



2017-18 Enacted State Budget Summary

State Operations

Enhanced Executive Powers

The enacted budget provides the Division of the Budget (DOB) with significant authority to react to federal aid reductions during the fiscal year. Under this plan, the Director of the Division of the Budget could develop a plan on how to respond to any federal cuts to Medicaid or other programs in excess of \$850 million. The legislature would have 90 days to develop an alternative proposal. If the legislature does not act within that timeframe, DOB's plan will automatically go into place.

Retiree Issues

The legislature rejected all three of the Governor's proposals that would have increased health insurance costs for retirees and future retirees. These proposals included a tiered health insurance contribution system for new retirees based on salary grade and years of services, a cap on the State's reimbursement for Medicare Part B premiums, and the elimination of higher cost Part B premiums for higher income retirees.

Office of Mental Health

The enacted budget rejects the Governor's proposal to eliminate 400 beds within OMH. The budget does not include any provisions to delay or stop the impending transfer of the Western New York Children's Psychiatric Center to the grounds of the Buffalo Psychiatric Center.

Office for People with Developmental Disabilities

The enacted budget adds an additional \$840,000 to create new community based programs for individuals with developmental disabilities that are staffed by state employees. (care pilots)

Office of Children & Family Services / Juvenile Justice

The enacted budget contains provisions that will raise the age of criminal responsibility from 16 to 17 on October 1, 2018 and to 18 on October 1, 2019. Under this law, cases involving 16 and 17 year-old defendants would be adjudicated as follows:

- ❑ All misdemeanor and felony cases will originate in a new Youth Court. Family Court Judges will preside in the new Youth Courts.
- ❑ Felony or misdemeanor complaints can be moved to Family Court at the request of the district attorney or upon motion of the defendant.
- ❑ Certain crimes are exempted, including murder, rape, criminal sexual act in the 1st degree, armed felony, violent felony, or class A felony.

All 16 and 17 year olds will have access to probation services in each county. CSEA fought hard to ensure that these services will be fully funded by the state due to the overwhelming caseloads already placed on probation officers. The state will pay the full cost provided that a county stays within the property tax cap. If a county exceeds the tax cap, they will have to seek a waiver from the state to keep 100% funding.

If a 16 or 17 year old needs to be placed in a detention facility, they would be placed in one that is jointly operated by the Department of Corrections and Community Supervision and the Office of Children and Family Services.

State University of New York (SUNY)

The enacted budget provides for Governor Cuomo's "free tuition" proposal known as the Excelsior Scholarship. The enacted program would provide "last dollar" (after all other federal and state grants) awards qualifying students for tuition at SUNY and CUNY schools. Up to \$5,500 would be provided through the Tuition Assistance Program (TAP), and SUNY or CUNY would be responsible for covering the difference between that amount and the cost of tuition.

In order to be eligible for the program, a student and their parents must earn less than \$125,000 adjusted gross income (once fully phased in), carry at least 30 credits per year, carry a certain GPA established by the school, and agree to live and work in New York after graduation for a certain term tied to the years they were awarded their scholarship. If a graduate leaves the state the tuition award is converted to a student loan.

Income caps on the Excelsior Scholarship would be phased in as follows and is based on adjusted gross income as follows:

- ❑ \$100,000 for awards in 2017-18;
- ❑ \$110,000 for awards in 2018-19; and
- ❑ \$125,000 for awards in 2019-20.

The budget also establishes a scholarship for students who attend a community college part time. Students would be eligible for awards up to \$1,500 per semester under this program.

The budget also establishes an "enhanced tuition awards program" for private schools that is similar to the Excelsior Scholarship. The private institutions who choose to participate in the enhanced tuition awards

program would be required to match public funding on a dollar for dollar basis. Students meeting eligibility standards that are the same as the Excelsior Scholarship would be able to earn total awards of \$6,000 under the program. The budget provides \$19 million through TAP for this program.

The budget authorizes SUNY and CUNY to raise tuition up to \$200 per year for four years. The budget also provides “maintenance of effort” provisions that prohibit a reduction in state support for public higher education as tuition increases are implemented.

SUNY Hospitals

The enacted budget appropriates \$329 million over the next two years in disproportionate share (DSH) payments for the three SUNY hospitals.

The budget maintains SUNY hospital subsidy funding at last year’s level of \$87.8 million.

Department of Transportation

Funding for the Consolidated Highway Improvement Program (CHIPS) and Marchiselli program are held flat at \$438.1 million and \$39.7 million, respectively. The budget does provide an additional \$65 million for local highway and bridge projects for “extreme winter recovery.”

Canal Corporation

The enacted budget allows shared services between the Canal Corporation, the Department of Transportation (DOT), and the New York Power Authority. CSEA worked with the legislature to ensure that this authority was limited to emergencies and severe weather situations, similar to authority that was given when the Canal Corporation was a subsidiary of the Thruway Authority.

Local Governments

Funding

Aid and Incentives to Municipalities (AIM) funding for local governments will once again be held flat at \$715 million. AIM funding has not been increased since 2011-12.

The City of Albany will receive \$12.5 million in additional state assistance in order to compensate them for hosting a large number of government and not-for-profit properties.

Shared Services Scheme

The enacted budget establishes a “county-wide shared services property tax savings plan.” CSEA worked closely with the legislature to amend the Governor’s original proposal to better protect CSEA members and the services they provide. While the enacted plan is better than originally proposed, it will be important for CSEA to be active and involved in the development of these tax savings plans.

The chief executive officer (county executive, county manager, or the chair of the county legislative body) of every county outside of New York City will be responsible for preparing a property tax savings plan for shared, coordinated, or more efficient services among the municipalities within the county. The chief executive officer may invite school districts and boces to participate but they are not mandated to participate.

The plan must result in recurring property tax savings, and could include:

- The elimination of duplicative services;
- Shared services (such as joint purchasing, shared highway equipment, shared storage facilities, shared plowing services, and energy and insurance purchasing cooperatives);
- Reduction in back office administrative overhead; and
- Better coordination of services.

Each county shall have a shared services panel consisting of the county executive or officer of the county, who shall serve as chair, and one representative from each city, town or village in the county. (mayor of a city or village and supervisor of a town). In the development of the plan the chief executive officer shall regularly consult with , and take recommendations from representatives of the panel and representatives of each collective bargaining unit of the county, cities, towns and villages and any participating school districts.

County legislatures will have input on the plans, and the plans must be approved by the shared services panel. Any municipality may opt out prior to a plan approval and shall state reasons why in writing.

The plans will **NOT** go to a public referendum as proposed by the Governor. If the plan does not gain approval in 2017, the process would begin again in 2018 and then end.

Health Care

The budget appropriates \$20 million over two years for additional payments to Critical Access Hospitals (“CAH”), including Ellenville Community Hospital and Lewis County General Hospital.

Roswell Park Cancer Institute

Roswell Park will receive \$102,627,000 in state funding, which is unchanged from last fiscal year.

Consolidated Laboratory Project (Wadsworth Labs)

The enacted budget provides \$150 million in funding for a project to consolidate Wadsworth Labs. The budget does not include specific details on what the consolidation would look like. CSEA successfully advocated for legislative protections for workers who are currently employed at Wadsworth Labs to ensure that they are not displaced or laid off due to a design-build contract.

Infrastructure

Design-Build

CSEA worked closely with the legislature to reject the Governor's proposal to expand design-build authority to all state agencies, authorities, and counties outside of New York City.

The enacted budget provides for a two year extension of existing design-build authority for the five entities that currently have such authority (Department of Transportation, Thruway Authority, Bridge Authority, Department of Environmental Conservation, and the Office of Parks, Recreation, and Historic Preservation). The enacted budget increases the threshold for projects where design-build can be used from \$1.2 million to \$10 million.

The budget would also allow for design-build on specific projects undertaken by other agencies. For these additional projects, CSEA successfully advocated for language to protect public employees working at those entities, including preventing the displacement of workers and prohibiting the outsourcing of maintenance and operations done by public employees.

These projects include:

- Life Sciences Laboratory / Wadsworth
- Whiteface Transformative Projects
- Gore Transformative Projects
- Belleayre Transformative Projects
- Mt. Van Hovenberg Transformative Projects
- State Fair Revitalization Projects
- State Police Forensic Laboratory

Clean Water

The enacted budget provides \$2.5 billion for clean water infrastructure projects across the state. This includes:

- \$1 billion for grants to municipalities for water quality infrastructure projects;
- \$245 million for water quality improvement projects, including municipal wastewater treatment projects and \$25 million for the proper management of road salt;
- \$200 million for New York City water infrastructure projects;
- \$150 million for inter-municipal water infrastructure grants;
- \$130 million for the remediation of hazardous waste sites;
- \$110 million for land acquisition projects for source water protection;
- \$100 million for municipal water quality infrastructure programs that do not otherwise qualify for state support;
- \$75 million for septic system replacement;
- \$20 million for the replacement of lead drinking water service lines; and
- \$10 million for emergency water infrastructure assistance.

Empire State Trail

The budget provides \$200 million in funding for the costs of projects related to the Empire State Trail network.

Education

School Aid

The enacted budget provides a \$1.1 billion increase in school aid over last year. Charter school tuition aid will be increased at the same rate as public school aid increases moving forward.

Libraries

Library funding was held flat. However, the budget did restore the \$5 million cut to library construction aid that the Governor proposed, and adds an additional \$5 million capital funding over last year for a total of \$24 million.

Child Care

The enacted budget will cut funding for child care by nearly \$30 million. Counties will have to make up the difference in order to maintain access.

The CSEA child care contract funding is fully funded for 2017-18.

Human Services

The enacted budget contains funding to raise not-for-profit direct care worker salaries by 6.5%. The total cost is \$55 million.

Revenue / Taxes

Millionaire's Tax

The enacted budget extends the surcharge on high income earners for two years.

Economic Development

START-UP NY

The enacted budget rejects Governor Cuomo's proposal to rename and expand the flailing START-UP NY program. The budget does, however, include an additional \$69.5 million that could be used to advertise the program, including in other states.

Annual Economic Report

The budget establishes a new requirement that the state provide an annual economic development report that will include all economic development assistance program provided by the Empire State Development Corporation (aka the Urban Development Corporation) and the Department of Economic Development. The report will include data on each economic development program, including tax expenditures, marketing and advertising, participation rates economic impact and grants and other awards.

Other Issues

Workers Compensation

The enacted budget contains various changes to the state's workers' compensation system.

These changes include:

- ❑ Limiting the time it takes for injured workers to reach maximum medical improvement (MMI) to 2.5 years after the date of a worker's injury. The MMI limit will only apply to injuries that occur on or after the effective date of the legislation and will not affect anyone currently awaiting classification. However, this legislation allows the Board to determine that if the injured worker has not reached MMI, then the cap will not apply.
- ❑ This legislation prevents the Board from denying claims of extraordinary stress incurred during emergencies by police officers, firefighters, EMTs, dispatchers and workers certified to provide emergency medical care based on a defense that the stress incurred is no greater than what would be expected on that job. This defense has been used to deny coverage to uniformed workers and first responders in the overwhelming majority of circumstances. This provision is intended to ensure that workers who suffer from PTSD after a work-related emergency get the benefits they are entitled to. It is a significant improvement that removes a barrier to coverage. This advancement sets the stage to obtain coverage for more workers exposed to stress in more circumstances.
- ❑ The Board must schedule a hearing within 45 days of a request by an injured worker who is not able to work and is not receiving benefits. Previously, the Board could schedule a hearing at its leisure, if at all.
- ❑ Independent Medical Examination Study. The Board is required to conduct a study during calendar year 2018 to assess the use of company doctors to contest claims and its impact on system costs.

Expanding Ridesharing Upstate

The enacted budget includes the expansion of ridesharing (companies like Uber and Lyft) to counties outside of New York City. Large cities and counties would have the option to opt-out of these services. These rides will be subject to a four percent sales tax, which will go to the State's General Fund.

Union Dues Deduction

The enacted budget includes an expansion of the amount of union dues a member may deduct on their New York State income taxes. Currently, a union member can only deduct dues that are in excess of 2% of their federal adjusted gross income. The state will now allow for a deduction of the full amount of dues paid. A member would still have to itemize their deductions to receive this deduction.

Buy American

"Buy American" provisions that would have required the use of American-made materials in state construction projects were not included in the final budget.

Health Insurance Trust Fund

The budget sets up a health insurance trust fund intended to pre-fund retiree health benefit costs for state retirees and their beneficiaries. The trustee of the fund is the commissioner of civil service but the comptroller will have joint custody of the fund and will be responsible for investing the proceeds of the fund. The fund cannot be utilized for anything except retiree health care costs. Contributions to the fund are irrevocable. The state will contribute to the fund on a yearly basis and a formula is outlined in the legislation and is a percentage of the accrued liability included in the state's annual financial report.

Surcharge on Prepaid Cell Phones

The budget also included a 90 cent surcharge on pre-paid cell phones that will be directed to county 911 services. Counties would be able to impose an additional \$0.30 surcharge on both prepaid and contract phones.