is for full-time students at private colleges and universities.

- Excelsior Scholarship: \$146.2 million, \$27.6 million more than last year. The eligible adjusted gross income threshold is set to rise from \$125,000 to \$135,000 in fall 2020. This scholarship is for full-time SUNY and CUNY students.

- Various Scholarship Funds: \$61.2 million, \$491,000 more than last year.

SIGNIFICANT DECREASES INCLUDE:

- Tuition Assistance Program (TAP): \$1 billion, \$60 million less than last year. This appropriation fluctuates due to expected enrollment. There is no reduction in awards available to students.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Child Welfare Worker Incentive Scholarship: \$50,000.
- Child Welfare Worker Loan Forgiveness Incentive Program: \$50,000.
- New York Young Farmers Loan Forgiveness Award: \$150,000.

- Part-Time Scholarship Award Program: \$3.1 million for students attending SUNY or CUNY community college part-time.
- Patricia K. McGee Nursing Scholarship: \$3.9 million.
- Regents Licensed Social Worker Loan Forgiveness Program: \$1.7 million.

EDUCATION, LABOR AND FAMILY ASSISTANCE – A.9506

Part E Raises the Excelsior Scholarship Income Eligibility Threshold from \$125,000 to \$150,000. Increases the Excelsior Scholarship income eligibility threshold to \$135,000 in the 2020-2021 academic year and to \$150,000 in the 2021-2022 academic year and thereafter.

Part F Raises the Enhanced Tuition Awards Program Income Eligibility Threshold from \$125,000 to \$150,000. Increases the Enhanced Tuition Awards Program income eligibility threshold to \$135,000 in the 2020-2021 academic year and to \$150,000 in the 2021-2022 academic year and thereafter.

Agency Summary

HOMELAND SECURITY & EMERGENCY SERVICES

WAYS & MEANS CONTACT:


AID TO LOCALITIES – A.9503

SIGNIFICANT DECREASES INCLUDE:

- Emergency Management: \$3.3 million, \$600,000 less than last year, for Red the Cross emergency response preparedness and support for ensuring adequate blood supply.

CAPITAL PROJECTS – A.9504

SIGNIFICANT ELIMINATIONS INCLUDE:

- New Facilities: \$5 million in funding has been eliminated from the previous fiscal year used to finance the design and construction of new training centers.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part I Suspend Subsidy to Revolving Loan Fund
This proposal would suspend the annual transfer of \$1.5 million from the Public Safety Communications Surcharge into the New York State Emergency Services Revolving Loan Fund, until fiscal year 2021-2022.

Agency Summary

HOUSING & COMMUNITY RENEWAL

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

MAINTAINS FUNDING FOR THE FOLLOWING:

- Community Development Program: \$8.9 million.
- Community Renewal Program: \$327,000.
- Housing Program: \$21.9 million.
- Low Income Weatherization Program: \$4.7 million.
- Rent Administration Program: \$66.8 million.
- Administration Program: \$13.5 million.

AID TO LOCALITIES – A.9503

SIGNIFICANT INCREASES INCLUDE:

- Housing Development Program: \$15 million, \$6.7 million more than last year, to provide assistance to not-for-profit housing programs.

SIGNIFICANT DECREASES INCLUDE:

- Periodic Subsidies – Local Areas Program: \$2.9 million, \$77,000 less than last year, due to decreased periodic subsidies to cities, towns, villages and housing authorities.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Low Income Weatherization Program: \$32.5 million.

SIGNIFICANT ACTIONS INCLUDE:

- Small Cities Community Development Block Grant Program: \$40 million in new funds, due to a new federal HUD grant for small community development.

CAPITAL PROJECTS – A.9504

MAINTAINS FUNDING FOR THE FOLLOWING:

- Access to Home (CCP): \$1 million.
- Affordable Housing Corporation (CCP): \$26 million.

- Homes for Working Families Program (CCP): \$14 million.
- Housing Opportunities Program for the Elderly (CCP): \$1.4 million.
- Low Income Housing Trust Fund: \$44.2 million.
- Main Street Program (CCP): \$5 million.
- Manufactured Home Advantage Program (CCP): \$5 million.
- Public Housing Modernization Program (CCP): \$6.4 million.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Governor's Office of Storm Recovery: \$72 million. According to the Governor, Adequate funding exists in reappropriations.

- New York State Supportive Housing Program/ the Solutions to End Homelessness Program/ Operational Support for AIDS Housing Program: \$42.6 million.

Part I Streamline Billing for the Administration of Rent Regulation Streamlines the process of billing New York City for the administration of the Office of Rent Administration by reducing total payments from the State to New York City in an amount equal to the total cost of administering the New York City Rent Regulation Program. The Department of Housing and Community Renewal will be required to notify New York City in writing of what payment or payments will be reduced as a result of this streamlining effort. There will be no changes to the Office of Rent Administration's programs, services, or budget.

EDUCATION, LABOR AND FAMILY ASSISTANCE – A.9506

Part H Mortgage Insurance Fund (MIF) Utilization The MIF is a fund of the State of New York Mortgage Agency (SONYMA) that insures mortgage loans for projects that would not otherwise be able to obtain mortgage insurance. The SONYMA statute requires excess revenues from the MIF after expenses and required reserves, to be returned to the State following SONYMA board approval as long as it does not negatively impact the MIF's credit rating. This proposal would utilize approximately \$81.8 million in the following manner:

- Neighborhood Preservation Programs: \$12.8 million;
- Rural Preservation Programs: \$5.4 million;
- Rural Rental Assistance Program: \$21 million; and

Agency Summary

INDIGENT LEGAL SERVICES

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Hurrell-Harring Settlement-Statewide Implementation: \$1.3 million, \$39,000 more than last year, due to increases in personal service.
- Hurrell-Harring Settlement: \$1.3 million, \$14,000 more than last year, due to an increase in fringe benefits.
- Indigent Legal Services Program: \$3.6 million, \$320,000 more than last year, due to an increase in personal service, fringe benefits, and indirect costs.

AID TO LOCALITIES – A.9503

SIGNIFICANT INCREASES INCLUDE:

- Hurrell-Harring Settlement-Statewide Implementation: \$150 million, \$50 million more than last year, for the statewide implementation of approved local plans to provide indigent legal services. Local assistance contracts will be limited to a maximum of 2 years.

Agency Summary

INFORMATION TECHNOLOGY SERVICES

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT DECREASES INCLUDE:

- Office of Technology Services Program: \$765.6 million, \$3.1 million less than last year, for services and expenses related to training employees of the Department of Civil Service to obtain Information Technology certificates.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part X Comprehensive Technology Service Contracts This proposal would authorize the Office of Information Technology Service to both issue and award comprehensive technology service contracts, which is defined as any contract for both the design and build of any technology by a single entity or multiple entities acting as one, and result in a complete and operable system delivered to the State. Current law prevents the Office of Information Technology Services from employing contracts, which have historically led to many project

delays and in turn deters bidders from entering into contract with the State. This process led to more qualified vendors doing business elsewhere.

Part Y Defining Technology This proposal defines the term "Technology" to give the Office of Information Technology Services authority over regulating the specific type of technology it's authorized to purchase. The term technology in State Finance Law and State Technology Law shall now mean: "Either a good or service used in any computer or electronic information or interconnected system that is used in the acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or voice including, but not limited to, hardware, software, information appliances, firmware, programs, systems, networks, infrastructure, media, and related material used to automatically and electronically collect, receive, access, transmit, display, store, record, retrieve, analyze, evaluate, process, classify, manipulate, manage, assimilate, control, communicate, exchange, convert, coverage, interface, switch, or disseminate data of any kind or form, and shall include all associated consulting, management, facilities, maintenance and training."

Agency Summary

LABOR

WAYS & MEANS CONTACT:

[REDACTED]

STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Administration Program: \$458.7 million, \$5.2 million more than last year, due to an increase in non-personal service related to the Unemployment Insurance Administration Fund.
- Employment and Training Program: \$72.7 million, \$9 million more than last year, due to an increase in personal and non-personal services related to the Workforce Investment Act.

SIGNIFICANT DECREASES INCLUDE:

- Employment and Training Program: \$70.7 million, \$2 million less than last year, due to a decrease in personal and non-personal and fringe benefits related to: adult, youth and dislocated worker employment, training local workforce investment area programs, and state-wide rapid response activities.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Labor Standards Program: \$33.1 million.
- Occupational Safety and Health Program: \$36.3 million.

AID TO LOCALITIES – A.9503

SIGNIFICANT INCREASES INCLUDE:

- Unemployment Insurance Benefit Program: \$2.8 billion, \$9.3 million more than last year, due to an increase in the maximum payment benefit.

SIGNIFICANT DECREASES INCLUDE:

- Administration of Employment and Training Programs: \$2.6 million, \$218,000 less than last year, due to a decrease in administrative and technical assistance expenditures to local workforce investment areas.
- Adult, Youth, and Dislocated Worker Employment and Training: \$147.6 million, \$12.3 less than last year, due to a decrease in expenditures to local workforce investment areas and state-wide rapid response programs.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Various Legislative Adds of 26 Employment and Training Programs: \$13 million.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part GG State Insurance Fund (SIF) Investments
The SIF is one of New York State's largest providers of Workers' Compensation, Disability and Paid Family Leave Insurance. Under current law, the SIF is limited to investing funds in a narrow pool of equities and these restrictions prohibit investments in diversified index funds.

This part would authorize the SIF to invest its surplus and reserve funds similar to that of private insurers. The SIF would adopt Insurance Law Article 14 that goes into detail on how or which investments they would have the authority to participate in. Any funds belonging to the SIF exceeding 70% of the aggregate of loss reserves, loss expense reserves and unearned premium reserves may also be invested but these investments will not be subject to the qualitative standards or quantitative limitations set forth in the Insurance Law.

Part HH State Insurance Fund (SIF) Audits Under current law Worker's Compensation (WC) insurers, including SIF, have the right to audit their policyholders' records to verify the amount of payroll and number of employees. The SIF may only cancel a WC policy for non-payment of premiums and assessments. Private WC insurers may cancel a policy on any ground, as long as 30 days' notice is provided, regardless of whether an audit has been completed. The SIF, however, must continue to provide coverage unless the policyholder defaults on its premium even if the SIF is unable to perform an audit of policyholder's books and records.

This part will now allow the SIF to cancel a policy if a payroll audit finds that the employer fails to cooperate with the following: 1) to make or keep an appointment during regular business hours with a payroll auditor; after the SIF has made at least two attempts including contacting the employer's broker or accountant; or 2) to furnish business records in the course of a payroll audit. At least 15 days prior to sending a notice of cancellation for failure to cooper-

ate with a payroll audit, the SIF will send a warning notice to the employer and is required to do so only once per particular payroll audit. The notice will specify a means of contacting the SIF to set up an audit. The employer whose policy has been canceled is ineligible to have a subsequent contract until the SIF receives full cooperation for completing a payroll audit on the canceled policy and the bill premium has been paid, including any additional amounts billed following the completion of the audits.

If an employer fails to keep any record required, fails to furnish such records or willfully falsifies any records they will be guilty of a misdemeanor and will be subject to any other penalties provided in law.

Part II State Insurance Fund (SIF) Out of State Coverage Under current law, the SIF cannot cover policyholders performing work outside of New York State. Due to this restriction, the Division of Budget claims that they are losing business to private insurers that are licensed to write Workers Compensation (WC) insurance in multiple states.

This part would enlarge the purposes of the SIF to permit it to enter into agreements with insurers licensed to write Workers Compensation insurance in states outside of New York. It would allow these insurers to issue policies to SIF policyholders in order to secure the payment of WC benefits under the laws of states other than New York. The SIF will also be authorized to receive premiums into its WC fund for policies written under these new agreements and to pay from such fund: (1) reimbursement of all losses and loss adjustments expenses paid by a licensed insurer; and (2) fees to a licensed insurer for administering claims and policies covered by the agreement.

A policyholder is eligible for insurance in other states if: (1) the policyholder's WC premiums with the SIF are greater than the premiums charged to cover the policyholder's obligations to pay WC benefits in all states, in the aggregate, other than New York; or (2) the payroll for the policyholder's operations in New York must be greater than the policyholder's payroll in all states, in the aggregate.

Lastly, the policyholder must meet the SIF's underwriting criteria for other states coverage as specified by rules of the Commissioners.

Part QQ Ensure Pay Equity at State and Local Public Authorities This part adds to the Public Authorities Law to mirror the existing Pay Equity Law of the Civil Service Law and ensure that one or more protected classes are not considered in determining proper compensation for local public authorities. Pursuant to this section, employers are authorized to pay different compensation to employees under the provision that: a bona fide seniority or merit system is in place, a bona fide system that measures earnings by quantity or quality of production, a bona fide system based on geographic differentials, or a bona fide system that considers factors other than status within one or more protected classes.

EDUCATION, LABOR AND FAMILY ASSISTANCE – A.9506

Part J Guarantee Access to Paid Sick Leave
The Executive Budget proposal would require employers with less than five employees to provide five days of unpaid sick leave to their employees; employers with between five and 99 employees would be required to provide five days of paid sick leave to their employees; and employers with 100 or more employees would be required to provide seven days of paid sick leave to their employees. Employees will not accrue less than one hour of sick leave for every 30 hours worked.

TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION – A.9508

Part FFF Requiring Prevailing Wage to be Paid on Certain Private Construction Projects Wages and Payrolls Requires public work projects under private contract, paid for in whole or in part out of State funds totaling at least 30% of project funding and total construction project costs exceeding \$5 million, to pay the prevailing wage of the locality in which the project is located. Pursuant to this section, "paid for in whole or in part out of State funds" shall include:

- The payment of money paid directly to or on behalf of the public works contractor, subcontractor, or developer is not subject to repayment;
- Fees, costs, rents, insurance or bond premiums, loans, interest rates, taxes, or other obligations that would normally be required in the execution of the project, that are paid, reduced, charged at less than fair market value, waived, or forgiven by the State or public entity;
- Money loaned by the State or public entity that is to be repaid on a contingent basis; and
- Credits that are applied by the State or public entity against repayment obligations to the State or public entity.

EXEMPTED PROJECTS

Pursuant to this section, projects that are exempted from this mandate include:

- Construction work on one or two family dwellings where the property is the owner's primary residence or construction work done on property where the owner of the property owns no more than four dwelling units;
- Construction work performed under a contract with a non-profit the non-profit has gross annual revenue and support less than \$5 million;
- Construction work performed on a multiple dwellings and/or ancillary amenities or installa-

tions that are entirely privately owned in any of the following circumstances:

- ⇒ Where no less than 30% of the residential units are affordable for households up to 80% of the area median income, adjusted for family size, as calculated by the United States Department of Housing and Urban Development, provided however, that the period of affordability for a residential unit shall be for no less than 15 years.
- ⇒ Where no less than 35% of the residential units involve the provision of supportive housing services for vulnerable populations.
- ⇒ Construction work paid for in whole or in part out of State funds to create or retain affordable housing units.
- ⇒ Any other affordable or subsidized housing provisions determined to be necessary by the public subsidy board.
- Construction on a mobile home park;
- Construction performed under a pre-hire collective bargaining agreement between an owner and a contractor and a bona fide building and construction trade labor organization; and
- Construction work funded by the Downtown Revitalization Initiative. Construction work and engineering and consulting services related to the installation of a renewable energy system, renewable heating or cooling system, or energy storage unit with a capacity equal to or under five megawatts of alternating current.

MINORITY, WOMEN-OWNED, AND SERVICE-DISABLED VETERANS' BUSINESS OWNERS

Training and resources shall be made available to minority, women-owned, and service disabled veterans' business owners to assist in achieving

and complying with prevailing wage requirements outlined in this Article. The Department of Labor shall then report to the Governor, the Temporary President of the Senate, and the Speaker of the Assembly on the participation of minority, women-owned, and service-disabled veterans' business owners in prevailing wage contracts.

APPRENTICESHIPS

All apprenticeship programs engaged with prevailing wage projects shall report to the Department of Labor on the total number of apprentices currently enrolled in such programs, the demographic information of these apprentices, graduation rates from such programs, and the rate of placement of apprentices onto such job sites.

PUBLIC SUBSIDY BOARD

A Board on Public Subsidies shall be created to examine and make recommendations on prevailing wage requirements, including the threshold of public funds required for prevailing wage projects and construction work excluded from covered requirements. The Board shall consist of eleven members appointed by the Governor as follows: one member upon the recommendation of the Temporary President of the Senate, one member upon the recommendation of the Speaker of the Assembly, the Commissioner of Labor, the President of the Empire State Development Corporation, the Director of the Division of the Budget, one person representing employees in the construction industry, and one person representing employers in the construction industry.

Part GGG Establish the New York Digital Marketplace Worker Classification Task Force Establishes the New York Digital Marketplace Worker Classification Task Force composed of nine members appointed by the Governor, one member appointed by the Temporary President of the Senate, and one member appointed by the Speaker of the Assembly. By May 1, 2020, the task force

shall submit recommendations to the Governor, Temporary President of the Senate, and the Speaker of the Assembly regarding: wage requirements to provide adequate maintenance and to protect the health of the workers engaged in work in the modern economy; the proper classification of workers; criteria necessary to determine if a worker can be considered an employee; laws regulating safety and health for workers currently classified as independent contractors; collective bargaining; the availability of anti-discrimination, opportunity, and privacy protections for workers currently classified as independent contractors; and any other statutory changes deemed necessary. Following the submission of the task force's final report, the Commissioner of Labor shall be authorized to promulgate rules and regulations to implement the recommendations. For the purposes of this section, a digital market company shall be defined as an entity that operates a website or smartphone application that customers use to purchase, schedule or arrange various services including, but not limited to: transportation, repair and maintenance, home care, healthcare, and babysitting. Additionally, the digital market company shall: establish the gross amount earned by individuals providing such services, pay the individual performing such services, establish the amount charged to the customer, and collect payments from the consumer.

Agency Summary

LAW

WAYS & MEANS CONTACT:

[REDACTED]

STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Appeals and Opinions Program: \$9.4 million, \$166,000 more than last year, for personal service costs.
- Counsel for the State Program: \$81.4 million, \$815,000 more than last year, as a result of an increase in personal service costs.
- Criminal Investigation Program: \$13.8 million, \$209,000 more than last year, for services and expenses related to conducting criminal investigations.
- Economic Justice Program: \$30.1 million, \$261,000 more than last year.
- Medicaid Fraud Control Program: \$57.2 million, \$1 million more than last year, to support investigations related to Medicaid Fraud.
- Social Justice Program: \$27.6 million, \$1.4 million more than last year, for personal service related costs.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- I.T. Initiative Program: \$6 million, \$4 million more than last year, for the acquisition of technology equipment, software and services.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part T Establishes Market Base Interest Rate of Court Judgements This proposal would implement a market based interest rate on court judgements paid by public and private entities. The market based interest rate would be the weekly average one year constant maturity treasury yield, the same rate utilized by the federal court system. Currently, interest rates on judgements are established at a fixed rate of 9% annually.

Agency Summary

LEGISLATURE & JUDICIARY

WAYS & MEANS CONTACT:



LEGISLATURE AND JUDICIARY – A.9501

LEGISLATURE:

- \$245.2 million for the Legislature, \$4.8 million more than last year. This represents a 2% increase in spending, resulting from an increase of personal service costs.

JUDICIARY:

- \$2.36 billion, \$45.9 million more than last year. This represents 2% increase in spending.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part TT “Nothing to Hide Act” Disclosure of Tax Returns This part would require every statewide elected official, member of the Legislature, head of a State agency, and every elected official of a local agency (who receives compensation of more than \$100,000) to file an annual copy of their tax return with the Joint Commission on Public Ethics

(JCOPE). JCOPE shall make such filings publically available online for a period of 5 years. Lastly, the State Board of Elections (SBOE), or local boards of elections, would be required to notify each individual nominated or designated for public office, that such office may be subject to financial and tax disclosure requirements.

Agency Summary

LOCAL GOVERNMENT ASSISTANCE

WAYS & MEANS CONTACT:



Local governments already face tremendous burdens from New York State in the form of unfunded mandates, the true driver of our outrageous property taxes. Medicaid continues to be the largest unfunded mandate from the State, consuming \$7 billion in local taxpayer dollars. The Governor proposes to ensure that counties including New York City (NYC) adhere to the 2% Real Property Tax Cap by requiring Counties and NYC to be responsible for any local Medicaid growth if they exceed the Real Property Tax Cap. Further, counties and NYC would be responsible for the local share of Medicaid growth above 3% provided they stay within the 2% Real Property Tax Cap. This is estimated to cost counties and NYC, \$150 million each year over the next four years. Further, although the Governor doesn't cut AIM this year, he does cut aid to municipalities that received Video Lottery Terminal (VLT) Aid. This funding aided municipality's emergency services and local impacts associated with hosting a VLT facility. To further complicate matters, this year's Executive Budget proposal does not include any mandate relief. This assault on local governments is placed on the backs of property taxpayers. Conveniently, the Executive Budget does not include any Real

Property Tax Relief to homeowners, who will no longer receive the Real Property Tax relief checks.

STATE OPERATIONS – A.9500

MAINTAINS FUNDING FOR THE FOLLOWING:

- Financial Restructuring Board: \$2.5 million. This funding is provided for services and expenses related to the administration and contractual services of the Financial Restructuring Board.

AID TO LOCALITIES – A.9503

SIGNIFICANT INCREASES INCLUDE:

- Madison County: \$3.75 million, \$1.5 million more than last year. This funding is provided to Madison County as a result of hosting a gaming facility, and not receiving a percentage of the revenue from the gaming devices.

Local Government Aid to Municipalities with VLT Facilities
FIGURE 1

VLT Facility	Municipality	2019-21 Enacted Aid	2020-21 Proposed Aid
Batavia Downs	City of Batavia	\$440,789	\$0
	Town of Batavia	\$160,388	\$0
	Genesee County	\$200,392	\$0
Fairgrounds (Buffalo)	Town of Hamburg	\$865,679	\$0
	Erie County	\$233,660	\$0
Finger Lakes	Town of Farmington	\$1,777,573	\$0
	Ontario County	\$591,174	\$0
Monticello	Village of Monticello	\$201,203	\$0
	Town of Thompson	\$634,506	\$0
	Sullivan County	\$303,570	\$0
Saratoga	City of Saratoga Springs	\$2,325,592	\$0
	Saratoga County	\$775,198	\$0
Vernon Downs	Village of Vernon	\$137,103	\$0
	Town of Vernon	\$231,788	\$0
	Oneida County	\$256,796	\$0
Yonkers	City of Yonkers	\$19,600,000	\$19,600,000
TOTAL		\$28,335,313	\$19,600,000

SIGNIFICANT DECREASES INCLUDE:

- Video Lottery Terminal (VLT) Aid: \$19.6 million, \$9.3 million less than last year. The Governor proposes to cut aid to municipalities that received Video Lottery Terminal (VLT) Aid, outside of Yonkers.

→ See *Figure 1* for Local Government Aid to Municipalities with VLT Facilities.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Aid and Incentives for Municipalities: \$656 million. There are no new proposed cuts or formula changes to AIM.
- For the Governor's AIM runs, please go to the following links:
- Towns: <https://www.budget.ny.gov/pubs/archive/fy21/exec/local/aim/fy21aim-towns.pdf>
- Villages: <https://www.budget.ny.gov/pubs/archive/fy21/exec/local/aim/fy21aim-villages.pdf>
- Cities: <https://www.budget.ny.gov/pubs/archive/fy21/exec/local/aim/fy21aim-cities.pdf>

- Citizens Re-Organization Empowerment Grants and Citizens Tax Credit (CETC): \$35 million.
- County-Wide Shared Services: The Governor has not proposed any new funding. The \$225 million for the one-time matched savings reimbursement to local governments that submitted shared service proposals as part of the County-wide Shared Service Property Tax Savings Plan is continued from previous allocations.
- Local Government Efficiency Grant (LGEG): \$4 million.
- Small Government Assistance: \$2.1 million to Essex, Franklin, and Hamilton County and 26 school districts.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Aid for local governments with State Universities: The following local governments received funding for expenses related to police and fire services associated with State Universities; the Governor has eliminated this funding as follows:

- Village of Delhi: \$200,000.
- Village of New Paltz: \$200,000.
- Village of Sagaponack: \$2,000.
- Village of South Blooming Grove: \$19,000.
- Village of Woodbury: \$27,000.
- City of Albany: \$7 million.
- City of Hudson: \$100,000
- Franklin County: \$200,000.
- Onondaga County: \$2 million.

CAPITAL PROJECTS – A.9504

MAINTAINS FUNDING FOR THE FOLLOWING:

NYS Economic Development Account

- **Downtown Revitalization:** \$100 million for a fifth round of Downtown Revitalization. This program provides \$10 million to 10 communities over five years through a competitive grant process. Communities must submit an application to the Regional Economic Council, who will review the applications and nominate the community to receive the \$10 million award.
 - This program is designed and executed by the Department of State and the Division of Housing and Community Renewal for Transformative housing, economic development transportation and community projects including those designed to increase the property tax base.
 - Currently, 40 cities have been selected for a Downtown Revitalization grant.
 - The 2016 selections were: Glens Falls, Geneva, Middletown, Jamestown, Oswego, Oneonta, Elmira, Westbury, Jamaica and Plattsburgh.

- The 2017 selections were: Hudson, Cortland, Batavia, Hicksville, Kingston, Rome, Bronx, Watertown, Watkins Glen and Olean.
- The 2018 selections were: Albany, Auburn, Penn Yan, Central Islip, New Rochelle, Amsterdam, Downtown Brooklyn, Saranac Lake, Owego and Lockport.
- The 2019 selections were: Schenectady, Fulton, Seneca Falls, Baldwin, Peekskill, Utica, Staten Island, Potsdam, Hornell and the Niagara Falls Bridge District.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part E District Attorney Discovery Compensation Fund Establishes the District Attorney Discovery Compensation Fund which makes available funding for district attorneys to access for local services and expenses related to digital evidence transmission. The Office of the Manhattan District Attorney shall annually remit \$2 million into the fund secured from State sanctioned deferred prosecution agreements.

Part AA Office of General Services Permanent 15-Year Lease Authority Allows the Commissioner of General Services (OGS) the permanent authority to enter into real property leases for a term not to exceed 15 years to meet the space requirements of State departments, agencies and offices. The Commissioner's current authority for 15 year leases was last extended in June 2015 (Chapter 33 of the Laws of 2015) and is set to expire June 30, 2020. Leases with terms of 15 years are becoming more common and can offer savings of 7 to 10% over a 10-year term.

The part would also make permanent the authority to enter into agreements for a Payment-in-Lieu-

of-Taxes (PILOTs) when State buildings or other facilities are acquired by a lease or lease-purchase in instances where bonds and notes are issued. The State agency which is the tenant in occupancy shall remit tax payments or PILOTs to the appropriate taxing authority in a manner consistent with the terms established under the original lease for the full term of the lease.

Part KK Eliminate VLT Aid to All Municipalities Outside of Yonkers The Executive Budget would eliminate all Video Lottery Terminal (VLT) Aid to all 15 municipalities outside of the City of Yonkers. Currently, unlike other recipients of this aid, the City is required to dedicate this funding to its' school district.

Part LL Enhance Flexibility within the County-Wide Shared Services Initiative The Executive Budget proposes to implement two provisions to provide flexibility to the County-Wide Shared Services program. The following include:

- Grant municipalities the ability to include a previous year shared service savings that has not been implemented in a future plan and still retain eligibility for State matching funds; and
- Grant local governments the option to fully implement projects beginning on either January 1st or July 1st of the ensuing year and still retain eligibility for State matching funds. Currently, approved projects are expected to be fully implemented between January 1st and December 31st of the same year. It's anticipated that more school districts may participate since a July 1st to June 30st implementation period is aligned with a school fiscal year.

Part MM Modify Voting Requirements for the Financial Restructuring Board for Local Governments The Executive Budget proposes to give the Financial Restructuring Board authority to act by an affirmative vote for a majority of the total number of members present at a proceeding, meeting or hearing. Currently, the Board is not at full capacity, and therefore requires a majority

vote from the total number of members on matters presented to the Board. Additionally, certain parties on the Board abstain or recuse themselves due to conflicts of interest, delaying votes and resulting in an inefficient use of time.

Part NN Clarify AIM-Related Sales Tax Payments Process for Nassau and Erie Counties The Executive Budget proposes to direct the Nassau and Erie County Fiscal Control Boards to remit necessary Sales Tax revenue back to the State Comptroller in order for the Comptroller to fulfill timely AIM-related payments to respective towns and villages in both Nassau and Erie Counties. The Boards would be required to make such payments in the months of May and December of each year. Currently, the Comptroller's office is responsible for withholding county Sales Tax and distributing the amount cut in State AIM funding made in the 2019 Enacted Budget to towns and villages. However, the new law did not take into account that Erie and Nassau Counties have Fiscal Control Boards in place. These boards are responsible for collecting all Sales Tax within Erie and Nassau County. As a result, there is no mechanism for the Comptroller to withhold such Sales Taxes.

Part OO Authorize Shared County Jails The Executive Budget proposes to allow counties to pursue shared services agreements for county jails. Currently, County Law requires counties to maintain a jail. This opt-in proposal relieves counties of fiscal mandates associated with maintaining a jail and if inmate capacity is shareable with another county.

EDUCATION, LABOR AND FAMILY ASSISTANCE – A.9506

Part I Streamline Billing for the Administration of Rent Regulation Streamlines the process of billing New York City for the administration of the Office of Rent Administration by reducing total payments from the State to New York City in an amount equal to the total cost of administering the New York City Rent Regulation Program. The Department of Housing and Community Renewal will be required to notify New York City in writing of what payment or payments will be reduced as a result of this streamlining effort. There will be no changes to the Office of Rent Administration's programs, services, or budget.

HEALTH AND MENTAL HYGIENE – A.9507

Part R Medicaid Local District Spending Reforms

§1 Enhanced Federal Medical Assistance Percentage (eFMAP) Codification Codifies eFMAP into State law, which ensures that the State does not pay a greater percentage of the non-federal share of State expenditures under the State's plan for medical assistance compared to the percentage paid in calendar year 2009.

§2 Real Property Tax Cap Compliance Beginning in calendar year 2020, each district will annually certify with the Department of Health (DOH) whether they have adopted a budget that does not exceed the 2% Real Property Tax Cap by April 20, 2020. New York City shall certify with DOH whether or not they exceeded the tax levy limit that would have applied to the City had the 2% Real Property Tax Cap been applied to them by July 15, 2020. For each district that does not certify that they are under the Real Property Tax Cap, that district shall be responsible to remit to the State the amount that is in excess of the Medicaid

Local Share Cap. A financial hardship waiver may be granted for districts that must go over the Real Property Tax Cap for the occurrence of disaster or repair and maintenance of infrastructure.

§3 Data Sharing Requirements and Medicaid Growth Limits Requires that all districts must make all records and reports, determined necessary to manage and oversee the Medicaid program, available to the Commissioner of Health and Director of the Division of Budget. Starting in State FY 2021 and every Fiscal Year after, if any district exceeds 3% of growth in Medicaid reimbursement from the State compared to the preceding fiscal year; they must remit the amount of excess growth to the State.

TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION – A.9508

Part BB Small Wireless Facilities Deployment Establishes a uniform process for statewide siting of small cell wireless (5G) facilities.

Municipal corporations would be authorized to charge application fees to wireless providers for the installation of 5G facilities. The application fee structure would be as follows:

- \$500 for the first five small wireless facilities on the same application;
- \$100 for each additional small wireless facility on the same application; and
- \$1,000 for installation, modification or replacement of a utility pole combined with the collocation of an associated small wireless facility.

Municipal corporations would be authorized to charge for:

- Occupancy and use of rights of way, this charge would not exceed the greater of an authority's direct costs or \$20 per year per small wireless facility; and
- Utility pole collocation, this charge would not exceed an authority's direct costs or \$250 per pole per year.

The Department of Transportation would be authorized to enter into a statewide master license agreement with wireless providers for use and occupancy of State-owned right of ways for communications facilities.

Part KK EFC Hardship Communities Financing Extension Allows the Environmental Facilities Corporation (EFC) to offer 40-year financing to municipalities facing financial hardship for clean water/drinking water infrastructure projects which qualify for zero-percent interest rates.

Part XX Authorizes E-Bikes This part creates a framework for E-bike legalization. A bicycle with electric assist is defined as every motor vehicle, including one partially powered by human power, other than a motorcycle, having a seat and designed to travel on two wheels, which has an electric motor up to 750 watts, equipped with pedals and meeting the equipment and manufacturing requirements for bicycles under Federal Law. This part establishes three classes of bicycle with electric assist:

- Class one bicycle with electric assist: A bicycle with electric assist having an electric motor that provides assistance only when pedaling, stopping assistance when such bicycle reaches speeds of 20 miles per hour.
- Class two bicycle with electric assist: A bicycle with electric assist having an electric motor where a motor may be used exclusively to propel the bicycle and that is not capable of providing assistance when such bicycle reaches speeds of 20 miles per hour.
- Class three bicycle with electric assist: Solely

within New York City, a bicycle with electric assist having an electric motor where a motor may be used exclusively to propel the bicycle and that is not capable of providing assistance when such bicycle reaches 25 miles per hour.

The definition of motor vehicles would be amended to clarify that bicycles with electric assist are not motor vehicles.

Bicycles with electric assist would only be permitted to be operated on public highways with a posted speed limit of 30 miles per hour or less, including non-interstate public highways, private roads open to motor vehicle traffic, and designated bicycle or in-line skate lanes. Local governments would have the ability to further regulate the maximum speed, time, place and manner of operation of bicycles with electric assist including requiring headwear or reflective material and limiting or prohibiting the usage in specified areas under the jurisdiction of said local government. Local governments would also be able to completely prohibit usage within the municipality. However, no local government would be authorized to allow bicycles with electric assist to operate on sidewalks. Operators would be required to yield the right of way to pedestrians and motor vehicles and every operator would be required to be at least 16 years of age. Additionally, operating a class three bicycle with electric assist would be prohibited outside of New York City. A first violation of these provisions would result in no fine. A second or subsequent violation would result in a civil fine of up to \$50.

Operators would be directed to ride on designated bicycle and in-line skate lanes. However, if no bicycle or in-line skate lane is provided, operators would be required to ride near the right-hand curb, edge of the roadway, or right-hand shoulder in order to prevent interference with the flow of traffic except in instances where operation along the curb or edge of the roadway is unsafe. Persons operating a bicycle with electric assist would be required to ride single file unless there is ample space which allows riding of two or more abreast. Operators

would be restricted from carrying anything that obstructs vision or prevents keeping one hand on the handle bars. Persons operating a bicycle with electric assist a half hour after sunset to a half hour before sunrise would be required to have a lamp equipped to the front of the bicycle which can emit white and red light. Bicycles with electric assist would also be required to be equipped with a bell or other audible signaling device and a system which enables the operator to fully brake. Operators of class three bicycles with electric assist would be required to wear protective headgear. Failure to wear headgear would result in a fine of up to \$50. However, the fine would be waived if the operator proved they had subsequently purchased or rented a helmet or if economic hardship prevented the person from purchasing or obtaining a helmet. The waiver would only apply to the first offense.

This part also specifies regulations for leaving the scene of an incident involving a bicycle with electric assist without reporting and makes doing so a violation. Additionally, makes the causing of serious physical injury due to the operation of a bicycle with electric assist without reporting a class B misdemeanor.

Operation under the influence of alcohol or drugs would be prohibited. No person would operate a bicycle with electric assist while their ability to operate is impaired by the consumption of alcohol. A violation would be punishable by a fine between \$300 and \$500 or by imprisonment for up to 15 days, or by both. A second violation within the preceding five years would be punishable by a fine between \$500 and \$750 or by imprisonment for up to 30 days, or by both. A person convicted two or more times within the preceding 10 years would be guilty of a misdemeanor and would be punished by a fine between \$750 and \$1,500 or by imprisonment for up to 180 days, or both. Operation with blood alcohol level of .08 or more, operation in an intoxicated condition, while impaired by the use of a drug, or impaired by the combined influence of drugs or alcohol would be a misdemeanor and punishable by imprisonment for up to one year, or by a

fine between \$500 and \$1,000, or both. A second violation within the preceding 10 years would be a class E felony and punishable by a period of imprisonment consistent with Penal Law, a fine between \$1,000 and \$5,000, or both. A third violation within the preceding 10 years would be a class D felony and punishable by a period of imprisonment consistent with Penal Law, a fine between \$2,000 and \$10,000, or both. These provisions would only be enforced upon a crash involving a bicycle with electric assist.

Part AAA Authorizes E-Scooters This part creates a framework for electric scooter legalization and defines an electric scooter as every two-wheeled device that is no more than 60 inches in length, 26 inches in width, and 55 inches in height, which is designed to transport one person sitting or standing on the device and can be propelled by any power other than muscular power. The definition of motor vehicles would be amended to clarify that e-scooters are not motor vehicles. This part creates a new Article 34-D in Vehicle and Traffic Law concerning the operation of e-scooters. E-scooters would only be permitted to be operated on public highways with a posted speed limit of 30 miles per hour or less, including non-interstate public highways, private roads open to motor vehicle traffic, and designated bicycle or in-line skate lanes. Local governments would have the ability to further regulate the maximum speed, time, place and manner of operation of e-scooters including requiring headwear or reflective material and limiting or prohibiting the usage in specified areas under the jurisdiction of said local government. Local governments would also be able to prohibit complete usage within the municipality. Additionally, no e-scooter would be authorized to carry more than one person at a time. Those operating an e-scooter would be prohibited from carrying anything which prevents the operator from keeping at least one hand on the handle bars or which obstructs their vision. Operators would be required to yield the right of way to pedestrians and every operator would be required to be at least 16 years of age. The maximum speed a person could operate

an e-scooter would be 15 miles per hour. A first violation of these provisions would result in no fine. A second or subsequent violation would result in a civil fine not to exceed \$50. Local governments would be authorized to regulate shared electric scooter systems within their municipality. No shared systems shall operate within a municipality except as authorized. No shared electric scooter system shall operate in a county outside of Manhattan.

Operators would be directed to ride on designated bicycle and in-line skate lanes. However, if no bicycle or in-line skate lane is provided, operators would be required to ride near the right-hand curb, edge of the roadway, or right-hand shoulder in order to prevent interference with the flow of traffic except in instances where operation along the curb or edge of the roadway is unsafe. Persons operating an e-scooter would be required to ride single file unless there is ample space which allows riding of two or more abreast. Persons operating an electric scooter a half hour after sunset to a half hour before sunrise would be required to have a lamp equipped to the front of the vehicle which can emit white and red light. E-scooters would also be required to be equipped with a bell or other audible signaling device and a system which enables the operator to fully brake. Operators ages 16 and 17 would be required to wear protective headgear. Failure to wear headgear would result in a fine not to exceed \$50. However, the fine would be waived if the operator proved they had purchased or rented a helmet or if economic hardship prevented the person from purchasing or obtaining a helmet. The waiver would only apply to the first offense. This part also specifies regulations for leaving the scene of an incident involving an e-scooter without reporting and makes doing so a violation. Additionally, makes the causing of serious physical injury due to the operation of an e-scooter without reporting a class B misdemeanor.

Operation under the influence of alcohol or drugs would be prohibited. No person would operate an e-scooter while their ability to operate is impaired

by the consumption of alcohol. A violation would be punishable by a fine between \$300 and \$500 or by imprisonment for up to 15 days, or by both. A second violation within the preceding five years would be punishable by a fine between \$500 and \$750 or by imprisonment for up to 30 days, or by both. A person convicted two or more times within the preceding 10 years would be guilty of a misdemeanor and would be punished by a fine between \$750 and \$1,500 or by imprisonment for up to 180 days, or both. Operation with blood alcohol level of .08 or more, operation in an intoxicated condition, while impaired by the use of a drug, or impaired by the combined influence of drugs or alcohol would be a misdemeanor and punishable by imprisonment for up to one year, or by a fine between \$500 and \$1,000, or both. A second violation within the preceding 10 years would be a class E felony and punishable by a period of imprisonment consistent with Penal Law, a fine between \$1,000 and \$5,000, or both. A third violation within the preceding 10 years would be a class D felony and punishable by a period of imprisonment consistent with Penal Law, a fine between \$2,000 and \$10,000, or both. These provisions would only be enforced upon a crash involving an e-scooter.

REVENUE – A.9509

Part N Provide Local Options for Placing Converted Condos into the Homestead Class This part allows municipalities to place converted condos assessed at full value using the sales-based approach into the homestead class, thus aligning these units with other residential properties. Typically, converted condos were once rental apartments that were subsequently sold as residential properties. Since they are no longer rental properties, this part would allow them to be placed into a homestead class and lower their taxable rate for property real taxes.

Part O Deny STAR Benefits to Delinquent Property Owners This part eliminates STAR benefits (either the STAR Exemption or the STAR Personal Income Tax Credit) for homeowners who are delinquent in paying their real property taxes.

- A property owner must be delinquent one year after the last date on which the real property taxes could have been paid without interest, or the last day on which the final real property tax installment could have been paid without interest.
- The Commissioner of Tax and Finance would establish all procedures for the administration of the program. This includes procedures in which local governments shall report past-due real property taxes either to the Department of Taxation and Finance or to the County Director of Real Property Tax Services, who would then report all delinquencies in a single file to the Department of Taxation and Finance.
- Delinquent property owners would be notified by the Department at least 30 days prior to their past-due real property tax due date. The notice would state that such real property taxes must be paid in full by a date specified in order to continue to receive the STAR benefit.
- If a delinquent property owner pays his or her past-due real property taxes in full on or before the date specified in such notice, the municipality receiving such payment shall notify the Department that full payment has been made. The property owner shall then be permitted to receive the STAR Personal Income Tax Credit or Real Property Tax Exemption.
- If a delinquent property owner fails to make a timely payment of past-due real property taxes based on the notice sent by the Commissioner, his or her STAR Credit or STAR Exemption would be disallowed until all past-due real property taxes are paid.
- Once payment is made, if the property owner had previously been receiving the STAR Credit,

the Commissioner will allow the property owner to resume his or her participation in the program on a prospective basis.

- Once payment is made, if the property had previously been receiving the STAR Exemption, the Commissioner will allow the property owner to participate in the STAR Credit Program on a prospective basis and shall not be allowed back into the STAR Exemption Program.

Part P Allow for the Appointment of Acting County Directors of Real Property Tax Services This part grants counties the authority to appoint an Acting County Director of Real Property Tax Services. In the event of a vacancy of a County Director of Real Property Tax Services, an authorized Acting County Director of Real Property Tax Services can provide the necessary service coverage until a new director is appointed. Current law allows for the appointment of an acting assessor when an assessor is unable to perform the duties of the office or the office becomes vacant. This part extends the same authority to the county level.

Part Q Modernize and Merge Real Property Tax Forms and Processes This part would authorize the Commissioner of Taxation and Finance to modernize and combine two forms relating to the transfer of real property, the Real Estate Transfer Tax (RETT) Return (TP-584) and the Real Property Transfer (RPT) Report (RP-5217), into a consolidated Real Property Transfer Form. Specifically, the Commissioner would be authorized to establish an electronic, consolidated form and design implement a system for e-filing and the collection of associated taxes and fees.

Currently, these forms cannot be consolidated because of privacy requirements associated with the RETT Return. The Real Property Transfer Report is subject to public disclosure. Authorizing the Commissioner to consolidate these two forms in an electronic format submitted directly to the Department of Taxation and Finance would maintain the

confidentiality of the RETT portion of the form, while allowing for the public disclosure of the RPT portion.

Authorizing the use of the electronic, consolidated Real Property Transfer Report would streamline the transfer process for applicants. However, use of this form would not be mandatory. Applicants would maintain the option of using the traditional paper forms. Upon submission of the consolidated Real Property Transfer Form, the applicant would receive a receipt, a copy of which would be submitted by the applicant to the appropriate County Clerk or to the City of New York.


Currently, County Clerks and the City of New York are authorized to retain a portion of the fee associated with each traditional form, \$9 for each RPT Report and \$1 for each RETT Return. The Commissioner would be required to retain the portion of each consolidated Real Property Transfer Form that would otherwise have been retained by the City of New York or the County Clerk so that such portion may be transferred to the City or appropriate County Clerk.

In addition, Westchester County and the City of New York have already instituted an electronic deed recording system. This proposal would not require the use of the Department's system by the County nor the City, but would provide each the option to do so.

Agency Summary

MENTAL HYGIENE OVERVIEW

WAYS & MEANS CONTACT



The Department of Mental Hygiene operates three independent agencies:

- The Office of Addiction Services and Supports;
 - The Office of Mental Health; and
 - The Office of People with Developmental Disabilities.
-

ADDICTION SERVICES AND SUPPORTS

The Office of Addiction Services and Supports provides services for the prevention, treatment and recovery from alcoholism and other substance abuse disorders. New York State has one of the nation's largest addiction services system. Over \$240 million in funding is being used to address the heroin and opioid crisis, roughly double the amount OASAS spent on opiate addiction in FY 2010-11.

HEROIN AND OPIOID FUNDING FROM 2010-2021 (MILLIONS)							
FIGURE 1							
FISCAL YEAR	COMMUNITY BASED PROVIDERS	STAFFS FOR EVALUATION SERVICES	WORKSHOPS AND TRAINING	EXPANDED PROGRAMS/INITIATIVES	RAPID RESPONSE	STATE FISCAL YEAR TOTAL (AVG)	YEAR TO YEAR CHANGE
2010	\$149.0	\$15.0	-	-	-	\$164.0	-
2011	\$151.0	\$15.0	-	-	-	\$179.0	\$15.0
2012	\$171.0	\$17.0	-	-	-	\$188.0	\$9.0
2013	\$173.0	\$18.0	-	-	-	\$191.0	\$3.0
2014	\$174.0	\$21.0	-	-	-	\$195.0	\$4.0
2015	\$190.0	\$25.0	-	-	-	\$208.5	\$13.5
2016	\$190.0	\$26.0	\$8.4	-	-	\$222.4	\$13.9
2017	\$199.0	\$27.0	\$7.5	\$0.7	-	\$230.2	\$7.8
2018	\$199.0	\$26.0	\$8.0	\$11.4	\$3.2	\$247.6	\$17.4
2019	\$209.0	\$27.0	\$7.7	\$8.2	\$6.1	\$251.0	\$3.4
2020	\$201.0	\$27.0	\$10.0	\$8.2	\$0.7	\$246.9	\$4.1
Proposed 2021	\$200.0	\$28.0	\$10.0	\$8.1	\$1.0	\$247.1	\$0.2
PROGRAM TOTAL	\$2,099.0	\$272.0	\$50.6	\$26.6	\$8.0	\$2,571.1	\$80.0

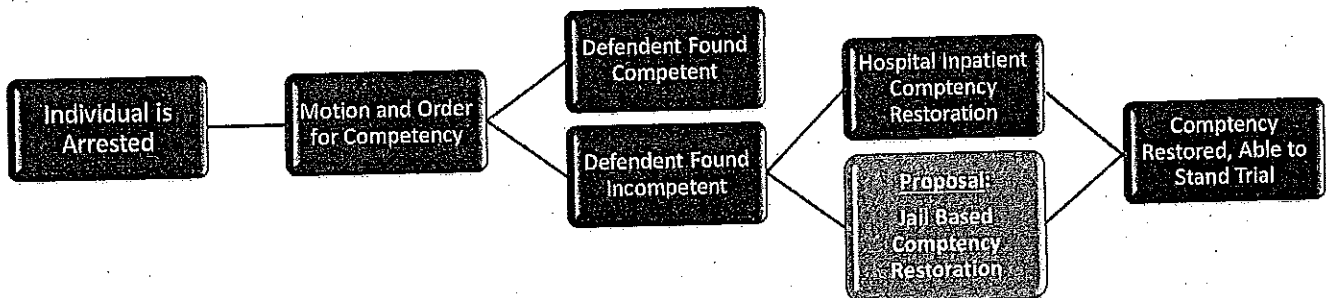
MENTAL HEALTH

In the Executive Budget, the Governor is proposing to allow individuals awaiting trial to restore mental competency within a jail-based residential setting. Currently, restoring mental competency is only authorized in Office of Mental Health (OMH) psychiatric centers, Office for People with Developmental Disabilities (OPWDD) development centers, psychiatric units within Article 28 Hospitals or on an outpatient basis in a community.

PEOPLE WITH DEVELOPMENTAL DISABILITIES

The Office of People with Developmental Disabilities (OPWDD) assists individuals with intellectual and/or developmental disabilities live richer and more independent lives. OPWDD's vision is to ensure individuals' rights to meaningful relationships, experience personal health and growth, live in homes of their choice and fully participate in the community. The Executive Budget continues the investments of prior budgets to support salary

Jail Based Restoration



The Office of Mental Health currently supports 325 inpatient forensic beds that are used to serve an estimated 650 annual admissions of felony defendants deemed incompetent to stand trial. The cost per restoration is approximately \$128,000 and currently the State and counties outside of NYC each pay 50%. However, starting this year counties will be required to pay the full 100% for restoration. It is estimated that the costs to restore defendants in a jail-based setting is roughly one third the cost of a State Operated facility, approximately \$42,500.


increases to direct care workers and improvement to community based and personal centered services. Below is a chart which outlines the increases for direct care workers.

DIRECT CARE WORKER FUNDING				
Figure 3				
Agency	2017-2018	2018-2019	2019-2020	Proposed 2020-2021
OASAS	\$1,000,000	\$10,400,000	\$11,100,000	\$8,900,000
OMH	\$1,700,000	\$31,600,000	\$32,300,000	\$20,100,000
OPWDD	\$11,300,000	\$90,000,000	\$98,400,000	\$66,400,000
Total	\$12,000,000	\$132,000,000	\$142,800,000	\$95,400,000

Agency Summary

ADDICTION SERVICES & SUPPORTS

WAYS & MEANS CONTACT



STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Executive Direction Program: \$64.5 million, \$1.3 million more than last year, due to moving gambling services contract from Aid to Localities to State Operations.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Institutional Services: \$75.1 million.

AID TO LOCALITIES – A.9503

SIGNIFICANT INCREASES INCLUDE:

- Crisis Services: \$4.9 million, \$3 million more than last year.
- Debt Service Payments: \$38.5 million, \$4.9 million more than last year due to re-estimates.
- Minimum Wage Increase: \$11 million in new funding for increases in minimum wage costs.
- Prevention and Program Support: \$147.8

million, \$4 million more than last year, related to an increase in the Substance Abuse Prevention and Treatment (SAPT) block grant.

- Problem Gambling and Chemical Dependence Outpatient Treatment: \$140 million, \$2.4 million more than last year.
- Residential Services: \$117.3 million, \$1.7 million more than last year, due to re-estimates of community bed needs.
- Salary Increases: \$9.6 million for targeted salary increases for direct care and clinical staff.

SIGNIFICANT ACTIONS INCLUDE:

- Mental Health Ombudsman: \$1.5 million in new funding.

SIGNIFICANT DECREASES INCLUDE:

- Legislative Additions: \$5.5 million resulting from the elimination of 12 programs including jail-based treatment, loan forgiveness for recruitment and retention, and recovery community outreach center.

CAPITAL PROJECTS -- A.9504

SIGNIFICANT INCREASES INCLUDE:

- Institutional Services Program: \$12 million, \$1 million more than last year, for minor rehab of State facilities.

SIGNIFICANT DECREASES INCLUDE:

- Community Alcoholism and Substance Abuse Facilities: \$68 million, \$1 million less than last year.

HEALTH AND MENTAL HYGIENE -- A.9507

Part M Combating Opioid Addiction by Banning Fentanyl Analogs The Governor proposes to add 24 fentanyl and fentanyl related substances to the list of Schedule I Controlled Substances and to allow the Commissioner of Health to classify any Schedule I Controlled substances in the Federal Schedule to Section 3306 of the Public Health Law.

Agency Summary

MENTAL HEALTH

WAYS & MEANS CONTACT



STATE OPERATIONS – A.9500

SIGNIFICANT DECREASES INCLUDE:

- Administration and Finance Program: \$107.2 million, \$3.5 million less than last year, due to personal and non-personal service efficiencies.
- Adult Services Program: \$1.4 billion, \$91.4 million less than last year, associated with SOMTA reforms, see below.
- Forensic Services Program: \$330.3 million, \$1.7 million less than last year, associated with the Jail-Based Restoration Program.
- Research in Mental Illness Program: \$97 million, \$500,000 less than last year, due to personal and non-personal efficiencies.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Children and Youth Services Program: \$248.3 million.

SIGNIFICANT ACTIONS INCLUDE:

- Secure Treatment Program: \$84.9 million in new funding to implement Sex Offender Management and Treatment Act (SOMTA)

reforms to ensure that these prisoners get the services they need while being segregated from other patients. This increase is offset in the Adult Services Program.

AID TO LOCALITIES – A.9503

SIGNIFICANT INCREASES INCLUDE:

- Community Mental Health Programs: \$529 million, \$40.9 million more than last year.
- Minimum Wage: \$4 million in new funding for increases in minimum wage costs.
- Salary Increases: \$22.3 million for targeted salary increases for direct care and clinical staff.
- Supported Housing Services: \$60.5 million, \$12.5 million more than last year, for new adult home beds and services.

SIGNIFICANT DECREASES INCLUDE:

- Medical Assistance: \$323.5 million, \$2.3 million less than last year for the State share of Medicaid.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Children and Youth Services: \$254.8 million.

SIGNIFICANT ACTIONS INCLUDE:

- Veterans and First Responders: \$1 million in new funding for suicide prevention.
- Eating Disorders Program: \$118,000 in new funding.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Joseph P. Dwyer: \$4 million for the elimination of the Joseph P. Dwyer peer-to-peer veterans' counseling program.
- Legislative Program Additions: \$2.1 million for the elimination of 11 legislative additions, including North Fork Mental Health Initiative, Westchester Jewish Community Services, and Community Mental Health Services.

CAPITAL PROJECTS – A.9504

MAINTAINS FUNDING FOR THE FOLLOWING:

- Community Mental Health Facilities: \$71.7 million, for the acquisition, rehabilitation, and improvements to existing state facilities.
- Non-Bondable Projects: \$ 1 million, for improvements to community facilities.

HEALTH AND MENTAL HYGIENE – A.9507

Part V Streamline the Pre-Admission Process for Residential Treatment Facilities (RTF)

§1. Removing Pre-Admission Certification Committee (PACC) Requirements Removes the use of PACC as the first step for placement into an RTF and requires the Commissioner of the Office of Mental Health to consult with the Council for

Children and Families to establish an advisory board.

§2 Admission Standards Allows the Commissioner to establish admission standards in place of the PACC in consultation with the Commissioner of Education, Commissioner of Social Services, and the Commissioner of the Office of Children and Family Services.

§3 Review Process for Involuntary Admission Applications of involuntary admission of patients to RTFs may be reviewed by the Office or Commissioner's designee at the facility instead of the PACC.

Part W Establish Jail-Based Restoration Programs for County Jails Establishes voluntary jail-based restoration to competency program within locally-operated jails. Currently NYS provides that felony-level defendants may be restored to competency in an:

- OMH Psychiatric center;
- Psychiatric unit within an Article 28 Hospitals; or
- Outpatient basis in the community.

This provision would expand competency to be restored in a mental health unit(s) operated within a local correctional facility subject to the facility's consent. The Office of Mental Health will work with county jails on a voluntary basis to develop specialized residential treatment units within their jails. New York City is excluded from the proposal and will not be authorized to participate in the program.

Part X Create a New Program for the Sex Offender Management and Treatment Act Population Establishes a separate appointing authority for secure treatment and rehabilitation within the Office of Mental Health for the care and treatment of dangerous sex offenders who require confinement. Currently, these individuals are served in the general forensic population, this would ensure that they are served in physically different spaces.

Part Y Extend Comprehensive Psychiatric Emergency Programs (CPEP) and Make Other Technical Amendments to Improve Operation Efficiency

§1 Extend CPEP Extends the program for 4 years until July 1, 2024. The current program is set to expire July 1, 2020.

§2 Extend CPEP Emergency Observation, Care, and Treatment Times Extends the amount of time an individual can be held for CPEP emergency observation, care and treatment from 72 hours to 96 hours. This also allows for triage and referral services by a physician or psychiatric nurse practitioner.

§3 Satellite Facilities Allows the Commissioner to approve satellite facilities that provide psychiatric emergency services and are general hospitals with a valid operating certificate for a comprehensive psychiatric emergency program.

§4 Technical Amendments Removes the term "rural CPEP" and removes references to "crisis residence services," which are provided elsewhere.

Part Z Establish the Behavioral Health Parity Compliance Fund and Strengthen Efforts to Ensure Compliance with State and Federal Behavioral Health Parity Laws

§1 Regulations and Fines Requires the Department of Health and Department of Financial Services in consultation with the Office of Mental Health and the Office of Addiction Services and Supports to promulgate regulations by October 1, 2020, to require health insurers to provide mental health and substance abuse coverage consistent with federal and State law. Fines levied for violations of existing law before October 1, 2020 will go to the General Fund, and fines levied after October 1, 2020 will be designated to go to the Behavioral Health Parity Compliance Fund.

§2 Establish the Behavioral Health Parity Compliance Fund A Behavioral Health Parity Compliance Fund will be used for initiatives supporting parity implementation and enforcement on behalf of consumers, including the Behavioral Health Ombudsman Program.

§3 Requirements in Public Health Law Establishes the same requirements under §1 of this provision under Public Health Law.

Agency Summary

PEOPLE WITH DEVELOPMENTAL DISABILITIES

WAYS & MEANS CONTACT



STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Community Services Program: \$1.6 billion, \$175.2 million more than last year, due to a transfer from the Institutional Services Program.

SIGNIFICANT DECREASES INCLUDE:

- Institutional Services Program: \$469.5 million, \$175.2 million less than last year, due to a transfer to the Community Services Program.

SIGNIFICANT ACTIONS INCLUDE:

- Autism Awareness Programs: \$22,000 from existing fees from the purchase of Autism Awareness license plates.
- Down's Syndrome Awareness Programs: \$100,000 from existing fees from the purchase of Down's Syndrome Awareness License Plate.

AID TO LOCALITIES – A.9503

SIGNIFICANT INCREASES INCLUDE:

- Community Programs for People with Developmental Disabilities: \$2.0 billion, \$125 million more than last year, for the State share of Medicaid payments for services to people with disabilities.
- Minimum Wage Increases: \$23.7 million for increases in minimum wage costs.
- Salary Increases: \$74.7 million to support targeted salary increases for direct care and clinical staff.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Day Services Program: \$69.5 million.
- Family Support Services: \$97 million.
- Day Training and Employment Services: \$56 million.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Legislative Adds: \$590,000 eliminated for 5 various programs including the Epilepsy Foundation of New York and Special Olympics New York, Inc.
- New York State Association of Community and Residential Agencies, Inc.: \$5 million eliminated.

CAPITAL PROJECTS -- A.9504

SIGNIFICANT INCREASES INCLUDE:

- Community and Institutional Services Program: \$54.6 million, \$2 million more than last year, for the acquisitions, alterations, and preservation of various community and institutional facilities.
- Facilities Maintenance and Operations: \$41 million, \$1 million more than last year, for maintenance of facilities Statewide.

HEALTH AND MENTAL HYGIENE -- A.9507

Part AA Justice Center Statewide Central Register (SCR) Checks Removes the requirement that Justice Center investigations of abuse and neglect include a SCR Child Abuse and Maltreatment check. This provision would still allow the Justice Center to conduct these checks, if relevant to the investigation.

Part BB Office for People with Developmental Disabilities (OPWDD) Authority to Issue Operating Certificates

§1 State Plan Services Adds the provision of State Plan Medicaid services to the list of services for OPWDD operating certificates.

§ Provision of Services Adds "provision of services" for operating certificates.

§3 Office for People with Developmental Disabilities Oversight Requires that providers of services be subject to Federal rules and regulations adopted by the Commissioner.


§4 Office of Addiction Services and Supports (OASAS) Name Change and Justice Center Jurisdiction Reflects the name change of OASAS in the law and includes the new language for provisions of service to be included under the jurisdiction of the Justice Center.

§5-7 Health Home Background Checks Removes Health Homes, authorized by the Department of Health to provide services to people with developmental disabilities, from provisions requiring criminal history background checks with the Department of Health to eliminate duplicative background checks among multiple agencies.

Agency Summary

METROPOLITAN TRANSPORTATION AUTHORITY

WAYS & MEANS CONTACT:



AID TO LOCALITIES – A.9503

SIGNIFICANT DECREASES INCLUDE:

- Metropolitan Transportation Authority (MTA): \$928.6 million, \$41.3 million less than last year. This is a contingency appropriation for the MTA.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Metropolitan Transportation Authority (MTA) Capital: \$3 billion in new funding. This is the full amount of funding the State has agreed to commit to the 2020-2024 MTA Capital Program.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

PART VV SWEEPS AND TRANSFERS

§2-3 Sweeps and Transfers Authorizes the Comptroller to transfer unencumbered balances to various funds and accounts.

TRANSFER TO NOTE:

- \$31 million from the General Fund to the MTA for the purpose of covering a portion of the State's \$7.3 billion commitment to the MTA's 2015-19 Capital Plan.

TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION — A.9508

Part I MTA Bond Cap Increase This part increases the MTA's statutory bonding authority by \$34.6 billion for a cumulative total of \$90.1 billion; this would extend their bonding authority until 2024.

Part J Metropolitan Transportation Authority Procurement Reform Repeals certain dormant contracting provisions for the MTA and New York City Transit Authority (NYCT) and permanently replaces them with existing procurement provisions that are set to expire between April 2021 and June 2023. Of the provisions made permanent, the sealed bidding threshold would be permanently established at \$1 million for the MTA and NYCT and both would be allowed to make purchases of up to \$1 million from Service Disabled Veteran Owned Businesses (SDVOB) or Minority or Women Owned Business Enterprises (MWBEO) using an informal competitive process. Additionally, this part allows the MTA and NYCT to use the request for proposal process for design-build projects pursuant to a process established by the MTA Board. If the MTA or NYCT receive no bids or only a single bid in response to an invitation for bids, it may negotiate with any firm capable of providing the work subject of the bid. If, after opening bids, it is deemed that it is in the best interest of the MTA or NYCT to make a change to the specifications of the bid, new bids may be solicited from those that submitted previous bids without additional public advertisements. This part allows the NYCT to award contracts for goods or services up to \$5 million to qualified emerging technology companies without a formal bidding process to assist the NYCTA with development, testing and adoption of new and innovative technology. This part also allows the MTA and NYCT to advertise for bids, when required, on the MTA and NYCT website and reduces the length of time required between advertisement and the reading of bids

from 15 to 5 days. Additionally, this part allows the MTA and NYCT to circumvent competitive bidding if the item is available through an existing contract between a vendor and any department, office or agency of the United States government or any state within the United States. Lastly, this part allows the MTA and NYCT to review their Qualified Products List once per year rather than twice.

Part K Value Capture Financing Extends authorization for the MTA to cooperate with local governments to capture the value of MTA improvements through special assessments or tax-increment programs until December 31, 2024 for the MTA. The municipality is the entity establishing the levy and/or assessment, not the MTA. This would assist the MTA in meeting its capital and operating expenses in providing mass transportation services to the benefit of all or part of such municipal corporation.

Part L Authorizes MTA Right of Way Clearance Allows the Long Island Rail Road and the Metro-North Commuter Railroad, or the contractors of either transit system, to enter private property abutting its right of way without any license, permit, or approval to remove any branches, bushes, or other vegetation to preserve the safety and efficiency of commuter rail operations.

This authorization would be subject to the following: except in cases of imminent threat of harm, a request has been made to the owner and the request has been denied or has been granted subject to unreasonable terms and conditions; the removal of vegetation is limited to that needed to preserve the safety and efficiency of commuter rail operations; and due care is taken to avoid trimming or cutting back which would damage the main support system of trees, shrubs, or other vegetation with the subject railroad being liable to the property owner for actual damage done.

Part M Creates Stricter Toll Enforcement for Public Authorities in New York State This part makes the usage of any toll highway, parkway, road, bridge or tunnel or entering or remaining in the

tolled central business district without payment of the lawful toll, or avoiding payment of the lawful toll, a theft of services crime. Additionally, this part makes it unlawful for any person to operate a motor vehicle on a toll highway, bridge or tunnel facility if the number plate on the vehicle is not easily readable, covered by glass or any plastic material or be knowingly covered or coated with any material that conceals or obscures the plate or distorts the image of the plate. Violations would be punishable by a fine between \$100 and \$500.

Part N Metropolitan Transportation Authority Worker Assault This proposal adds the following list of transit employee titles to the list of public employees enumerated in penal law whose injury caused by another individual whose intent was to cause physical injury would constitute second degree assault: station customer assistant; person whose official duties include the sale or collection of tickets, passes, vouchers, or other fare payment media for use on a train or bus; a person whose official duties include maintenance, repair, inspection, troubleshooting, testing or cleaning of a transit signal system, elevated or underground subway tracks, transit station structure, train yard, revenue train in passenger service or train or bus station or terminal; or supervisor of such personnel.

Part O Metropolitan Transportation Authority Worker Harassment This proposal adds an enumerated list of transit workers to the criteria which must be met to constitute aggravated harassment in the second degree. A person would be guilty of second degree aggravated harassment if she or she strikes, shoves, kicks, spits on or otherwise subjects another person to physical contact and that individual is an on duty train operator; ticket inspector; conductor; signal person; bus operator; station agent; station cleaner; terminal cleaner; station customer assistant; person whose official duties include the sale or collection of tickets, passes, vouchers, or other fare payment media for use on a train or bus; a person whose official duties include maintenance, repair, inspection, troubleshooting,

testing or cleaning of a transit signal system, elevated or underground subway tracks, transit station structure, train yard, revenue train in passenger service or train or bus station or terminal; or supervisor of such personnel. Granted such individual is employed by any transit agency, authority or company, public or private whose operation is authorized by New York State.

Part P Subway Sex Offender Ban This proposal allows both courts and the Metropolitan Transportation Authority to issue orders of protections or administrative prohibition orders to individuals who commit unlawful sexual acts in MTA facilities.

When a defendant is charged with an offense involving unlawful sexual conduct committed against any MTA passenger, customer or employee courts may impose a temporary order of protection of public transit riders to ensure public safety. Such order may require the defendant refrain from entering, remaining or using facilities owned by the MTA or its subsidiaries and such order would remain in effect until the final disposition of the case. Upon sentencing of one of the aforementioned offenses courts may impose an order of protection against the defendant for a period of three years.

The MTA may also issue prohibition orders to any person if it determines: the person has been issued a summons, appearance ticket or violation for committing an offense against any of the rules governing the conduct of the safety of the public; the violation was related to a sex offense against an MTA passenger, customer or employee; or the person has been designated a level three sex offender. A person who has been issued a prohibition order may not enter or use any transportation facility for a period of three years. If an individual who has been subject to a prohibition order issued by the MTA knowingly enters, remains or uses transportation facilities he or she is guilty of transit trespass, which is classified as an A misdemeanor.

Agency Summary

MILITARY & NAVAL AFFAIRS

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT DECREASES INCLUDE:

- Special Services Program: \$20.6 million, \$1.5 million less than last year, after appropriations for the seized asset account have ceased.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Design and Construction: \$23 million, \$10 million more than last year, to renovate the New York State Military Museum in Saratoga.
- Maintenance and Improvement: \$191 million, \$140 million more than last year, to update and restore the Armory in Jamaica Queens.

Agency Summary

MOTOR VEHICLES

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

MAINTAINS FUNDING FOR THE FOLLOWING:

- Operating Support for the Department of Motor Vehicles (DMV): \$105.8 million.

AID TO LOCALITIES – A.9503

MAINTAINS FUNDING FOR THE FOLLOWING:

- Governor's Traffic Safety Committee: \$22.2 million.
- STOP-DWI Program: \$375,000.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Dedicated Highway and Bridge Trust Fund Support for the DMV: \$300 million, \$32.5 million more than last year.

TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION – A.9508

Part XX Authorizes E-Bikes This part creates a framework for E-bike legalization. A bicycle with electric assist is defined as every motor vehicle, including one partially powered by human power, other than a motorcycle, having a seat and designed to travel on two wheels, which has an electric motor up to 750 watts, equipped with pedals and meeting the equipment and manufacturing requirements for bicycles under Federal Law. This part establishes three classes of bicycle with electric assist:

- Class one bicycle with electric assist: A bicycle with electric assist having an electric motor that provides assistance only when pedaling, stopping assistance when such bicycle reaches speeds of 20 miles per hour.
- Class two bicycle with electric assist: A bicycle with electric assist having an electric motor where a motor may be used exclusively

to propel the bicycle and that is not capable of providing assistance when such bicycle reaches speeds of 20 miles per hour.

- Class three bicycle with electric assist: Solely within New York City, a bicycle with electric assist having an electric motor where a motor may be used exclusively to propel the bicycle and that is not capable of providing assistance when such bicycle reaches 25 miles per hour.

The definition of motor vehicles would be amended to clarify that bicycles with electric assist are not motor vehicles.

Bicycles with electric assist would only be permitted to be operated on public highways with a posted speed limit of 30 miles per hour or less, including non-interstate public highways, private roads open to motor vehicle traffic, and designated bicycle or in-line skate lanes. Local governments would have the ability to further regulate the maximum speed, time, place and manner of operation of bicycles with electric assist including requiring headwear or reflective material and limiting or prohibiting the usage in specified areas under the jurisdiction of said local government. Local governments would also be able to completely prohibit usage within the municipality. However, no local government would be authorized to allow bicycles with electric assist to operate on sidewalks. Operators would be required to yield the right of way to pedestrians and motor vehicles and every operator would be required to be at least 16 years of age. Additionally, operating a class three bicycle with electric assist would be prohibited outside of New York City. A first violation of these provisions would result in no fine. A second or subsequent violation would result in a civil fine of up to \$50.

Operators would be directed to ride on designated bicycle and in-line skate lanes. However, if no bicycle or in-line skate lane is provided, operators would be required to ride near the right-hand curb, edge of the roadway, or right-hand shoulder in order to prevent interference with the flow of traffic except in instances where operation along the curb

or edge of the roadway is unsafe. Persons operating a bicycle with electric assist would be required to ride single file unless there is ample space which allows riding of two or more abreast. Operators would be restricted from carrying anything that obstructs vision or prevents keeping one hand on the handle bars. Persons operating a bicycle with electric assist a half hour after sunset to a half hour before sunrise would be required to have a lamp equipped to the front of the bicycle which can emit white and red light. Bicycles with electric assist would also be required to be equipped with a bell or other audible signaling device and a system which enables the operator to fully brake. Operators of class three bicycles with electric assist would be required to wear protective headgear. Failure to wear headgear would result in a fine of up to \$50. However, the fine would be waived if the operator proved they had subsequently purchased or rented a helmet or if economic hardship prevented the person from purchasing or obtaining a helmet. The waiver would only apply to the first offense.

This part also specifies regulations for leaving the scene of an incident involving a bicycle with electric assist without reporting and makes doing so a violation. Additionally, makes the causing of serious physical injury due to the operation of a bicycle with electric assist without reporting a class B misdemeanor.

Operation under the influence of alcohol or drugs would be prohibited. No person would operate a bicycle with electric assist while their ability to operate is impaired by the consumption of alcohol. A violation would be punishable by a fine between \$300 and \$500 or by imprisonment for up to 15 days, or by both. A second violation within the preceding five years would be punishable by a fine between \$500 and \$750 or by imprisonment for up to 30 days, or by both. A person convicted two or more times within the preceding 10 years would be guilty of a misdemeanor and would be punished by a fine between \$750 and \$1,500 or by imprisonment for up to 180 days, or both. Operation with blood alcohol level of .08 or more, operation in an

intoxicated condition, while impaired by the use of a drug, or impaired by the combined influence of drugs or alcohol would be a misdemeanor and punishable by imprisonment for up to one year, or by a fine between \$500 and \$1,000, or both. A second violation within the preceding 10 years would be a class E felony and punishable by a period of imprisonment consistent with Penal Law, a fine between \$1,000 and \$5,000, or both. A third violation within the preceding 10 years would be a class D felony and punishable by a period of imprisonment consistent with Penal Law, a fine between \$2,000 and \$10,000, or both. These provisions would only be enforced upon a crash involving a bicycle with electric assist.

Part YY Permanently Extends Authorization Relating to Revenues and Costs for the Dedicated Highway and Bridge Trust Fund. Currently the Department of Motor Vehicles is authorized to collect document lookup fees from dealers and transporters and to deposit those fees into the Dedicated Highway and Bridge Trust Fund (DHBTF). This authorization, which is set to expire April 1, 2020, would be made permanent. Additionally, this part would permanently extend the authorization to appropriate operating costs of the Department of Motor Vehicles from the DHBTF.

Part ZZ Extends the New York State Point and Insurance Program (I-PIRP) Program. Currently, the I-PIRP program allows participants to complete an online accident prevention course for the purposes of point and insurance reduction benefits. This part would extend the I-PIRP program, which is set to expire April 1, 2020, for two years until April 1, 2022.

Part AAA Authorizes E-Scooters. This part creates a framework for electric scooter legalization and defines an electric scooter as every two-wheeled device that is no more than 60 inches in length, 26 inches in width, and 55 inches in height, which is designed to transport one person sitting or standing on the device and can be propelled by any power other than muscular power. The definition of

motor vehicles would be amended to clarify that e-scooters are not motor vehicles. This part creates a new Article 34-D in Vehicle and Traffic Law concerning the operation of e-scooters. E-scooters would only be permitted to be operated on public highways with a posted speed limit of 30 miles per hour or less, including non-interstate public highways, private roads open to motor vehicle traffic, and designated bicycle or in-line skate lanes. Local governments would have the ability to further regulate the maximum speed, time, place and manner of operation of e-scooters including requiring headwear or reflective material and limiting or prohibiting the usage in specified areas under the jurisdiction of said local government. Local governments would also be able to prohibit complete usage within the municipality. Additionally, no e-scooter would be authorized to carry more than one person at a time. Those operating an e-scooter would be prohibited from carrying anything which prevents the operator from keeping at least one hand on the handle bars or which obstructs their vision. Operators would be required to yield the right of way to pedestrians and every operator would be required to be at least 16 years of age. The maximum speed a person could operate an e-scooter would be 15 miles per hour. A first violation of these provisions would result in no fine. A second or subsequent violation would result in a civil fine not to exceed \$50. Local governments would be authorized to regulate shared electric scooter systems within their municipality. No shared systems shall operate within a municipality except as authorized. No shared electric scooter system shall operate in a county outside of Manhattan.

Operators would be directed to ride on designated bicycle and in-line skate lanes. However, if no bicycle or in-line skate lane is provided, operators would be required to ride near the right-hand curb, edge of the roadway, or right-hand shoulder in order to prevent interference with the flow of traffic except in instances where operation along the curb or edge of the roadway is unsafe. Persons operating an e-scooter would be required to ride

single file unless there is ample space which allows riding of two or more abreast. Persons operating an electric scooter a half hour after sunset to a half hour before sunrise would be required to have a lamp equipped to the front of the vehicle which can emit white and red light. E-scooters would also be required to be equipped with a bell or other audible signaling device and a system which enables the operator to fully brake. Operators ages 16 and 17 would be required to wear protective headgear. Failure to wear headgear would result in a fine not to exceed \$50. However, the fine would be waived if the operator proved they had purchased or rented a helmet or if economic hardship prevented the person from purchasing or obtaining a helmet. The waiver would only apply to the first offense. This part also specifies regulations for leaving the scene of an incident involving an e-scooter without reporting and makes doing so a violation. Additionally, makes the causing of serious physical injury due to the operation of an e-scooter without reporting a class B misdemeanor.

Operation under the influence of alcohol or drugs would be prohibited. No person would operate an e-scooter while their ability to operate is impaired by the consumption of alcohol. A violation would be punishable by a fine between \$300 and \$500 or by imprisonment for up to 15 days, or by both. A second violation within the preceding five years would be punishable by a fine between \$500 and \$750 or by imprisonment for up to 30 days, or by both. A person convicted two or more times within the preceding 10 years would be guilty of a misdemeanor and would be punished by a fine between \$750 and \$1,500 or by imprisonment for up to 180 days, or both. Operation with blood alcohol level of .08 or more, operation in an intoxicated condition, while impaired by the use of a drug, or impaired by the combined influence of drugs or alcohol would be a misdemeanor and punishable by imprisonment for up to one year, or by a fine between \$500 and \$1,000, or both. A second violation within the preceding 10 years would be a class E felony and punishable by a period of impris-

onment consistent with Penal Law, a fine between \$1,000 and \$5,000, or both. A third violation within the preceding 10 years would be a class D felony and punishable by a period of imprisonment consistent with Penal Law, a fine between \$2,000 and \$10,000, or both. These provisions would only be enforced upon a crash involving an e-scooter.

Agency Summary

NEW YORK POWER AUTHORITY

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT DECREASES INCLUDE:

- Operating Support for New York Power Authority (NYPA): \$129 million, \$43 million less than last year. This decrease is in accordance with a repayment plan between the State and NYPA for the previous transfer of funds to the State from NYPA's Spent Nuclear Fuel Reserves; the original transfer of funds to the State was directed as part of budget legislation passed in February 2009.

CAPITAL PROJECTS – A.9504

SIGNIFICANT ACTIONS INCLUDE:

- Empire State Trail: No new funding. \$48.6 million in re-appropriations, of this amount \$44.4 million is directed towards the Empire State Trail and \$4.2 million is directed towards the Canal Development Fund.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

PART VV SWEEPS AND TRANSFERS

§17 NYPA Authorizes the transfer of up to \$20 million from the New York State Power Authority to the General Fund to be utilized for energy-related state activities, after April 1, 2020.

TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION – A.9508

Part CCC Authorize the New York Power Authority (NYPA) to Form a Pure Captive Insurance Company This part adds NYPA and any subsidiaries or affiliates thereof to the definition of an entity that is "industrial insured". If NYPA plans to file an application to form a pure captive insurance company, they must submit written notice of such

filing to the Governor, the Temporary President of the Senate and the Speaker of the Assembly. This is the same requirement for the MTA and NYC who already have the authority to form a captive insurance company. NYPA may establish a subsidiary corporation for the purpose of creating a pure captive insurance company and the members of this subsidiary corporation will be the same people holding the offices of members of the authority. The subsidiary corporation will have all of the privileges, immunities, tax exemptions and others exemptions the authority currently has. Lastly, this part exempts a captive insurance company formed by NYPA from payment of certain fees, taxes or assessments. Again, this is current law for MTA and NYC.

Agency Summary

NON-PROFIT INFRASTRUCTURE INVESTMENT

WAYS & MEANS CONTACT:



CAPITAL PROJECTS – A.9504

SIGNIFICANT ACTIONS INCLUDE:

- Non-profit Infrastructure Capital Investment Program: No new funding, total program amount is \$120 million, of which \$70 million is available in reappropriations.
 - ⇒ This program provides targeted investment for capital projects in eligible non-profit human services organizations to improve the quality, efficiency, and accessibility of nonprofit human services organizations that serve New Yorkers. These organizations provide direct services to New Yorkers through State contracts, State authorized payments, and/or State payment rates.
 - ⇒ Non-profit human services organizations are eligible for investment grants that include but are not limited to: technology upgrades related to improving electronic records, data analysis, or confidentiality; renovations or expansions of space used for direct program services; modification to provide for sustainable, energy efficient spaces that would result in overall energy and cost savings; and accessibility renovations.
- ⇒ A non-profit Human Services Organization that is eligible for this grant and is located on publicly owned property may not use the funds for building or property maintenance, improvements, structural maintenance or improvements, or building systems maintenance or improvements.
- ⇒ Funding will be made available through a competitive process that will include multiple representatives from the Office of Children and Family Services, Office of Temporary and Disability Assistance, Office for People with Developmental Disabilities and the Office of Mental Health, to be determined by the Director of Budget and the guidelines for the program and competitive process will be subject to approval of the Director of the Budget.
- ⇒ Proposals submitted by eligible non-profit human services organizations will include amount of funds requested, size and scope

of project, numbers of clients benefiting, a detailed description of the project, the extent to which the proposed project reflects necessary improvements or upgrades to continue to service non-profit human services organizations target population and a statement whether the project has received all necessary regulatory approvals.

- ⇒ The Dormitory Authority will administer the program, with debt issuance through the Dormitory Authority and the Urban Development Corporation.

Agency Summary

OLYMPIC REGIONAL DEVELOPMENT AUTHORITY

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT DECREASES INCLUDE:

- Olympic Facilities Operations Program: \$14.09 million, \$13 million less than last year. Last year's appropriation reflected a \$16 million appropriation for ORDA to enter into an indemnification associated with the World University Games. This is partially offset by growth in personal service costs from staffing increases connected to World University Games preparations.

Regional Development Authority. These include, among others, Whiteface Mountain, Gore Mountain, and Belleayre Mountain Ski Resort. Of this amount, \$110 million is appropriated for World University Games preparations. An additional \$2.5 million appropriation is drawn from the NY Works.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Ski Facility Upgrades: \$144.5 million, \$64.5 million more than last year, for services and expenses related to the upgrade, renovation, and modernization of Olympic, ski, and other facilities owned and operated by the Olympic

Agency Summary

PARKS, RECREATION, & HISTORIC PRESERVATION

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Administration: \$252.7 million, \$3.2 million more than last year. This includes \$265,000 in costs related to Brianna's Law, which was passed in 2019 and requires all New York boaters to have completed a Boater's Safety Course by 2025.
- Enterprise Funds: \$25 million, \$3 million more than last year. This includes a \$2 million increase for the Golf Enterprise Fund and \$1 million for the Retail Enterprise Fund.

AID TO LOCALITIES – A.9503

SIGNIFICANT DECREASES INCLUDE:

- Local Assistance Programming: \$340,000 has been eliminated, no new funding for this year. The following 2019-2020 legislative additions have been eliminated:

- Broadway Mall Association: \$30,000;
- Historic Huguenot Street: \$50,000;
- Morningside Heights Historic District Committee: \$35,000;
- Narrows Botanical Gardens: \$10,000;
- NYC Department of Parks and Recreation: \$15,000; and
- Prospect Park Alliance: \$200,000.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Parks Infrastructure: \$73.4 million, \$4.2 million more than last year, for maintenance and improvements to existing facilities.

MAINTAINS THE FOLLOWING:

- New York Works: \$112.5 million, the same as last year.

Agency Summary

PREVENTION OF DOMESTIC VIOLENCE

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Administration Program: \$3.9 million, \$136,000 more than last year, due to an increase in personal service at the Office of General Services Interchange and Transfer Authority and IT Interchange and Transfer Authority.

AID TO LOCALITIES – A.9503

SIGNIFICANT DECREASES INCLUDE:

- Domestic Violence Prevention: \$1.8 million, \$50,000 less than last year, due to a decrease related to the Family Violence and Women's Right Clinic at the SUNY Buffalo Law School.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part M Remove Guns from Domestic Abusers
If enacted, this would allow a police officer that responds to a report of a family offense to temporarily take custody of any firearm, rifle, electronic dart gun, electric stun gun, disguised gun, imitation weapon, shotgun, antique firearm, black powder rifle or shotgun, or muzzle loading firearm that is in plain sight or discovered as part of a lawful search. Police Officers would also be required to take custody of any firearm that is in possession of any person arrested or suspected of such family offense.

No less than 48 hours and no more than 144 hours after a weapon described was taken into custody by law enforcement, the person in lawful possession of such weapon may arrange the transfer of the weapon to either a firearms dealer or him or herself.

Part Q Establish a Domestic Violence Misdemeanor This proposal would establish the misdemeanor offense of Domestic Violence. An

individual would be guilty of domestic violence when he or she commits any firearms offense against an individual of the same family or household. An individual would also be guilty of domestic violence if he or she commits assault in the 3rd degree; criminal obstruction of breathing or blood circulation; forcible touching; sexual abuse of the 3rd or 2nd degree; or unlawful imprisonment in the second degree against a current or former spouse, parent or guardian or a person who the victim shares a child with.

Part PP Strengthen Protections for Domestic Violence Victims Seeking a Divorce This bill would consider effects on an individual's ability to earn a living or obtain meaningful employment as a result of domestic violence when determining financial settlements in divorce proceedings.

Agency Summary

PUBLIC AUTHORITIES

WAYS & MEANS CONTACT:



TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION — A.9508

Part I MTA Bond Cap Increase This part increases the MTA's statutory bonding authority by \$34.6 billion for a cumulative total of \$90.1 billion; this would extend their bonding authority until 2024.

Part CC Extend the Authorization of the Dormitory Authority of the State of New York (DASNY) to Form Subsidiaries This part extends for 4 years, until July 1, 2024, the ability for DASNY to create subsidiaries. This authorization has been renewed four times since 2011 and is set to expire on July 1, 2020. DASNY has used these subsidiaries to take title to the property of borrowers regulated under Public Health Law Article 28 (not-for-profit hospitals and health care facilities) who have defaulted on loan agreements or mortgages with DASNY.

Part DD Amends the Infrastructure Investment Act This part adds the Office of General Services, the Dormitory Authority of the State of New

York, the Urban Development Corporation, the State University Construction Fund, the New York State Olympic Regional Development Authority and the Battery Park City Authority to the list of entities included in the Infrastructure Investment Act; these entities can utilize design-build. An authorized State entity may utilize design-build for capital projects located within the State and a physical infrastructure can now include buildings and appurtenant structures.

This part also changes the requirement that an entity selected to enter into a design-build contract does not have to be selected through the two-step method. State entities shall consider, when awarding a contract, the participation of service-disabled veteran-owned businesses. When using a lump sum contract, the lump sum price may be negotiated and established by the authorized State entity based on a proposed guaranteed maximum price. Further, the design-build contract may include both lump sum elements and cost-plus not to exceed guaranteed maximum price elements and can also provide for professional services on a fee-for-service basis. Any contract awarded will be deemed awarded pursuant to competitive procurement. Lastly, this part will expire on July 1, 2023.

Part CCC Authorize the New York Power Authority (NYPA) to Form a Pure Captive Insurance Company This part adds NYPA and any subsidiaries or affiliates thereof to the definition of an entity that is "industrial insured". If NYPA plans to file an application to form a pure captive insurance company, they must submit written notice of such filing to the Governor, the Temporary President of the Senate and the Speaker of the Assembly. This is the same requirement for the MTA and NYC who already have the authority to form a captive insurance company. NYPA may establish a subsidiary corporation for the purpose of creating a pure captive insurance company and the members of this subsidiary corporation will be the same people holding the offices of members of the authority. The subsidiary corporation will have all of the privileges, immunities, tax exemptions and others exemptions the authority currently has. Lastly, this part exempts a captive insurance company formed by NYPA from payment of certain fees, taxes or assessments. Again, this is current law for MTA and NYC.

Agency Summary

PUBLIC SERVICE

WAYS & MEANS CONTACT:



TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION — A.9508

Part Y Cable TV and Utility Assessments Authorizes the Public Service Commission (PSC) to transfer revenue from cable television assessments to the Department of Health (DOH) to absorb costs incurred from the Department's Public Service Education Program. This is not a new assessment and is reauthorized annually. This part also authorizes the PSC to transfer revenue from a utility assessment to the Office of Parks, Recreation and Historic Preservation, and the Departments of Agriculture and Markets, Environmental Conservation, and State. Additionally, the PSC would be authorized to collect up to \$10 million from a utility assessment for deposit to the Electric Generating Facility Cessation Mitigation Fund.

Part Z Oversight and Enforcement Strengthens the oversight and enforcement mechanisms of the Public Service Commission by authorizing the Department of Public Service to undertake administrative investigations of and commence enforcement proceedings against gas and electric companies. This bill applies the administrative provisions of Public Service Law 25-a to all regulated public utility corporations.

Part AA Net Neutrality Codifies Executive Order 175 of 2018, prohibiting State agencies from contracting for internet service with any Internet Service Provider (ISP) that does not adhere to "net neutrality" principles. This part defines "net neutrality" such that an ISP shall not block, throttle or prioritize internet content or applications or require that end users pay different or higher rates to access specific types of content or applications. In 2018, the Federal Communications Commission voted to reverse rules enforcing net neutrality principles nationwide.

Part BB Small Cell Wireless Facility Deployment Establishes a uniform process for statewide siting of small cell wireless (5G) facilities. Municipal corporations would be authorized to charge application fees to wireless providers for the installation of 5G facilities. The application fee structure would be as follows:

- \$500 for the first five small wireless facilities on the same application;
- \$100 for each additional small wireless facility on the same application; and
- \$1,000 for installation, modification or replacement of a utility pole combined with the collocation of an associated small wireless facility.

Municipal corporations would be authorized to charge for:

- Occupancy and use of rights of way, this charge would not exceed the greater of an authority's direct costs or \$20 per year per small wireless facility; and
- Utility pole collocation, this charge would not exceed an authority's direct costs or \$250 per pole per year.

The Department of Transportation would be authorized to enter into a statewide master license agreement with wireless providers for use and occupancy of State-owned right of ways for communications facilities.

Agency Summary

SETTLEMENT MONEY

WAYS & MEANS CONTACT:

EXTRAORDINARY MONETARY SETTLEMENTS (\$ AMOUNT IN MILLIONS)							
FIGURE 1							
	2013-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Total Settlement Money repaid by the State	4,971	3,606	3,977	3,805	3,486	3,896	32,751
BNP Paribas	2,243	1,348	0	350	0	0	3,941
Deutsche Bank	20	600	212	0	205	0	1,137
Credit Suisse AG	715	30	0	135	0	0	880
Commerzbank	610	32	0	0	0	0	642
Barclays	0	670	0	0	15	0	685
Credit Agricole	0	350	0	0	0	0	350
Bank of Tokyo Mitsubishi	315	0	0	0	0	0	315
Bank of America	300	0	0	0	0	0	300
Standard Chartered Bank	300	0	0	0	40	322	662
Bank Leumi	120	0	0	0	0	0	120
Ocwen Financial	100	0	0	0	0	0	100
Citigroup (State Share)	69	0	0	0	0	0	69
Goldman Sachs	0	50	190	0	55	0	295
Wells Fargo	50	0	0	0	20	0	70
American International Group, Inc.	35	0	0	0	0	0	35
Prudential Insurance Co. of New Jersey	25	0	0	0	0	0	25
AXA Equitable Life Insurance Company	20	0	0	0	0	0	20
Prudential	16	15	0	0	0	0	31
New Day	0	1	0	0	0	0	1
Morgan Stanley	0	150	0	0	0	0	150
Volkswagen	0	0	32	33	0	0	65

Navy Bank	0	0	(6)	0	0	0	130
Agricultural Bank of China	0	0	215	0	0	0	215
PRM Mortgage	0	0	28	0	0	0	28
Inleca SanPaolo	0	0	235	0	0	0	235
Habit Bank	0	0	0	225	0	0	225
Cigna	0	0	0	2	0	0	2
Western Union	0	0	0	0	0	0	0
Aetna Insurance Company	0	0	0	0	2	0	2
Aflac Life Insurance	0	0	0	0	42	0	42
Bank of America Merrill Lynch	0	0	0	0	1	0	1
Chubb	0	0	0	0	1	0	1
Conduent Education Services	0	0	0	0	0	0	0
Lockton Attnly	0	0	0	0	0	0	0
Mashreqbank	0	0	0	0	40	0	40
NationsMortgage	0	0	0	0	5	0	5
Oscar Insurance Company	0	0	0	0	1	0	1
RESt Financial Products Inc.	0	0	0	0	100	0	100
Societe Generale SA	0	0	0	0	498	0	498
UBS	0	0	0	0	21	0	21
Wells Fargo	0	0	0	0	65	0	65
William Penn	0	0	0	0	0	0	0
Google/YouTube	0	0	0	0	0	34	34
Radex	0	0	0	0	26	0	26
MUFG Bank	0	0	0	0	0	33	33
Original	0	0	0	0	0	507	507
Other	7	0	(7)	0	1	0	1
Off-Balance Sheet Items - Settlements Already Spent							
Settlements Budgeted in 2014-15 Financial Plan							(275)
Settlements Budgeted in 2015-16 Financial Plan							(102)
Settlements Budgeted in 2016-17 Financial Plan							(461)
Settlements Budgeted in 2017-18 Financial Plan							(719)
Settlements Budgeted in 2018-19 Financial Plan							(5)
Support to OASAS Chemical Dependence Program 2015-16							(850)
Federal Audit Disallowance 2015-16							(10)
Department of Law- Litigation Services Operations 2015-16							(4,550)
Enacted Budget Initiatives 2015-16							(63)
Department of Law- Litigation Services Operations 2016-17							(1,980)
Enacted Budget Initiatives 2016-17							(27)
Department of Law- Litigation Services Operations 2017-18							(1,370)
Enacted Budget Initiatives 2017-18							(76)
CSX Litigation Payment 2017-18							(80)
Department of Law- Litigation Services Operations 2018-19							(319)
Enacted Budget Initiatives 2018-19							(738)
Enacted Budget Initiatives 2019-20							(6)
Retained by Attorney General							0
Settlements Money Available in the Financial Plan							(890)
Reserve for Economic Uncertainties							0
Unallocated Settlements Money							0

SETTLEMENT MONEY CHART INFORMATION

Figure 1 indicates the specific amounts, fiscal year and institution that paid the State settlement funds. Further, it breaks down how much was spent in each given budget cycle. This chart is a snapshot in time and may be adjusted with each Financial Plan update.

2020-21 EXECUTIVE BUDGET PROPOSAL

Since State Fiscal Year 2014-15, the State has received a total of approximately \$12.8 billion in *Extraordinary Monetary Settlements* for violations of State laws by major financial and other institutions. There were no new settlements from the time of the Mid-Year Financial Plan Update.

As a reminder, effective April 1, 2019, the Financial Plan will no longer distinctly identify or classify any settlement of less than \$25 million as an *Extraordinary Monetary Settlement*. These settlements will be collected as a Miscellaneous Receipt and be used for General Fund purposes.

Beginning in the 2019-20 Enacted Budget a new reserve fund was created for the purposes of holding settlement funds. This fund is known as the reserve for "Economic Uncertainties". If a settlement is more than \$25 million, DOB has relayed that they will be placed in this reserve fund for recessionary purposes and not one-shot or reoccurring programmatic needs. The reserve for "Economic Uncertainties" has a total of \$890 million and the amount does not change in the 2020-21 Executive Budget proposal.

SETTLEMENT MONEY USES

The State has used these one-time cash payments in a variety of ways. The following lists goes into more detail of how each year spent these settlement funds:

- **CSX Litigation Payment:** \$76 million designated for the following: to pay for an eminent domain case the State lost to CSX Transportation Inc. The Federal government must pay \$24 million, for a total State and Federal payment of \$100 million.
- **Department of Law:** \$180 million designated for the following: for making payments to the Department of Law for litigation services (\$10 million in 2015-16, \$63 million in 2016-17, \$27 million in 2017-18 and \$80 million in 2018-19).
- **Financial Plan Operations:** \$1.807 billion designated for the following: to help balance the Financial Plan and help prevent gaps or deficits in the plan (\$275 million in 2014-15, \$250 million in 2015-16, \$102 million in 2016-17, \$461 million in 2017-18, and \$719 million in 2018-19).
- **2015-16 Enacted Budget:** \$5.405 billion designated for the following: \$150 million was for Emergency Response, \$355 million for Grants to Essential Health Care Providers, \$15.5 million for Roswell Park, \$19.5 million for Community Health Facility Revolving Loan Fund, \$10 million for Infrastructure costs of Behavioral Health Services in the Medicaid Managed Care Benefit Package, \$115 million for Infrastructure improvements, \$150 million for Municipal Restructuring, \$500 million for New NY Broadband, \$250 million for Penn Station Access, \$50 million for Southern Tier/Hudson Valley Agriculture Programs, \$1.285 billion for Thruway Stabilization Program, \$150 million for Transformative Economic Development Projects, \$1.5 billion for Upstate Revitalization Fund and \$850 million for OPWDD Federal Reimbursement needs.

- 2016-17 Enacted Budget: \$1.96 billion designated for the following: \$700 million was for Thruway Stabilization Program, \$200 million for DOT Capital Plan, \$170 million for Upstate Revitalization Fund, \$85 million Economic Development, \$1 billion for Jacob Javits Convention Center (which must be paid back), \$25 million Empire State Poverty Reduction Initiative, \$640 million for the Comprehensive Statewide Multi-year Housing Program and \$20 million for Municipal Consolidation. There was also a \$120 million transfer to the Environmental Protection Fund.
- 2017-18 Enacted Budget: \$1.37 billion designated for the following: \$100 million was for Downtown Revitalization, \$100 million for Counter-terrorism measures, \$400 million for Buffalo Billion Phase II, \$65 million for MTA Capital Projects, \$20 million for Non-MTA Capital projects, \$10 million for Non-MTA Operating Funds, \$320 million for Life Sciences and \$155 million for Potential Labor settlements.
- 2018-19 Enacted Budget: \$319 million designated for the following: \$194 million for MTA Subsidy for operations and \$125 million for Health Care Capital Grants.
- 2019-20 Enacted Budget: \$738 million designated for the following: \$250 million for the Clean Water Infrastructure initiative and \$488 million for Rainy Day Reserve Deposits.
- Retained by Attorney General: \$6 million.
- Reserve for "Economic Uncertainties": \$890 million collected between the 2019-20 First Quarter and Mid-year Financial Plan updates.

CAPITAL PROJECTS – A.9504

Settlement money can either be appropriated through the NYS Special Infrastructure Account, directly through an Agency's specific budget or through the Financial Plan.

- NYS Special Infrastructure Account: No new settlement funds are flowing through the NYS Special Infrastructure Account; \$1.8 billion is left in reappropriations.
- Financial Plan/Agency Budgets: No new settlement funds are identified for programmatic or General Fund needs in the 2020-21 Executive proposal.
 - In order to help close the 2019-20 Budget Gap of \$1.8 billion, the FY 2020 Savings Plan used \$200 million in previously collected settlement funds to help with accelerated capital needs. This \$200 million will be fully reimbursed in the 2020-21 Executive Budget.

Agency Summary

STATE

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT DECREASES INCLUDE:

- Authorities Budget Office Program: \$2 million, \$9,000 less than last year, due to a decrease in fringe benefits.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Administration Program: \$1.9 million.
- Business and Licensing Services Program: \$47.2 million.
- Consumer Protection Program: \$4.7 million.
- Lake George Park Commission Program: \$2 million.
- Local Government and Community Services Program: \$14.7 million.
- Office for New Americans: \$442,000.
- State of New York Commission on Uniform State Laws: \$155,000.

SIGNIFICANT ACTIONS INCLUDE:

- Code Enforcement Program: \$2.1 million in new funds for services related to the code enforcement agency.

AID TO LOCALITIES – A.9503

SIGNIFICANT DECREASES INCLUDE:

- Office for New Americans: \$6.4 million, \$11 million less than last year, due to the elimination of legislative adds for services that assist non-citizens including: English-As-A-Second-Language, job placement and training, and legal services.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Public Utility Law Project: \$900,000.
- Independent Redistricting Commission: \$250,000.
- Doe Fund: \$200,000.

- New York Immigration Coalition: \$150,000.
- Student Loan Consumer Assistance Program: \$250,000.

TRANSPORTATION, ECONOMIC DEVELOPMENT, AND ENVIRONMENTAL CONSERVATION — A.9508

Part Q Place Responsibility for Mailing a Copy of Service of Process on Plaintiff Rather Than the Department of State Requires plaintiffs suing corporations to jointly serve copies of process documents to the Department of State and a defendant corporate entity. Under current law, the plaintiffs may serve process documents to the Department of State where the Department of State must act as an agent for the defendant corporate entity and mail them a copy of the process documents via certified mail. This part would relieve the Department of State of this duty.

Part R Extend For One Year the Authority of the Secretary of State to Charge Increased Fees for Expedited Handling of Documents Extends authorization for the Secretary of State to provide special handling of documents filed by the Division of Corporations at an increased fee until March 31, 2021.

Part S Pink Tax This part would prohibit business entities from selling substantially similar products or services at different prices if the products or services are priced differently based upon the gender of the person for whom the products or services are marketed and intended. An example of a substantially similar product is a razor blade. An example of a substantially similar service is a haircut. Price differences are permitted so long as the products or services differ due to the amount of time, difficulty, or cost incurred in manufacturing such product or offering such service. Restitution for violations of this Act may be sought through the Attorney

General (AG) and the AG may seek a civil penalty not to exceed \$25,000. An individual who has been injured by violation of this Act may seek restitution for actual damages or \$50, whichever is greater. The court may increase the damages up to \$1,000 for business entities willfully and knowingly violating this act.

Part T Robocalls This part consolidates various provisions of law in the General Business Law into one article, including the New York State Do Not Call Act and the Telemarketing and Consumer Fraud and Abuse Prevention Act of the New York State. This provision establishes consumer protections against robocalls by making it unlawful for telemarketers to provide misleading or inaccurate caller identification information to voice service providers, requiring the Department of State to maintain a statewide Do Not Call registry in addition to the Federal Trade Commission's national Do Not Call registry, requiring voice service providers to offer call blocking services to customers free of charge, and requiring telemarketing entities to receive a certificate of registration from the Department of State prior to engaging in telemarketing services. Telemarketing services are prohibited from making unsolicited calls to any person in a county, city, town, or village knowingly under a declared State of Emergency or disaster emergency.

The Department of State would have the authority to issue subpoenas to any telemarketing entity it believes to be in violation of this Article and may petition a court of competent jurisdiction to levy a civil penalty not to exceed \$1,000 per day of non-compliance. If a hearing determines that any telemarketing entity has violated any provision of this section, the Department of State may assess a fine not to exceed \$22,000 for each violation. Every three years following enactment of this Article, voice call providers will be required to review the best available call authentication technology and deploy such technology free of charge to consumers in New York State at no additional cost or fee. Finally, voice call providers will be required to submit an annual report to the Department of

State detailing the deployment and review of best available call authentication technology and any additional relevant information pursuant to the aims of this Article. Any voice service provider that fails to comply with this section shall be subject to a fine between \$10,000 to \$100,000 for each violation, and in the case of a continuing violation, each day shall be considered a separate offense.

Part U Add "E Pluribus Unum" to the Arms of the State Changes the current New York flag to incorporate the words "E Pluribus Unum", Out of Many, One, under the word "Excelsior" as part of the State flag. The NY Secretary of State would be required to begin using the new seal as of the effective date and any electronic depiction of the Arms shall be updated within 60 days. No agency, local government, or public authority shall be required to replace a flag solely because such flag contains the former arms of the State.

Part V Removing Unnecessary Barriers to Obtaining Occupational Licensing Removes the requirement for prospective occupational licensees to be U.S. citizens or legal permanent residents. Occupations subject to this provision include: Notary Publics, Real Estate Brokers and Salesmen, Private Detectives, and Security Guards.

Part W Home Inspector Examination Offers prospective professional Home Inspectors to become certified through the completion of the National Home Inspector examination or an examination offered by the Department of State. This bill will take effect immediately and retroactively apply to individuals who have applied for a professional home inspector license on or after November 25, 2019.

Part X Nuisance Fee Repeal Repeals fees remitted by business entities upon their biennial filing of business statements with the Department of State. Business filings will be indexed on the date of filing rather than going through an extensive review process. If errors are found businesses will have 30 days to take corrective action.

Agency Summary

STATE UNIVERSITY OF NEW YORK

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Additional Tuition Revenue: \$53 million in additional tuition revenue as a result of an anticipated \$200 increase in tuition. This action raises SUNY tuition to \$7,270; however, this increase is subject to a vote by the SUNY Board of Trustees.
- Educational Opportunity Centers: \$62 million, \$1 million more than last year.
- SUNY Fringe Benefits: \$1.9 billion, \$96.3 million more than last year.
- SUNY Stabilization: \$15 million, \$15 million more than last year.

SIGNIFICANT DECREASES INCLUDE:

- New York State Veterinary College at Cornell: \$250,000, \$250,000 less than last year.
- SUNY Small Business Development Centers: \$2 million, \$700,000 less than last year.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Additional Support for State Operated Campuses: \$18 million for services and expense of state operated campuses to be distributed according to a plan approved by the SUNY Board of Trustees.
- ATTAIN Lab Program: \$5.5 million.
- Educational Opportunity Programs (EOP): \$32.2 million.
- Long Island Veteran's Home: \$53.4 million.
- Open Educational Resources: \$4 million.

SIGNIFICANT ELIMINATIONS INCLUDE:

- American Chestnut Research and Restoration Project: \$150,000.
- Benjamin Center at New Paltz: \$100,000.
- Cornell Center in Buffalo: \$150,000.
- Stony Brook Algonquin Language Revitalization Project: \$50,000.
- SUNY Mental Health Services and Telecounseling: \$500,000.

AID TO LOCALITIES – A.9503

SIGNIFICANT DECREASES INCLUDE:

- Community College Child Care Centers: \$1 million, \$1.1 million less than last year.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Family Empowerment Community College Pilot Program: \$3 million in funding to provide a comprehensive system of support for single parents returning to community college. Although no new funding is appropriated this year, \$3 million is included for this program in SUNY reappropriations.
- SUNY Orange BRIDGE Program: \$100,000.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Community College Base Aid: \$2,947 per student. The total appropriation is \$431.2 million, \$22.7 million less than last year reflecting an expected decrease in enrollment. Removes 98% hold harmless provision from last year's Enacted Budget.
- Community College Apprenticeship Program: \$3 million.
- Community Colleges with Low Enrollment: \$940,000.
- Community College Contract Courses: \$1.9 million.
- Cornell Cooperative Extension: \$3.9 million.
- Next Generation NY Job Linkage Program Incentive Fund Grants: \$3 million.
- Rental Aid: \$11.6 million.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Strategic Needs Capital Matching Program: \$200 million in new funding for the State

share of a new 2:1 capital matching program to support new construction and major renovations of academic buildings at SUNY state-operated and statutory colleges. The program requires a \$1 campus match for every \$2 invested by the State.

- SUNY Capital Projects: \$1.43 billion, \$507.3 million more than last year. Of this funding:
 - ⇒ Community College General Maintenance and Improvements: \$46 million.
 - ⇒ General Maintenance and Improvements: \$900 million.
 - ⇒ Project Administration: \$25.1 million.
 - ⇒ Residence Hall Rehabilitation: \$75 million.
 - ⇒ SUNY Hospital Capital Subsidy: \$150 million, \$50 million more than last year. The additional \$50 million is for SUNY Downstate University Hospital for university-wide projects. Hospitals that receive funding from this appropriation are required to pay the debt service.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part CC Creates a Higher Education Institution License for Alcoholic Beverage Sale and Manufacture Any college or university accredited by the Board of Regents of the New York State Education Department may apply to the Liquor Authority for a higher education institution license. Under this new license, higher education institutions would be able to manufacture mead, beer, cider, liquor, and wine and also have the ability to sell those products to retail customers for on and off premises consumption. The application would be in writing and would contain information as required by the Liquor Authority and would carry a fee of \$400. The annual fee for a higher education institution license would be \$2,000.

EDUCATION, LABOR AND FAMILY ASSISTANCE – A.9506

Part D Extends the Predictable Funding Plan for SUNY and CUNY Currently, SUNY and CUNY are in the third year of a four year plan, which authorizes the raising of the resident undergraduate rate of tuition by up to \$200 annually. This part extends that authorization for four years, commencing in the 2021-2022 academic year and ending in the 2024-2025 academic year. Students receiving an award under the Tuition Assistance Program (TAP) will receive a tuition credit from their campus in an amount proportional to how much TAP they receive. A student receiving the maximum TAP award will receive a credit equal to the difference between the TAP award and tuition cost. On or before November 30, 2021, the SUNY Board of Trustees will approve and submit a master tuition plan setting proposed tuition rates for the four year period. Also included is a continuation of the maintenance of effort provision for SUNY and CUNY, which will provide State operating support to SUNY and CUNY in an amount not less than the amount appropriated in the prior fiscal year. This part would also authorize the SUNY College of Environmental Science and Forestry to raise tuition rates for non-resident undergraduate students by up to 10% annually for four years beginning in the 2021-2022 academic year and ending in the 2024-2025 academic year. This is intended to set the non-resident tuition rate similar to that at SUNY University Centers.

Part E Raises the Excelsior Scholarship Income Eligibility Threshold from \$125,000 to \$150,000 Increases the Excelsior Scholarship income eligibility threshold to \$135,000 in the 2020-2021 academic year and to \$150,000 in the 2021-2022 academic year and thereafter.

Part F Raises the Enhanced Tuition Awards Program Income Eligibility Threshold from \$125,000 to \$150,000 Increases the Enhanced Tuition Awards Program income eligibility thresh-

old to \$135,000 in the 2020-2021 academic year and to \$150,000 in the 2021-2022 academic year and thereafter.

Agency Summary

STATE & MUNICIPAL FACILITIES

WAYS & MEANS CONTACT:

[REDACTED]

CAPITAL PROJECTS – A.9504

SIGNIFICANT ACTIONS INCLUDE:

- State and Municipal Facilities Program: No new funding, for a program total of \$2.8 billion, of which approximately \$1.7 billion is still available in reappropriations.

PROGRAM CRITERIA:

- Funds capital costs of construction, improvement, rehabilitation or reconstruction of facilities, acquisition of capital facilities and assets, including fixed assets, acquisition by an eligible entity of capital assets not limited to: heavy duty road maintenance and construction vehicles, pavers, snow plows, street sweepers and heavy duty fire, emergency response and law enforcement vehicles and economic development projects.
- Authorizes the acquisition, by eligible entities, of equipment and other capital assets including vehicles in support of health, safety, technology or innovation as eligible uses.
- Eligible entities are: the State, municipal corporations, water and sewer districts, MTA, a college or university, an independent not-for-profit institution of higher education, public school districts, public housing authorities, public libraries and library systems chartered by the Regents of NYS or established by an act of the Legislature, public park conservancies or not for profit corporations organized for the purpose of investing in parks owned by the state or municipal corporations and not for profit fire districts, fire commissions fire companies, fire departments, volunteer rescue and ambulance squads, special act schools districts, schools for the blind and deaf and 4201 and 853 schools, sanitation districts, special districts, Metropolitan Commuter Transportation Authority, Niagara Frontier Transportation Authority, Rochester- Genesee Regional Transportation Authority, Capital District Transportation Authority, Central New York Regional Transportation Authority and/or New York City Health & Hospitals Corporation.
- The Governor and/or with the approval of the Director of the Budget, have complete discre-

tion over the distribution of these capital funds, through the Dormitory Authority and the Urban Development Corporation.

- This is bonded capital.

SAM AUTHORIZATIONS INCLUDED IN 2019-20 APPROPRIATION BUDGET CLEAN-UP (A.8434)

- Authorized \$385 million in new funding, for a total of \$2.8 billion.
- Funds from this appropriation are available to all previous purposes, as well as for the Lake Ontario resiliency and economic development projects and purposes, including services and expenses, loans, grants and costs of program administration related to hardening infrastructure along the Lake Ontario waterfront and strengthening the local economy within the region. The money can also be used for projects or priorities recommended by the Lake Ontario Resiliency and Economic Development Initiative Commission.
- Further, the 2017 SAM reappropriation was amended to now include any purpose, individual, or entity authorized under the Lake Ontario- St. Lawrence Seaway Flood Relief and Recovery Grant Program for any damages sustained as a result of severe storms and flooding which occurred between January 1, 2019 and December 31, 2019, without limits.

SAM AUTHORIZATIONS IN THE 2019-20 ENACTED BUDGET:

- Authorized up to \$13 million for any purpose, individual or entity authorized under the Southern Tier-Finger Lakes Recovery Program, as administered by the Housing Trust Fund Corporation, for damages sustained as a result of a severe storm and flooding which occurred between August 13, 2018 and August 15, 2018.

SAM AUTHORIZATIONS IN THE 2018-19 ENACTED BUDGET:

Of the \$475 million in new funding enacted in the 2018-19 Budget:

- \$385 million can be used by all previous and new eligible entities, as well as any other not-for-profit corporation or other not-for-profit entity.
- The remaining \$90 million can be used by all previous and new eligible entities, with \$40 million being specifically dedicated for payment of liabilities incurred or payments made prior to April 1, 2018 for any purpose, individual, or entity authorized under the Lake Ontario- St. Lawrence Seaway Flood Relief and Recovery Grant Program. The \$40 million will be subject to the approval of the Director of Budget.


SAM AUTHORIZATIONS INCLUDED IN 2017-18 EXTRAORDINARY SESSION- A.40001 (HEASTIE), PART K:

- Authorized for any purpose, individual, or entity authorized under the Lake Ontario- St. Lawrence Seaway Flood Relief and Recovery Grant Program.
 - Funds should be available, including the payment of liabilities incurred or payments made prior to April 1, 2017, subject to approval of the Director of the Budget.
- Authorized payment for the costs of other storm recovery and mitigation projects, not to exceed \$10 million in the aggregate to municipalities and special districts:
 - In an amount no less than \$6.8 million for Chautauqua, Cattaraugus and Allegany counties for damages sustained as a result of a severe storm and flooding that occurred July 14th and 15th, 2015; and
 - In an amount not to exceed \$2 million to Monroe County for damages resulting from a severe storm which occurred March 8, 2017.

Agency Summary

STATE POLICE

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

SIGNIFICANT INCREASES INCLUDE:

- Administration Program: \$15.6 million, \$400,000 more than last year, for costs associated with training academy operation.
- Criminal Investigations Activities Program: \$227.8 million, \$13.2 million more than last year, for personal service costs and overtime compensation.
- Patrol Activities Program: \$558.3 million, \$42.9 million more than last year, due to an increase in personal service costs.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Maintenance and Operation: \$9 million, \$1 million more than last year, to support maintenance costs at regional State Police facilities.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part J Waive the State Police Maximum Age for Appointment For Park Police Officers If enacted, the Superintendent of State Police may waive the maximum age of appointment of any individual employed by the Office of Parks, Recreations and Historic Preservation as a police officer who is appointed to the New York State Police as a result of State Police assuming law enforcement responsibilities of such agency.

Part K Preventing the Manufacture and Dissemination of Ghost Guns Requires any entity that is transferring a major component of a firearm, rifle or shotgun or unfinished frame or receiver to transfer such parts in person and be a licensed firearms dealer. Dealers would also be required to examine a valid identification document before a purchase and keep records of transactions involving major components or unfinished frames or receivers. No authorized firearm dealer may transfer a frame or receiver that either does not have a serial number assigned to it or the serial number is conspicuously engraved.

If enacted, any person possessing a major component of a firearm, rifle or shotgun or and unfinished frame or receiver who is otherwise prohibited from possessing a firearm or in conjunction with an extreme risk protection order is guilty of criminal possession of a weapon in the 3rd degree. Any person not a validly licensed firearm dealer who violates provisions in the article and transfers major components shall be guilty of a class D felony. Licensed dealers who transfer major components without serial numbers or serial numbers that are conspicuously engraved shall be guilty of a class B misdemeanor.

Part L Subpoena Authority of State Police This proposal would allow the Superintendent of State Police to issue administrative subpoenas during the course of an investigation of online sexual offenses against minors. The Superintendent would be authorized to subpoena information regarding an individual's: name; internet username; billing and service address; electronic mail address; internet protocol address; telephone number of account holder; method of access to the internet; records of session or times of duration; telephone or instrument number; account status; length of service; and means or source of payment including credit card or bank numbers.

Part M Remove Guns from Domestic Abusers If enacted, this proposal would allow a police officer that responds to a report of a family offense to temporarily take custody of any firearm, rifle, electronic dart gun, electric stun gun, disguised gun, imitation weapon, shotgun, antique firearm, black powder rifle or shotgun, or muzzle loading firearm that is in plain sight or discovered as part of a lawful search. Police Officers would also be required to take custody of any firearm that is in possession of any person arrested or suspected of such family offense.

No less than 48 hours and no more than 144 hours after a weapon described was taken into custody by law enforcement, the person in lawful possession of such weapon may arrange the transfer of the weapon to either a firearms dealer or him or herself.

Part O Requires Crime Gun Data to be Reported to Specified Centralized Databases This proposal would require State and local law enforcement agencies to submit guns that were recovered, were unlawfully possessed, recovered from a crime scene, used or have been reasonably determined to have been used in the commission of a crime or otherwise abandoned or discarded, to be submitted to the criminal gun clearing house no more than 24 hours after the agency has taken custody of such firearm. The criminal gun clearing-house will in turn submit a report to the national tracing center of the Bureau of Alcohol, Tobacco and Firearms who will provide the results of such tracing search to the Superintendent of State Police.

Whenever a State or local law enforcement agency takes possession of a firearm each agency shall arrange for every gun to be test fired in a manner that is suitable for submission to the National Integrated Ballistics Information Network (NIBIN). Information relating to ammunition cartridges believed to be used in the commission of a crime shall also be submitted to NIBIN. This also requires law enforcement agencies to enter the make, model, caliber and serial number of a firearm into the National Crime Information Center database to check if such weapon was ever reported stolen.

Part Q Establish a Domestic Violence Misdemeanor This proposal would establish the misdemeanor offense of Domestic Violence. An individual would be guilty of domestic violence when he or she commits any firearms offense against an individual of the same family or household. An individual would also be guilty of domestic violence if he or she commits assault in the 3rd degree; criminal obstruction of breathing or blood circulation; forcible touching; sexual abuse of the 3rd or 2nd degree; or unlawful imprisonment in the second degree against a current or former spouse, parent or guardian or a person who the victim shares a child with.

Agency Summary

STATEWIDE FINANCIAL SYSTEM

WAYS & MEANS CONTACT:



STATE OPERATIONS – A. 9500

SIGNIFICANT INCREASES INCLUDE:

- Statewide Financial System Program: \$31.2 million, \$655,000 more than last year. This program is related to the development of enterprise technology solutions. These funds are available upon the mutual agreement of the Director of the Division of the Budget and the State Comptroller on a joint implementation plan for the integrated development of Statewide Financial System (SFS) to be utilized by agencies, the Division of the Budget and the Office of the State Comptroller.

⇒ The increase is within the personal service category.


PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part Z Establishment of SFS Procurement and Contracting Authority Under current law, the Office of the State Comptroller (OSC) and the Division of the Budget (DOB) may dedicate officers and employees to be used for a joint project known as the Statewide Financial System (SFS) Project for use by all agencies and OSC; OSC and DOB jointly appoint a project Director. SFS does not have the appropriate procurement and contracting authority, causing additional administrative work for external agencies. This part would authorize SFS to be treated as a single department with the ability to issue and award procurement and contracts to support their business operations. All procurements and contracts agreed to by the SFS Project must have the approval of both DOB and OSC.

Agency Summary

TAXATION & FINANCE

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

MAINTAINS FUNDING FOR THE FOLLOWING:

- Revenue Analysis, Collection, Enforcement, Processing, and Real Property Tax Program: \$417.7 million for the administration of the Revenue Analysis, Collection, Enforcement, Processing, and Real Property Tax Program.
- Highway Use Tax Administration Account: \$500,000 for the administration of the Highway Use Tax.
- Cigarette Strike Task Force Account: \$4.1 million for the investigation and prosecution of criminal activity associated with the sale and trafficking of illegal cigarettes.
- Industrial and Utility Service Account: \$3 million for services and expenses related to the preparation of appraisals on special franchise, unit of production values of oil and gas rights, and assessment ceilings on railroad properties.
- New York State Secure Choice Savings Program: \$4 million for personnel and program support for the NYS Secure Choice Savings Program.

AID TO LOCALITIES – A.9503

MAINTAINS FUNDING FOR THE FOLLOWING:

- Assessor Training and Assessment Standards: \$176,000 for local reimbursements for assessor and county directors of Real Property Tax Services training.
- Financial Assistance to Assessing Units: \$750,000 for assessing units that conduct reassessments and have not received aid in the previous two years.
- Medical Cannabis Program: \$4 million for the Medical Cannabis Program. Counties where cannabis is manufactured and dispensed receive aid in an amount equal to 22.5% each (50% total) of moneys required to be deposited in the Medical Cannabis Trust Fund.

PUBLIC PROTECTION AND GENERAL GOVERNMENT – A.9505

Part UU Disclosure Requirements for Charitable Nonprofit Entities This part requires certain charitable organizations currently required to file financial disclosure reports with the Department of Law to also file such reports with the Department of Taxation and Finance.

This part also expands reporting requirements to include a detailed description of in-kind donations, including the charitable purpose advanced by the donation, if any, and any restrictions on the use of such donation by the donation's recipient. The minimum value of in-kind donations requiring disclosure would also be increased from \$2,500 to \$10,000.

In addition, this part also requires covered charitable organizations to include a completed Internal Revenue Service Form 990 Schedule B in financial disclosure reports filed with the Department of Taxation and Finance, regardless of whether such form is required to be submitted to the Internal Revenue Service.

Lastly, this part would require the Commissioner of Taxation and Finance to publish on the Department's website the schedules for all annual reports required to be filed.

REVENUE – A.9509

Part A Warrantless State Tax Debt Collection This part makes permanent the authority of the Commissioner of Taxation and Finance to:

- Garnish the wages of individual tax debtors and, if necessary, on the employers of such debtors, without being required to file a public warrant; and

- Use the financial institution data match system for the collection of fixed and final tax debts, regardless of whether a warrant has been filed.
- This authority is set to expire on April 1, 2020.

Part C Extend Oil and Gas Fee for Three Years Extends the oil and gas fee authorization to March 31, 2024. These fees are charged to oil and gas producers to recover the cost of assessing oil and gas wells for Real Property Tax purposes.

Part F Authorize the Department of Taxation and Finance to Provide Unclaimed Tax Benefits This part authorizes the Department of Taxation and Finance to issue any available refund for an unclaimed Earned Income Tax Credit (EITC) to an eligible taxpayer. Under this part, if the Department determines that a taxpayer is eligible for the EITC but has not claimed the credit, the Department may, at its discretion, compute the taxpayer's liability and issue, if applicable, a refund to the taxpayer.

This part also authorizes the Department to recalculate a taxpayer's tax liability if the taxpayer has elected to use itemized deductions in lieu of the standard deduction. If the Department determines that the standard deduction is greater than the itemized deduction, the Department would be authorized to adjust the taxpayer's return accordingly, without the need for the taxpayer to file an amended tax return. The Department would be required to notify the taxpayer of the adjustment.

Part I Enhance Cigarette Tax Enforcement and Penalties This part enhances cigarette tax enforcement and licensing penalties against retail dealers who sell unstamped or unlawfully stamped cigarettes and against persons affiliated with those retail dealers. Specifically this bill would:

- Revoke the registration of the retail dealer for one year upon the first possession or sale of unstamped cigarettes;

- Revoke the registration of the retail dealer and any person affiliated with the retail dealer for three years upon the second possession or sale of unstamped cigarettes within five years of the first offense; and
- Revoke the registrations of both the retail dealer and any affiliated person for five years upon a third violation.

This part further requires the Commissioner of Taxation and Finance to notify the Division of the Lottery and the State Liquor Authority who would be required to suspend or revoke the lottery sales agent and the liquor licenses for any retail dealer whose registration has been revoked for the same duration as the revoked cigarette certificate of registration. This is currently allowed in practice but is not required by the Division of Lottery and State Liquor Authority.

Finally, this part would allow the Department of Taxation and Finance to refuse to issue or revoke the Sales Tax certificate of authority of a retail dealer and any affiliated person when a cigarette retail registration is revoked.

Part K Update Criminal Tax Fraud Statutes This part makes various changes to the Tax Law to establish fines and eliminate vagueness relating to criminal tax fraud charges and to target fraudulent tax return preparers.

- First, this part establishes new penalties for tax fraud felonies. Under this part, courts may impose a fine not to exceed the greater of double the amount of tax liability evaded or fraudulent refund received or applied for as a result of the commission of a crime, or \$50,000. In the case of a corporation, the fine may not exceed the greater of double the amount of tax liability evaded or fraudulent refund received or applied for as a result of the commission of a crime, or \$250,000.
- Second, this part makes technical amendments to the charges of Criminal Tax Fraud in the first, second, third, and fourth degrees to elim-

inate vagueness to ensure that tax fraud statutes apply when anyone attempts to deprive or defraud the State or any political subdivisions of tax liabilities.

- Third, this part establishes that the amount of tax liability deprived or defrauded within 365 consecutive days may be aggregated into a single count. This part also establishes that when a person is shown to be acting pursuant to a common plan constituting an ongoing course of conduct, the total amount of tax liability deprived or defrauded within 365 consecutive days may be aggregated into a single account.
- Lastly, this part adds two new criminal provisions to the Tax Law, Criminal Tax Preparation in the Second Degree, a class D felony, and Criminal Tax Preparation in the First Degree, a class C felony. A person is guilty of Criminal Tax Preparation in the Second Degree when, within one year, they knowingly file ten or more tax returns with the Department containing materially false information or omitting material information with the intent to evade or reduce any tax liability owed or to effect or inflate a refund. A person is guilty of Criminal Tax Preparation in the First Degree when they file 50 or more such tax returns within a year.

Part O Deny STAR Benefits to Delinquent Property Owners This part eliminates STAR benefits (either the STAR Exemption or the STAR Personal Income Tax Credit) for homeowners who are delinquent in paying their real property taxes.

- A property owner must be delinquent one year after the last date on which the real property taxes could have been paid without interest, or the last day on which the final real property tax installment could have been paid without interest.
- The Commissioner of Tax and Finance would establish all procedures for the administration of the program. This includes procedures in which local governments shall report past-due

real property taxes either to the Department of Taxation and Finance or to the County Director of Real Property Tax Services, who would then report all delinquencies in a single file to the Department of Taxation and Finance.

- Delinquent property owners would be notified by the Department at least 30 days prior to their past-due real property tax due date. The notice would state that such real property taxes must be paid in full by a date specified in order to continue to receive the STAR benefit.
- If a delinquent property owner pays his or her past-due real property taxes in full on or before the date specified in such notice, the municipality receiving such payment shall notify the Department that full payment has been made. The property owner shall then be permitted to receive the STAR Personal Income Tax Credit or Real Property Tax Exemption.
- If a delinquent property owner fails to make a timely payment of past-due real property taxes based on the notice sent by the Commissioner, his or her STAR Credit or STAR Exemption would be disallowed until all past-due real property taxes are paid.
 - ⇒ Once payment is made, if the property owner had previously been receiving the STAR Credit, the Commissioner will allow the property owner to resume his or her participation the program on a prospective basis.
 - ⇒ Once payment is made, if the property had previously been receiving the STAR Exemption, the Commissioner will allow the property owner to participate in the STAR Credit Program on a prospective basis and shall not be allowed back into the STAR Exemption Program.

Part Q Modernize and Merge Real Property Tax Forms and Processes This part would authorize the Commissioner of Taxation and Finance to modernize and combine two forms relating to the transfer of real property, the Real Estate Transfer Tax (RETT) Return (TP-584) and the Real Property Transfer (RPT) Report (RP-5217), into a consolidated Real Property Transfer Form. Specifically, the Commissioner would be authorized to establish an electronic, consolidated form and design and implement a system for e-filing and the collection of associated taxes and fees.

Currently, these forms cannot be consolidated because of privacy requirements associated with the RETT Return. The Real Property Transfer Report is subject to public disclosure. Authorizing the Commissioner to consolidate these two forms in an electronic format submitted directly to the Department of Taxation and Finance would maintain the confidentiality of the RETT portion of the form, while allowing for the public disclosure of the RPT portion.

Authorizing the use of the electronic, consolidated Real Property Transfer Report would streamline the transfer process for applicants. However, use of this form would not be mandatory. Applicants would maintain the option of using the traditional paper forms. Upon submission of the consolidated Real Property Transfer Form, the applicant would receive a receipt, a copy of which would be submitted by the applicant to the appropriate County Clerk or to the City of New York.

Currently, County Clerks and the City of New York are authorized to retain a portion of the fee associated with each traditional form, \$9 for each RPT Report and \$1 for each RETT Return. The Commissioner would be required to retain the portion of each consolidated Real Property Transfer Form that would otherwise have been retained by the City of New York or the County Clerk so that such portion may be transferred to the City or appropriate County Clerk.

In addition, Westchester County and the City of New York have already instituted an electronic deed recording system. This proposal would not require that the County nor the City use the Department's system, but would provide each the option to do so.

Part R Abolish the State Board of Real Property Tax Services This part would eliminate the State Board of Real Property Tax Services and transfer its powers to the Tax Commissioner, consistent with the structure of other agencies that hear appeals.

Part U Make Exceptions for Late Enhanced STAR Filers The 2018-19 Enacted Budget required senior citizens receiving the Enhanced STAR Real Property Tax Exemption to enroll in the Income Verification Program (IVP) administered by the Department of Taxation and Finance.

- Verification of proof of income by the Department of Taxation and Finance is a requirement for future eligibility in the STAR program since many senior citizens are on a fixed income and are not required to file State or Federal Personal Income Taxes.
- While the majority of senior citizens successfully enrolled in the IVP in sufficient time to retain their Enhanced STAR Real Property Tax Exemption benefit, a number did not, effectively pushing these homeowners out of the Enhanced STAR Real Property Tax Exemption.
- This part reopens the IVP enrollment period to give senior citizen homeowners another opportunity to enroll.
- Upon review by the Department of Taxation and Finance, homeowners who qualify will be sent checks to offset the increases they saw in their school tax bills due to the initial failure to enroll.

Part AA Shift Basic Star Exemptions to the Credit Program Starting with the 2020-21 school year, this part lowers the income limit for homeowners in the Basic STAR Real Property Tax

Exemption program from \$250,000 to \$200,000 while keeping the income threshold for the Basic STAR Personal Income Tax Credit unchanged at \$500,000.

- Homeowners enrolled in the Basic STAR Real Property Tax Exemption with incomes ranging from \$200,000 to \$250,000 would be identified by the Department of Tax and Finance and would be automatically switched from the STAR Real Property Tax Exemption to the STAR Personal Income Tax Credit unless more information is needed to verify income, age and/or residency.

Agency Summary

TEMPORARY & DISABILITY ASSISTANCE

WAYS & MEANS CONTACT:



STATE OPERATIONS – A. 9500

SIGNIFICANT INCREASES INCLUDE:

- Employment and Income Support Program: \$84 million, \$2 million more than last year, due to an increase in federal funding for the Home Energy Assistance program.

SIGNIFICANT DECREASES INCLUDE:

- Disability Determination Program: \$194.5 million, \$10.5 million less than last year in Federal grants to support the Office of Disability Determinations.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Administration Program: \$54.9 million.
- Administrative Hearing Program: \$30.4 million.
- Child Support Services Program: \$47.8 million.
- Information Technology Program: \$13.3 million.
- Specialized Services Program: \$21.4 million.

AID TO LOCALITIES – A. 9503

SIGNIFICANT INCREASES INCLUDE:

- AIDS Housing Preventative Services: \$42.6 million, \$2.8 million more than last year.
- Summer Youth Employment: \$45 million, \$1 million more than last year.

SIGNIFICANT DECREASES INCLUDE:

- Advantage After School Program: \$28 million, \$5 million less than last year.
- Disability Advocacy Program: \$2.6 million, \$1.5 million less than last year, to provide legal representation to individuals whose Federal benefits have been denied.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Child Support Services Program: \$140 million.
- Home Energy Assistance Program (HEAP): \$500 million.

SIGNIFICANT ACTIONS INCLUDE:

- Code Blue: \$13 million in new funding to implement emergency measures for the homeless during inclement weather.

SIGNIFICANT ELIMINATIONS INCLUDE:

- ACCESS – Welfare to Careers: \$800,000.
- Advanced Technology Training (ATTAIN): \$4 million.
- Career Pathways: \$2.85 million.
- Child Care Quality Programs at CUNY: \$141,000.
- Empire State Poverty Reduction Initiative (ESPRI): \$4.5 million.

- Refugee Resettlement Program: \$2 million.
- Various Legislative Adds of seven programs: \$3.7 million.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Supported Housing Program: \$128 million, \$64 million more than last year, for homeless housing projects. \$5 million will be set aside for supportive housing for veterans.

See *Figure 1* for a breakdown of TANF funding commitments.

TANF FUNDING COMMITMENTS (THOUSANDS)			
FIGURE 1			
TANF BASE BENEFIT PROGRAMS	2019/2020 Budget	2020/21 Estimate	Difference
Public Assistance (PA) Benefits	\$1,108,567	\$1,074,438	(\$34,129)
Emergency Assistance to Needy Families (EAF)	\$228,251	\$228,251	\$0
NYC EAF Share Change	(\$19,926)	(\$19,926)	\$0
Various Exemption	\$2,000	\$0	(\$2,000)
Tejada Litigation/ NYC FHEPS Implementation	\$31,500	\$31,500	\$0
FY 2021 NYC EAF Share Change (Additional 3%)	\$0	(\$41,389)	(\$41,389)
FY 2021 NYC EAF Share Change (Additional 5%)	\$0	(\$9,963)	\$9,963
NYC Family Assistance (FA) Share Change	(\$82,777)	(\$82,777)	\$0
TANF BASE BENEFITS TOTAL	\$1,277,695	\$1,010,164	(\$267,531)
TANF INITIATIVE PROGRAMS	2019/2020 Budget	2020/21 Estimate	Difference
ACCESS - Welfare to Careers	\$800	\$0	(\$800)
Advanced Technology Training (ATTAIN)	\$7,000	\$0	(\$7,000)
Advantage After Schools	\$33,041	\$28,041	(\$5,000)
Advantage After Schools AB	\$5,000	\$0	(\$5,000)
Career Pathways	\$2,850	\$0	(\$2,850)
Child Care	\$25	\$0	(\$25)
Child Care CUNY	\$141	\$0	(\$141)
Child Care Demonstration Projects	\$6,000	\$0	(\$6,000)
Child Care Subsidies	\$427,937	\$428,693	\$756
Child Care SUNY	\$0	\$0	(\$193)
Flexible Fund for Family Services	\$964,000	\$964,000	\$0
Non-Restricted Domestic Violence Services	\$3,000	\$3,000	\$0
Preventive Services	\$1,570	\$0	(\$1,570)
Regional Center Regional Transportation Authority	\$82	\$0	(\$82)
Strengthening Families through Stronger Fathers	\$200	\$0	(\$200)
Summer Youth Employment	\$24,000	\$24,000	\$0
Wage Subsidy Program	\$475	\$0	(\$475)
Whisper Work	\$24	\$0	(\$24)
TANF INITIATIVE TOTAL	\$1,959,415	\$1,406,771	(\$552,644)
TOTAL TANF COMMITMENT	\$3,237,110	\$2,416,935	(\$820,175)

EDUCATION, LABOR AND FAMILY ASSISTANCE – A.9506

Part K Authorize the Pass-Through of Any Federal Supplemental Security Income Cost of Living Adjustment Authorizes the 2021 SSI Federal COLA pass-through. Sets the amount for 2021 Personal Needs Allowance (PNA) and the standard payment and eligibility amount for those individuals receiving supplemental security income and residing in residential care or family care facilities. This part also authorizes those amounts to be increased in 2021, by the percentage of Federal SSI COLA, which starts on or after January 1, 2020.

Part L Legalize Gestational Surrogacy This part adds a new Article 5-C to the Family Court Act for the purpose of establishing a child's relationship to his or her parents where the child is conceived through assisted reproduction, except for children born to a person acting as a surrogate who contributed the egg used in the conception. The new Article further provides that no fertilized egg, embryo or fetus shall have independent rights or be viewed as a child under this law.

JUDGMENT OF PARENTAGE

A court may make a judgment of parentage prior to the birth of a child but such judgment shall not become effective until the birth of a child. A proceeding to obtain such a judgment may be commenced in the county where the intended parent or child reside, but if neither is a New York resident, then venue is proper in the county where the child is born so long as the petition is commenced within 90 days of the date of birth. The petition must be verified and contain a statement from all parties acknowledging that they have entered into the surrogacy agreement knowingly and voluntarily. Nothing in this provision requires that the intended parents be married to each other to be declared the parents of the child.

CHILD OF ASSISTED REPRODUCTION

Where the intended parent who gives birth to a child by means of assisted reproduction is a spouse, the consent of both spouses to the assisted reproduction is assumed and a judgment of parentage may not be issued. Where the intended parent who gives birth to a child by means of assisted reproduction is not a spouse, the consent to assisted reproduction must be recorded to indicate the mutual agreement of the intended parents to conceive and parent a child together. If an intended parent dies before the transfer of eggs, sperm, or embryos, the deceased individual is not a parent of the resulting child unless consent was given that if assisted reproduction were to occur after death, the deceased individual would be a parent of the child.

SURROGACY AGREEMENT

This part authorizes a person acting as a surrogate, their spouse, if applicable, and the intended parents to enter into an enforceable surrogacy agreement. To be eligible to enter into a surrogacy agreement, the person acting as a surrogate: must be at least 21 years old, must be a U.S. citizen or legal permanent resident, shall not have provided the egg used to conceive the resulting child, must have been represented throughout the contractual process and its execution by independent legal counsel paid for by the intended parents and attorney-client privilege lies with the person acting as a surrogate and the attorney, and has access to health care and insurance paid in full by the intended parents. To be eligible to enter into a surrogacy contract, at least one intended parent: must be a United States citizen or lawful permanent resident, and has been represented throughout the contractual process. Upon proper termination of a surrogacy agreement, all parties are released from their agreed upon obligations except that the intended parents are responsible for all expenses that are reimbursable under the agreement which have been incurred by the surrogate up to the point of termination of the agreement. Unless stated otherwise, the surrogate

is entitled to keep all payments received and obtain all payments to which the person is entitled up to the date of the termination of the agreement. If a surrogacy agreement does not comply with the regulations stipulated in this Article, a court shall determine parentage based upon the best interest of the child. An intended parent's absence of genetic connection to the child is not sufficient basis to deny that individual a judgment of parentage.

- Life insurance and accidental death insurance paid for by the intended parent(s); and
- The right for the person acting as a surrogate to terminate the surrogacy agreement prior to becoming pregnant.

PAYMENT TO DONORS AND PERSONS ACTING AS A SURROGATE

A person acting as a surrogate is eligible for reimbursement for economic losses incurred in connection with the donation which result from the retrieval or storage of gametes or embryos. Compensation terms must be negotiated in good faith and payments to the surrogate shall not exceed the duration of the pregnancy and eight weeks thereafter. Compensation shall not be conditioned based on the quality or traits of the gametes or embryos. Compensation may not be based on genotypic or phenotypic characteristics of the donor or any resulting children. Compensation to an embryo donor will be limited to storage fees, transfer costs, and attorney fees.

SURROGATE BILL OF RIGHTS

Creates a Surrogates' Bill of Rights to codify legal protections for surrogates, including:

- The right for a person acting as a surrogate to determine their own health and welfare decisions;
- Access to independent legal counsel paid for by the intended parent(s);
- Access to health insurance and coverage of medical costs paid for by the intended parent(s);
- Access to counseling paid for by the intended parent(s);

Agency Summary

TRANSPORTATION

WAYS & MEANS CONTACT:



STATE OPERATION – A.9500

SIGNIFICANT DECREASES INCLUDE:

- Operating Support for the Department of Transportation (DOT): \$428.3 million, \$900,000 less than last year.

AID TO LOCALITIES – A.9503

TRANSIT OPERATING AID

SIGNIFICANT INCREASES INCLUDE:

DOWNSTATE

- Operating Aid for the Metropolitan Transportation Authority (MTA): \$3.4 billion, \$1.9 billion less than last year. This decrease reflects certain MTA revenue streams, including the Payroll Mobility Tax, MTA Aid, and the For-Hire Vehicle Surcharge, being taken off-budget. The MTA still receives these revenues.

- Operating Aid for Downstate, Non-MTA Transit Systems: \$405.2 million, \$55.2 million more than last year.

- Lower Hudson Transit Link: \$11 million, same as last year.
- Nassau County/Long Island Bus: \$86.5 million, \$12.1 million more than last year.
- New York City Department of Transportation: \$113.8 million, \$16 million more than last year.
- Rockland County: \$4.4 million, \$612,100 more than last year.
- Staten Island Ferry: \$42.6 million, \$6 million more than last year.
- Suffolk County: \$33.6 million, \$4.7 million more than last year.
- Suffolk Shuttle: \$500,000, same as last year.
- Unspecified Formula Driven Aid: \$41.3 million, \$5.8 million more than last year.
- Westchester County: \$71.5 million, \$10 million more than last year.

UPSTATE

- Operating Aid for Upstate Transit Systems: \$236.1 million, \$9.6 million more than last year.
 - Capital District Transportation Authority: \$42.4 million, \$1.7 million more than last year.
 - Central New York Regional Transportation Authority: \$38.7 million, \$1.6 million more than last year.
 - Niagara Frontier Transportation Authority: \$61.1 million, \$2.5 million more than last year.
 - Rochester-Genesee Regional Transportation Authority: \$47 million, \$1.9 million more than last year.
 - Unspecified Formula Driven Aid: \$46.7 million, \$1.9 million more than last year.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Verrazano Narrows Bridge Resident Toll Relief: \$10.3 million. This funding maintains the level of rebates for Staten Island residents crossing the Verrazano Narrows Bridge.
- Verrazano Narrows Commercial Toll Relief: \$3.5 million.

CAPITAL PROJECTS – A.9504

SIGNIFICANT INCREASES INCLUDE:

- Niagara Frontier Transportation Authority Capital: \$6 million in new funding for mass transportation capital projects for the Niagara Frontier Transportation Authority.
- Non-MTA Electric Bus Capital Assistance: \$20 million in new funding for the electrification of mass transit bus fleets. This is the first year of a \$100 million five-year program to aid

non-MTA transit systems in the transition to electric buses.

- Upstate Airport Economic Development and Revitalization: \$100 million for a second round of funding for the Upstate Airport Economic Development and Revitalization Competition. The first round took place in 2016 and awarded \$200 million.

MAINTAINS FUNDING FOR THE FOLLOWING:

- Airport Capital: \$16.5 million.
- BRIDGE-NY: \$100 million. This funding is for local bridge projects and is awarded on a competitive basis. This is the fifth year of the program.
- Consolidated Local Street and Highway Improvement Program (CHIPS): \$438.1 million.
- Marchiselli Program: \$39.7 million.
- Niagara Frontier Transportation Authority Passenger Rail: \$20 million in funding is included for costs of the existing passenger rail system of the Niagara Frontier Transportation Authority. This is the second year of a five-year \$100 million program.
- Non-MTA Bus: \$27.5 million.
- PAVE-NY: \$100 million. This is highway aid for local roads. This is the fifth year of the program.
- State and Local Bridge Fund: \$150 million.
- Upstate Transit Capital Funding: \$20 million. This includes:
 - Capital District Transportation Authority: \$3.6 million.
 - Central New York Regional Transportation Authority: \$3.3 million.
 - Niagara Frontier Transportation Authority: \$5.2 million.

- ⇒ Rochester-Genesee Regional Transportation Authority: \$4 million.
- ⇒ Unspecified Formula Driven Capital Aid: \$4 million.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Extreme Winter Recovery: \$65 million.

TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION — A.9508

Part A Increases the Consolidated Local Street and Highway Improvement Program (CHIPS) Bidding Threshold Raises the CHIPS competitive bid threshold from \$250,000 to \$750,000. For construction contract work estimated under \$750,000, municipalities would be permitted to perform such work either with the municipality's work force or by contract let by competitive bid. For construction contract work estimated to exceed \$750,000, work would be required to be performed by contract let by competitive bid.

Part B Increases Penalties for Oversized and Unauthorized Vehicles Proposes to increase the penalties for certain commercial vehicles operating on parkways. Currently, penalties exist for all commercial vehicles whether they be under 26,000 pounds or over 26,000 pounds. This part retains the penalties that currently apply to commercial vehicles under 26,000 pounds but makes them applicable only to commercial vehicles under 10,000 pounds. It then creates a new tier of penalties for commercial vehicles between 10,000 and 26,000 pounds, by increasing the fines as follows:

- For a first conviction from a maximum of \$250 to a maximum of \$1,000;
- For a second conviction within 18 months, from a maximum of \$500 to a maximum of \$1,500; and

- For a third or subsequent conviction within 18 months, from a maximum of \$750 to a maximum of \$2,500.

This part also increases the fines for commercial vehicles that are over 26,000 pounds either singly or in combination with a trailer, that transports 15 or more passengers, is defined as a bus, or that transport hazardous materials as follows:

- For a first conviction from a maximum of \$350 to a maximum \$5,000;
- For a second conviction within 18 months from a maximum of \$700 to a maximum of \$7,500; and
- For a third conviction within 18 months from a maximum of \$1,000 to a maximum of \$10,000. In addition to the increased fines for commercial vehicles described immediately above, the registration of the vehicle may be suspended for up to one year.

This part also increases higher maximum fines for vehicles operating in violation of existing height limits and establishes a maximum fine of \$5,000 for a first offense and a maximum fine of \$7,500 for a second and subsequent offense. The registration of vehicles in violation of height limits may also be suspended for up to one year.

Part C Allows Safety Service Patrol Vehicles to Display Rear-Facing Blue Lights Newly defines Safety Service Patrol Vehicle as a vehicle designated by the Commissioner of Transportation to provide highway incident management and motorist assistance by, among other things, clearing highways of disabled and damaged vehicles, permanently or temporarily repairing disabled or damaged vehicles, clearing small debris resulting from minor accidents or vehicle repair, and assisting emergency responders with traffic control at highway incidents. Further, this part allows safety service patrol vehicles to display one or more blue lights or a combination of blue and amber lights provided that the light(s) shall be displayed for rear projection only. Additionally, blue light usage would only

be authorized if the safety service patrol vehicle also displays one or more amber lights. Operators of motor vehicles would be required to exercise due care to avoid colliding with safety service patrol vehicles when one is displaying one or more amber, blue, or combination light(s).

Part D Enacts the Slow Down and Look Out for Highway Workers and Pedestrians Act

Subpart A

This subpart amends Vehicle and Traffic Law to define highway workers, motor vehicle inspectors and motor carrier investigators. Highway worker is defined as anyone employed by or on behalf of a municipality, authority, public utility company, or the agent or contractor of any such entity, who has been assigned to work on a highway. Motor vehicle inspectors and motor carrier inspectors are defined as anyone employed by the New York State Department of Transportation (NYSDOT) who performs inspections of any motor vehicles or investigations of any carriers regulated by NYSDOT. This subpart increases the penalties for preventing highway workers, motor vehicle inspectors, and motor carrier inspectors from performing an essential service or lawful duty and also increases the penalties for intending to cause physical injury to highway workers, motor vehicle inspectors, and motor carrier inspectors. Both acts, which are currently class A misdemeanors, would be punishable as Assault in the Second Degree, a class D violent felony.

Subpart A also adds a new section to the Penal Law, titled, Menacing a Highway Worker, which is defined as intentionally placing or attempting to place a highway worker in reasonable fear of injury or death. The crime of menacing a highway worker would be a class E felony. Furthermore, this subpart institutes mandatory suspension for a period of six months for a license holder who is convicted of the crime of Assault in the First, Second, or Third Degree, Menacing a Highway Worker, or Menacing in the First, Second, or Third

Degree, where the offense was committed against a highway worker in the performance of their job.

Additionally, this subpart creates a new section of Vehicle and Traffic Law, titled Intrusion into an Active Work Zone. Under this section, no driver would enter or intrude into an active work zone except upon direction from a flagperson, police officer or a person or device in charge of traffic control. A violation would be a class B misdemeanor punishable by a fine between \$250 and \$500, imprisonment up to 3 months, or by both fine and imprisonment.

Lastly, the Governor's Traffic Safety Committee, in consultation with NYSDOT, State Police, the Thruway Authority, local law enforcement agencies, and representatives for contractors and laborers, would design and implement a public education and outreach program to increase motorist awareness of highway work zone safety, to reduce the number of work zone incidents, and to increase work zone safety.

Subpart B

This subpart clarifies that any person operating a motor vehicle involved in an accident not involving personal injury or death who moves such vehicle off the roadway but as near as possible to the place where the damage occurred, as not to obstruct the regular flow of traffic, would not be construed as leaving the scene of an accident without reporting. Additionally, this subpart allows police officers, or anyone acting at the discretion of the Commissioner of Transportation or at the discretion of a police officer to aid in the removal of any vehicle, cargo, or debris which obstructs public travel on a highway. The Commissioner, a police officer, or any person acting at the discretion of the Commissioner or a police officer, would not be liable for any damage to such vehicle, cargo, or debris unless the removal was carried out in a reckless or grossly negligent manner.

Subpart C

This subpart increases the fines for a driver of a motor vehicle who causes physical injury or serious physical injury to a pedestrian or bicyclist while failing to exercise due care. The fine for causing physical injury would be increased from \$500 to \$1,000 while the fine for causing serious physical injury would be increased from \$750 to \$1,500.

Part E Designates Tandem Truck Access Routes – Thruway Cashless Tolling This proposal would allow tandem trailers to operate on various routes proximate to the Thruway system in order to access Thruway tandem lots. This part specifically identifies 14 portions of road that would allow tandem trucks to enter, exit, and change direction with the intention of limiting traffic hazards near cashless tolling gantries.

Part F Authorizes the Thruway Authority to Enter into Agreements for Use of its Fiber Optic System Allows the Thruway Authority to enter into agreements for use of its fiber optic system without the use of public auction. Currently, Public Authorities Law requires a publicly advertised competitive process for Public Authority property. This would create an exception for the Thruway Authority's fiber optic system and allow the Authority to enter lease agreements for use of such system.

Part G Merges the New York State Bridge Authority with the New York State Thruway Authority Creates the term "Cross-Hudson bridge system" to mean collectively the Mid-Hudson Bridge, the Rip Van Winkle Bridge, the Bear Mountain Bridge, the Newburgh-Beacon Bridge, the Kingston-Rhinecliff Bridge, and the Poughkeepsie-Highland railroad bridge. The New York State Bridge Authority would be abolished when all covenants, bonds, debts, and other obligations have been paid in full or otherwise fully met and discharged. Upon abolishment of the New York State Bridge Authority, all assets, liabilities, and responsibilities would be transferred to the New York State Thruway Authority. Further, the board of the New York State Thruway Authority would

be expanded from seven to eight members with the new requirement that one member, at the time of appointment, be a resident of either Orange, Rockland, Westchester, Putnam, Dutchess, Ulster, Greene or Columbia county.

Part H Increases Airport Safety This part provides alternative penalties for those unlawfully soliciting ground transportation services at an airport. Those in violation would be guilty of a traffic infraction and face the following penalties;

- For the first violation, a civil penalty of \$3,000 and license suspension for 30 days;
- For a second violation, a civil penalty of \$5,000 and license suspension for 90 days; and
- For a third and subsequent violation, a civil penalty of \$10,000 and license suspension for 180 days.

Additionally, if the violator is the owner of the vehicle operated in violation, the registration would be suspended for 30 days for a first violation, 90 days for a second violation, and 180 days for a third or subsequent violation.

Any person who knowingly solicits or attempts to solicit another person for the provision of any business, trade or commercial transaction in violation would be guilty of a traffic infraction and face the following fines:

- For the first violation, a civil penalty of \$3,000.
- For a second violation, a civil penalty of \$5,000, and;
- For a third and subsequent violation, a civil penalty of \$10,000.

The Commissioner of Motor Vehicles would have the authority to deny a registration or renewal application for a motor vehicle where a current or previously registered owner has been found in violation for unlicensed ground transportation services or unlicensed operation, and may also deny a registration or renewal for any other motor vehicle registered in the name of such owner if the

Commissioner believes the applicant's intent in applying for registration or renewal is to evade the purposes of this part. A special proceeding may be commenced in Supreme Court or county court by a petitioner having jurisdiction over the airport where the alleged violation occurred, alleging that a motor vehicle committed a second or subsequent traffic infraction of this type. A petitioner establishing clear evidence that a motor vehicle owner has committed a second or subsequent violation would be entitled to forfeiture of all right and title to any motor vehicle used in the second or subsequent violation. A police officer would be permitted to seize a motor vehicle that may be subject to legal forfeiture. Any person receiving a default judgment or convicted of unlawful solicitation of ground transportation services at an airport would be subject to mandatory license and registration suspension until all penalties and fees are paid. Lastly, the Port Authority of New York and New Jersey and its police officers would be empowered to enforce any local laws, rules, and regulations relating to unlawful solicitation of ground transportation services at airports leased by the Port Authority within New York City.

Part M Creates Stricter Toll Enforcement for Public Authorities in New York State This part makes the usage of any toll highway, parkway, road, bridge or tunnel or entering or remaining in the tolled central business district without payment of the lawful toll, or avoiding payment of the lawful toll, a theft of services crime. Additionally, this part makes it unlawful for any person to operate a motor vehicle on a toll highway, bridge or tunnel facility if the number plate on the vehicle is not easily readable, covered by glass or any plastic material or be knowingly covered or coated with any material that conceals or obscures the plate or distorts the image of the plate. Violations would be punishable by a fine between \$100 and \$500.

Agency Summary

VETERANS' SERVICES

WAYS & MEANS CONTACT:



STATE OPERATIONS – A.9500

MAINTAINS FUNDING FOR THE FOLLOWING:

- Administration Program: \$480,000.
- Veterans' Benefit Advising Program: \$6.2 million.
- Veterans' Education Program: \$2 million.

AID TO LOCALITIES – A.9503

MAINTAINS FUNDING FOR THE FOLLOWING:

- Blind Veteran Annuity Assistance Program: \$6.4 million for payments of annuities to blind veterans.

SIGNIFICANT ELIMINATIONS INCLUDE:

- SAGE Veterans Project (A): \$50,000.
- Helmets-to-Hardhats: \$200,000.
- Clear Path for Veterans: \$200,000.
- NYS Defenders Association Veterans Defense Program: \$500,000.

- North Country Veterans Association: \$100,000.
- Legal Services of the Hudson Valley Veterans and Military Families Advocacy Project: \$200,000.
- Department of New York VFW of the U.S. Field Service Organization: \$125,000.
- SAGE Veterans Project (S): \$50,000.
- NYS Defenders Association Veterans Defense Program – Long Island Expansion: \$220,000.

EDUCATION, LABOR AND FAMILY ASSISTANCE – A.9506

Part O Streamline the Process to Establish a State Veterans Cemetery This part would allow the Department of State, in conjunction with the United States Department of Veterans' Affairs, to immediately begin conducting an investigation and study for the construction and establishment of the State's first veterans cemetery. This part

removes prescriptive guidelines and standards that previously delayed the commencement of such investigation, including the requirement that 15 years of funding be available to perpetually care for a veterans cemetery prior to beginning any investigative study. The part also amends the responsibilities of the management board, and removes the five-year waiting period for the management board to explore establishing additional veterans cemetery at some future period.

Agency Summary

VICTIMS SERVICES

WAYS & MEANS CONTACT:

[REDACTED]

STATE OPERATIONS -- A.9500

SIGNIFICANT INCREASES INCLUDE:

- Victim and Witness Assistance Program: \$2.2 million, \$427,000 more than last year, for personal service costs.

SIGNIFICANT ELIMINATIONS INCLUDE:

- Crime Victim Legal Assistance Account: \$502,000 in funding has been eliminated for training associated with providing legal assistance to crime victims.
- Victim Assistance Training Account: \$1.5 million in funding has been eliminated.

AID TO LOCALITIES -- A.9503

SIGNIFICANT INCREASES INCLUDE:

- Victim and Witness Assistance Program: \$163 million, \$41.3 million more than last year, to fund not-for-profit and municipal agencies which provide services to crime victims.

PUBLIC PROTECTION AND GENERAL GOVERNMENT -- A.9505

Part Q Establish a Domestic Violence Misdemeanor This proposal would establish the misdemeanor offense of Domestic Violence. An individual would be guilty of domestic violence when he or she commits any firearms offense against an individual of the same family or household. An individual would also be guilty of domestic violence if he or she commits assault in the 3rd degree; criminal obstruction of breathing or blood circulation; forcible touching; sexual abuse of the 3rd or 2nd degree; or unlawful imprisonment in the second degree against a current or former spouse, parent or guardian or a person who the victim shares a child with.