



Report on the State Fiscal Year 2015-16 Enacted Budget

April 2015

**Thomas P. DiNapoli
New York State Comptroller**

Prepared by the Office of Budget and Policy Analysis with assistance from the Office of the State Deputy Comptroller for the City of New York, the Division of Local Government and School Accountability, and the Bureau of State Accounting Operations.

Additional copies of this report may be obtained from:

Office of the State Comptroller
Public Information Office
110 State Street
Albany, New York 12236
(518) 474-4015

Or through the Comptroller's website at: www.osc.state.ny.us

Table of Contents

EXECUTIVE SUMMARY	1
FINANCIAL PLAN OVERVIEW.....	5
SFY 2014-15 – Preliminary Year-End Results	5
SFY 2014-15 – Closing Balance and Reserves	6
SFY 2015-16 – Preliminary Enacted Budget Analysis	7
Monetary Settlements.....	9
Non-Recurring and Temporary Resources	9
Transparency and Accountability	10
Appropriation Growth.....	18
DEBT AND CAPITAL.....	21
SFY 2015-16 Overview	21
Dedicated Infrastructure Investment Fund	24
REVENUE	28
PROGRAM AREA HIGHLIGHTS	31
Education.....	31
Higher Education	34
Health	35
Human Services / Labor	37
Mental Hygiene.....	38
Economic Development.....	39
Lottery and Gambling	41
Transportation	41
Environment, Parks and Agriculture	43
Energy	46
Housing	47
Public Protection.....	48
State Workforce.....	48
New York City.....	48
Metropolitan Transportation Authority	49
Local Governments	49
Campaign Finance Reform / Ethics.....	52
Pay Raise Commission	52
Design-Build	53
Public Authorities.....	54
APPENDICES	59
Appendix A: Summary of SFY 2015-16 Article VII Bill Sections	59
Appendix B: Summary of SFY 2015-16 Appropriations	76
Appendix C: Evolution of SFY 2015-16 Budget Bills.....	78

Executive Summary

In the sixth year of national economic recovery, New York State's short-term financial condition continues to improve. After closing deep projected budget gaps just a few years ago, the State now faces the unusual and more welcome challenge of how best to capitalize on an extraordinary inflow of one-time resources from monetary settlements – more than \$6 billion in unforeseen receipts.

The State Fiscal Year (SFY) 2015-16 budget was enacted timely, with final legislative action occurring a few hours into April 1, the first day of the fiscal year. This year's budget adoption, following four consecutive years of on-time enactment, continues to send a signal that the State has moved beyond the recurring fiscal gridlock of recent decades.

Another positive step is the expansion of the State's statutory reserves. The Division of the Budget (DOB) deposited \$316 million into such reserve funds in March 2015. The Enacted Budget includes statutory changes authorizing higher annual deposits, and a higher maximum balance, in the Rainy Day Reserve Fund. Committing resources to the statutory reserve funds provides greater assurance that such dollars will be available when truly needed, and will only be used at those times.

The Enacted Budget makes some of the unexpected settlement dollars available for infrastructure projects, including the Tappan Zee Bridge replacement and improved access to Penn Station. A new fund created to support these projects, the Dedicated Infrastructure Investment Fund (DIIF), has been characterized as a mechanism to insure that the settlement dollars will go to capital investments or other one-time purposes, as is appropriate for such one-time resources.

It remains uncertain, however, whether the settlement resources will be used as they should be, or as allocated by appropriations. The appropriation language in the Enacted Budget allows these resources to be spent on a wide variety of purposes, including for personal services and other ongoing operating costs at State agencies or public authorities as well as for local assistance. The broad and vague statutory language creating the new DIIF leaves open the possibility that the fund will be neither dedicated nor used primarily for infrastructure investment. Instead, the DIIF could effectively become an undesignated reserve fund to be used largely at the discretion of the Executive. Much of the settlement money could be spent with no required public reporting. In addition, the new fund does not incorporate all of the settlement resources, capturing \$4.55 billion of the \$6.29 billion in settlements received or expected to be received in SFY 2014-15 and beyond.

The Enacted Budget also includes more than \$7.4 billion in new and increased authorizations for State-Supported borrowing – an increase of 6.4 percent from previously authorized levels, and approximately 40 percent more than the Executive proposal. All the new debt would be issued on behalf of the State by its public authorities. Such “backdoor borrowing” circumvents the State Constitution's requirement that State debt be approved by voters, and public authority debt is subject to fewer controls regarding issuance, structure and retirement than voter-approved State General Obligation bonds.

The substantial increase in borrowing is authorized despite the influx of unanticipated settlement dollars that could have been used to offset new debt. In recent years, projected debt capacity under the statutory cap on State-Supported debt outstanding has declined significantly. Given the State's limited resources, shrinking statutory debt capacity and unmet capital needs, it is critical that New York prioritize its use of debt and capital resources, including the resources deposited in the DIIF and the other settlement resources, to ensure that they are used as effectively as possible.

The Enacted Budget relies on additional non-recurring and temporary resources, despite the State's billions of settlement dollars on hand and the authorization of additional billions of dollars in new debt. Such resources include sweeping funds from the Environmental Protection Fund and replacing them with debt, sweeping funds from the Regional Greenhouse Gas Initiative (designated to promote clean energy and energy efficiency) in order to provide budget relief, and other transfers from the State's public authorities.

The Enacted Budget's extensive use of lump-sum appropriations for Executive and Legislative initiatives raises questions of accountability and transparency. In most cases, these programs contain only minimal criteria for awards and few, if any, requirements for public reporting on the programs' operations. Examples include: \$400 million for a new Transformative Investment Program for New York City and Long Island; an additional \$385 million for the existing State and Municipal Facilities Program (which in three years has grown to more than \$1.1 billion); and \$150 million in economic development funding for initiatives in Nassau and Suffolk counties. The 2007 Budget Reform Act was enacted, in part, to prohibit the use of Legislative lump-sum appropriations. These new authorizations appear inconsistent with the spirit of such reforms.

Detailed figures on expected disbursements and receipts, including reserves, out-year projections and potential gaps, will be made available when DOB issues its updated Financial Plan. This report provides an overview of appropriations and other provisions in the Enacted Budget. Key points include:

- While this year's budget was adopted essentially on time, major policy changes in education and other areas were introduced only hours before legislative action, leaving little time for the public and its elected representatives to consider the implications of important new laws. Future budget negotiations should include adequate time for review and consideration by lawmakers and interested New Yorkers.
- Preliminary spending estimates available from the Assembly indicate that All Funds spending in the Enacted Budget will total \$150.3 billion, an increase of \$7.3 billion, or 5.1 percent, over SFY 2014-15. Such estimates show State Operating Funds spending growth over the prior year of 2 percent before adjustments.
- Newly authorized State-Supported debt includes \$2.5 billion for transportation purposes, more than \$1 billion for economic development projects, \$1.4 billion for hazardous waste remediation and other environmental projects, and \$1 billion for health care facility restructuring.

- DOB made more than \$950 million in debt service payments in SFY 2014-15 that were initially scheduled for SFY 2015-16. Such prepayments are made to the fiscal agent or trustee responsible for paying bondholders according to scheduled payments. The prepayment by the State to the fiscal agent or trustee does not accelerate the repayment of the debt and therefore does not create interest savings. Bondholders will receive payment on the regularly scheduled debt service payment date. These prepayments have the effect of altering reported year-over-year spending growth.
- The new DIIF includes no comprehensive or standardized mechanism to track spending of settlement dollars. While two large appropriations do include reporting requirements, such requirements do not apply to most appropriations of the settlement funds. The Executive is authorized to transfer much of the settlement money to public authorities, which would eliminate oversight that applies to State agency spending.
- A \$1.285 billion appropriation from the DIIF to the Thruway Authority would be available for costs related to the Tappan Zee replacement bridge and the Thruway Authority system. If the intent of the DIIF is to support infrastructure, such funds should be used for Thruway capital investments rather than operating expenses.
- The Budget provides \$2.33 billion for economic development, including the Upstate Revitalization Program, a net increase of \$891 million, or 62 percent, from SFY 2014-15. The permitted uses of this funding and the procedures for much of its allocation are only vaguely defined. Such new spending should be subject, along with the State's existing economic development initiatives, to rigorous benefit-cost review and high standards of transparency and accountability.
- The Enacted Budget makes more than two dozen changes to existing law affecting tax revenues, but with relatively modest overall impact based on preliminary Executive and Legislative projections – an increase of an estimated \$59 million in receipts this fiscal year. That figure is projected to rise to \$238 million in SFY 2017-18, and then decline.
- The Budget increases State school aid by \$1.3 billion, or 6.0 percent, on a school-year basis. The increase includes \$603 million in restoration of the Gap Elimination Adjustment (GEA). This brings the remaining GEA, which reduces school districts' aid from other formula-driven levels, to a net \$434 million. Other education funding includes \$75 million to implement turnaround strategies for “persistently failing” schools.
- The Enacted Budget includes the Executive Budget proposal to provide \$700 million for renovation or replacement of health care facilities in Brooklyn, and \$300 million to consolidate multiple hospitals in Oneida County into an integrated system of care.
- The Budget includes reforms to the State's Brownfield Cleanup Program, and extends eligibility for tax credits that had been scheduled to expire at the end of calendar 2015 to March 31, 2026.
- Unrestricted State aid for most local governments remains flat for a fifth consecutive year. A new New York State Water Infrastructure Improvement program totaling \$200 million will provide funding for water supply and sewage treatment projects by municipalities,

State agencies or State public authorities, to be administered by the Environmental Facilities Corporation.

- The Enacted Budget provides for transfers of nearly \$300 million from State public authorities, including the State of New York Mortgage Agency, the New York Power Authority and the New York State Energy Research and Development Authority, for various purposes including budget relief, housing, and economic development. Such transfers may limit the ability of those authorities to meet their mission-related goals, such as the provision of low-cost power and initiatives to address climate change. In addition, the Budget shifts certain spending off-budget to be accomplished with public authority resources, reducing State Operating Funds spending as well as transparency and accountability for these funds.

The Enacted Budget omits a variety of Executive Budget proposals, including provisions to make undocumented immigrants eligible for State tuition assistance under a New York DREAM Act, the creation of an education tax credit and a property tax “circuit-breaker” credit, authorization to expand access to New Yorkers’ private information among State agencies, authorization of certain public authorities to issue Personal Income Tax (PIT) bonds and/or Sales Tax Revenue (STR) bonds for voter-approved Smart Schools Bond Act purposes, and transfer of the Oil Spill Fund Program from the Office of the State Comptroller to the Department of Environmental Conservation.

Note: The Financial Plan figures in this report are taken from the estimates provided by DOB in the Financial Plan Update that accompanied the SFY 2015-16 Executive Budget proposal, or, where information is available, from the SFY 2015-16 Enacted Budget, or from estimates provided by the New York State Senate and the New York State Assembly. References to monetary settlements in this report reflect settlements announced through March 31, 2015.

Financial Plan Overview

The proposed SFY 2015-16 Executive Budget included All Funds expenditures of just below \$150 billion based on preliminary projections. The Division of the Budget (DOB) projected that the Executive Budget would increase State Operating Funds spending by 1.7 percent, before adjustments for timing-related actions. This is in line with other proposed budgets of recent years that have presented State Operating Funds spending as growing by less than 2 percent, before any adjustments for cash management maneuvers and other actions.

Specific estimates of the Enacted Budget's overall expenditures and revenues for the current fiscal year, and projections for the ensuing three fiscal years, will be contained in the upcoming SFY 2015-16 Enacted Budget Financial Plan and Five-Year Capital Program and Financing Plan.

SFY 2014-15 – Preliminary Year-End Results

New York ended SFY 2014-15 with a General Fund balance of just under \$7.3 billion, approximately \$5.2 billion more than projected when the fiscal year began and \$537 million less than anticipated in the last Financial Plan Update released in February 2015. This increase is due primarily to \$4.9 billion in monetary settlements received throughout the year. The SFY 2014-15 Enacted Budget Financial Plan included \$275 million from monetary settlements intended to be used to support General Fund spending throughout the year. Figure 1 shows how projections for SFY 2014-15 changed over the course of the fiscal year.

Figure 1

Overall Projections for Receipts and Disbursements – SFY 2014-15
(in millions of dollars)

	SFY 2013-14 Actual	SFY 2014-15 Enacted April	SFY 2014-15 1st Quarter August	SFY 2014-15 Mid-Year November	SFY 2014-15 3rd Quarter Update February	SFY 2014-15 Actual (unaudited)
General Fund						
Receipts	61,868	62,962	67,150	67,775	68,714	67,920
Disbursements	61,243	63,142	63,171	63,171	63,181	62,856
State Operating Funds						
Receipts	88,927	89,178	93,333	93,958	94,766	95,037
Disbursements	90,631	92,234	92,244	92,244	92,376	92,426
All Funds						
Receipts	137,713	141,649	145,804	146,429	147,973	149,109
Disbursements	137,526	141,964	141,974	141,974	143,002	143,891

Source: Division of the Budget

Unaudited General Fund spending totaled \$62.9 billion in SFY 2014-15, representing an increase of \$1.6 billion or 2.6 percent. Spending was \$325.1 million under the latest projections and \$286.1 million under initial projections. Unaudited State Operating Funds expenditures were \$92.4 billion, an increase of just below 2 percent. All Funds tax collections totaled \$71.0 billion, \$1.3 billion or 1.9 percent over final collections for SFY 2013-14, \$522.4 million over the latest projections and \$846.4 million over initial projections. Business tax collections provided

most of the growth in All Funds collections throughout the fiscal year and ended the year \$725.7 million over the latest projections.

SFY 2014-15 – Closing Balance and Reserves

The SFY 2014-15 Enacted Budget Financial Plan projected an operating deficit of \$180 million in the General Fund for SFY 2014-15, with the projected General Fund balance declining from \$2.235 billion in SFY 2013-14 to \$2.055 billion. No deposits to restricted reserves were planned. While most of the State’s formal reserve funds are restricted in how they can be used, the “Refund Reserve” – dollars in the General Fund that DOB informally considers set aside for debt management and certain other purposes – has no restrictions. Although DOB often identifies an intended use, these uses are not statutorily mandated and the identified use of the informal reserve is not reported in the State’s financial reports.

The SFY 2014-15 Enacted Budget Financial Plan projected a net decline of \$93 million in such unrestricted reserves, including a decrease of \$35 million identified to support costs associated with labor contract agreements and other undesignated needs, along with \$58 million associated with the movement of settlement money received in SFY 2013-14 to a fiduciary fund for subsequent disbursement.

Previously unanticipated deposits of \$190 million to the Rainy Day Reserve Fund and \$126.4 million to the Tax Stabilization Reserve Fund (the maximum deposit for both funds) were made in March 2015. An additional \$4.8 billion was set aside in unrestricted reserves, compared to SFY 2013-14 levels. The actual unaudited closing balance in the General Fund on March 31, 2015 was \$7.299 billion, primarily reflecting more than \$4.9 billion in total funds received from monetary settlements. Figure 2 illustrates actual reserves at the end of SFY 2013-14, and reserves at the end of SFY 2014-15 as projected in the SFY 2014-15 Enacted Budget Financial Plan and the February Financial Plan Update, as well as actual results.

Figure 2

General Fund Reserves – SFY 2014-15 Plan and Actual Year-End Results (in millions of dollars)

	2013-14 Actual	2014-15 Enacted Projection	2014-15 February Projection	2014-15 Actual (unaudited)
Statutory Reserves	1,589	1,502	1,817	1,892
Tax Stabilization Reserve Fund	1,131	1,131	1,256	1,258
Rainy Day Reserve	350	350	540	540
Contingency Reserve Fund	21	21	21	21
Community Projects Fund	87	-	-	74
Refund Reserve (Unrestricted)	646	553	5,951	5,407
Prior Year Labor	88	53	51	
Debt Management	500	500	500	N/A
Settlement Proceeds	58	-	5,400	
Total	2,235	2,055	7,768	7,299

Sources: Division of the Budget, Office of the State Comptroller

SFY 2015-16 – Preliminary Enacted Budget Analysis

To date, DOB has not released a Financial Plan to account for all actions included in the SFY 2015-16 Enacted Budget. The Assembly provided preliminary revenue and spending estimates for the Enacted Budget, which are shown in Figure 3, along with DOB's Executive Budget proposal estimates.

On February 27, 2015, as part of the revenue consensus process, the Legislature and the Executive agreed that an additional \$200 million in resources would be available for the remainder of SFY 2014-15 and all of SFY 2015-16.¹

Figure 3

Receipts and Disbursements – DOB Projections of Executive Proposal and Assembly Projections of Enacted Budget

(in millions of dollars)

	SFY 2014-15 Estimate *	SFY 2015-16 Enacted	Dollar Growth	Percentage Growth
General Fund Receipts				
Division of the Budget (proposed)	68,714	66,090	(2,624)	-3.82%
Assembly	68,714	66,207	(2,507)	-3.65%
General Fund Disbursements				
Division of the Budget (proposed)	63,181	70,629	7,448	11.79%
Assembly	63,181	70,746	7,565	11.97%
State Operating Funds Receipts				
Division of the Budget (proposed)	94,766	92,584	(2,182)	-2.30%
Assembly	94,766	92,773	(1,993)	-2.10%
State Operating Funds Disbursements				
Division of the Budget (proposed)	92,376	93,988	1,612	1.75%
Assembly	92,376	94,221	1,845	2.00%
All Funds Receipts				
Division of the Budget (proposed)	147,973	149,288	1,315	0.89%
Assembly	147,973	149,554	1,581	1.07%
All Funds Disbursements				
Division of the Budget (proposed)	143,002	149,996	6,994	4.89%
Assembly	143,002	150,348	7,346	5.14%

* SFY 2014-15 Estimate is from SFY 2015-16 Executive Budget Financial Plan updated for 30-Day Amendments.

** Does not include federal spending for Superstorm Sandy recovery or new federal spending associated with the Affordable Care Act or capital spending from monetary settlement funds.

Sources: Division of the Budget, New York State Assembly

Updated DOB projections, which will be used to monitor revenue and spending results throughout the year, will be included in the upcoming SFY 2015-16 Enacted Budget Financial Plan. State Finance Law requires the Financial Plan to be released no later than 30 days after the Legislature has completed action on the budget bills submitted by the Executive and the period for the Executive's review has elapsed.

¹ State Finance Law requires the Executive and the Legislature to agree on projected All Funds tax receipts, General Fund miscellaneous receipts and Lottery receipts by March 1 of each year.

All Funds

The SFY 2015-16 Executive Budget projected that All Funds receipts would increase by \$1.3 billion, or 0.9 percent, to \$149.3 billion. This increase included a \$5.4 billion decline in miscellaneous receipts, reflecting the loss of one-time monetary settlements, offset by increases in other receipts. Tax collections were projected to increase 5.6 percent, or \$3.9 billion, primarily in PIT collections, which were expected to increase 6.7 percent or nearly \$3 billion. Enacted Budget All Funds receipts are projected to increase to \$149.6 billion, or approximately 1.1 percent (\$1.6 billion), over SFY 2014-15 according to Assembly estimates.

The SFY 2015-16 Executive Budget Financial Plan projected All Funds spending would increase nearly \$7 billion, or 4.9 percent, to just under \$150 billion, from estimated SFY 2014-15 totals. This included federally funded spending related to Superstorm Sandy and increased funds associated with the federal Affordable Care Act (ACA), as well as new capital spending from monetary settlement funds, that the Executive omitted in describing the current year's projected All Funds spending as \$142 billion. All Funds spending in the Enacted Budget, according to Assembly estimates, is projected to increase to \$150.3 billion, representing an increase of \$7.3 billion, or 5.1 percent, over SFY 2014-15 estimates. The increase includes spending from federal funds associated with Superstorm Sandy and the Affordable Care Act, as well as spending of certain settlement funds.

State Operating Funds

The Executive Budget Financial Plan projected that receipts collected in State Operating Funds would decline 2.3 percent in SFY 2015-16, or \$2.2 billion, including the loss of monetary settlement funding and increases in other receipts. DOB projected that tax collections in State Operating Funds would increase 5.7 percent or nearly \$4 billion. The Assembly projects receipts in State Operating Funds will decline just under \$2 billion, or 2.1 percent, to \$92.8 billion, reflecting the loss of non-recurring settlement funds.

Disbursements were projected to increase 1.7 percent, or \$1.6 billion, with the majority of the increase occurring in school aid and State-funded Medicaid. State Operations spending was projected to increase 1.2 percent, or \$217 million, and spending for General State Charges was projected to increase 4 percent or \$282 million. Assembly estimates indicate that State Operating Funds spending will total \$94.2 billion, an increase of approximately 2.0 percent.

General Fund

DOB projected that receipts collected in the General Fund (including transfers from other funds) would decline 3.8 percent, or \$2.6 billion, primarily from the loss of one-time monetary settlement revenues. Tax collections (after transfers from debt service funds) were expected to increase \$3.9 billion or 6.6 percent. Enacted Budget General Fund receipts (including transfers from other funds) are projected to decline \$2.5 billion, or 3.7 percent, to \$66.2 billion according to Assembly estimates.

DOB projected that General Fund disbursements (including transfers to other funds) would increase 11.8 percent, or \$7.4 billion, from SFY 2014-15 estimates. The majority of the growth was anticipated in transfers to other funds, reflecting the transfer of monetary settlement revenue to a newly created capital fund. According to Assembly projections, General Fund

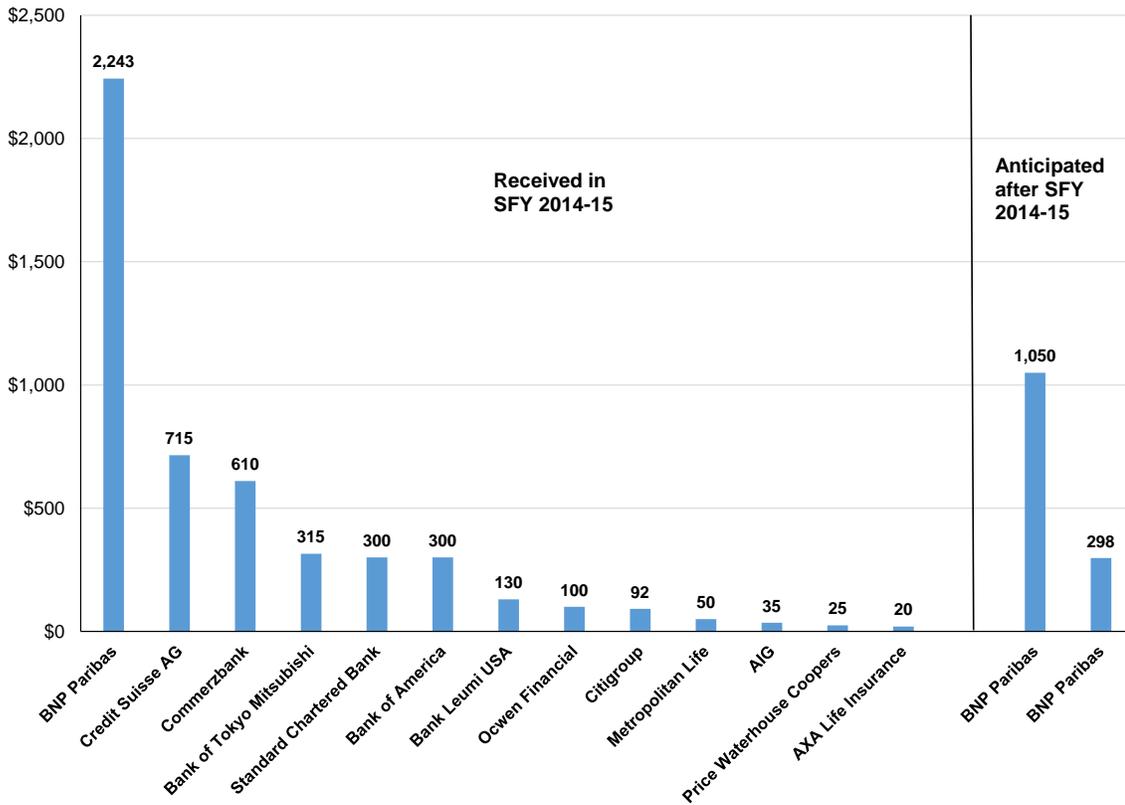
disbursements (including transfers to other funds) are anticipated to increase just under 12 percent, or \$7.6 billion, in the Enacted Budget, to \$70.7 billion.

Monetary Settlements

Since the start of SFY 2014-15, the State has received or expects to receive nearly \$6.3 billion from 13 different monetary settlements or decisions arising from allegations of misconduct by major financial and other institutions, as shown in Figure 4. As of March 31, 2015, approximately \$4.9 billion of this total had actually been received.

Figure 4

Certain Monetary Settlements Received Since SFY 2014-15
(in millions of dollars)



Non-Recurring and Temporary Resources

The SFY 2015-16 Executive Budget included approximately \$4.8 billion in non-recurring (“one-shot”) or temporary resources. These resources comprise \$572 million in new proposed actions, just under \$2 billion in actions carried forward from previous budgets (primarily temporary personal income tax provisions), and \$1.7 billion in resources associated with Superstorm Sandy. The total would rise to \$5.6 billion if projected settlement spending and settlement revenue expected to support General Fund spending in the Executive proposal were included.

Based on preliminary estimates, the SFY 2015-16 Enacted Budget appears to rely on a similar amount of temporary or non-recurring resources, including the impact of additional prepayments made at DOB's discretion. The components of these are as follows:

- \$3.0 billion in existing temporary resources, offset by existing temporary costs totaling \$983 million;
- \$1.7 billion in disaster assistance;
- \$1.0 billion in SFY 2014-15 prepayments of SFY 2015-16 costs (offset by a future anticipated prepayment of SFY 2016-17 costs this year of \$100 million);
- \$540 million in one-time monetary settlement resources; and,
- \$318 million in new temporary and non-recurring resources included in the Enacted Budget (largely reflecting Executive proposals, with certain modifications).

Excluding extraordinary federal aid related to Superstorm Sandy, non-recurring and temporary resources in the Enacted Budget total approximately \$4.2 billion. These figures will likely be revised when more information is available upon release of the SFY 2015-16 Enacted Budget Financial Plan.

Transparency and Accountability

High standards of transparency, accountability and oversight are critical to ensuring that taxpayer dollars are protected from waste and abuse, and public access to information is not diminished. When budgetary actions do not meet such standards, public resources are left vulnerable to misuse and inefficiency, and important discussion and debate may be short-circuited. The SFY 2015-16 Enacted Budget omits several proposals from the Executive Budget that would have reduced government transparency and accountability. The Enacted Budget was timely, with final legislative action on appropriation bills missing the March 31 deadline by only hours. Still, transparency with respect to both process and content was sacrificed.

The Joint Budget Conference subcommittee process, designed in part to provide public disclosure of budget negotiations, did not issue final reports of the results of subcommittee decisions. The initial meetings of the subcommittees indicated that \$610 million was to be allocated by the substantive subcommittees for various programmatic areas. There were public meetings where various changes to the budget were discussed, but final conclusions were not reached. At that point, public meetings stopped and final reports were never delivered.

Several of the budget bills were printed before the conclusion of the budget negotiations, and lacked important provisions. For example, one of the largest areas of local spending, education and school aid, was removed from the Aid to Localities Budget Bill which the Legislature passed. The Aid to Localities Budget Bill was later amended in the final bills that were passed in each House within hours of being completed and made available to members of the Legislature and the public. The Capital Projects Budget Bill, which includes the allocation of billions of dollars in new spending from settlement funds, was also passed without the normal three-day aging period. Such bills were passed with messages of necessity.

As a result of the compressed schedule for Legislative action, bills addressing major areas of public interest, including changes to education and ethics requirements, were passed with only minimal information with respect to their content being disclosed. The rushed passage of these

important bills denied the public the opportunity to get a full understanding of the agreements being reached and the impacts such agreements could have before their enactment.

The Enacted Budget includes various provisions that raise concerns regarding oversight, transparency and accountability. Several of these provisions were included in the Executive Budget proposal and in some cases modified in the Enacted Budget. Examples include:

- **Creation of the Dedicated Infrastructure Investment Fund (DIIF).** The Enacted Budget establishes a new fund, the DIIF, with appropriations for a wide range of new projects. Up to \$4.55 billion may be transferred to the DIIF, at the discretion of the Director of the Budget. The Enacted Budget provides very little clarity with respect to the intended use of these funds, including whether the moneys are for one-time purposes, or for ongoing expenses. The Executive has indicated its intent to use the money deposited into the Fund for one-time purposes, which would be appropriate. However, the breadth of the language creating the Fund and of the language in appropriations associated with it leaves open whether this intent will be achieved.

Also, the enacted language diminishes the State's and the public's ability to monitor how the settlement funds are used. The language does not provide for any comprehensive or standardized mechanism to track spending of these dollars. While the Enacted Budget added some reporting requirements for two large appropriations from the DIIF, most appropriations have no reporting. Furthermore, the Executive is authorized to transfer large sums to public authorities for spending, which would eliminate the oversight and checks and balances that would apply to State agency spending. (For further information, see the subsection on the DIIF in the Debt and Capital section of this report.)

- **Extensive use of lump-sum appropriations for Executive and Legislative initiatives.** There appears to be an increase in both the amount of lump sum appropriations and in the scope for which they are used to fund yet-to-be-determined projects.

In an effort to improve transparency and accountability in the State's spending, the Budget Reform Act of 2007 prohibited the use of lump-sum appropriations by the Legislature.² Because the 2007 reforms are statutory, the use of "notwithstanding" provisions overrides such restrictions. In addition, because the 2007 statutory prohibition does not apply to appropriations advanced by the Executive, a loophole exists since final Enacted Budgets in recent years have been Executive resubmissions to the Legislature made in the final days and hours of budget negotiations.³ As a result, this prohibition does not apply to most of the Enacted Budget. Recent years' Enacted Budgets have used notwithstanding provisions to include lump-sum appropriations for allocation in accordance with a plan approved by the Director of the Budget and one legislative leader, and approved by roll call of one house of the Legislature.

² The Act defines a lump-sum appropriation as "an item of appropriation with a single related object or purpose, the purpose of which is to fund more than one grantee by a means other than a statutorily prescribed formula, a competitive process, or an allocation pursuant to subdivision five of section 24 of this chapter." Subdivision five relates to any appropriation added by the Legislature without designating a grantee. Such provision requires that such funds shall be allocated "only pursuant to a plan setting forth an itemized list of grantees with the amount to be received by each, or the methodology for allocating such appropriation. Such plan shall be subject to the approval of the chair of the senate finance committee, the chair of the assembly ways and means committee, and the director of the budget, and thereafter shall be included in a concurrent resolution calling for the expenditure of such monies, which resolution must be approved by a majority vote of all members elected to each house upon a roll call vote."

³ See Appendix C, Evolution of the SFY 2015-16 Budget Bills, for an explanation of Executive budget bill resubmissions.

The Enacted Aid to Localities Budget Bill continues this practice. Notwithstanding the 2007 restrictions and requirements, it includes more than \$15 million in several appropriations, each to be allocated pursuant to a plan approved by DOB and the Senate under the process outlined above, for varied purposes including criminal justice services, military base retention efforts, women's health services, and invasive species and dredging.

In addition, the Chapter Amendment to the Aid to Localities Budget Bill, which includes the SFY 2015-16 education-related appropriations, includes a \$14.4 million new appropriation to be similarly allocated by the Assembly and DOB for grants to school districts, libraries and not-for-profit institutions, as well as \$24.0 million in reappropriations for the same purpose, via the same process. There are also \$40.5 million in new appropriations and \$25.1 million in reappropriations for grants to school districts, libraries and not-for-profit institutions to be allocated by the same process identified above by the Senate and DOB.

Among the largest examples of lump-sum spending is the expansion of the bond-financed State and Municipal Facilities Program first enacted in SFY 2013-14. The SFY 2014-15 and SFY 2015-16 Enacted Budgets each added \$385 million in appropriation and bonding authority, bringing total appropriations enacted over three years to \$1.155 billion and tripling the size of the program since it was first enacted. The allowed uses of such moneys have again been expanded to include a broad range of economic development, education, environmental and other purposes. However, it is unclear how these funds will be allocated. The Enacted Budget does not include specific language that provides for the distribution of these moneys among the various purposes or among the various entities authorized to receive funding. (See the Debt and Capital section of this report for more information.)

The Enacted Budget includes more than \$519 million in economic development reappropriations to be allocated pursuant to a memorandum of understanding (MOU) among the Executive, the Temporary President of the Senate, and the Speaker of the Assembly. The process by which the decisions are made on how to spend these hundreds of millions of dollars is not specified, the MOUs that execute such spending are not made public, and information regarding how such dollars are used and what return they provide taxpayers is not readily available. These funds appear to be administered primarily by the Empire State Development Corporation (ESDC), which has been identified in Office of the State Comptroller audits and reports as having a pattern of deficiency with respect to transparency and accountability.

Most of the \$4.55 billion in settlement funds allocated through appropriations from the DIIF are lump sums to be allocated based solely on broadly worded language accompanying the appropriations, rather than through objective criteria and a clearly defined process established in statute. For example, while the language for the \$1.5 billion Upstate Revitalization initiative includes a reference to a process to be developed by the Urban Development Corporation (UDC, commonly known as ESDC) that would involve the Regional Economic Development Councils, the language provides that ultimately the moneys will be awarded by UDC at its discretion.

Several DIIF appropriations, which may be used to spend billions in settlement dollars, are in lump-sum form. There are certain purposes that are specified, including \$15.5 million for capital expenses of the Roswell Park Cancer Institute and \$250 million for certain Metro-

North access stations. However, the remaining programs are loosely defined, with minimal or no requirements to disclose how the spending decisions were made, where the money went, how it was used, and what the return on the taxpayers' investments was. The UDC has control over the \$500 million broadband initiative, with the only disclosure requirement being a report to the Director of the Budget and the Majority and Minority Leaders of the Legislature due on June 30, 2016 detailing any funds that had been spent and related information. The only other required reporting on the expenditure of the \$4.55 billion in settlement money is from the Thruway Authority.

Another lump-sum appropriation added to the SFY 2015-16 Enacted Budget is the new \$400 million Transformative Investment Program, which provides bonded capital funding for projects on Long Island or in New York City. The funding will be given in the form of loans and grants for which budget language provides broad parameters – for projects that “catalyze private investment, grow commercial and residential tax bases and enhance the environment and quality of life for New York State residents.” With no specific provisions regarding an allocation process, or defined eligibility criteria, it is difficult to determine how decisions will be made regarding the allocation and use of the funding.

The State and Municipal Facilities Program, the Transformative Investment Program and certain other programs in the Enacted Budget reflect a process wherein billions of dollars have been moved into less accountable spending mechanisms, which provide minimal disclosure of the decision making process and the potential benefits of such spending for New Yorkers. More of an effort is needed to curtail this less-than-ideal budget practice that has come into increasing use over the past few years.

- **Inclusion of fund sweeps that lack transparency and undermine the intended use of the monies.** The Enacted Budget retains and expands a provision from the Executive Budget to authorize and direct the New York Power Authority (NYPA), as deemed feasible and advisable by its trustees, to make a contribution in SFY 2015-16 of up to \$90 million to the General Fund, “or as otherwise directed in writing by the director of the budget,” to be used to support energy-related or economic development purposes.

The economic development purposes may include costs associated with Start-Up New York, the Open for Business Program, or Global NY and domestic and international trade missions. The language leaves unclear whether any of these moneys will be transferred to the State's General Fund to be spent “on-budget,” or whether all or a portion of these funds will be transferred directly to another entity, such as ESDC, to be spent off-budget. Transfers from NYPA to the State may diminish NYPA's capacity to provide low-cost power to businesses and nonprofit organizations, and could unnecessarily burden utility customers who pay NYPA charges.

In addition, the Enacted Budget includes a sweep of \$41 million to the General Fund of revenues generated by the sale of allowances to emit carbon dioxide under the Regional Greenhouse Gas Initiative (RGGI). DOB has expressed its intent to transfer \$23 million of these funds from the General Fund to the Environmental Protection Fund (EPF), although no language in the Budget requires this (the Enacted Budget does include a transfer of \$23 million from the General Fund to the EPF but is not specifically tied to this purpose). At the same time, the Enacted Budget includes a sweep of \$25 million from the EPF to the General

Fund, possibly to be replaced with public authority bond proceeds, though no language specifically authorizes this either.

As a result, the purposes for which the funds were originally generated and dedicated, either through regulation or statute, are being eroded, and additional long-term costs may be incurred through the issuance of bonds to supplant spending that otherwise would have been supported with current resources.

- **Discretion to move funding among agencies.** The Enacted Budget contains appropriation language – first authorized in the SFY 2012-13 Enacted Budget – that gives DOB significant power to reallocate spending among agencies through transfers, suballocations, or interchanges. These transfers are related to the Executive’s consolidation within the Office of General Services (OGS) of procurement, real estate and facility management, fleet management, business and financial services, administrative services, payroll administration, time and attendance, benefits administration and other transactional human resource functions, contract management, and grants management, as well as changes to the State’s provision of information technology services.

Current law provides additional interchange authority among the Office of Mental Health, the Office for People With Developmental Disabilities, the Office of Alcoholism and Substance Abuse Services, the Department of Health, and the Office of Children and Family Services to allow such agencies to “better coordinate and improve the quality and efficiency” of certain oversight activities.

The reallocation language is included by reference in State Operations and certain other appropriations for most agencies. The Enacted Budget did not expand this interchange authority to include the Executive Budget proposal for the “Lean Certification Bonus Authority.” Under that proposal, the funds would have been used “for the payment of semi-annual bonuses to eligible state employees who hold Lean Empire Belt or Lean Master Empire Belt certifications.”

Enacted Budget Article VII language authorizes the sweep of \$100 million across all agencies related to the information technology initiative and \$300 million in sweeps related to the business services initiative at OGS. These reallocations can be made at the discretion of DOB without regard to the appropriated amounts approved by the Legislature in the Enacted Budget.

While a certain degree of spending flexibility may be needed for the Executive’s shared services and agency redesign initiative, DOB should work toward providing each agency with the appropriate and necessary levels of spending authority each year, instead of continuing to rely on shifting hundreds of millions of dollars in spending authority. Such steps would improve transparency and clarify the impact of this authorization. Additional reporting by DOB regarding the impact, by agency, of these fund shifts would clarify the effects of this authorization and improve transparency.

- **Expanded use of alternative procurement mechanisms.** The Executive Budget proposed to re-establish and expand the Infrastructure Investment Act enacted in December 2011, which expired in December 2014. That Act authorized design-build contracts and other alternative methods of procurement for certain projects through five

specified State agencies and authorities. The Enacted Budget reauthorizes this program for two additional years, but does not adopt the proposed permanent extension and expansion to all State agencies and public authorities.

While this procurement mechanism may provide opportunities for budget savings and construction efficiency, greater transparency and accountability should also be required to ensure that the use of these alternative procurement methods is justified, to provide greater clarity with respect to eligible projects, to establish more robust public notification and participation processes before projects could move forward, and to introduce greater public protections, such as cost-benefit analyses and financing plans, particularly for projects that are not funded in the State Budget.

- **Expanded use of “emergency” procurement.** The Enacted Budget expands the authority of the Office of General Service (OGS) to enter into emergency contracts for public work or the purchase of supplies, materials or equipment for a construction “emergency” without complying with formal competitive bidding requirements by raising the threshold for such contracts from \$300,000 to \$600,000 through 2017. The Executive Budget had proposed increasing the threshold to \$1 million (subject to approval of the Attorney General and the State Comptroller after the contractor has been authorized to begin the work), through 2017.

While these contracts are awarded through a modified bid process, they are often more expensive than contracts awarded in accordance with the State’s competitive bidding requirements. Increasing the threshold under which this authorization could be used may result in unnecessary costs for New Yorkers. In public procurement, competition typically provides the optimal means of securing the best goods or services at the most reasonable prices, and provides greater openness and transparency to the public. While certain emergencies may necessitate expediency, previously existing law already provided for such situations.

- **Reduced procurement oversight and transparency.** The Enacted Budget includes several proposals that would bypass existing statutory provisions that are intended to ensure procurement integrity.

Under Section 112 of the State Finance Law, the Office of the State Comptroller conducts an independent review of most State agency contracts. This review reduces the risk that the State will encounter waste, fraud or abuse. Pre-audit review has an important deterrent effect. Although the Comptroller’s constitutional authority allows withholding or recovery of moneys arising from fraud or illegality while a contract is implemented, the Comptroller’s review and approval before contract execution is a critical step in preventing flawed agreements which could waste taxpayer money and diminish the quality of essential services for residents of the State.

The Enacted Budget restores certain requirements for the Comptroller’s review and approval which the Executive had proposed to eliminate, but bypasses competitive bidding and notification requirements in several program areas, including local assistance funding for certain initiatives at the Office for People With Developmental Disabilities and capital funding for loans or grants for development of supported housing units for the developmentally disabled. Elimination of such provisions diminishes oversight, transparency and openness in the State’s procurement process.

Additionally, several appropriations and reappropriations for Aid to Localities in the Enacted Budget eliminate the Comptroller's oversight and competitive bidding procedures for certain contracts, including \$4 billion in federal funds associated with the State's Medicaid waiver program, and \$2.9 million in Department of Health emergency assistance grants.

- **Continued use of off-budget actions for important programs.** The Enacted Budget continues the practice of shifting "off-budget" certain funds and spending that had traditionally been included in the State Budget and in State spending totals. In recent years, these off-budget items have included administrative spending for the Environmental Facilities Corporation, SUNY dormitory debt service, and housing programs.

In SFY 2013-14, SUNY dormitory debt service costs were restructured so that they would no longer be paid through a State appropriation. This move took debt service spending for SUNY dormitories off-budget and allowed new debt to be excluded from the State's statutory debt caps. The action increased the State's capacity under its cap on debt outstanding by placing this new borrowing outside the legal limit. The existing debt outstanding under the old program continues to count under the debt outstanding cap. The annual debt service for the old bonds continues to count against the debt service cap, but not in State spending totals.

DOB has the capacity to refund bonds from the old appropriation-backed program with bonds under the new program, further reducing the amount of debt outstanding and debt service that is counted under the caps. Since the new program was authorized, \$440 million has been issued, including amounts necessary to refund \$281.7 million from the old program. In addition, in April 2015, the Public Authorities Control Board authorized the issuance of \$350 million in bonds under the new program, to refund certain outstanding bonds under the old program. This will mean that the new debt will no longer count under the debt caps. This creates additional capacity for the State under its statutory caps on debt outstanding and debt service, but the debt that is paid for with State resources will remain outstanding.

The Enacted Budget includes the Executive proposal to shift off-budget \$19.7 million in funding for the New York State Energy Research and Development Authority (NYSERDA) for the energy research, development and demonstration program, energy policy and planning program, and the Fuel NY program. This revenue comes from assessments on sales of gas and electricity by New York State utilities, which are ultimately paid by New York State consumers.

The NYSERDA budget for SFY 2015-16 includes \$962.5 million in revenue, the vast majority of which is spent off-budget. Of this amount, \$682 million, or 70.9 percent, is derived from Clean Energy Fund programs funded primarily by assessments on utility sales. In SFY 2015-16, \$40.3 million in NYSERDA revenues, or 4.2 percent, is derived from State appropriations. This action continues a pattern of shifting off-budget funds and spending that had traditionally been included in the Budget and in State spending totals.

Accountability and transparency could be better served if these programs were appropriated within the State Budget and counted as State spending. Off-budget spending

artificially makes spending for State-related purposes appear lower, and eliminates important oversight, transparency and accountability measures.

- **The DIIF's impact on measures of State spending growth.** The appropriations from the DIIF in the Capital Projects Budget mean that spending from the Fund will not count as State Operating Funds expenditures, because that measure excludes capital spending. Thus, although expenditures from the DIIF may be for operating purposes, such spending would not be recognized for purposes of the Executive's 2 percent State Operating Funds spending growth target.

Components of potential DIIF spending that may warrant being counted, at least in part, as State Operating Funds spending include \$150 million for local governments and school districts for expenses related to shared services, cooperation agreements, mergers, and other related actions. In addition, the permissible uses of the \$1.5 billion in Upstate Revitalization monies, and other appropriations from the DIIF, include elements that do not appear to be capital projects.

- **Reduced transparency with respect to debt and certain debt-related reporting.** In recent years, the Executive has moved to consolidate the issuance of bonds under fewer bonding programs including the Personal Income Tax (PIT) Revenue Bond Program (authorized in 2001), the Sales Tax Revenue (STR) Bond Program (authorized in 2013) and State General Obligation (G.O.) bonds. PIT bonds, STR bonds and G.O. bonds are now the primary mechanisms used to finance the State's capital program.

The Dormitory Authority of the State of New York (DASNY) and the Empire State Development Corporation (ESDC) are authorized to issue both PIT and STR bonds for any purpose (except any G.O. bond act purposes). The Thruway Authority is also authorized to issue STR bonds for any purpose (except any G.O. Bond Act purpose). These changes facilitated the consolidation of bond sales under fewer issuers and bonding programs. The Enacted Budget adds the Thruway Authority as an entity eligible to issue PIT bonds for any purpose, with such issuances contingent on approval by the Public Authorities Control Board. The broader authorization is extended for five years.

With the consolidation of debt issuance, DOB has changed its presentation of debt outstanding, issuance, retirement and debt service within the Capital Program and Financing Plan. This presentation was initially revised in the SFY 2013-14 Enacted Budget Capital Program and Financing Plan. Debt is no longer reported in detail by program, but rather by bond type – G.O., revenue and service contract and broad programmatic area.

These changes reduce the level of information available regarding the State's use of borrowing, its current debt burden, and the payment of costs for essential capital projects. While debt consolidation may make the State's process more efficient, transparency in the use of taxpayer-funded borrowing is also essential.

The Enacted Budget omits the following Executive proposals:

- **Authorization to expand access to New Yorkers' private information among State agencies.** The Executive Budget had proposed new language authorizing the creation of

a new database to allow the sharing of data among all Executive agencies of the State, regardless of the relevance of that data to any given agency's responsibilities.

- **Reduction in public access to certain election information.** The Executive Budget proposed to eliminate certain publishing requirements related to election results, ballot initiatives and constitutional amendments, and instead would have authorized three-day website postings. It would also have eliminated the requirement that the State Board of Elections annually print and distribute the full text of the Election Law to all County boards of election and to the public when requested.
- **Transfer of the Oil Spill Fund Program from the Office of the State Comptroller to the Department of Environmental Conservation (DEC).** The Executive Budget proposed to move the administration of the New York Environmental Protection and Spill Compensation Fund (the Fund) from the Office of the State Comptroller to the DEC.
- **Elimination of the Department of Health's Physician Profile.** The Executive Budget had proposed to eliminate this public health resource, which provides user-friendly access to accurate, objective and reliable information about physicians licensed to practice in the State of New York, including practice information, educational background, professional affiliations, and malpractice information (if any).

Appropriation Growth

Appropriations reflect the legal authority to spend during any given State fiscal year. They provide an upper limit, or maximum, for spending on a designated program or purpose. Anticipated actual spending from the appropriations is included in the Financial Plan, which provides a comprehensive estimate of the State's revenue and spending expectations for the current State fiscal year and three subsequent fiscal years. Such Financial Plan estimates reflect the most important forward-looking measure of the State's spending plan in any given year.

For Local Assistance appropriations, spending typically is close to the amount of appropriations. For other categories of spending, including State Operations, Capital Projects and Debt Service, spending may be significantly below the amounts appropriated. Enacted Budgets include two-year appropriations for certain programs, most notably in education and health. This partially explains why appropriation totals are so much higher than projected spending for the corresponding year in the Financial Plan. Some appropriations, including those for certain disaster-related spending, capital or other purposes, have no current-year spending expectations associated with them.

The Enacted Budget includes \$285.5 billion in total new All Funds appropriations, an increase of \$8.3 billion or 3 percent from last year. New State Operations appropriations of nearly \$42 billion were up \$14 million, essentially flat compared to last year. New Local Assistance appropriations of almost \$218 billion reflected an increase of \$7.2 billion, or 3.4 percent, compared to SFY 2014-15, while new Capital Projects appropriations of \$15.7 billion were up \$614 million, or 4.1 percent over last year.

The Enacted Budget increases new All Funds appropriations in transportation, economic development and the environment by 28.2 percent, or a net \$5.1 billion above SFY 2014-15, and by a net \$6.7 billion, or 4.9 percent, in the area of health and mental hygiene. All Funds appropriations decline \$4.4 billion, or 4.8 percent in the area of education, labor and family assistance, primarily reflecting the offsetting impact of the SFY 2014-15 Smart School Bond Act appropriations. New debt service appropriations increased 4.6 percent, while public protection and general government appropriations increased 2.1 percent.

Figure 5

Summary of SFY 2015-16 New Appropriations by Program Area Compared to Executive
(in millions of dollars)

	Executive Proposed SFY 2015-16	Enacted SFY 2015-16	Dollar Change From Executive	Percentage Change From Executive
Public Protection & General Government	\$ 17,698	\$ 17,747	\$ 49	0.3%
Health and Mental Hygiene	144,325	144,502	177	0.1%
Education, Labor & Family Assistance	86,146	87,320	1,174	1.4%
Transportation, Economic Development and Environment	21,838	23,068	1,230	5.6%
Legislature	220	220	-	-0.9%
Judiciary	2,805	2,796	(9)	-0.3%
Debt Service	10,359	9,859	(500)	-4.8%
Total	\$ 283,390	\$ 285,511	\$ 2,121	0.7%

Note: Totals may not add due to rounding. The Judiciary total includes Interest on Lawyers Account appropriations of \$15 million. The totals do not include contingency appropriations or reappropriations.

Sources: Office of the State Comptroller; Division of the Budget.

The Enacted Budget increases All Funds appropriations \$2.1 billion above the Executive Budget, including an increase of \$1.5 billion in Local Assistance, \$542 million in Capital Projects, and \$47 million in State Operations. While not all of this money will be spent in SFY 2015-16, these figures depict how much is legally authorized.

As shown in Figure 5, the majority of new appropriations are added in the areas of transportation, economic development and the environment, and education, labor and family assistance.⁴ The decrease of \$500 million in debt service appropriations does not reflect anticipated lower spending, but rather an appropriation reduction from the Debt Reduction Reserve Fund, from which DOB did not anticipate any spending in SFY 2015-16 according to the Financial Plan Update released in February 2015.

Since SFY 2011-12 (the year the Enacted Budget began including two-year appropriations for certain education- and health-related spending), new All Funds appropriations have increased a net \$43.9 billion, or more than 18 percent. Figure 6 shows how these appropriation changes

⁴ Appendix B provides a comparison of new appropriations contained in the Enacted Budget compared to last year's Enacted Budget by program area, as well as new appropriations compared to last year's Enacted Budget and the Executive proposal by appropriation type.

were allocated among the major program areas. This overall increase reflects net reductions in new State Operations appropriations and net increases in other categories, as follows:

- \$4.1 billion or 8.8 percent decrease in State Operations;
- \$38.8 billion or 21.6 percent increase in Local Assistance;
- \$8.2 billion or 108.1 percent increase in Capital Projects; and
- \$979 million or 11.0 percent increase in Debt Service.

Figure 6

Summary of SFY 2015-16 New Appropriations by Program Area Compared to SFY 2011-12
(in millions of dollars)

	Enacted SFY 2011-12	Enacted SFY 2015-16	Dollar Change From SFY 2011-12	Percentage Change From SFY 2011-12
Public Protection & General Government	\$ 14,953	\$ 17,747	\$ 2,794	18.7%
Health and Mental Hygiene	116,750	144,502	27,752	23.8%
Education, Labor & Family Assistance	83,496	87,320	3,824	4.6%
Transportation, Economic Development and Environment	14,807	23,068	8,261	55.8%
Legislature	220	220	(0)	-0.9%
Judiciary	2,551	2,796	245	5.7%
Debt Service	8,880	9,859	979	11.0%
Total	\$ 241,656	\$ 285,511	\$ 43,855	18.1%

Note: Totals may not add due to rounding. The Judiciary total includes Interest on Lawyers Account appropriations of \$15 million. The totals do not include contingency appropriations or reappropriations.

Sources: Office of the State Comptroller; Division of the Budget.

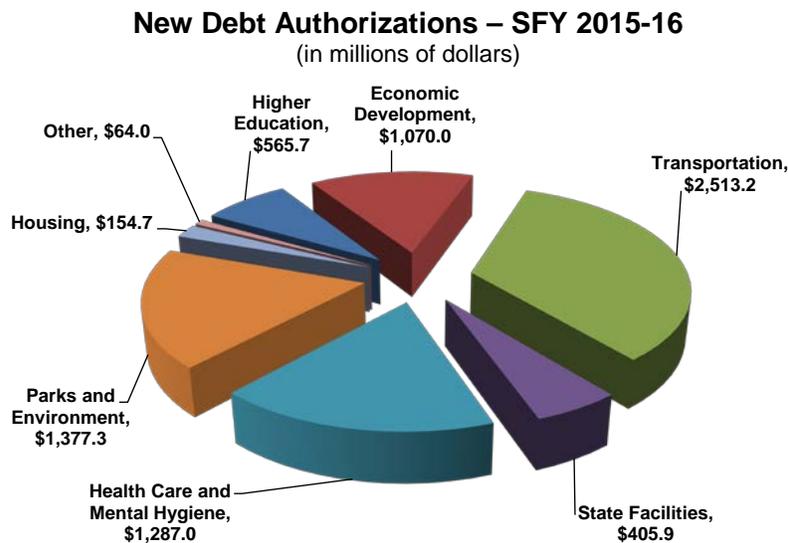
Debt and Capital

SFY 2015-16 Overview

The Enacted Budget includes approximately \$7.4 billion in new bonding authorizations for State-Supported debt, an increase of \$2.185 billion or approximately 40 percent over the Executive’s proposal and an increase of 6.4 percent over previously authorized amounts. The newly authorized debt includes several new programs as well as the expansion of certain existing programs. (See the Public Authorities section of this report for a table of changes in State-Supported public authority bond caps.) Figure 7 shows the increased bonding authorization by programmatic area.

The Enacted Budget does not include the Executive’s proposal to authorize the issuance of up to \$2 billion in Personal Income Tax (PIT) and/or Sales Tax Revenue (STR) bonds in place of State General Obligation (G.O.) bonds for purposes of the Smart Schools Bond Act that voters approved in November 2014.

Figure 7



Source: Office of the State Comptroller

Executive Proposals Omitted

The Enacted Budget omits the following Executive Budget proposals:

- The proposal for DASNY and UDC to issue PIT and/or STR Bonds in place of G.O. bonds for purposes of the recently enacted Smart Schools Bond Act.
- The Executive Budget proposal to re-establish, permanently extend and expand provisions of the Infrastructure Investment Act (“Design-Build”) enacted in December 2011 that expired in 2014. Instead, the Enacted Budget re-established a similar program for an additional two years. (See the Design-Build section of this report for more information.)

Proposals Added or Amended in the Enacted Budget

The Enacted Budget expands the State and Municipal Facilities Program enacted in SFY 2013-14 by adding another \$385 million in appropriation and bonding authorization. Together with previous expansions, this triples the size of the original program, bringing the total authorization to \$1.155 billion. The original authorization was for the payment of capital costs of construction, improvement, rehabilitation, or reconstruction of facilities owned by:

- the State;
- municipal corporations (counties, cities, towns and villages);
- water and sewer districts;
- the Metropolitan Transportation Authority; and
- SUNY senior colleges and related facilities and research centers, SUNY hospitals, CUNY senior colleges and SUNY and CUNY community college facilities and the statutory or contract colleges at Alfred and Cornell Universities.

The SFY 2014-15 Enacted Budget increased the number and type of entities that could receive aid and also expanded the purposes for which the funds could be used. Revisions included adding:

- independent not-for-profit institutions of higher education that meet statutory requirements for State aid;
- public school districts and public housing authorities; and
- public libraries and library systems chartered by the Regents or established by an act of the Legislature, and fire districts.

Revisions in the SFY 2014-15 Enacted Budget also broadened the purposes to include:

- the acquisition of capital facilities and assets with a useful life of not less than ten years purchased for the sole purpose of preserving and protecting the infrastructure that is owned, controlled or appurtenant to an eligible entity;
- economic development projects sponsored by the State or municipal corporations that will create or retain jobs; and
- environmental projects sponsored by the State or municipal corporations.

The SFY 2015-16 Enacted Budget further expands this program to include the following:

- public park conservancies or not-for-profit corporations organized to invest in State or municipal parks;
- not-for-profit fire districts;
- fire commissions and companies; and
- volunteer rescue and ambulance squads.

The purposes are expanded further to include:

- fixed capital assets;
- heavy-duty road maintenance and construction vehicles;
- pavers, snowplows, and street sweepers; and
- heavy-duty fire, emergency response and law enforcement vehicles.

It remains unclear how these funds will be allocated. The Enacted Budget does not include specific language that provides for the distribution of these moneys among the various purposes or among the various entities authorized to receive funding.

The Executive Budget proposed to make permanent the authorization for DASNY and UDC to issue PIT bonds for any authorized purpose of any authorized issuer of PIT bonds. (Authorized issuers of PIT bonds include DASNY, UDC, the Thruway Authority, the Environmental Facilities Corp. and the Housing Finance Agency.) Under previously existing provisions of State Finance Law, the authorization for DASNY and UDC to issue PIT bonds for any authorized purpose of any other authorized issuer would have expired as of March 31, 2015.

The Executive proposal was amended to extend such authorization for five years, through March 31, 2020, and to expand the authorization to include the Thruway Authority as well as DASNY and UDC. The Enacted Budget amends State Finance Law to require any PIT bonds issued by the Thruway Authority to be subject to approval by the Public Authorities Control Board (PACB). The Thruway Authority is otherwise not subject to oversight by the PACB. The Enacted Budget also amends language associated with Sales Tax Revenue Bonds to require PACB approval when the issuer is the Thruway Authority.

The SFY 2015-16 Enacted Budget includes an authorization to transfer up to \$500 million from the General Fund into the Debt Reduction Reserve Fund (DRRF), as well as an appropriation of \$500 million from the DRRF for the payment of debt service or related expenses or retiring or defeasing bonds of any State-Related bonding programs or for the funding of capital projects which have been authorized to be financed through the issuance of bonds. This represents a reduction of \$500 million in each instance from the Executive Budget. Although the Executive Budget proposal included language authorizing a transfer of up to \$1 billion into the DRRF, the proposed Financial Plan and the Capital Plan did not provide for the transfer of moneys into the Fund and anticipated no spending from the DRRF.

The Enacted Budget extends for two years the authorization for DOB to set aside funding for future debt service costs. DOB also continues to adjust the timing of certain debt service payments from previously established schedules. DOB prepaid \$204 million in SFY 2012-13; \$688 million in SFY 2013-14; and \$953 million in SFY 2014-15. DOB plans to prepay \$100 million in SFY 2015-16, according to the last Financial Plan update included with the Executive's 30 day amendments (although this could change with the Enacted Budget Financial Plan).

With such prepayments, the State sends funds to the fiscal agent or trustee earlier than otherwise planned, and the fiscal agent or trustee retains such funds until the regularly scheduled debt service payment is due. As a result, the State moneys are disbursed earlier than otherwise would have occurred, but the actual debt service payment occurs on its regularly scheduled payment date. Such prepayments do not reduce the State's interest costs. Prepayments that shift spending from one fiscal year to the next have the effect of depressing reported year-over-year growth in debt service and overall spending.

Dedicated Infrastructure Investment Fund

The Enacted Budget includes a new fund, the Dedicated Infrastructure Investment Fund (DIIF), with some modifications from the Executive proposal. In contrast to the Executive Budget proposal, the language creating the DIIF does not include language to allow an open-ended transfer of funds to the General Fund for purposes relating to disaster readiness, response and resiliency. The enacted DIIF allows a transfer to the General Fund in the event of an economic downturn if the composite index of business cycle indicators produced by the State Department of Labor declines five months in a row, instead of three months as originally proposed.

Also, language is included to allow the transfer of moneys from the DIIF to the General Fund to cover disallowances and/or settlements related to overpayments of federal Medicare and Medicaid revenues in excess of \$100 million from anticipated levels, as determined by the Director of the Budget, and the associated reduction in State-share Medicare and/or Medicaid revenues. This new language is narrowed somewhat from the Executive proposal, which would have allowed a transfer from the DIIF to the General Fund in an amount not to exceed any reduction in federal Medicare and Medicaid revenues from anticipated levels as determined by the Director of the Budget.

The associated DIIF appropriations are largely as proposed by the Executive in the original budget submission. Modifications include the addition of reporting requirements for the Thruway Authority Stabilization Program and for UDC related to the spending of the broadband appropriation. Other changes are the inclusion of certain new appropriated purposes, and the broadening of some appropriations.

The stated purposes of the DIIF remain very broad. Resources in the fund are to be used to finance “projects, works, activities or purposes necessary to support statewide investments as appropriated by the Legislature.” Even with such broadly defined purposes, language establishing the fund further provides that “Nothing contained in this section shall be construed to limit in any way the projects, works, activities or purposes that can be financed from this account, including but not limited to loans of money to public corporations or under terms approved by the director of the budget.”

The Executive has indicated that the DIIF will receive \$4.55 billion, or approximately 80 percent of the \$5.68 billion in monetary settlements DOB identified as having been received or anticipated to be received in SFY 2014-15.⁵ However, no provisions in the Enacted Budget require settlement resources to be deposited into the DIIF. Article VII language provides authorization for the transfer, upon the request of the Director of the Budget, of up to \$4.55 billion from the General Fund into the new fund.

The SFY 2014-15 Financial Plan anticipated \$275 million in settlement funds, which were used in support of General Fund spending in the last fiscal year. Another \$5 million was planned to be retained in a special revenue fund for chemical dependency services for use by the Office

⁵ The State actually received a total of \$4.9 billion in monetary settlements in SFY 2014-15. This includes \$610 million from Commerzbank that was not incorporated in the last Financial Plan Update included with the Executive's 30-day amendments. It does not include just under \$1.3 billion anticipated from BNP Paribas, which had been expected to be received in SFY 2014-15 but was not received. It is expected that DOB will indicate the expected timing for receipt of these funds when they release the SFY 2015-16 Enacted Budget Financial Plan.

of Alcohol and Substance Abuse Services (OASAS).⁶ The Executive set aside the remaining \$850 million of settlement funds within the General Fund as an unrestricted reserve. This funding was to be used in April 2015 for partial payment of the costs related to federal disallowances and settlements for overpayments to New York of Medicaid and Medicare revenues.

Similar to the Executive's initial proposal, neither the Enacted Budget language creating the DIIF nor the appropriations or transfers from the DIIF limit the use of the funds to one-time purposes. The breadth of authorized purposes, along with the language authorizing the transfer of moneys in the DIIF back to the General Fund in the event of certain circumstances, suggests that moneys in the DIIF are being treated in the Enacted Budget as potentially available as an additional undesignated reserve for the State. For example, the trigger related to the transfer of DIIF moneys back to the General Fund in the event of an economic downturn is the same as the trigger that applies for a withdrawal of moneys from the State's Rainy Day Reserve Fund.

Among the appropriations from the DIIF, which have been characterized as being for capital purposes, is \$1.285 billion for the Thruway Stabilization Program. The appropriation includes language that allows funds to be used for "payment of costs related to the New NY Bridge and bridge-related transportation improvements, and for other costs of the Thruway Authority, including, but not limited to, its core capital program." The appropriation to the Thruway Authority adds that "Costs may include . . . personal services, non-personal services, fringe and indirect costs and the services provided by private firms." The Enacted Budget includes additional language requiring the Thruway Authority to report, before receiving any funds, how the Authority plans to use this funding. An annual report that details how this funding was actually used is also required.

A \$1.5 billion appropriation in the Enacted Budget for Upstate Revitalization retains vague language from the Executive proposal regarding intended uses of the funds. Under such provisions, the appropriation could be used for either recurring or one-time expenses. The language says that funds "shall be for services and expenses, loans, grants, workforce development, business and tourism plan development, costs associated with program administration and the payment of personal services, non-personal services and contract services provided by private firms to support economic development projects." These funds could also be applied retroactively – the appropriation allows part or all of the \$1.5 billion to be used for "the payment of liabilities incurred prior to April 1, 2015." This language related to prior year liabilities is included in all appropriations from the DIIF.

The language also states that "Funding will be pursuant to a plan developed by the chief executive officer of the New York State Urban Development Corporation and based on a competitive selection process among the regional development councils. . . . Such moneys will be awarded by the New York State Urban Development Corporation at its discretion. All or a portion of the funds appropriated hereby may be sub-allocated or transferred to any department, agency, or public authority."

⁶ In accordance with State forfeiture laws, a portion of the settlement with BNP Paribas is required to be deposited into the Chemical Dependence Service Fund (CDSF). The Enacted Budget includes a new transfer of \$292.9 million to the General Fund from the CDSF, leaving approximately \$5 million in the CDSF with the remainder to be transferred to the DIIF.

While the DIIF is described as having been created to fund capital purposes and DIIF appropriations are contained in the Capital Projects budget bill, nothing appears to limit its use to such purposes. Certain spending or transfers from the Fund could be used for previous or future operating purposes, including ongoing costs. Figure 8 provides a listing of the allocation of selected settlement revenues included in the Enacted Budget.

The Enacted Budget reduces the appropriation for health care facilities from the Executive proposal by \$45 million and replaces it with three new but related appropriations for health care purposes. These include a new community health care revolving capital fund that will be created and administered by DASNY outside of the State's Governmental Funds (off-budget) and which will be funded with \$19.5 million from the DIIF. The Enacted Budget also adds \$15.5 million for Roswell Park Cancer Institute and \$10 million for various health care technology purposes associated with the inclusion of behavioral services in the Medicaid managed care benefit package. In addition, a \$150 million appropriation initially proposed for transit-oriented development was replaced with an appropriation for economic development in Nassau and Suffolk counties.

Figure 8

Allocation of Selected Settlement Revenues and Uses
(in millions of dollars)

	Executive	Enacted	Difference
SFY 2014-15 Financial Plan			
<i>Support of General Fund</i>	275	275	-
<i>Support of Chemical Dependence Service Fund</i>	5	5	-
Total SFY 2014-15 Financial Plan	280	280	-
Dedicated Infrastructure Investment Fund (DIIF)			
Upstate Revitalization	1,500	1,500	-
Thruway Stabilization Program	1,285	1,285	-
Broadband and Other Telecommunications	500	500	-
Health Care/Facilities	400	-	(400)
Amended Health Care Facilities	-	355	355
Penn Station Access	250	250	-
Transit Oriented Development	150	-	(150)
Economic Development in Nassau and Suffolk Counties	-	150	150
Resiliency, Mitigation, Security, and Emergency Response	150	150	-
Municipal Restructuring	150	150	-
Other Infrastructure Improvements and Economic Development	115	115	-
Farm and Agricultural Investment - Southern Tier and Hudson Valley	50	50	-
Community Health Care Revolving Capital Fund	-	19.5	19.5
Roswell Park Cancer Institute	-	15.5	15.5
Health Care Technology	-	10	10
Total DIIF	4,550	4,550	-
General Fund Reserve	850	850	-
Total	5,680	5,680	-

Source: Division of the Budget and S.4610-A/A.6721-A and S.2004-C/A.3004-C

The DIIF, as structured in the Enacted Budget, differs significantly from the State's typical approach to capital funds. "Capital Projects" funds are described by DOB in ways that restrict their uses to certain specified uses, as detailed in Note 2 of the Financial Plan Tables and Accompanying Notes section of the Financial Plan:

These funds finance a variety of capital construction costs including: (1) planning, land acquisition, design, construction, construction management and supervision, and equipment costs; (2) highway, parkway and rail preservation projects; outdoor recreation and environmental conservation projects, and buildings and other capital facilities required by various State departments and agencies; (3) payments to local governments to help finance their capital programs, including highway, parkway, bridge, mass transportation, aviation, economic development, port development, community college, community and State mental health, outdoor recreation, State-assisted housing, and environmental quality; and (4) advances for capital construction costs reimbursable by public authorities, instrumentalities of the State, the Federal government or local governments. Sources of revenue for this fund type include transfers from other State funds such as the General Fund, dedicated taxes and other revenues, reimbursement of advances, bond proceeds, and Federal capital grants.

In contrast, the language creating the DIIF includes two provisions that provide authority for the Fund to be used for purposes other than for the capital projects described above. First, similar to the Rainy Day Reserve Fund, DIIF moneys can be transferred back to the General Fund in the event of an economic downturn or to cover disallowances and/or settlements related to over-payments of federal Medicare and Medicaid revenues in excess of \$100 million from anticipated levels. Second, the Enacted Budget's definition of the DIIF includes language that rules out any limits on "the projects, works, activities or purposes that can be financed from this account."

Finally, appropriation language for many of the projects listed in Figure 8 contains provisions that allow for the money to be spent on a wide range of non-capital purposes. The breadth of these permitted purposes is evident in statements such as "shall be used for services and expenses, loans, grants, workforce development, business and tourism plan development, costs associated with program administration, and the payment of personal services, non-personal services and contract services provided by private firms to support economic development projects" and "for payments to local governments and school districts for capital and other expenses related to the implementation of local government and school district shared services, cooperation agreements, mergers, and other actions."

Revenue

The Enacted Budget makes more than two dozen changes to existing law affecting tax revenues, which collectively have a relatively modest overall impact based on preliminary estimates from the Executive and the Legislature. Major changes from the Executive Budget include omission of proposals that would have created an education tax credit and a real property tax “circuit breaker” credit, and would have eliminated the current law’s provision for annual growth in the School Tax Relief (STAR) exemption benefit based on increases in the property tax levy.

The Executive and the Legislature reached agreement on an additional \$200 million in projected revenues as a result of the Consensus Revenue Forecast in early March. Based on preliminary estimates, as shown in Figure 9, enacted revenue-related changes will increase State revenues by an estimated \$59 million this fiscal year. That figure is projected to rise to \$238 million in SFY 2017-18 and then decline. The Enacted Budget modifies several Executive Budget proposals and includes a variety of revenue actions. The projected revenue impacts presented below are preliminary, based on the Enacted Budget Bills. The SFY 2015-16 Enacted Budget Financial Plan, expected to be released in the next several weeks, should contain DOB’s official estimates for the year for each of these actions.

Executive Tax Proposals Accepted or Modified

The Enacted Budget includes several tax-related proposals advanced by the Executive that were accepted as proposed or adopted with some modifications. The majority of these have multiyear fiscal impacts. Among other actions, the Enacted Budget will:

- Eliminate the New York City Personal Income Tax (PIT) School Tax Relief (STAR) rate reduction for taxpayers with incomes over \$500,000;
- Recoup improperly granted STAR exemptions;
- Allow homeowners who registered for STAR but who failed to file their applications with the local assessor by the statutory deadline to receive their STAR benefit;
- Extend for two years the limitation on the charitable contribution deductions for high income taxpayers;
- Modify the PIT and the MTA payroll mobility tax for technical changes;
- Require an economic impact report on the commercial production tax credit;
- Modify the Excelsior Jobs Program to include entertainment companies and music production companies as qualifying businesses;
- Create the Employee Training Incentive Program to provide a tax credit for employee training costs and internship stipends;
- Impose the gross receipts tax under Article 9 of the Tax Law on mobile telecommunications businesses;
- Combine the Department of State biennial information statement and tax return filings within the Department of Taxation and Finance;
- Make technical corrections to the State corporate tax reform statute;
- Include tasting events of other alcoholic beverages within the sales tax exemption for wine tastings;

- Base the local sales tax on prepaid wireless services on the retail location of the purchase;
- Provide a sales tax exemption for solar power purchase agreements;
- Authorize petroleum business tax refunds for farm use of highway diesel motor fuel;
- Make technical changes to the estate tax;
- Extend the provisions for warrantless wage garnishment for two years;
- Extend the video lottery gaming vendor's capital awards program for one year;
- Extend the current pari-mutuel betting and racing simulcasting structure for one year;
- Expand the types of electronic gaming offerings at Video Lottery Gaming facilities;
- Extend the Reorganization Board of the New York Racing Association for one year;
- Implement New York City corporate tax reform;
- Modify the credit for alternative fuel vehicle refueling property and electric vehicle recharging property to calculate the credit on the cost of property net of any grants awarded for the purchase of such property;
- Create the Urban Youth Jobs Program tax credit; and
- Extend and reform the Brownfield Cleanup Program.

Executive Tax Proposals Omitted

The Enacted Budget omits several tax-related proposals proposed by the Executive. The Enacted Budget deletes the provisions in the Executive Budget which would have:

- Eliminated the annual growth in the STAR exemption benefit;
- Converted the STAR delinquency/offset program into a tax clearance program;
- Converted the STAR exemption into a personal income tax credit;
- Created a new real property tax "circuit breaker" credit;
- Amended the methodology by which the investment tax credit could be claimed in relation to master tapes;
- Reduced the net income tax rate under the corporate franchise tax for small businesses;
- Imposed sales tax refund requirements on corporate utility (Article 9) taxpayers;
- Required approval from the Department of Economic Development on projects supported by Industrial Development Agencies that offer State sales tax exemptions;
- Expanded sales tax collection requirements for marketplace providers;
- Closed certain sales and use tax avoidance strategies;
- Lowered the outstanding tax debt threshold for suspension of a delinquent taxpayer's driver's license;
- Let New York enter into reciprocal tax collection agreements with other states;
- Required physicians and dentists applying for excess medical malpractice coverage to be tax-compliant;
- Required grantees of State or local grants to be tax-compliant;
- Allowed for the sharing of child care data between the Office of Children and Family Services (OCFS) and the Tax Department as well as multiagency data sharing;
- Disallowed the renewal or issuance of a professional or business license if past due tax liabilities are owed;
- Required new State employees to be tax-compliant; and
- Created an Education Tax Credit.

Tax Proposals Added in the Enacted Budget

The SFY 2015-16 Enacted Budget includes several new tax-related proposals. These new tax actions include:

- Exempting vessels costing over \$230,000 from the sales and use tax;
- Exempting civil aircraft and machinery and equipment installed on such aircraft from the sales and use tax;
- Exempting certain purchases made by banks subject to Dodd-Frank provisions from the sales and use tax ;
- Extending Monticello Raceway video lottery terminal rates for one year;
- Redirecting up to 2.0 percent of purse enhancement moneys for jockeys' health care until April 2017 and up to 1.0 percent of such moneys thereafter;
- Amending the distribution of retained commissions by out-of-state wagering providers; and
- Exempting libraries from the MTA payroll mobility tax.

Figure 9

Preliminary Estimate of Revenue-Related Changes (millions of dollars)

Summary Description of Action	2015-16	2016-17	2017-18	2018-19	2019-20
Elimination of NYC STAR Rate Reduction	41	51	51	51	51
Recoup Unlawful STAR Exemptions	1	-	-	-	-
Allowance of STAR Exemption for Unenrolled Registrants	(1)	-	-	-	-
Extension of Limitation on Deductions for Charitable Contributions	-	70	140	70	-
Technical Changes to the PIT and MTA Payroll Mobility Tax	-	-	-	-	-
TV Commercial Tax Credit Reporting	-	-	-	-	-
Excelsior Jobs Program Changes	-	-	-	-	-
Urban Youth Program Tax Credit	-	(10)	(10)	(10)	-
Employee Training Incentive Program Tax Credit	-	-	-	-	-
Impose Higher 186e Tax Rate on Wireless Communications	(4)	-	-	-	-
Brownfields Reform and Extender	-	-	-	-	-
Department of State Reporting/Repeal Fee	(2)	(2)	(2)	(2)	(2)
Technical Changes to Corporate Tax Reform	-	7	30	30	30
Extend Wine Tasting Sales Tax Exemption to Other Alcoholic Beverages	-	-	-	-	-
Impose Local Sales and Use Tax on Prepaid Mobile	-	-	-	-	-
Sales and Use Tax Exemption for Solar Power Purchase Agreements	-	-	-	-	-
Refund of Petroleum Business Tax for Farmers	-	-	-	-	-
Estate Tax Changes	-	-	-	-	-
Extend Warrantless Wage Garnishment for Two Years	15	15	-	-	-
Extend VLT Vendor's Capital Awards for One Year	-	-	-	-	-
Simulcasting Extender	-	-	-	-	-
Expansion of Electronic Gaming	20	40	40	40	40
NYRA Extender	-	-	-	-	-
Modification to the Electric Vehicle Charging Credit	-	-	-	-	-
Sales Tax Exemption for Vessels	-	-	-	-	-
Sales Tax Exemption for Aircraft	(10)	(10)	(10)	(10)	(10)
Sales Tax Exemption for Banks Impacted by Dodd-Frank	-	-	-	-	-
Redirect Purse Moneys for Jockeys' Insurance	-	-	-	-	-
Extend Monticello Raceway VLT Rates for One Year	(2)	-	-	-	-
Retained Commissions for Advance Deposit Wagers	-	-	-	-	-
Exempt Public Libraries from the MTA Payroll Mobility Tax	-	(1)	(1)	(1)	(1)
TOTAL	59	160	238	168	108

Note: Tables may not add due to rounding.

Sources: Division of the Budget, New York State Senate, New York State Assembly

Program Area Highlights

Education

The SFY 2015-16 Enacted Budget provides \$23.1 billion in school aid for school year (SY) 2015-16, an increase of \$1.3 billion, or 6.0 percent, over SY 2014-15. Including categorical grant increases of \$122 million that are not part of the formula-driven school aid calculations (“school aid runs”) results in a \$1.4 billion increase for General Support for Public Schools (GSPS) in SY 2015-16, and an additional \$340 million in prekindergarten funding brings the overall total to \$23.5 billion. The impact of this increase on a State fiscal year basis has not yet been made publicly available by DOB, but will be included in the updated Financial Plan. The Enacted Budget appropriates a larger increase in school aid than the \$1.1 billion proposed by the Executive Budget but less than the \$1.8 billion and \$1.9 billion the Assembly and Senate, respectively, had proposed in their one-house budget bills.

The major categories of school aid increases are:

- \$603 million in restoration of aid previously reduced by the Gap Elimination Adjustment (GEA), which brings GEA to a net total of \$433.6 million. The GEA is the amount reduced from each district’s aid allocation after the calculation of all other aids. First imposed as a \$2.1 billion decrease from formula-driven aid levels in SY 2010-11, GEA peaked at \$2.6 billion in SY 2011-12, before being reduced in each year thereafter by a different formula. The SY 2015-16 GEA restoration formula has multiple components that take into account factors such as changes in student enrollment, numbers of students receiving free and reduced price lunch, and percentage of students with limited English proficiency.
- \$269 million to support growth in various expense-based aids.
- \$428 million toward Foundation Aid, for a total of \$15.9 billion in SY 2015-16.

According to school aid runs released with the Enacted Budget, changes for individual school districts are projected to range from a 0.9 percent decrease to a 24.9 percent increase, excluding building aid payments.

Although the Executive Budget did not propose specific changes to aid categories, it would have made a \$1.1 billion increase contingent upon Legislative passage of several major education law changes. The Enacted Budget includes with modifications several initiatives advanced in the Executive Budget with modifications, as follows:

- **Changes to educator evaluations:** Currently, Annual Professional Performance Review (APPR) rating measures are developed by each school district in accordance with State guidelines, as negotiated with local teachers’ unions. The Executive Budget proposed requiring that 50 percent of an educator’s APPR rating be based on student test scores and 50 percent on classroom evaluations. These would have had to be put in place by the fall, regardless of existing contracts, or a district would be denied its aid increase.

The Enacted Budget instead requires that teachers and principals be evaluated based on a scoring matrix with two main categories: “student performance” and “teacher

observation,” as developed by the State Education Department (SED). School districts will have until November 15, 2015 to adopt the new APPR system, but any current APPR measures contained within collective bargaining agreements are grandfathered in until that contract expires.

- **Takeover and restructuring of distressed schools:** The Executive Budget proposed that the State be able to take over a “failing” school district by designating a “receiver” to turn the district around. The receiver could be a nonprofit entity, another school district or an individual, and would be granted broad managerial and operational control of the failing school district.

In the Enacted Budget, individual schools (rather than school districts) can be designated as failing if they are in the lowest achieving 5 percent of public schools in the State for three consecutive years (“priority schools”), or if the school has been among the lowest achieving schools under the State’s accountability system for at least ten consecutive years (“persistently failing schools”). In either case, a local community engagement team would be established to develop recommendations for improvement.

The school district’s superintendent would be granted the power of a receiver for a period of one year for a “persistently failing school” and two years for a “priority school.” As receiver, the superintendent is given additional powers over staffing decisions, including requiring renegotiation of collective bargaining units, as well as authority to expand the school day and/or year and to recommend the school convert to a charter school. The Enacted Budget also provides additional funding for schools classified as persistently failing. After the one or two-year period, SED will evaluate the school. If demonstrable improvement has not occurred, an external receiver may be appointed by the local school district and approved by SED (or appointed by SED alone, if the agency does not approve of the receiver picked by the district).

- **Extension of time needed for educators to achieve tenure:** Teachers and principals who are newly appointed on or after July 1, 2015 would enter a probationary period of four years. These educators would need to have APPR ratings of “effective” or “highly effective” in at least three of those four years to be eligible for tenure. This probationary period can be extended if an educator is rated as “ineffective” in the fourth year. The Executive Budget had proposed a probationary period of five years. Current State law allows for a three-year probationary period, after which an educator may be considered for tenure, with no consideration of APPR ratings during that period.
- **Educator disciplinary procedure changes:** The Executive Budget had proposed that a teacher or principal who receives two consecutive APPR ratings of “ineffective” can be presumed to be incompetent and dismissed from the school. The Enacted Budget includes this provision, but allows an educator to rebut this presumption by presenting other evidence of competence. After three consecutive APPR ratings of “ineffective,” a school district would be allowed to dismiss a teacher, with the only available rebuttal being to prove the score was calculated fraudulently. The Enacted Budget also adopts the Executive’s proposal of expedited hearings in disciplinary procedures involving teachers who are accused of physical or sexual abuse.
- **Changes in teacher certification requirements:** The Enacted Budget adopts the Executive Budget’s proposals intended to improve teacher education programs, and to

require holders of teaching certificates to register with the State every five years. Beginning in SY 2016-17, certificate holders will have to satisfy a minimum of 100 hours of continuing education requirements every five years.

The Enacted Budget omits several education-related proposals that were advanced in the Executive Budget. One of these would have extended mayoral control of New York City schools beyond the current expiration date of June 30, 2015. Another set of proposals that were omitted would have amended the statutes that deal with charter schools. These include raising the cap on the number of charters allowed statewide, granting preference in charter school lotteries to students in “failing” schools, allowing an increase in charter school tuition payments, and instituting legislation that would require charter schools to include a certain proportion of high-need students.

The Enacted Budget includes, with slight modifications, several categorical grants that were proposed in the Executive Budget. These initiatives total \$122 million in education aid, compared to \$50 million that was proposed in the Executive Budget for these same grants, and are allocated as follows:

- \$75 million to implement the turnaround strategies for “persistently failing” schools, as mentioned above, which is more than the \$8 million proposed in the Executive Budget.
- \$30 million in grants to expand new full-day and half-day prekindergarten programs for three-year-old children, which could also be used for four-year-old children. The Executive Budget had allocated \$25 million toward establishing this program exclusively for three-year-old children. The grants would be awarded based on various factors, including the needs of school districts and students who would be served by the program.
- \$5 million for an expanded Master Teacher program. The Enacted Budget adopts the amount and proposal that was advanced in the Executive Budget, but adds language allowing for teachers who are licensed in English as a Second Language (ESL), bilingual teachers, and those who are dually certified in special and general education to join this program. Master Teachers would be eligible for a \$15,000 annual stipend for four years to mentor teachers who are new to the profession.
- \$3 million each (as proposed by the Executive Budget) for:
 - Masters-In-Education Teacher Incentive Scholarship program – State University of New York (SUNY) and City University of New York (CUNY) graduate school tuition for future teachers will be paid by the State upon these students committing to teach in a State public school.
 - Teacher Residency program to combine Masters-level course work with classroom training.
 - “QUALITYstarsNY” program to assess, improve and communicate the level of quality in early education and child care settings throughout the State.
 - Expanding the P-TECH (Pathways in Technology and Early College High School) program.

The \$23.1 billion in school aid excludes funding for the Statewide Universal Full-Day Pre-Kindergarten program (for four-year olds) which was part of the SFY 2014-15 Enacted Budget.

This program committed \$1.5 billion over five years to support the phase-in of the first-ever, State-funded, full-day prekindergarten program. The Enacted Budget approves \$340 million that was appropriated in the Executive Budget for this initiative, of which \$300 million is allocated for New York City, for each school year from 2014-15 through 2016-17.

The Enacted Budget authorizes a phase-in of regional reimbursement rates for preschool special education itinerant teachers (SEIT) over four years commencing with SY 2015-16, which was part of the Executive Budget. The establishment of regional reimbursements was proposed in last year's Executive Budget but was omitted in the Enacted Budget.

The Enacted Budget also includes a requirement that the Chancellor of the Board of Regents report, by June 1, 2015, the Regents' recommendations on how to reduce the amount of student testing in the State.

Almost \$55 million in additional grants of aid have been allocated to the State Senate or Assembly with no specifically defined purpose. Of this, \$40.5 million (\$15.5 million in SFY 2015-16 and \$25 million beginning in SFY 2016-17) in grants can be used to aid "certain school districts, public libraries and not-for-profit institutions" based on a list of grantees that will be approved by the President of the State Senate and the Division of Budget. Once approved, these grantees will be included in a resolution and must receive a majority vote from the members of the Senate. The Assembly has been appropriated \$14.4 million in grants to these same types of entities that can be issued with an approval process similar to that for the Senate program.

Higher Education

The Enacted Budget authorizes new appropriations totaling \$13.8 billion for higher education purposes, including \$8.4 billion for SUNY, \$4.1 billion for CUNY, \$1.2 billion for the Higher Education Services Corporation (HESC), as well as just under \$4 billion in reappropriations. In addition, the Enacted Budget includes \$106 million in other appropriation authority for various higher education opportunity programs.

The Executive Budget included provisions within appropriations geared toward shifting the basis of funding for SUNY and CUNY colleges from enrollment to performance by making 10 percent of certain funding allocations contingent on the colleges completing performance improvement plans, which would serve as the basis for future funding allocations, by December 31, 2015. The Enacted Budget modifies this proposal and limits it to \$12 million in the CUNY Initiatives and Management appropriation and \$18 million from the SUNY Administration appropriation.

Base operating aid for community colleges totals \$706 million, with \$474 million allocated to SUNY Community Colleges and \$232 million to CUNY Community Colleges, increasing aid to \$2,597 per student.

The Enacted Budget omits the Executive Budget appropriation language making 10 percent of the total base operating aid support for each community college contingent upon completion of a performance improvement plan, to serve as the basis for performance funding allocations in future years.

The Enacted Budget provides new All Funds appropriation authority of \$1.2 billion for HESC in SFY 2015-16, an increase of 3.1 percent from SFY 2014-15, reflecting increased Tuition Assistance Program (TAP) payments and scholarship programs.

The Enacted Budget removed Executive Budget proposals to make undocumented immigrants eligible for State tuition assistance through TAP and other programs under a New York DREAM Act, as well as a new \$100 million education tax credit program.

The Enacted Budget includes a new student loan forgiveness program (Get On Your Feet) for undergraduate students who graduated from a New York high school or high school equivalent program, graduate from a New York State college or university in or after Academic Year 2014-15, apply to the program within two years of graduation, participate in the federal Pay as You Earn (PAYE) income-based loan repayment program, live and work (if employed) in New York, and earn less than \$50,000 annually. The State would pay the difference between what the PAYE income-based loan repayment program covers and the total loan payment for eligible students for two years.

Other higher education-related provisions in the Enacted Budget include: an additional \$110 million for the SUNY/CUNY 2020 program; a new merit scholarship program providing \$500 to each of 5,000 students; and \$50 million in capital resources to complete the new School of Pharmacy at Binghamton University.

Health

The Enacted Budget provides \$67.4 million in additional net State funding beyond amounts proposed in the Executive Budget for various State Department of Health (DOH) programs, including Medicaid, increasing State DOH disbursements by less than 1.0 percent to \$19.9 billion in SFY 2015-16. The Budget provides \$86.1 million in additional State funds to advance several new Medicaid initiatives and to restore support for a number of Medicaid services targeted for reduction in the Executive Budget proposal.

Additional projected savings serve to fully offset the projected costs of the Medicaid restorations and new initiatives. These include the impact of a federal judicial order blocking President Obama's Executive action on immigration. Because of the federal order, the Enacted Budget delays by a year the State-only costs of enrolling in Medicaid about 15,000 New Yorkers granted temporary relief from deportation. Other Enacted Budget offsets include retention of a tax on hospital obstetrical services revenue, and additional collections from drug rebates.

Of the Medicaid initiatives and restorations, Enacted Budget actions include:

- \$34.4 million to keep pharmacy reimbursements at their current levels, preserve "prescriber prevails" provisions for dispensing prescription drugs not on the State's preferred drug list, and allow certain health care providers to retain higher reimbursements for practitioner-administered drugs purchased for recipients enrolled in managed care plans.
- \$20.9 million to continue Medicaid payment of Medicare Part C (Medicare managed care) cost-sharing amounts without limit.
- \$10.7 million to preserve Medicaid coverage for community-based long-term care if a husband or wife refuses to contribute toward a spouse's cost of care.

- \$7.4 million to keep fees for transportation services provided to recipients enrolled in managed long-term care plans at their current levels.
- \$7.2 million for additional services supplied by ambulance, air ambulance and rural transportation providers, as well as expedited procedures for approving personal care services for managed care enrollees needing immediate assistance and demonstration programs for young adults having severe and chronic health problems or multiple disabling conditions.

The Enacted Budget extends the DOH Medicaid global spending cap for one additional year through March 2017 and, because of the offsets to the additional Medicaid spending included in the final Enacted Budget, does not change the global spending levels recommended for the Medicaid program in the Executive Budget, which are capped at \$17.57 billion for SFY 2015-16 and \$17.87 billion in SFY 2016-17. The Budget also extends for an additional year, through March 2017, the authority of the State Health Commissioner to keep DOH Medicaid spending under the cap, if DOB determines that disbursements are expected to exceed projections.

The Enacted Budget accepts the Executive Budget proposal to provide \$1 billion in additional capital funding for health care transformation, including \$700 million to renovate or replace inefficient or outdated facilities in Brooklyn and \$300 million to consolidate multiple hospitals into an integrated system of care in Utica. It also provides reappropriation authority for the \$1.2 billion in capital financing provided in the SFY 2014-15 Enacted Budget to restructure, close, convert and consolidate facilities within the health care delivery system in the State.

In addition, the Enacted Budget provides \$400 million from the DIIF for various health care initiatives, including:

- \$355 million for hospital transformation projects in isolated geographic areas;
- \$19.5 million for a revolving capital fund for community-based health care providers such as health, mental health and substance abuse clinics;
- \$15.5 million for Roswell Park Cancer Institute capital projects; and
- \$10 million for costs associated with moving behavioral health services into Medicaid managed care.

The Enacted Budget largely accepts the Executive Budget proposal to implement the Basic Health Plan (BHP), a health insurance subsidy program authorized by the federal Affordable Care Act. It assumes \$644.7 million in State-share Medicaid savings will be achieved in SFY 2015-16 by transitioning legal immigrants from Medicaid to the BHP starting April 1, 2015, but requires DOH to prepare a contingency plan addressing the potential for federal repeal of the BHP or a reduction in federal funding for the program.

The Enacted Budget omits an Executive proposal to expand DOH authority to use or regulate value-based payment methodologies in the State. The State's Delivery System Reform Incentive Payment (DSRIP) program, under which New York could receive up to \$8 billion in additional federal Medicaid funding, already requires 90 percent of New York's Medicaid managed care payments to reimburse providers for "value" of services delivered, rather than for volume of such services, by the end of the 5-year DSRIP program. DOH and the federal government consider payment reforms that pay providers based on cost efficiencies and improving patient outcomes as keys to sustaining reductions in avoidable hospital use after DSRIP payments end in 2020.

The Enacted Budget omits proposals from the Executive Budget to streamline the certificate-of-need process for construction of primary care clinics in the State, establish a pilot program to increase private equity investment in health care facilities, and tax certain accident and health insurers to help pay for operations of the State's health insurance exchange, New York State of Health (NYSOH). The Budget assumes that expanded coverage under the Affordable Care Act will generate enough additional Health Care Reform Act receipts to replace the revenue expected to be generated by the insurer tax. The Enacted Budget projects exchange operations to cost \$388.4 million in SFY 2015-16.

Besides the Medicaid program, the Enacted Budget provides an additional \$67.4 million for various initiatives and restorations. These include \$21.3 million for 41 public health programs and \$15.5 million in capital funding for the Roswell Park Cancer Institute (as previously mentioned) that restore proposed 15 percent reductions in their funding. The Budget also omits proposals that would have consolidated appropriations for the 41 public health programs and Roswell Park into six funding pools in order, according to the Executive, to provide flexibility in funding emerging public health needs. Similar budget proposals have been omitted in the past.

In addition, the Enacted Budget provides restorations of \$3.3 million for the DOH program to improve quality of care and services for residents of adult homes and \$1.2 million to continue DOH's physician profile website. Both programs were targeted for elimination in the Executive Budget.

The Budget also provides additional funding for various other health programs, including \$2 million for the Doctors Across New York program to train and place physicians in underserved communities, \$2 million for infertility services, \$1.9 million for rape crisis centers, \$1.5 million for spinal cord injury research, \$1.4 million for women's health services, \$500,000 to help New Yorkers enroll in or renew health care coverage through the State's health insurance exchange, and \$140,000 for a statewide campaign to encourage donations of umbilical cord blood.

Human Services / Labor

The Enacted Budget provides \$70.2 million in additional State and federal funding for the Office of Children and Family Services (OCFS) and the Office of Temporary and Disability Assistance (OTDA) beyond what was proposed in the Executive Budget, increasing All Funds disbursements for OCFS by 0.8 percent and for OTDA by 0.9 percent, to \$3.26 billion and \$5.07 billion, respectively, in SFY 2015-16.

The Enacted Budget also provides \$12.7 million in additional State funding for the Department of Labor (DOL) to support various employment and training programs, as well as \$4.2 million in additional State funding for various community services programs operated by the State Office for the Aging (SOFA). These additional amounts increase All Funds disbursements for DOL (excluding unemployment benefit funds) by 2.2 percent and for SOFA by 1.8 percent over the Executive Budget proposal, to \$579.6 million and \$231.5 million, respectively.

The Enacted Budget adds \$24.0 million in federal TANF funds (Temporary Assistance for Needy Families) for OTDA for various employment and economic support programs that have received additional funding in the past, including \$8.4 million in child care subsidies for working

families in New York City, the Capital Region, and Monroe and Oneida counties, \$4.0 million for technology-assisted learning programs, \$3.0 million for domestic violence services and \$1.5 million in additional child care subsidies. The Budget also provides \$19.8 million in additional General Fund support for OTDA programs, including \$15 million in shelter supplements to prevent eviction and address homelessness in New York City, \$2.5 million for homeless housing and preventive services, and \$1 million for legal representation for individuals denied or at risk of losing federal disability benefits.

The Enacted Budget includes \$26.4 million in additional General Fund support for OCFS in SFY 2015-16. Of this amount, \$22.0 million for various family and children's services includes \$3 million for safe houses for exploited children, \$2.57 million for child advocacy centers to support victims of abuse, \$2.45 million for settlement houses providing neighborhood-based assistance to TANF-eligible individuals and families, \$2.1 million for runaway and homeless youth services, \$2 million for after-school programs, and \$1.75 million for the community reinvestment program to prevent family court placement for at-risk youth. The Budget provides an additional \$4.3 million to expand child care assistance programs, including \$824,000 in subsidies for working families living or employed in Manhattan or in Onondaga County.

The Enacted Budget includes Local Assistance and Capital Projects appropriations for the initiative to raise the age of criminal responsibility from 16 to 18 years of age, but did not adopt Article VII statutory language to implement the proposal.

Mental Hygiene

The Enacted Budget accepts many of the Executive Budget proposals for the State's mental hygiene agencies, including the Office of Alcoholism and Substance Abuse Services (OASAS), the Office of Mental Health (OMH), the Office for People With Developmental Disabilities (OPWDD), the Justice Center for the Protection of People with Special Needs, and the Developmental Disabilities Planning Council (DDPC). The Budget provides, as proposed, \$42 million to transition a total of 249 individuals with developmental disabilities from OPWDD developmental centers and intermediate care facilities to community-based residential settings. It also provides \$15 million for additional community mental health services that are expected to reduce the need for inpatient beds at OMH psychiatric centers by 137 beds in SFY 2015-16.

The Enacted Budget provides a total of \$15.5 million in additional State funding for OASAS, OMH and OPWDD, increasing All Funds disbursements by 0.2 percent over the Executive Budget proposal to approximately \$7.17 billion for the five mental hygiene agencies in SFY 2015-16. Of the additional funding, \$8.8 million supports various adult and children's mental health services, including \$3.2 million for veterans coping with traumatic brain injury or post-traumatic stress disorder, \$1.5 million to expand crisis intervention services and jail diversion programs, and \$1 million for children's prevention and awareness initiatives.

The Enacted Budget also provides \$3.7 million in additional funding for OPWDD community services, including \$2 million in State-share Medicaid funding for services for individuals living at home whose caretakers cannot continue to meet their needs. Additional funding of \$3 million for OASAS includes \$2 million to hire additional substance abuse prevention and intervention specialists in New York City schools and \$1 million for opiate abuse treatment and prevention.

The Enacted Budget reserves \$850 million from the State's monetary settlements with financial institutions as the first installment of a \$1.95 billion plan to resolve federal Medicaid overpayments at OPWDD facilities for periods before April 2013. In July 2014, the federal government notified the State of a \$1.26 billion disallowance of Medicaid service claims for SFY 2010-11, as well as stating its intention to review similar claims for SFYs 2011-12 and 2012-13 and any prior periods. Under the settlement plan, announced in March 2015, the State has to make the \$850 million payment by mid-April 2015 and annual payments of \$100 million for each of the next 11 years starting in April 2016.

The Enacted Budget includes the Executive's Article VII proposals to transfer OPWDD Medicaid rate-setting functions to DOH and to bypass competitive bidding and notice requirements in contracts with providers to return about 20 children and adults with co-occurring mental health/developmental disabilities from out-of-state settings to New York.

Economic Development

The Enacted Budget provides \$2.33 billion in economic development funding, including the Upstate Revitalization Program, reflecting a net increase of \$891 million, or 62 percent, from SFY 2014-15. This includes increases of \$400 million in Capital funding and \$19.45 million in Aid to Localities funding over the Executive Budget proposal. The Enacted Budget generally accepts the Executive's proposals with some modifications and new funding.

New capital funding is included in the Enacted Budget for several projects characterized as economic development. This includes \$110 million in new funding for the SUNY and CUNY 2020 programs, \$33.5 million for the New York Power Electronics Manufacturing Consortium, \$25 million to support the Binghamton University School of Pharmacy, \$19 million for the Cornell University College of Veterinary Medicine, \$5 million for the Clarkson-Trudeau Partnership, and \$2.2 million for the retention of football in Western New York. In addition to the capital funding for these specific projects, the Enacted Budget also provides \$2.095 billion in new lump sum capital funding as follows: \$400 million for the Transformative Investment Program, \$150 million for the Regional Council Capital Fund, \$45 million for the New York Works Economic Development Fund, and \$1.5 billion for the Upstate Revitalization Initiative.

The Enacted Budget includes an appropriation of \$1.5 billion from the newly established DIIF for the Upstate Revitalization Initiative to provide loans and grants, pay personal and non-personal services and contract services of private firms, to support initiatives based on anticipated job creation and economic development benefits. The funds will be allocated pursuant to a competitive selection process involving the Regional Economic Development Councils (REDCs), but will be awarded by UDC (known as ESDC) at its discretion.

The Enacted Budget adds a new \$400 million Transformative Investment Program to provide bond-financed capital funding for projects on Long Island or in New York City. The funding will be in the form of loans and grants of at least \$5 million for projects that create or retain private jobs and grow the commercial and residential tax bases and enhance the environment and quality of life for New York State residents. The appropriation does not identify how such funds will be distributed.

Besides providing funding through appropriations within the Department of Economic Development (DED) and the Empire State Development Corporation (ESDC), the Enacted Budget funds economic development within appropriations of other agencies or accounts. For example, in addition to the \$1.5 billion appropriated from the DIIF referenced above, the Enacted Budget provides appropriations totaling \$3.05 billion. A portion of the appropriations are allocated to support the New NY broadband initiative, by which \$500 million will be made available to expand the availability and capacity of broadband to the underserved areas of the State. In addition, \$150 million in funding is provided for projects that create jobs, grow the commercial and residential tax base, or enhance the environment and quality of life for residents of Nassau or Suffolk County, to be reviewed, evaluated and approved by UDC.

Within DED, the Enacted Budget accepts the Executive's proposals for State Operations funding, including the proposal to add eight new full-time equivalent employees for the operational support of the Executive's initiative to increase the participation of Minority and Women-Owned Business Enterprises (MWBEs) in State contracting to 30 percent.

Funding in the High Technology Program is increased by \$3.63 million, including an additional \$1.53 million for the Centers of Excellence, an additional \$500,000 for the Centers for Advanced Technology, an additional \$1 million for New York State business incubators, and \$600,000 for the RPI Smart Lighting Systems Engineering Research Center. The additional Centers of Excellence funding increases support for the ten existing centers from \$872,000 per center to \$1 million per center. It also provides for the creation of a new Center of Excellence in atmospheric and environmental prediction and innovation in Albany.

The Enacted Budget also provides \$875,000 in additional funding for tourism marketing in the State. This funding includes an additional \$500,000 for local tourism matching grants, \$100,000 for the Finger Lakes Tourism Alliance, \$100,000 for the Queens Economic Development Corporation, \$75,000 for the Michigan Street African American Heritage Corridor Commission in Buffalo, and \$50,000 each for the Long Island Farm Bureau and the Long Island Wine Council.

Aid to Localities funding for the Urban Development Corporation (UDC, known commonly as ESDC) is increased by \$14.95 million, primarily the result of funding for new projects. The Enacted Budget includes \$31.2 million for the Economic Development Fund (EDF) and increases funding for the MWBE Development and Lending Program and the federal Community Development Financial Institutions (CDFI) Program. Some of the new funding includes \$3 million for military base retention, \$2 million for the Bronx Children's Museum, \$1.15 million for the Center State Corporation for Economic Opportunity based in Syracuse, \$1.05 million for the Bronx Overall Economic Development Corporation, and \$1 million for the NUAIR Alliance at Griffiss International Airport in Rome.

The Budget provides \$1 million for the Beginning Farmers New York Fund, and codifies the purposes for which the appropriations can be used. These purposes include the provision of capital grants for the purchase of machinery or to fund construction in order to improve farm profitability or to assist in demonstrating innovative agricultural techniques.

The Enacted Budget accepts the Executive proposals to extend the EDF and the general loan powers of UDC by one year. However, the Enacted Budget amends the proposal to extend by one year the deadline for the submission of an updated MWBE disparity study to determine the

extent to which qualified minority and women-owned businesses are participating in State contracts. Instead, this deadline is extended by six months, from February 2016 to August 2016.

The Enacted Budget expands the START-UP NY program to include START-UP NY airport facilities eligible to be tax-free areas under the program. The airport facility is defined as the vacant land or space that is owned by the State at either Stewart International Airport in Orange County or Republic Airport in Nassau County. Similar to the twenty strategic State assets that can be tax-free areas, the designated space at the airports is subject to approval by the START-UP NY approval board, cannot exceed 200,000 square feet, and must be affiliated with a college or university in the State.

Although not appropriated, the Enacted Budget provides support for other economic development programs through a transfer from the New York Power Authority (NYPA). A sweep of up to \$90 million in funds from NYPA is enacted with language allowing the funds to be provided to the General Fund or directed by the Director of the Budget. The funds are to be used to support energy-related initiatives and for certain economic development purposes including, but not limited to, the Open for Business initiative, advertising and promotion for START-UP NY and, as added in the Enacted Budget, expenses associated with Global NY and international and domestic trade missions.

Lottery and Gambling

The Enacted Budget makes no appropriation changes to the Executive proposal for the New York State Gaming Commission, but includes additions and revisions to proposed Article VII legislation. Article VII legislation in the Enacted Budget includes the following:

- a one-year extension of the authorization for video lottery gaming operators to earn capital awards, which encourage facility upgrades and improvements;
- a one-year extension of certain tax rates and simulcasting provisions and an extension from three years to four years of the term of the Reorganization Board of the New York Racing Association;
- the deposit of up to 2.0 percent of purse enhancement money from thoroughbred racetracks to provide health coverage for active, retired, and disabled jockeys; and
- a one-year extension of the Monticello Raceway video lottery terminal rates.

Transportation

Department of Transportation

The Enacted Budget modifies the Executive Budget proposal for the Department of Transportation (DOT) by increasing total All Funds appropriations from \$9.99 billion to \$10.18 billion, an increase of \$191.1 million. This change consists of a \$168.5 million increase in All Funds Capital Projects – Other appropriations from just under \$2.83 billion to almost \$3.0 billion and a \$22.6 million increase in Aid to Localities appropriations from approximately \$5.05 billion to \$5.08 billion.

The \$168.5 million increase in capital funding includes: \$100 million for State highway and bridge maintenance and construction (from \$200 million to \$300 million); \$15 million for upstate mass transportation authorities to replace buses and related equipment and facilities or for

other capital work; \$50 million for municipal winter storm recovery; and \$3.5 million for operating and capital costs related to two State rest areas/text stops.

Total Capital Projects funding through the New York Works program increases from \$375 million to \$475 million. The proposed new funding of \$150 million for State and local bridge construction, reconstruction or replacement is retained within this appropriation. Apart from the restoration and increase to winter storm recovery funding, local capital projects funding through the Marchiselli Program and the Consolidated Local Street and Highway Improvement Program (CHIPS) remains the same at a total of \$478 million.

As proposed in the Executive Budget, the Enacted Budget transfers \$121.5 million of funds used previously for downstate mass transportation operating assistance (Mass Transportation Operating Assistance fund) to the newly established Transit Assistance for Capital Investments Fund for MTA and non-MTA capital project work within the Metropolitan Commuter Transportation District. This funding will be distributed through a formula determined by the Commissioner of DOT.

The \$22.6 million in increased local operating aid consists of a total additional \$21.3 million for the Additional Mass Transportation Assistance Program (AMTAP), \$1 million for the Local Transportation Planning Studies Program to enable the New York City Department of Transportation to conduct a design study of Hutchinson River Parkway ramps and related service routes regarding traffic congestion and safety, and \$300,000 for preventive maintenance to be used by Erie and Cattaraugus counties on the South Cascade Drive/Miller Road Bridge.

More specifically, the increase to AMTAP will direct \$10.3 million to the MTA to provide toll relief for Staten Island residents and commercial users of the Verrazano-Narrows Bridge; make available \$10 million in additional funding for upstate mass transportation authorities' operating expenses; and provide \$1 million to conduct a study of accessibility and capacity at the Kingsbridge Road/Jerome Avenue subway station in the Bronx.

The Enacted Budget modifies the Executive Budget proposal for the sharing of services between the Department of Transportation and the Thruway Authority to require that such agreements be available only for emergency purposes or in extreme weather conditions and for no longer than a ten-day period.

The Enacted Budget accepts the Executive Budget proposal to repeal the \$50 Intrastate Authority Application Fee, but omits its proposal for the Department of Transportation to charge a \$100 safety inspection fee for commercial passenger carrier vehicles.

The Enacted Budget accepts the Executive proposal to increase from five to ten years the length of time a municipality may finance bus purchases based on vehicle useful life. It accepts the Executive proposal to include the Ontario County transit system within the Rochester-Genesee Regional Transportation District (RGRTA), adjust the shares of matching payments that counties which compose the District make to RGRTA, and allow RGRTA to receive State aid for the provision of transit services in Ontario County.

Dedicated Highway and Bridge Trust Fund

The Enacted Budget increases the Executive's proposed General Fund transfer of \$685.6 million to the Dedicated Highway and Bridge Trust Fund (DHBTF) by 6.3 percent to \$728.5 million. The Enacted Budget makes two other transfers to the DHBTF as proposed in the Executive Budget: \$5 million from the General Fund for the State Police to provide work zone safety assistance to DOT, and \$5 million from the miscellaneous Special Revenue Fund for State Operations costs related to administering and enforcing motor carrier safety in excess of the amount provided by fees deposited in the DHBTF for this purpose.

Department of Motor Vehicles

The Enacted Budget omits the Executive proposal to permanently authorize the DHBTF and the Dedicated Mass Transportation Trust Fund to receive revenues from the Department of Motor Vehicles (motor vehicle transaction fees) and to fund departmental operations from the DHBTF, and instead extends the current authorization by five years. The Budget omits the Executive Budget proposal to adjust the process for the registration of overweight vehicles.

As proposed in the Executive Budget 30-day amendments, the Enacted Budget establishes the Buffalo Traffic Violations Agency under the direction and control of the Mayor to adjudicate traffic infractions within its jurisdiction.

Environment, Parks and Agriculture

Department of Environmental Conservation

The Enacted Budget provides \$1.3 billion in All Funds appropriations for the Department of Environmental Conservation (DEC), an increase of \$213.9 million above the Executive Budget proposal. The Enacted Budget increases Capital Projects appropriations above the Executive Proposal by \$200 million for water-related infrastructure projects, and by \$5 million for the Environmental Protection Fund. Other appropriation increases in Aid to Localities funding include \$8.6 million for local projects, such as \$1 million for the cleanup of Roberto Clemente Park in the Town of Islip and \$5 million for the implementation of the Long Island Nitrogen Management and Mitigation plan. The Enacted Budget also increases State Operations appropriations by \$2.1 million for oil spill prevention and preparedness.

The Enacted Budget includes the Water Infrastructure Improvement Act of 2015, which authorizes the Environmental Facilities Corporation (EFC) to issue financial assistance payments to municipalities, State agencies and authorities for up to 60 percent of the cost of repairs to, or compliance-required upgrades of, sewage treatment works and water supply projects. No entity can receive more than \$5 million in any State fiscal year. EFC is authorized to finance these projects through the issuance of \$200 million in bonds. Appropriation language in the Capital Budget makes \$50 million of this funding available in SFY 2015-16 and \$75 million available in SFYs 2016-17 and 2017-18, respectively.

The Enacted Budget modifies the Executive Budget proposal related to the New York Environmental Protection and Spill Compensation Fund Program (Oil Spill Fund). It adopts the Executive proposals to increase license fees to 9.5 cents per barrel (excepting end-users), to increase the surcharge for oil stored in State, but then transferred out of State, to 13.75 cents per barrel, and to increase the Fund cap from \$25 million to \$40 million. The Enacted Budget

does not transfer administration of the Fund from the Office of the State Comptroller to DEC as the Executive Budget proposed. Also, the Enacted Budget authorizes the appropriation of up to \$2.1 million annually from the Fund to the DEC for oil spill prevention and preparedness.

The Enacted Budget adopts the Executive proposal to increase permit fees associated with implementation of the federal Clean Air Act, but omits the Executive proposal to index the fees to inflation in future State fiscal years. The Budget also omits an Executive Budget proposal to increase fees charged for permits issued under State air quality laws and regulations. The Enacted Budget modifies the Executive proposal to increase fees charged for permits to emit water pollution issued under the State Pollutant Discharge Elimination System, by reducing proposed fee increases. It also omits the Executive proposal to index these fees to inflation.

The Enacted Budget modifies the Executive proposal to create a new Habitat Conservation and Access Account and fund it with revenue from the State Fish and Game Trust by instead transferring up to \$1.5 million annually to the new Account from the sale of lifetime licenses to hunt, fish, or trap. The Budget also extends enforcement provisions of New York State's beverage container deposit law that allow New York City, Nassau County and Suffolk County to retain 25 percent of penalties collected for violations of the law.

The Enacted Budget accepts with amendments the Executive Budget proposal to extend and modify the New York State Brownfield Cleanup Program (BCP). Modifications to the Executive proposal include:

- Restrictions imposed on eligibility for redevelopment tax credits will only apply to sites in New York City.
- Chemical spill sites are eligible for the program where there is not an identified responsible party able to pay for the cleanup.
- Parties who clean up sites to achieve Track 1 Soil Cleanup Objectives are eligible to recoup an additional 5 percent of site redevelopment costs as tax credits.
- Parties admitted to the program before June 23, 2008 have until December 31 2017 to receive a certificate of completion to be eligible for tax credits under the laws in place when they entered the program. Parties admitted to the program between June 23, 2008 and the inception date for the new BCP requirements must receive a certificate of completion by December 31, 2019 to receive the tax credits in effect when they entered the program.⁷ Parties that do not meet these deadlines become eligible for tax credits under the amended terms of the program.
- To be eligible for tax credits, a site must receive a certificate of completion on or before March 31, 2026.

The Enacted Budget includes additional funding for the State Superfund and the Environmental Restoration Program (ERP). The EFC is authorized to issue \$1 billion in bonds to fund up to \$100 million in annual appropriations for these programs, though no bonds may be issued for appropriations enacted after March 31, 2026. The ERP is eligible to receive up to 10 percent of the total amount appropriated.

⁷ The inception date for the amendments to the BCP is "July 1, 2015 or the date of publication in the State Register of proposed regulations defining 'underutilized' as provided in subdivision 30 of section 27-1405 of the Environmental Conservation Law, whichever shall be later."

The Enacted Budget further extends the compliance deadline, from December 31, 2015 to December 31, 2016, to control emissions from heavy-duty vehicles powered by diesel engines that are either owned or operated by the State, or operated on behalf of the State. The Diesel Emission Reduction Act, Chapter 629 of the Laws of 2006, originally required all vehicles operated by the State or operated on State projects to control diesel emissions by December 31, 2010. This compliance deadline has been extended every year since that date.

Environmental Protection Fund

Enacted Budget appropriations to the EPF of \$177 million reflect an increase of \$5 million over the Executive proposal and \$15 million above the SFY 2014-15 Enacted Budget. The additional funding increases allocations to a variety of programs including: environmental justice grants to address lead inspections in Northeast Buffalo; downstate land acquisition; farmland protection; watershed protection in the Finger Lakes and Western New York; and invasive species management and eradication.

The Enacted Budget increases to \$23 million the Executive-proposed transfer of \$18 million from the General Fund to the EPF and adopts unchanged the Executive's proposed sweep of \$25 million from the EPF to the General Fund. DOB has indicated that the sweep from the EPF to the General Fund will be offset by the issuance of \$25 million in bonds for EPF projects by the EFC.

Regional Greenhouse Gas Initiative

The Enacted Budget increases to \$41 million the Executive's proposed sweep to the General Fund of \$36 million in revenues generated by the auction of allowances to emit carbon dioxide under the Regional Greenhouse Gas Initiative (RGGI). State regulations require the proceeds of these auctions to be placed in the Energy Efficiency and Clean Technology Account administered by NYSERDA. Funds are to be used to deliver energy efficiency programs, install renewable or non-carbon-emitting technologies, or promote innovative carbon emissions abatement technologies.⁸

DOB has indicated that the swept funds will be used for EPF projects that will reduce greenhouse gas emissions and to offset the cost of specific clean energy tax credits, but there is no specific budget language which provides for this.

Parks

The Enacted Budget provides \$411.7 million in All Funds appropriations to the Office of Parks, Recreation and Historic Preservation (Parks), a \$48.9 million reduction from the Executive proposal. The reduction is due to the removal of \$50 million in funding for the UDC that was added to the New York Works capital appropriations for Parks by 30-day amendments put forward by the Executive. In addition, the Enacted Budget added \$1.1 million to the Aid to Localities appropriations for Parks in support of six local assistance projects funded through the Natural Heritage Trust program.

The Enacted Budget appropriates \$112.5 million in New York Works capital funding for infrastructure improvements at State Parks as proposed by the Executive Budget. Of this

⁸ New York Codes, Rules and Regulations Title 21 Part 507.4.

funding, \$2.5 million is allocated to support infrastructure improvements at Olympic Regional Development Authority (ORDA) facilities.

Agriculture

The Enacted Budget provides \$176.8 million in All Funds appropriations for the Department of Agriculture and Markets, an increase of \$12.4 million above the Executive Budget proposal. This increase results from additional General Fund Aid to Localities appropriations to the Department's Agricultural Business Services Program, which funds programs to provide a variety of technical, safety, business and marketing services to New York State's farming community.

As proposed in the Executive Budget, the Enacted Budget eliminates fees for the following Department licensing programs: food salvage dealers; refrigerated warehouses; animal remains transportation and rendering plants; commercial feed manufacturers; fertilizer and liming material suppliers; soil and plant inoculant dealers; distributors of animal feed that distribute less than 100 tons per year; farm products dealers; and retail food sales, food service and food warehouses.

The Executive Budget proposal to provide \$50 million in funding sourced from settlements with financial institutions to promote agriculture in the Hudson Valley and Southern Tier regions was adopted in the Enacted Budget, as was the proposal to provide \$50 million in settlement funds for improvements at the State Fairgrounds in Syracuse.

The Enacted Budget contains an appropriation of \$500,000 for a new Farm Drain Tile Revolving Loan Fund. This program authorizes the New York State Soil and Water Conservation Committee to provide funding to local financial institutions for loans of up to \$50,000 per farmer to support the installation of new drain tile systems, or enhance existing drain tile systems for the improvement of farm fields.

Energy

The Enacted Budget modifies the Executive Budget proposal to authorize the New York State Energy Research and Development Authority (NYSERDA) to receive an assessment of up to \$19.7 million directly from New York State utilities to fund its energy research, development and demonstration program, energy policy and planning program, and Fuel NY program. This assessment includes an allocation of \$1 million for the DEC Office of Climate Change and \$750,000 for the University of Rochester Laboratory for Laser Energetics. The Executive proposal is modified to require approval by the Director of DOB of NYSEDA's financial plan before the expenditure of assessment funds. The Enacted Budget provides \$12.5 million in All Funds Capital appropriations for NYSEDA, as proposed in the Executive Budget.

The Enacted Budget reverses a December 4, 2014 NYSEDA announcement that would have limited eligibility under the New York State Green Jobs Green New York program to low income households. The Enacted Budget directs NYSEDA to continue to offer service through March 31, 2016 to all customer classes eligible for the program before the December announcement. In addition, NYSEDA is directed to work with Green Jobs Green New York stakeholders to identify criteria and standards that would allow the program to serve more households that earn

less than 80 percent of the area median income, and to report on its findings to the Governor and the Legislature.

In addition to a previously required annual report, the Enacted Budget requires NYSERDA to produce two semi-annual reports on operations. In these reports, NYSERDA is required to report on all revenues, solicitations, awards, award criteria and standards, contracts and disbursements. In addition, NYSERDA must include a breakdown of awards by county and utility service territory

The Enacted Budget accepts the Executive Budget proposal to provide sales tax exemptions currently available for the purchase of solar energy systems to parties who lease this equipment. Also included is the Executive Budget proposal to refund to farmers the tax on petroleum businesses paid on diesel motor fuel used on farms. The Enacted Budget omits an Executive Budget proposal that would have required wholesalers of motor fuels to register with and report sales to the New York State Department of Taxation and Finance. In addition, tax credits available to parties who install alternative fuel vehicle refueling equipment without grant support will now be available for the non-grant-funded portion of installation costs to parties who receive grants for these installations.

Housing

The Enacted Budget provides \$703.7 million in All Funds appropriations for the Division of Housing and Community Renewal, a reduction of \$7.1 million from the proposed appropriation in the Executive Budget. The Enacted Budget reduces appropriations for the enforcement of rent regulations by \$8 million and adds new appropriations of \$912,000 in support of a Tenant Pilot Program as well as Brooklyn Housing and Family Services and Rockland Housing Action Coalition, Inc.

The Enacted Budget amends the Executive Budget proposal to allocate \$439.5 million in fiduciary funds from the JP Morgan settlement proceeds to a variety of housing programs for the amelioration and avoidance of foreclosures. Language in the Enacted Budget directs that this funding should be spent in three installments over the period from April 1, 2015 through March 31, 2017. Allocations in the Enacted Budget are as follows:

- Middle Income Housing – \$25 million.
- Mitchell Lama repairs and revitalization – \$25 million.
- State of New York Mortgage Agency (SONYMA) Neighborhood Revitalization Purchase Program – \$21.7 million.
- Access to Home – \$19.6 million.
- Emergency home repairs for the elderly (known as RESTORE) – \$5 million.
- Statewide multiagency supportive housing program – \$124.5 million.
- UDC Restore New York's Communities Initiative – \$25 million.
- New York Main Street Program – \$5.5 million.
- New York City Rental Assistance – \$40 million.
- HIV/AIDs Rent Cap – \$27 million.
- Neighborhood Preservation and Rural Preservation Programs – \$20.3 million.
- New York City Housing Authority Capital Repairs – \$100 million.
- Adirondack Community Housing Trust – \$1 million.

The Enacted Budget modifies the Executive Budget proposal to transfer \$125 million in “excess” SONYMA Insurance Funds to the Housing Trust Fund Corporation, the Housing Finance Agency and the Homeless Housing Assistance Corporation to support various housing affordability initiatives by adding allocations of \$150,000 each to the Neighborhood Preservation Coalition and the Rural Preservation Coalition. For most programs supported through this transfer, the transferred funds augment funding appropriated in the Enacted Budget. However, the Rural Rental Assistance Program is funded solely off-budget through the allocation of \$21.6 million in transferred funds.

Public Protection

The Enacted Budget accepts the Executive Budget proposal to move Division of State Police employees who perform administrative, finance and human resource functions to the Office of General Services. The Enacted Budget accepts with modifications the Executive’s proposed shift of responsibility for the final determination for medical parole release of certain non-violent offenders from the Board of Parole to the Commissioner of the Department of Corrections and Community Supervision, allows for such decisions to be appealed, and allows for further review by the chairperson of the Board of Parole.

State Workforce

The Enacted Budget includes, with modifications, the Executive proposal to phase in salary increases over four years (2015 through 2018) for Management/Confidential employees, superintendents of correctional facilities and certain other employees who are not in a negotiating unit. This includes certain employees of SUNY and the contract colleges at Alfred University and Cornell University.

The Enacted Budget omits the Executive proposal allowing the use of term appointments without examination for temporary positions in the Office of Information Technology Services and limiting eligible employees for certain positions at this agency based on particular skills, knowledge or certifications. The Enacted Budget instead makes available the reclassification of specific exempt and permanent employees immediately prior to or upon their transfer to the Office of Information Technology Services. Such permanent employees may hold their positions without further examination or qualification.

The Enacted Budget modifies the Executive Budget proposal to provide an amnesty period for New York State Health Insurance Program enrollees to identify ineligible dependents by making such amnesty available during the upcoming State Fiscal Year for a period of sixty days (this length of time is provided for such a purpose in current law but was proposed to be eliminated by the Executive).

New York City

The Enacted Budget increases education aid to New York City by \$505 million, which is \$228 million more than anticipated in the City’s current financial plan. The increase in education aid is contingent upon the implementation of a new teacher evaluation system (to be promulgated by SED by June 30, 2015), although school districts with existing collective bargaining

agreements that have conflicting provisions will be exempt until a new contract takes effect. The City may also benefit from initiatives that increase State education aid to “persistently failing” schools and expand prekindergarten services for three-year-old and four-year-old children. The Enacted Budget also dedicates additional funding to homeless services in New York City.

The Enacted Budget allocates \$700 million in capital funds to help fiscally distressed health care providers in Brooklyn and \$100 million in capital funds for the New York City Housing Authority (NYCHA). The appropriation for NYCHA is contingent upon the approval of a capital revitalization plan by the State Legislature and the Commissioner of the Department of Housing and Community Renewal.

The Enacted Budget also includes changes to State and City tax policies that affect both residents and businesses. The STAR personal income tax rate reduction has been eliminated for New York City taxpayers with incomes above \$500,000, which will save the State an estimated \$41 million this fiscal year. The Budget also merges New York City’s banking corporation tax into the general corporation tax, and cuts tax rates for small businesses and manufacturers in New York City. These initiatives are effective retroactively to January 1, 2015, and are expected to be revenue-neutral.

Metropolitan Transportation Authority

The Enacted Budget increases funding to the Metropolitan Transportation Authority (MTA) by \$141 million, including \$104 million dedicated for capital purposes. The Enacted Budget also contributes \$750 million to the MTA’s 2015-19 capital plan, and allocates \$250 million in financial settlement funds toward the \$1 billion estimated cost of linking the Metro-North Railroad to Pennsylvania Station and building four new stations in the Bronx. While these initiatives narrow the \$15.2 billion funding gap in the MTA’s proposed capital program for 2015-2019, a large funding gap remains.

Local Governments

The Enacted Budget held flat most of the annual appropriations and allocations of direct aid to local governments, including the largest regular appropriation, Aid and Incentives for Municipalities (AIM), and funding for local streets and highways, as shown in Figure 10. An additional \$50 million is provided to assist local governments with costs associated with damage to local roads and highways from unusually severe winter weather, and a new \$200 million program will assist localities as well as State agencies and authorities in paying for certain water infrastructure projects.

Traditional Direct Aid to Local Governments

The Enacted Budget holds funding for AIM flat at \$715 million in unrestricted aid, as proposed by the Executive. Funding for this, the State’s only revenue sharing program for municipalities, has been flat since SFY 2011-12. New York City has not received AIM since its allocation was eliminated in SFY 2009-10. Figure 10 provides an overview of traditional direct aid to local governments included in the Enacted Budget.

Figure 10

Traditional Direct Aid to Local Governments
(in millions of dollars)

Program	2015-16	2014-15
Aid to Localities		
Aid and Incentives for Municipalities (AIM)	\$ 715.0	\$ 715.0
Local Government Grant Programs	79.0	79.0
Aid to Municipalities with Video Lottery Gaming Facilities	29.3	29.3
Village Per Capita Aid	2.0	2.0
Miscellaneous Financial Assistance*	9.8	10.0
Small Government Assistance	0.2	0.2
Highway Aid to Localities		
Consolidated Highway Improvement Program (CHIPs)	\$ 438.1	\$ 438.1
Special Funding Due to Extreme Winter Weather	50.0	40.0
Marchiselli Aid	39.7	39.7

* The funding provided through the "Miscellaneous Financial Assistance" appropriation varies substantially from year to year, both in the amount provided and the local governments that receive funding. The appropriation for SFY 2014-15 included \$1.2 million for New York City.

Sources: Office of the State Comptroller, Division of the Budget

The Enacted Budget includes \$79 million for local government grant programs, as proposed in the Executive Budget. These are:

- \$40 million for Local Government Performance and Efficiency Program awards, administered by either the Local Government Financial Restructuring Board or the Department of State (DOS);
- \$35 million for Citizens Reorganization Empowerment Grants and Citizen Empowerment Tax Credits; and
- \$4 million for the Local Government Efficiency Grant Program administered by DOS.

The Enacted Budget maintains funding for municipalities with Video Lottery Gaming Facilities (VLT Aid) at \$29.3 million, the same as SFY 2014-15. The Executive Budget had proposed cutting VLT Aid to \$27.2 million.

The Enacted Budget appropriates \$9.8 million for Miscellaneous Financial Assistance to local governments. This includes \$123,000 to four villages that do not receive AIM money (\$75,000 for Mastic Beach, \$27,000 for Woodbury, \$19,000 for South Blooming Grove and \$2,000 for Sagaponack), as well as funding for three counties to mitigate shortfalls in revenues due to non-payment of real property taxes by Native American tribes (Seneca County \$340,000; Franklin County \$340,000; and Cayuga County \$92,500).

The Miscellaneous Financial Assistance appropriation also includes \$2.0 million each to Nassau and Suffolk Counties for temporary public highway and public safety assistance, \$2.0 million to the City of Rochester for temporary municipal relief, \$2.0 million for Onondaga County for a school district discipline pilot project with the Syracuse City School District and \$250,000 for the City of Syracuse for a shared services project with Onondaga County. There is also \$250,000 for the City of Oneonta, and \$450,000 for three entities on Long Island:

- \$300,000 for the Village of Amityville for a flood mitigation project;
- \$100,000 for the Town of Babylon for a downtown revitalization project; and
- \$50,000 for the Wyandanch Volunteer Fire Company.

The Enacted Budget includes \$2 million in Village Per Capita Aid to be distributed based on 2010 Census population figures. The Executive Budget had proposed to eliminate this Aid. The Enacted Budget also includes \$217,000 for assistance to three counties (Essex, \$124,000; Franklin, \$72,000; and Hamilton, \$21,300).

CHIPS is held flat at \$438 million. However, there is an additional \$50 million (awarded separately) to address damage caused by this winter's extreme cold weather. The previous year's Enacted Budget included an extra \$40 million appropriation to address winter damage. Funding for the Municipal Streets and Highway Program, known as Marchiselli Aid, is held flat at \$39.7 million.

The Enacted Budget includes an appropriation of \$10 million to be awarded over two years for grants to counties, cities, towns or villages for water fluoridation projects. This is the same level of funding as proposed in the Executive Budget.

Article VII Provisions

The Enacted Budget creates a new traffic violations agency in the City of Buffalo to adjudicate certain traffic infractions. The Budget authorizes the Office of the State Comptroller to implement alternative procedures for the new agency to remit fines and other moneys to the Justice Court Fund (JCF). The new agency will submit reports of fines and dispositions to the JCF and the JCF will distribute moneys in accordance with statutes.

The Enacted Budget includes language that forgives Albany County's debt related to the construction of the Times Union Center. The Enacted Budget does not include the Executive's proposed Real Property Tax Credit, or proposed changes to laws governing Industrial Development Agencies (IDAs).

Settlement Funds and Other Programs

Local governments also may benefit from new or expanded programs and projects, including some that may be funded by the one-time bank settlement funding included in the Enacted Budget. (For more information, see the subsection on the DIIF included in the Debt and Capital section of this report.)

The Executive's proposal for an additional \$150 million in settlement funds appropriated for local governments and school districts for municipal restructuring "for expenses related to the implementation of shared services, mergers, and other actions" was included in the Enacted Budget. Awards will be made based on an application process developed by the Secretary of State. The funds may also be used for payments of grants, awards, and aid provided through existing local government grant programs.

Other appropriations of settlement funds that could benefit local governments, directly or indirectly, include:

- \$1.5 billion for upstate revitalization initiatives to be distributed through a competitive selection process overseen by Empire State Development;
- \$150 million for projects on Long Island;
- \$150 million for response to disasters or emergencies;
- \$115 million for infrastructure improvements or economic development projects; and
- \$50 million for agricultural purposes in the Southern Tier and Hudson Valley.

Spending authority for most of these funding streams is very broad, so that potential benefits to local governments are unclear.

Additional potential sources of funding for local governments in the Enacted Budget include:

- \$400 million for a new Transformative Investment Program;
- a \$385 million increase in the State and Municipal Facilities Program; and
- \$200 million for a New York State Water Infrastructure Improvement Act.

For the Transformative Investment Program and the State and Municipal Facilities Program, a wide variety of entities in addition to local governments are eligible for these funding sources, and there are minimal details available with respect to the criteria that will be used to allocate the funds. The Water Infrastructure Improvement Act of 2015 authorizes the Environmental Facilities Corporation (EFC) to issue financial assistance to municipalities, State agencies and authorities for sewage treatment and water supply projects; additional information is in the Environment section of this report.

Campaign Finance Reform / Ethics

The Enacted Budget does not include the Executive's proposed public campaign finance system for elections to the four State-level offices, the Senate and the Assembly, starting with the 2018 primary and general elections, or the creation of a new PIT check-off, the proposed New York State Campaign Finance Fund check-off, which would have given taxpayers the option of directing a portion of their personal income tax payment for the purpose of funding campaigns.

The Enacted Budget includes provisions proposed by the Executive related to the disclosure of outside income, transparency and accountability with respect to legislative per diem payments, and the use of campaign funds for personal use. The Enacted Budget also extends provisions of the Lobbying Law to apply to municipalities with a population of 5,000 or more, down from 50,000 or more.

Pay Raise Commission

The Enacted Budget modifies the Executive Budget proposal to establish a Commission on Legislative, Judicial and Executive Compensation. The Commission is directed to be convened every four years beginning on June 1, 2015 to review and make recommendations regarding compensation and non-salary benefits for members of the Legislature, statewide elected officials, judges, and certain agency commissioners and other officials.

Major provisions changed from the Executive proposal include a review of compensation for judges and justices of the State-paid courts. The Commission is modified from the Executive proposal to comprise seven members (up from three proposed by the Executive) including three gubernatorial appointees, two legislative appointees and two appointees by the Chief Judge of the State, with the Chair changed from the gubernatorial appointee to one of the additional members appointed by the Chief Judge, with the stipulation that he or she would not vote on matters regarding Executive or Legislative compensation.

Executive Budget provisions that were omitted related to reviewing and making recommendations for caps on income from outside sources for legislators, creating a two-tiered system of legislative pay, requiring at least four public hearings (the Enacted Budget permits hearings but does not require them), and publishing the findings and report of the Commission on the Internet.

The Commission is required to report to the Governor, the Legislature and the Chief Judge not later than the 31st of December of the year in which the Commission is established for judicial compensation and the 15th of November the following year for Legislative and Executive compensation. No public reporting or disclosure is required.

The language states that each recommendation made by the Commission shall have the force of law, suggesting that the Legislature no longer has to enact a law to provide its members or any of the covered entities with a pay raise. The New York State Constitution, Article III, Section 6 requires that “Each member of the legislature shall receive for his or her services a like annual salary, to be fixed by law Members shall continue to receive such salary and additional allowance as heretofore fixed and provided in this section, until changed by law pursuant to this section.”

Design-Build

The Infrastructure Investment Act (the Act) passed by the Legislature in December 2011 authorized the Thruway Authority, the New York State Bridge Authority, DOT, Parks and DEC to use design-build contracts and alternative methods of procurement, including “best value,” “cost plus,” and “lump sum” awards for construction contracts, as well as incentive clauses, for certain infrastructure projects. This authorization expired in December 2014.

The Enacted Budget reauthorizes the Act to allow certain State agencies and authorities to enter into design-build contracts. The new two-year authorization includes language requiring that authorized entities may use design-build in consultation with local labor organizations and the construction industry, and requiring UDC to submit a report to the Governor and legislative leaders no later than June 16, 2016 with various data regarding the usage of design-build.

Changes proposed by the Executive that were omitted would have made the Act permanent and extended its provisions to all State agencies and public authorities, added buildings to the list of authorized projects, and deemed contracts awarded pursuant to the Act competitive procurements for the purposes of Public Authorities Law Section 2879-a, which relates to the Comptroller’s authority to review and approve certain public authority contracts.

Public Authorities

The Enacted Budget increases authorizations or bonding caps for 21 programs financed through State-Supported debt, and adds a new State-Supported bonding cap for the Nonprofit Infrastructure Capital Investment Program, which will support capital projects for nonprofit human services organizations that provide services to New Yorkers. The Executive Budget proposal to authorize certain public authorities to issue Personal Income Tax (PIT) and/or Sales Tax Revenue (STR) bonds for purposes of the Smart Schools Bond Act was omitted.

The Executive Budget estimated that \$5.6 billion in capital projects would be financed using public authority bond proceeds in SFY 2015-16. The Enacted Budget Financial Plan and Five-Year Capital Program and Financing Plan, expected to be released within the next few weeks by DOB, will provide an update of that estimate based on actions taken in the Enacted Budget.

As shown in Figure 11, the net increase in bonding authorizations for public authorities is \$7.4 billion, an increase of 13.6 percent over SFY 2014-15. In addition, the Enacted Budget amends the bond cap language for the Capital Restructuring Financing Program, which was added in the SFY 2014-15 Enacted Budget, to include the Health Care Facility Transformation Program which will support health facility capital projects in Kings and Oneida counties, while increasing the cap by \$1 billion.

Figure 11

SFY 2015-16 Change in State-Supported Public Authority Bond Caps (in millions of dollars)

Program	SFY 2014-15	SFY 2015-16	SFY 2015-16	Enacted	Enacted
	Cap	Executive Proposed Cap	Enacted Cap	Change from Current Cap	Change from Proposed Cap
Transportation Initiatives	465.0	1,440.0	1,690.0	1,225.0	250.0
Hazardous Waste Remediation (Superfund)	1,200.0	1,300.0	2,200.0	1,000.0	900.0
Capital Restructuring Program and Health Care Facility Transformation Program	1,200.0	2,200.0	2,200.0	1,000.0	-
MTA Transportation Facilities	770.0	1,520.0	1,520.0	750.0	-
Economic Development Initiatives	2,203.3	2,488.3	2,888.3	685.0	400.0
Consolidated Highway Improvement Program (CHIPs)	8,120.7	8,608.9	8,658.9	538.2	50.0
State and Municipal Facilities Program	770.0	770.0	1,155.0	385.0	385.0
Environmental Infrastructure Projects	1,398.3	1,575.8	1,775.8	377.5	200.0
Mental Health Facilities	7,435.8	7,722.8	7,722.8	287.0	-
SUNY Educational Facilities	10,984.0	11,228.0	11,228.0	244.0	-
Housing Capital Programs	2,999.1	3,153.8	3,153.8	154.7	-
State Buildings and Other Facilities	317.8	469.8	469.8	152.0	-
Youth Facilities	465.4	611.2	611.2	145.9	-
CUNY Educational Facilities	7,273.3	7,392.8	7,392.8	119.4	-
NY-SUNY 2020	330.0	440.0	440.0	110.0	-
Office of Information Technology Services	182.4	269.1	269.1	86.7	-
SUNY Upstate Community Colleges	776.3	838.5	838.5	62.2	-
Nonprofit Infrastructure Capital Investment Program	-	50.0	50.0	50.0	-
Higher Education Capital Matching Grants	180.0	210.0	210.0	30.0	-
Prison Facilities	7,148.1	7,163.4	7,163.4	15.3	-
Library Facilities	126.0	140.0	140.0	14.0	-
Division of State Police	149.6	155.6	155.6	6.0	-
Smart Schools Bond Act Purposes	-	2,000.0	-	-	(2,000.0)
Total	54,495.1	61,747.8	61,932.8	7,437.8	185.0

Sources: Division of the Budget, Office of the State Comptroller
Note: Totals may not add due to rounding.

The Enacted Budget also amends the bond cap for Hazardous Waste Remediation (the State Superfund) to include environmental restoration projects, while increasing the cap by \$1 billion. Bond cap increases were also enacted for Economic Development Initiatives, with added language permitting regional infrastructure projects, and the State and Municipal Facilities Program.

As shown in Figure 12, the Budget authorizes \$64.9 million in transfers and miscellaneous receipts from public authorities to provide General Fund support. Additional General Fund relief is provided by transferring \$20 million from the Metropolitan Mass Transportation Operating Assistance (MMTOA) account to the General Debt Service Fund to pay debt service typically paid from the State’s General Fund.

Figure 12

SFY 2015-16 Transfers and Miscellaneous Receipts from Public Authorities
(in millions of dollars)

Public Authority	Amount
Transfers and Receipts to the General Fund:	
Dormitory Authority of the State of New York	22.0
New York State Energy Research Development Authority	42.9 *
Total to General Fund	64.9
Miscellaneous Receipts for Energy Related and Economic Development Purposes:	
New York Power Authority	90.0 **
Transfers to Various Housing Funds:	
State of New York Mortgage Agency	125.0
Transfers to the General Debt Service Fund:	
MTA - Metropolitan Mass Transportation Operating Assistance Fund (MMTOA)	20.0
Total from Public Authorities	299.9

Source: Division of the Budget, Office of the State Comptroller

* The NYSERDA transfer includes \$41 million from the proceeds of auctions of carbon dioxide emission allowances under the Regional Greenhouse Gas Initiative (RGGI), and up to \$913,000 to help offset debt service requirements related to the remediation of the Western New York Nuclear Service Center. In addition, \$1 million in support for the Department of Environmental Conservation's Office of Climate Change typically included in State Operations appropriations for NYSERDA is authorized to be transferred to the General Fund while \$750,000 for the University of Rochester Laboratory for Laser Energetics, typically included in Aid to Localities appropriations for NYSERDA, is authorized to be transferred directly. Both appropriations were eliminated in the SFY 2015-16 Enacted Budget.

** The total amount included in the Budget Bill that contained this provision, S.4610-A/A.6721-A, Part I, Section 19(i) is \$90 million, with redirection language.

The Budget also includes the transfer of “excess” SONYMA Mortgage Insurance Fund (MIF) reserves totaling \$125 million to the Housing Trust Fund Corporation (HTFC), the Homeless Housing and Assistance Corporation (HHAC) or the Housing Finance Agency (HFA), to fund the Rural Rental Assistance program, rehabilitation of Mitchell-Lama housing projects, the Neighborhood Preservation Program, the Rural Preservation Program, the Rural and Urban Community Investment Fund Program, the Low Income Housing Trust Fund Program, the Homes for Working Families Program and several homeless housing programs including the

Solutions to End Homelessness Program, the New York State Supportive Housing Program and the Operational Support for AIDS Housing Program.

A sweep of up to \$90 million in funds from the New York Power Authority (NYPA) is enacted with language allowing the funds to be provided to the General Fund, “or as otherwise directed in writing by the director of the budget.” The funds are to be used to support energy-related initiatives and for certain economic development purposes including, but not limited to, the Open for Business initiative, advertising and promotion for START-UP NY and, as added in the Enacted Budget, expenses associated with Global NY and international and domestic trade missions.

The SFY 2012-13 Enacted Budget authorized the Dormitory Authority of the State of New York (DASNY) to enter into design and construction management agreements with DEC and Parks. The SFY 2015-16 Enacted Budget extends the sunset date of these provisions by two years. The proposed authorization for corporations established to participate in the pilot program to restructure the health care delivery system to obtain debt financing from DASNY, local development corporations or economic development corporations was omitted. The Enacted Budget authorizes DASNY to administer, jointly with DOH, health care facility transformation programs in Kings and Oneida counties, and creates the Community Health Care Revolving Capital Fund within DASNY. This fund is established for the purpose of making loans to qualified borrowers to improve access to capital financing in order to expand and improve the capacity to provide health care in the State.

The Executive’s proposal to extend the authorization currently in place for DASNY and UDC to issue revenue bonds for any authorized purpose to any authorized issuer and to make the authorization permanent was modified. The Enacted Budget extends the authorization to the Thruway Authority only, with a five-year sunset in 2020, and adds the requirement that any revenue bonds issued by the Thruway Authority will be subject to PACB approval. The Enacted Budget also amends language associated with Sales Tax Revenue Bonds to require PACB approval when the issuer is the Thruway Authority.

The Executive Budget proposal to amend the Long Island Power Authority (LIPA) Reform Act was accepted with modifications. The Enacted Budget accepts the Executive proposal to remove the provision which prohibits more than one issuance of restructuring bonds, and modifies the proposal to limit the aggregate principal amount of restructuring bonds to \$4.5 billion, and prohibit the issuance of restructuring bonds to refund other restructuring bonds. As proposed by the Executive, a second Utility Debt Securitization Authority (UDSA) is authorized, but only if LIPA determines, by resolution, that the terms would be more favorable than if the bonds were issued by the first UDSA. Modifications in the Enacted Budget also require that if “UDSA No. 2” is created, the board must have two legislative appointees. Enacted provisions modified from the Executive also require LIPA to undertake an engineering, environmental permitting and cost feasibility analysis of repowering the Port Jefferson, E.F. Barrett and Northport power stations.

The Budget provides the Thruway Authority with a new appropriation of \$1.285 billion from the new Special Infrastructure Account, which may be funded with settlement money. This appropriation will fund a new Thruway Stabilization Program, which the Executive has described as intended to support the Tappan Zee Bridge replacement project and other system needs. The Enacted Budget continues to provide General Fund support for Thruway

operations, which was first enacted in SFY 2013-14. However, State Operations appropriations for the Thruway Authority were decreased to \$21.5 million, a reduction of \$2.5 million, in anticipation of management efficiencies and cost savings to be attained by the Authority.

The proposal by the Executive to authorize DOT and the Thruway Authority to enter into shared services agreements to permit the sharing of employees, services and resources was accepted with modifications. The modifications limit the circumstances when a shared services agreement is permitted to emergencies or extreme weather conditions and stipulate that the agreement cannot be longer than ten days.

The Enacted Budget accepts provisions authorizing NYSEERDA to receive utility assessment funds, not to exceed \$19.7 million, directly from the utilities, which is to be used to support expenditures for NYSEERDA's energy research, development and demonstration program, energy policy and planning program, and Fuel NY program. Provisions added in the Enacted Budget require that NYSEERDA submit a comprehensive financial plan to DOB for approval before committing for any expenditure any moneys derived from the assessment, and specifies that the required itemized reporting must include a breakdown of the programs funded and the amounts committed to each program. Copies of the approved financial plan and the reporting on the assessment usage must also be submitted to the chairs and secretaries of the legislative fiscal committees.

In addition, NYSEERDA is directed and authorized to transfer \$1 million to the General Fund in support of DEC's Office of Climate Change and \$750,000 to the University of Rochester Laboratory for Laser Energetics, an increase of \$59,000 over the Executive Budget proposal. Each of these purposes have typically been appropriated in the State Operations and Aid to Localities Budgets, but as a result of the direct payments, no funding is appropriated for NYSEERDA for SFY 2015-16, reducing State Operating Funds spending and reducing transparency and accountability for these funds.

The Enacted Budget includes provisions establishing the New York State Water Infrastructure Improvement Act of 2015. The Act authorizes EFC to provide up to \$200 million over three years for repairs or compliance-related upgrades to municipal sewage treatment works and water supply projects, performed by municipalities, which are defined to include, in addition to local entities, State agencies and public authorities.

Other Enacted Budget initiatives related to public authorities include:

- an extension for one year of UDC's authorization to administer the Empire State Economic Development Fund and of UDC's power to grant general loans;
- new requirements for NYSEERDA, including semiannual reporting to the Governor and chairs of the legislative fiscal committees detailing the Authority's activities over the previous six-month period and developing standards to increase participation of low-to-moderate income households in energy efficiency programs;
- new capital funding for ORDA, including \$7.5 million for maintenance and energy efficiency upgrades and \$2.5 million through Parks as part of New York Works;
- a provision stipulating that all moneys received from Albany County on or before April 30, 2015 as repayment of moneys disbursed for the purpose of constructing a civic center in the City of Albany shall constitute full repayment of the original project appropriation; and

- provisions allowing the Rochester-Genesee Regional Transportation Authority (RGRTA) to receive State transit operating assistance allocations for the Ontario County transit system, which was combined with RGRTA in August 2014.

Several Executive Budget proposals related to public authorities were not included in the Enacted Budget. These include statutory changes involving IDAs, grant applicant tax clearance provisions for State and local public authorities, and toll violation increases for certain authorities.

Appendices

Appendix A: Summary of SFY 2015-16 Article VII Bill Sections

Public Protection and General Government – S.2005-B / A.3005-B Chapter 55 of the Laws of 2015

Description	Executive Art. VII	Enacted Art. VII	Comments
Authorize the Commissioner of the Department of Corrections and Community Supervision to make the final determination regarding the medical parole release of certain nonviolent offenders	A	A	Amended.
Extend the sunset of various criminal justice and public safety programs	B	B	Amended.
Authorize the transfer of Division of State Police employees engaged in certain finance and human resource functions to the Office of General Services	C	C	
Repeal miscellaneous fees levied by the Workers' Compensation Board while retaining the necessary functions associated with those fees	D	D	
Campaign Finance Reform and Public Campaign Financing	E	Intentionally Omitted	Certain provisions amended and adopted in Part CC of S.2006-B /A.3006-B.
Eliminate election law printing and publication requirements	F	Intentionally Omitted	
Authorize the use of term appointments without examination for certain temporary positions within the Office of Information Technology Services (ITS)	G	Moved to Part HH of S.2008-B /A.3008-B	
Phase in Management Confidential salary increases over the next four State fiscal years	H	H	Amended.
Create a salary commission to make recommendations on executive and legislative compensation	I	Moved to Part E of S.4610-A /A.6721-A	
Establish amnesty periods in the New York State Health Insurance Program (NYSHIP) to allow enrollees to identify ineligible dependents without penalty	J	J	Amended.
Increase the maximum allowable deposit and fund balance for the Rainy Day Reserve Fund, modify the threshold to access the funds and require additional reporting by State agencies on consulting services and by the pension systems on estimated future contribution rates	K	Moved to Part I of S.4610-A /A.6721-A	
Reduce Video Lottery Terminal (VLT) municipal aid to 2013-14 levels	L	Intentionally Omitted	
Extend the authorization for the Office of General Services (OGS) to enter into construction contracts without competitive bidding in certain emergencies and increase the threshold	M	M	Amended.

Public Protection and General Government (continued)

Description	Executive Art. VII	Enacted Art. VII	Comments
Modify the authorization for OGS to delegate responsibility for executing capital projects to agencies and departments by increasing the value limitation from projects under \$50,000 to those under \$150,000	N	N	
Establish the Dedicated Infrastructure Investment Fund	O	Moved to Part H of S.4610-A /A.6721-A	
Authorize various transfers, temporary loans, and amendments to capital/debt provisions, including bond caps	P	Moved to Part I of S.4610-A /A.6721-A	
Modify disclosure requirements on outside income and modify reimbursement process for the legislature; modify pension forfeiture laws	R*	Intentionally Omitted	Certain provisions amended and adopted in Part CC of S.2006-B /A.3006-B.

Note: The description generally reflects the Article VII language as proposed by the Executive. With respect to parts not included in the Executive Budget, the description reflects the Article VII language included in the Enacted Budget.

* This part was described as Part R in the 30-day amendment sheet, however, there was no Part Q in the Executive proposal.

Education, Labor and Family Assistance – S.2006-B / A.3006-B
Chapter 56 of the Laws of 2015

Description	Executive Art. VII	Enacted Art. VII	Comments
Amend Education Law and make other changes necessary to authorize School Aid and implement education-related programs in the Enacted Budget	A	A	Amended.
Permit four year colleges and community colleges to register new curriculums or programs of study with the Department of Education by virtue of their approval by the institution's board of trustees, unless approval of a master plan amendment by the Board of Regents is required	B	Intentionally Omitted	
Establish the Get On Your Feet Loan Forgiveness Program	C	C	Amended.
Establish the New York State DREAM Act	D	Intentionally Omitted	
Establish the Education Tax Credit Program	E	Intentionally Omitted	
Require a standard letter for the award of financial aid	F	F	Amended.
Permit public accounting firms to have minority ownership by individuals who are not Certified Public Accountants	G	Intentionally Omitted	
Require colleges and universities to implement sexual violence prevention and response policies and procedures	H	Intentionally Omitted	
Authorize the pass-through of any Federal Supplemental Security Income Cost of Living Adjustment which becomes effective on or after January 1, 2016	I	I	
Expand the range of education services Boards of Cooperative Educational Services (BOCES) are authorized to provide to youth in Office of Children & Family Services (OCFS) custody	J	J	Amended. Original Part J provisions to raise the age of juvenile jurisdiction were omitted.
Modify Social Services Law to provide for the issuance of adoption assistance payments for the private adoption of children with special needs only when the adoptive parents reside in New York State at the time of application	K	K	
Make statutory changes to conform with the recent federal Preventing Sex Trafficking and Strengthening Families Act	L	L	Amended.
Provide for the use of excess funds in the Mortgage Insurance Fund	M	M	
Raise the minimum wage in New York City (NYC) and statewide	N	Intentionally Omitted	
Provide leave of absence for healthcare professionals who volunteer to fight the Ebola virus abroad	O	O	Amended.

Education (continued)

Description	Executive Art. VII	Enacted Art. VII	Comments
Repeal various fees assessed by the Department of Labor for inspection and enforcement activities and permits	P	P	
Make experiential learning mandatory for graduation at SUNY and CUNY schools	Q	Q	Amended.
Modify the expiration date for the Higher Education Capital Matching Grant Program	R	R	
Amend project notification fee requirements for asbestos removal		S	
Extend certain provisions related to the operation and administration of the Legislature		T	
Establish the SUNY Delivery System Reform Incentive Payment (DSRIP) Escrow Fund		U	
Amend the Tuition Assistance Program (TAP) for students with disabilities		V	
Permit Family Tuition Account owners to direct the investment of contributions		W	
Establish the Foster Youth College Success Initiative		X	
Identify new and existing community college programs which would allow students to pursue associate of occupational studies degrees		Y	
Establish the New York State Achievement and Investment in Merit Scholarship (NY-AIMS)		Z	
Rename the New York Youth Works Tax Credit as the Urban Youth Jobs Tax Credit and provide an additional credit allocation of \$10 million	Originally Part M of S.2009/A.3009	AA	Amended.
Make changes related to the Brownfield Cleanup Program, hazardous waste remediation, and environmental restoration	Originally Part R of S.2009/A.3009	BB	Amended.
Make modifications to legislative disclosure and reporting, per diem and travel expenses, campaign funds and pension forfeiture		CC	Contains certain amended provisions originally proposed in Parts E and R of S.2005/A.3005.
Extend and modify provisions related to the review and evaluation of the Joint Commission on Public Ethics (JCOPE)		DD	
Education Transformation Act of 2015		EE	Contains certain amended provisions originally proposed in Parts A and B of S.2010/A.3010.

Note: The description generally reflects the Article VII language as proposed by the Executive. With respect to parts not included in the Executive Budget, the description reflects the Article VII language included in the Enacted Budget.

Health and Mental Hygiene – S.2007-B / A.3007-B
Chapter 57 of the Laws of 2015

Description	Executive Art. VII	Enacted Art. VII	Comments
Amend various statutory provisions to achieve savings reflected in the 2015-16 Health Budget	A	A	Amended.
Make statutory changes necessary to continue implementing Medicaid Redesign Team recommendations	B	B	Amended.
Make statutory changes necessary to align Child Health Plus rates with Medicaid managed care rates for certain providers	C	C	Amended.
Extend various provisions of the Public Health Law, Social Services and Mental Hygiene Laws, including continued authorization of previously enacted Medicaid savings initiatives	D	D	Amended.
Make statutory changes to continue payment of indigent care pool funds for otherwise uncompensated care for three years, and grant the Department of Health (DOH) the authority to change payment methodologies through regulation if federal funds are reduced	E	E	Amended.
Make statutory changes to implement value-based payment (VBP) reimbursement methodologies, a component of DOH's ongoing Delivery System Reform Incentive Payment program (DSRIP) under the federal 1115 waiver	F	Intentionally Omitted	
Establish an assessment on all domestic accident and health insurers in the individual, small group and large group insurance markets to offset the operational costs of NY State of Health, the State health insurance exchange	G	Intentionally Omitted	
Modify various provisions of the Public Health Law related to establishing and operating limited services clinics, standardizing urgent care centers, eliminating certain upgraded diagnostic and treatment centers and charging the Public Health and Health Planning Council with reviewing sedation and anesthesia procedures in outpatient settings	H	Intentionally Omitted	
Modify various provisions of law to remove barriers to obtaining HIV/AIDS treatment and to engaging in risk reduction activities to limit the spread of HIV/AIDS	I	I	Amended.
Provide an exemption from the Nurse Practice Act for Advanced Home Health Aides to authorize such individuals to perform advanced tasks in home care and hospice settings with appropriate training and supervision	J	Intentionally Omitted	

Health and Mental Hygiene (continued)

Description	Executive Art. VII	Enacted Art. VII	Comments
Modify various provisions of Public Health Law related to the Certificate of Need process for hospitals and diagnostic and treatment centers	K	K	Amended.
Modify various provisions of Public Health Law to expand office-based surgery requirements to include office-based anesthesia, to standardize and limit the procedures permitted in such settings, and to strengthen accreditation requirements	L	L	Amended.
Require local governments to notify the public and DOH of their intent to discontinue water fluoridation, and establish a grant program to provide assistance to local governments to cover the cost of installing, replacing, repairing, or upgrading water fluoridation equipment	M	M	
Authorize the State Office for the Aging to seek public input on the creation of an Office of Community Living to address the expansion of community living integration services for older adults and disabled individuals	N	N	Amended.
Extend the authorization for the OMH to recover Medicaid exempt income from providers of community residences licensed by OMH	O	Moved to Part JJ of S.2008-B /A.3008-B	
Extend the pilot program to restructure education services for children and youth residing in OMH hospitals by establishing responsibility for educational programming with the local education system	P	Moved to Part KK of S.2008-B /A.3008-B	
Establish a private equity pilot program, allowing up to five business corporations to make private capital investments to assist in restructuring the health care delivery system, which includes authorization for these corporations to obtain debt financing through the DASNY	Q	Intentionally Omitted	
Extend for three years provisions clarifying that OMH facility directors who act as federally-appointed representative payees may continue to use funds for the cost of a resident's care and treatment	R	Moved to Part LL of S.2008-B /A.3008-B	
Make amendments to implement the expansion of the Nurse Practice Act exemption for direct care staff in noncertified settings funded, authorized or approved by the Office for People With Developmental Disabilities (OPWDD)	S	Moved to Part MM of S.2008-B /A.3008-B	

Health and Mental Hygiene (continued)

Description	Executive Art. VII	Enacted Art. VII	Comments
Amend the Mental Hygiene Law relating to the design and implementation of time-limited demonstration programs	T	Moved to Part NN of S.2008-B /A.3008-B	
Amend the Mental Hygiene Law relating to eliminating duplication of regulatory efforts by DOH and OPWDD	U	Moved to Part OO of S.2008-B /A.3008-B	
Amend Education Law to permit school districts and other education providers and their employees to administer opioid antagonists		V	
Make amendments relating to DOH providing records to the Legislature and convening a task force on transparency of the Health Care Reform Act (HCRA) resources fund, and relating to physician loan repayment awards		W	
Extend the sunset of exemptions to certain provisions of law relating to risk-based capital for property-casualty insurance companies		X	
Make amendments relating to malpractice and professional medical misconduct and relating to the hospital excess liability pool and tax clearance for doctors and dentists in order to be eligible for excess coverage	Originally Part FF of S.2009/A.3009	Y	Amended.

Note: The description generally reflects the Article VII language as proposed by the Executive. With respect to parts not included in the Executive Budget, the description reflects the Article VII language included in the Enacted Budget.

Transportation, Environment and Economic Development – S.2008-B / A.3008-B
Chapter 58 of the Laws of 2015

Description	Executive Art. VII	Enacted Art. VII	Comments
Make permanent certain provisions of law related to the revenues and expenses of the Dedicated Highway and Bridge Trust Fund and the Dedicated Mass Transportation Trust Fund related to the Department of Motor Vehicles (DMV)	A	A	Amended.
Re-establish the Infrastructure Investment Act	B	Moved to Part F of S.4610-A /A.6721-A	
Repeal the Intrastate Authority Application Fee for motor vehicle carriers of passengers, property and household goods and authorize the Department of Transportation (DOT) to charge safety inspection fees for certain for-hire/for-profit passenger vehicles	C	C	Amended.
Add the Ontario County transit system to the Rochester-Genesee Regional Transportation Authority (RGRTA) thereby allowing RGRTA to receive mass transportation operating assistance allocations for the added system	D	D	
Establish the Capital Account for capital expenses of both the Metropolitan Transportation Authority (MTA) and non-MTA transit systems	E	E	
Authorize the Commissioner of the DOT to extend "hold harmless" provisions for all recipients of Statewide Mass Transportation Operating Assistance funding in relation to changes in Medicaid reimbursement requirements	F	F	
Permit DOT and the New York State Thruway Authority (Thruway) to execute a shared services agreement and add Thruway board, officers and employees to the defense and indemnification section of public officers law	G	G	Amended.
Eliminate the requirement for registrants of overweight vehicles to amend their registration after having received an overweight permit from DOT	H	Intentionally Omitted	
Bring New York State into compliance with federal regulations regarding commercial learners' permits	I	I	Amended.
Decrease the amount of Thruway operating assistance	J	J	
Increase fines and penalties for toll evasion on roads, bridges and tunnels operated by the Thruway, the New York State Bridge Authority and the Port Authority of New York and New Jersey	K	Intentionally Omitted	
Extend various procurement rules of the MTA and the New York City Transit Authority for four years	L	Intentionally Omitted	

Transportation, Environment and Economic Development (continued)

Description	Executive Art. VII	Enacted Art. VII	Comments
Extend the Urban Development Corporation's (UDC) authorization to administer the Empire State Economic Development Fund for one year	M	M	
Extend UDC's authorization to grant general loans for one year	N	N	
Authorize the New York State Energy Research and Development Authority (NYSERDA) to transfer \$913,000 to offset debt service related to Western New York Nuclear Service Center (West Valley)	O	O	
Authorize NYSERDA to finance certain of its programs along with the Department of Environmental Conservation's (DEC) climate change program from assessments on gas and electric corporations and authorize a transfer to the General Fund for DEC and the University of Rochester's Laboratory for Laser Energetics	P	P	Amended.
Extend the sunset for Minority and Women-owned Business Enterprise (MWBE) statutes and the due date for the Disparity Study regarding the participation of MWBEs in State Contracts by one year	Q	Q	Amended.
Authorize the Department of Health (DOH) to finance certain public service education activities with revenues generated from an assessment on cable television companies	R	R	
Extend authorization for the Dormitory Authority of the State of New York (DASNY) to enter into certain design and construction management agreements by two years; add reporting requirements	S	S	
Extend the authority of the Secretary of State to charge increased fees for expedited document handling	T	T	
Eliminate the fee associated with the licensure of apartment information vendors and sharing agents	U	U	
Eliminate license fees for seven licenses administered by the Department of Agriculture and Markets	V	V	Amended.
Authorize the creation of a second Utility Debt Securitization Authority (UDSA) to refinance Long Island Power Authority (LIPA) debt	W	W	Amended.
Increase license fees and surcharges for facilities that store or transfer petroleum and move the administration of the Oil Spill Fund from the Office of the State Comptroller to the DEC	X	X	Amended.

Transportation, Environment and Economic Development (continued)

Description	Executive Art. VII	Enacted Art. VII	Comments
Increase fees for all sources of air emissions subject to the federal Clean Air Act and certain discharges of water pollution subject to the State Pollutant Discharge Elimination System (SPDES)	Y	Y	Amended.
Eliminate the fee associated with water well driller registrations administered by DEC	Z	Intentionally Omitted	
Establish a new Habitat Conservation and Access account to support fish and wildlife habitat management and public access projects	AA	AA	Amended.
Increase the number of years a municipal transit system may finance bus purchases from five years to ten years	BB	BB	
Direct the City of Buffalo to set up a Traffic Violations Agency to adjudicate traffic infractions within its jurisdiction, which is currently performed by the DMV	CC	CC	
Extend the sunset of the Cleaner, Greener NY Act of 2013 by two years		DD	
Establish a Farm Drain Tile Revolving Loan Fund		EE	
Make modifications to the Beginning Farmers NY Fund		FF	
Extend the sunset of the New York State Health Insurance Continuation Assistance Demonstration Project by one year		GG	
Permit term appointments for certain ITS positions without examination	Originally Part G of S.2005/A.3005	HH	Amended.
Extend the deadline for compliance with provisions requiring State agencies to retrofit diesel-fueled vehicles to reduce emissions		II	
Extend the authorization for the Office of Mental Health (OMH) to recover Medicaid exempt income from providers of community residences licensed by OMH	Originally Part O of S.2007/A.3007	JJ	
Extend the pilot program to restructure education services for children and youth residing in OMH hospitals by establishing responsibility for educational programming with the local education system	Originally Part P of S.2007/A.3007	KK	Amended.
Extend for three years provisions clarifying that OMH facility directors who act as federally-appointed representative payees may continue to use funds for the cost of a resident's care and treatment	Originally Part R of S.2007/A.3007	LL	

Transportation, Environment and Economic Development (continued)

Description	Executive Art. VII	Enacted Art. VII	Comments
Make amendments to implement the expansion of the Nurse Practice Act exemption for direct care staff in noncertified settings funded, authorized or approved by the Office for People With Developmental Disabilities (OPWDD)	Originally Part S of S.2007/A.3007	MM	Amended.
Amend the Mental Hygiene Law relating to the design and implementation of time-limited demonstration programs	Originally Part T of S.2007/A.3007	NN	Amended.
Amend the Mental Hygiene Law relating to eliminating duplication of regulatory efforts by DOH and OPWDD	Originally Part U of S.2007/A.3007	OO	Amended.
Direct OPWDD to assess the transportation needs of people with disabilities and other special populations		PP	
Establish various OPWDD reporting and planning requirements		QQ	
Require semiannual reporting by NYSERDA to the Governor and chairs of the fiscal committees to be also posted to the Authority's website detailing the Authority's activities for the previous 6-month period		RR	
Require NYSERDA to develop standards to encourage/increase participation of low-to-moderate income households in energy efficiency programs		SS	

Note: The description generally reflects the Article VII language as proposed by the Executive. With respect to parts not included in the Executive Budget, the description reflects the Article VII language included in the Enacted Budget.

Revenue – S.2009-B / A.3009-B
Chapter 59 of the Laws of 2015

Description	Executive Art. VII	Enacted Art. VII	Comments
Cap the annual growth in the STAR (School Tax Relief) exemption benefit to zero percent	A	Intentionally Omitted	
Eliminate the New York City STAR personal income tax (PIT) rate reduction benefits for New York City taxpayers with incomes over \$500,000	B	B	
Make permanent the program that makes properties ineligible for the STAR exemption if one or more of the owners has past-due State tax liabilities and modify current law to no longer allow STAR tax savings to be applied to reduce taxpayer's past-due State tax liability	C	Intentionally Omitted	
Close the existing STAR exemption program to new applicants and establish a new refundable PIT credit	D	Intentionally Omitted	
Authorize the Department of Taxation and Finance (DTF) to recoup improperly granted STAR exemptions	E	E	Amended.
Permit homeowners who registered for the STAR exemption with DTF, but failed to file timely exemption applications with local assessors, to receive the exemption for tax year 2014	F	F	
Create a new real property tax circuit breaker credit	G	Intentionally Omitted	
Make permanent the limitation on charitable contribution deductions for high income New York State and New York City personal income taxpayers	H	H	Amended.
Make technical amendments to the PIT and Metropolitan Transportation Authority (MTA) mobility tax statutes	I	I	Amended.
Require the Department of Economic Development (DED) to produce an annual commercial production tax credit economic impact report	J	J	
Amend the Excelsior Jobs Program to allow certain entertainment companies to participate in the program	K	K	Amended.
Amend the Investment Tax Credit for master tapes	L	Intentionally Omitted	
Rename the New York Youth Works Tax Credit as the Urban Youth Jobs Tax Credit and provide an additional credit allocation of \$10 million	M	Moved to Part AA of S.2006-B /A.3006-B	
Reduce the net income tax rate under the corporate franchise tax for small businesses	N	Intentionally Omitted	
Establish the Employee Training Incentive Program tax credit for employers who procure training for employees	O	O	Amended.

Revenue (continued)

Description	Executive Art. VII	Enacted Art. VII	Comments
Impose the franchise tax on transportation and transmission corporations (Tax Law §184) and the Metropolitan Commuter Transportation District surcharge (Tax Law §184-a) on wireless communications businesses	P	P	Amended.
Impose sales tax refund requirements on Article 9 taxpayers	Q	Intentionally Omitted	
Extend and make modifications to the Brownfield Cleanup Program	R	Moved to Part BB of S.2006-B /A.3006-B	
Combine the Department of State biennial information statement and tax return filings within DTF	S	S	
Make technical and clarifying amendments to the corporate tax reform statute included in the 2014-15 Enacted Budget	T	T	Amended.
Extend the wine tasting sales and use tax exemption to other alcoholic beverages	U	U	
Amend the Tax Law to clarify that sales tax applies to prepaid mobile calling services under the same rules that apply to prepaid telephone calling services	V	V	
Make numerous changes to the Industrial Development Agency (IDA) program, including requiring IDAs to obtain approval from DED before providing exemptions from State taxes, authorizing the commissioner of the DTF to audit IDA projects, agents and project operators, adding clawback provisions, and subjecting IDA members and officers to public officers law	W	Intentionally Omitted	
Expand sales tax collection requirements for marketplace providers	X	Intentionally Omitted	
Make amendments to limit certain avenues for taxpayers to avoid State and local sales and compensating use taxes	Y	Intentionally Omitted	
Expand sales tax exemptions for solar energy system equipment to include power generated by such equipment that is sold under a power purchase agreement	Z	Z	
Permit petroleum business tax refunds when highway diesel motor fuel is used in farm production	AA	AA	
Make technical amendments to the estate tax	BB	BB	Amended.
Require wholesalers of motor fuel to register and to file information returns with DTF	CC	Intentionally Omitted	

Revenue (continued)

Description	Executive Art. VII	Enacted Art. VII	Comments
Make permanent the authorization for the commissioner of DTF to serve wage garnishments without filing a warrant	DD	DD	Amended.
Amend Tax Law to lower the outstanding tax debt threshold required for driver's license suspension from \$10,000 to \$5,000	EE	Intentionally Omitted	
Require practitioners to be compliant with State tax obligations when applying for excess medical malpractice coverage	FF	Moved to Part Y of S.2007-B /A.3007-B	
Require that any State or local authority that provides State grant moneys, must receive a tax clearance from the grant recipient	GG	Intentionally Omitted	
Authorize the commissioner of DTF to enter into reciprocal tax agreements with other states	HH	Intentionally Omitted	
Create a mechanism for data sharing among various State agencies for agency enforcement initiatives	II	Intentionally Omitted	
Require professional or business license applicants to be compliant with State tax obligations before receiving or renewing licenses	JJ	Intentionally Omitted	
Require new State employees to be compliant with State tax obligations and grant local governments the option to require tax clearance for new employees	KK	Intentionally Omitted	
Authorize OCFS to share day care subsidy information with DTF so that child and dependent care credits can be verified	LL	Intentionally Omitted	
Extend the Video Lottery Gaming vendor's capital award program for one year	MM	MM	
Extend certain tax rates and simulcasting provisions for one year	NN	NN	
Expand electronic gaming offerings at Video Lottery Gaming facilities	OO	OO	
Extend the term for the Reorganization Board of the New York Racing Association for one year	PP	PP	Amended.
Make conforming changes to New York City corporate tax	QQ	Moved to Part D of S.4610-A /A6721-A	
Amend the credit for alternative fuel vehicle refueling property and electric vehicle recharging property	RR	RR	
Exempt vessels costing over \$230,000 from the sales and use tax		SS	
Exempt civil aircraft and machinery and equipment installed on such aircraft from the sales and use tax		TT	

Revenue (continued)

Description	Executive Art. VII	Enacted Art. VII	Comments
Exempt purchases made by banks subject to Dodd-Frank provisions from the sales and use tax that were previously treated as intercorporate transfers		UU	
Redirect up to 2.0 percent of purse enhancement moneys for jockey's health care until April 2017 and up to 1.0 percent of such moneys thereafter		VV	
Extend Monticello Raceway video lottery terminal rates for one year		WW	
Amend the distribution of retained commissions by out-of-state wagering providers		XX	
Exempt libraries from the MTA payroll mobility tax		YY	
Amend the effective date for the adjudication of traffic infractions by the city of Buffalo		ZZ	

Note: The description generally reflects the Article VII language as proposed by the Executive. With respect to parts not included in the Executive Budget, the description reflects the Article VII language included in the Enacted Budget.

Miscellaneous – S.4610-A / A.6721-A
Chapter 60 of the Laws of 2015

Description	Executive Art. VII	Enacted Art. VII	Comments
Amend provisions related to repayment of moneys disbursed for the purpose of constructing a civic center in the City of Albany		A	
Amend the START-UP NY Program to include vacant land or space that is owned by the State at either Stewart Airport or Republic Airport as tax-free areas		B	
Amend Education Law provisions related to transportation aid		C	
Make conforming changes to New York City corporate tax	Originally Part QQ of S.2009/A.3009	D	Amended.
Create a salary commission to make recommendations on executive, legislative and judicial compensation	Originally Part I of S.2005/A.3005	E	Amended.
Re-establish the Infrastructure Investment Act	Originally Part B of S.2008/A.3008	F	Amended.
Establish the New York State Water Infrastructure Improvement Act of 2015, which authorizes the Environmental Facilities Corporation (EFC) to provide up to \$200 million over three years for repairs or compliance-related upgrades to municipal sewage treatment works and water supply projects performed by municipalities, which are defined to include, in addition to local entities, State agencies and public authorities		G	
Establish the Dedicated Infrastructure Investment Fund	Originally Part O of S.2005/A.3005	H	Amended.
Authorize various transfers, temporary loans, and amendments to capital and debt provisions, including bond caps	Originally Part P of S.2005/A.3005	I	Amended.
Establish health care facility transformation programs in Kings and Oneida counties; provide support for essential health care providers in certain areas of the State; require \$1.2 billion in capital funding in 2014-15 budget to be awarded regionally; establish community health care revolving capital fund; and authorize temporary Medicaid rate adjustments or payments to hospitals in severe financial distress		J	

Note: The description generally reflects the Article VII language as proposed by the Executive. With respect to parts not included in the Executive Budget, the description reflects the Article VII language included in the Enacted Budget.

Education Reform – S.2010 / A.3010

Description	Executive Art. VII	Enacted Art. VII	Comments
Establish or amend provisions relating to teacher registration, continuing education, scholarship program, tenure, disciplinary procedures, failing school takeover and restructuring, and charter schools	A	Moved to Part EE of S.2006-B /A.3006-B	
Amend provisions related to annual performance and professional reviews for classroom teachers and building principals	B	Moved to Part EE of S.2006-B /A.3006-B	
Address provisions relating to control of the New York City School System	C	Omitted	
Tie enactment of school aid increases to implementation of teacher and principal effectiveness reviews	D	Omitted	

Criminal Justice Reform – S.2011 / A.3011

Description	Executive Art. VII	Enacted Art. VII	Comments
Amend certain provisions relating to grand juries, including the creation of an independent monitor; change of venue, search warrants, use of force and reporting requirements		Omitted	

Limited Immunity From Prosecution – S.2012 / A.3012

Description	Executive Art. VII	Enacted Art. VII	Comments
Modify certain provisions related to immunity from prosecution in grand jury proceedings		Omitted	

Sources for all Article VII Bill Sections Summary Charts: Office of the State Comptroller; Division of the Budget

Appendix B: Summary of SFY 2015-16 Appropriations

Appropriations reflect statutory authority to spend during any given State fiscal year for the program or purpose designated. They provide an upper limit, or maximum, for spending for that program or purpose. Anticipated spending from the appropriations is included in the Financial Plan, which provides a comprehensive estimate of the State's revenue and spending needs for the current State fiscal year and three subsequent fiscal years. For Local Assistance appropriations, spending typically is close to the amount of appropriations. For other categories of spending, including State Operations, Capital Projects and Debt Service, spending may be significantly below the amounts appropriated. The Enacted Budget includes two-year appropriations for certain programs.

The following summarizes new appropriations by appropriation type. The tables do not include contingency appropriations or reappropriations.

Summary of New Appropriations by Appropriation Type
SFY 2015-16 Enacted Budget Compared to SFY 2014-15 Enacted Budget
(in millions of dollars)

	Enacted SFY 2014-15	Enacted SFY 2015-16	Dollar Change From SFY 2014-15	Percentage Change From SFY 2014-15
State Operations	\$ 41,947	\$ 41,961	\$ 14	0.0%
Local Assistance	210,783	217,972	7,189	3.4%
Capital Projects	15,106	15,720	614	4.1%
Debt Service	9,421	9,859	438	4.6%
Total	\$ 277,257	\$ 285,511	\$ 8,255	3.0%

Note: Totals may not add due to rounding.
Sources: Office of the State Comptroller; Division of the Budget

Summary of New Appropriations by Appropriation Type
SFY 2015-16 Enacted Budget Compared to SFY 2015-16 Executive Budget Proposal
(in millions of dollars)

	Executive Proposed SFY 2015-16	Enacted SFY 2015-16	Dollar Change From Executive	Percentage Change From Executive
State Operations	\$ 41,856	\$ 41,961	\$ 105	0.3%
Local Assistance	216,614	217,972	1,358	0.6%
Capital Projects	14,562	15,720	1,159	8.0%
Debt Service	10,359	9,859	(500)	-4.8%
Total	\$ 283,390	\$ 285,511	\$ 2,121	0.7%

Note: Totals may not add due to rounding.
Sources: Office of the State Comptroller; Division of the Budget

The following chart summarizes new appropriations by program area. The appropriations for the Legislature and the Judiciary are contained within a single Budget Bill.

**Summary of New Appropriations by Appropriation Program Area
SFY 2015-16 Enacted Budget Compared to SFY 2014-15 Enacted Budget**
(in millions of dollars)

	Enacted SFY 2014-15	Enacted SFY 2015-16	Dollar Change From SFY 2014-15	Percentage Change From SFY 2014-15
Public Protection & General Government	\$ 17,388	\$ 17,747	\$ 359	2.1%
Health and Mental Hygiene	137,781	144,502	6,720	4.9%
Education, Labor & Family Assistance	91,725	87,320	(4,404)	-4.8%
Transportation, Economic Development and Environment	17,996	23,068	5,073	28.2%
Legislature	220	220	-	-0.9%
Judiciary	2,726	2,796	69	5.7%
Debt Service	9,421	9,859	438	4.6%
Total	\$ 277,257	\$ 285,511	\$ 8,255	3.0%

Note: Totals may not add due to rounding. The Judiciary total includes Interest on Lawyers Account appropriations of \$15 million.
Sources: Office of the State Comptroller; Division of the Budget

Appendix C: Evolution of SFY 2015-16 Budget Bills

Appropriation bills: These bills provide authorization for State agencies and certain public authorities to spend.

Appropriation Bills	Executive Budget		21-Day Amends		30-Day Amends		One-House Bills		Executive Resubmittal *		PASSED		DELIVERED TO GOVERNOR	Chapter & Date Signed
	Senate	Assembly	Senate	Assembly	Senate	Assembly	Senate	Assembly	Senate	Assembly	Senate	Assembly		
State Operations	2000 21-Jan-2015	3000 21-Jan-2015	12-Feb-2014	12-Feb-2014	2000-A 31-Mar-2015	3000-A 31-Mar-2015	4200 9-Mar-2015	6000 9-Mar-2015	2000-B 31-Mar-2015	3000-B 31-Mar-2015	2000-C## 31-Mar-2105	3000-C## 31-Mar-2105	1-Apr-2015	CH 50 13-Apr-2015
Legislature & Judiciary	2001 21-Jan-2015	3001 21-Jan-2015									2001-A 31-Mar-2015	3001-A 31-Mar-2015	1-Apr-2015	CH 51 13-Apr-2015
Debt Service	2002 21-Jan-2015	3002 21-Jan-2015									2002-A 25-Mar-15	3002-A 26-Mar-2015	1-Apr-2015	CH 52 13-Apr-2015
Local Assistance	2003 21-Jan-2015	3003 21-Jan-2015			2003-A 28-Mar-2015	3003-A 28-Mar-2015	4203 9-Mar-2015	6003 9-Mar-2015	2003-B 28-Mar-2015	3003-B 28-Mar-2015	2003-C## 30-Mar-2015	3003-C## 30-Mar-2015	1-Apr-2015	CH 53 13-Apr-2015
Capital Projects	2004 21-Jan-2015	3004 21-Jan-2015			2004-A 31-Mar-2015	3004-A 31-Mar-2015	4204 9-Mar-2015	6004 9-Mar-2015	2004-B 31-Mar-2015	3004-B 31-Mar-2015	2004-C## 31-Mar-2015	3004-C**## 31-Mar-2015	1-Apr-2015	CH 54 13-Apr-2015
Aid to Localities Chapter Amendment									4612 31-Mar-2015	6720 31-Mar-2015	4612-B## 31-Mar-2015	6720-B**## 31-Mar-2015	1-Apr-2015	CH 61 13-Apr-2015

Article VII / Language bills: These bills govern how appropriations will be administered and financed, and revenue collected.

Article VII/ Language Bills	Executive Budget		21-Day Amends		30-Day Amends		One-House Bills		Executive Resubmittal *		PASSED		DELIVERED TO GOVERNOR	Chapter & Date Signed
	Senate	Assembly	Senate	Assembly	Senate	Assembly	Senate	Assembly	Senate	Assembly	Senate	Assembly		
Public Protection / General Government (PPGG)	2005 21-Jan-2015	3005 21-Jan-2015			2005-A 27-Mar-2015	3005-A 27-Mar-2015	4205 9-Mar-2015	6005 9-Mar-2015	2005-B 27-Mar-2015	3005-B 27-Mar-2015	2005-B 30-Mar-2015	3005-B 30-Mar-2015	1-Apr-2015	CH 55 13-Apr-2015
Education, Labor & Family Assistance (ELFA)	2006 21-Jan-2015	3006 21-Jan-2015			2006-A 31-Mar-2105	3006-A 31-Mar-2015	4206 9-Mar-2015	6006 9-Mar-2015	2006-B 31-Mar-2015	3006-B 31-Mar-2015	2006-B## 31-Mar-2015	3006-B## 31-Mar-2015	1-Apr-2015	CH 56 13-Apr-2015
Health and Mental Hygiene (HMH)	2007 21-Jan-2015	3007 21-Jan-2015			2007-A 28-Mar-2015	3007-A 28-Mar-2015	4207 9-Mar-2015	6007 9-Mar-2015	2007-B 28-Mar-2014	3007-B 28-Mar-2014	2007-B## 30-Mar-2105	3007-B## 30-Mar-2015	1-Apr-2015	CH 57 13-Apr-2015
Transportation & Economic Development (TED)	2008 21-Jan-2015	3008 21-Jan-2015			2008-A 27-Mar-2015	3008-A 27-Mar-2015	4208 9-Mar-2015	6008 9-Mar-2015	2008-B 27-Mar-2015	3008-B 27-Mar-2015	2008-B 30-Mar-2015	3008-B 30-Mar-2015	1-Apr-2015	CH 58 13-Apr-2015
Revenue	2009 21-Jan-2015	3009 21-Jan-2015			2009-A 28-Mar-2015	3009-A 28-Mar-2015	4209 9-Mar-2015	6009 9-Mar-2015	2009-B 28-Mar-2014	3009-B 28-Mar-2014	2009-B## 30-Mar-2015	3009-B## 30-Mar-2015	1-Apr-2015	CH 59 13-Apr-2015
Education Reform	2010 21-Jan-2015	3010 21-Jan-2015					4210 9-Mar-2015							
Criminal Justice Reform	2011 21-Jan-2015	3011 21-Jan-2015												
Limited Immunity From Prosecution	2012 21-Jan-2015	2012 21-Jan-2015												
Various Provisions to Implement State Fiscal Plan									4610 31-Mar-2015	6721 31-Mar-2015	4610-A## 31-Mar-2015	6721-A**## 31-Mar-2015	1-Apr-2015	CH 60 13-Apr-2015
Constitutional Amendment - Pension Forfeiture									4611 31-Mar-2015	6722# 30-Mar-2015	4611 31-Mar-2015			

* **Executive's resubmittal:** Section 3 of Article VII of the State Constitution provides that the Executive may amend the Executive Budget within 30 days after it has been submitted to the Legislature and, with the consent of the Legislature, at any time before the houses adjourn.

Assembly version of Constitutional amendment is not a budget bill and did not pass.

Bills passed with Message of Necessity

** Despite being recorded as passing on March 31st, final action on certain bills occurred early on April 1.