

New York State Senate

**Report on the Amended State
Fiscal Year 2011-12 Executive
Budget**



REPORT ON THE AMENDED STATE FISCAL YEAR 2011-2012
EXECUTIVE BUDGET

ALL STATE AGENCIES AND OPERATIONS

Adirondack Park Agency

State Operations (S.2800-C)

- The Senate concurs with the Executive recommendation of \$5,307,000.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive recommendation of \$500,000.

Aging, Office for the

State Operations (S.2800-C)

- The Senate concurs with the Executive's proposal.

Aid To Localities (S.2803-C)

- The Senate concurs with the Executive's proposal with the exception of the following:
 - Deny proposal to consolidate aging initiatives and create a local competitive grant program;
 - Restore \$122,500 for Community Empowerment Initiatives;
 - Restore \$323,500 for Congregate Services Initiative;
 - Restore \$118,500 for EAC/Nassau Respite Program;
 - Restore \$245,000 for Elderly Abuse Education and Outreach;
 - Restore \$122,500 for Enriched Social Adult Day Centers Program;
 - Restore \$98,000 for Foster Grandparent Program;
 - Restores \$71,000 for Long Term Care Senior Respite;
 - Restores \$86,000 for NY Foundation Home Sharing;
 - Restore \$31,500 for Patients' Rights Hotline and Advocacy;
 - Restore \$115,000 for Regional Caregivers Center for Excellence; and
 - Restore \$216,500 for Retired and Senior Volunteer Program.

Agriculture and Markets

State Operations (S.2800-C)

- The Senate allocates \$822,000 to the Cornell Pro-Dairy Program.

Aid To Localities (S.2803-C)

- The Senate denies the Executive proposal to reduce and/or eliminate local agriculture program funding and replace it with a \$1.2 million competitive grant program.
- The Senate restores funding for the following programs:
 - \$100,000 for Tractor Rollover Prevention;
 - \$100,000 for Cornell Rabies Prevention on Long Island;

- \$300,000 for North Country Agricultural Development;
- \$80,000 for the Agriculture in the Classroom Program;
- \$206,000 for the NYS Apple Growers Association;
- \$66,000 for the Association of Agriculture Educators;
- \$384,000 for Farm Family Assistance;
- \$1,000,000 for the Farm Viability Institute;
- \$192,000 for Future Farmers of America;
- \$62,000 for Cornell University Golden Nematode Program;
- \$500,000 for Integrated Pest Management;
- \$128,000 for the New York State Seed Lab; and
- \$713,000 for the Wine and Grape Foundation.
- The Senate denies the Executive proposal to include a lump sum for the following Cornell Diagnostic Laboratory Programs and instead provides specific funding lines:
 - \$3,750,000 for the “Core” Diagnostic Laboratory;
 - \$1,174,000 for Quality Milk Promotion;
 - \$360,000 for Cattle Health Assurance;
 - \$480,000 for the Johnes Disease Program;
 - \$150,000 for the Cornell Rabies Program; and
 - \$252,000 for the Avian Disease Program.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive recommendation of \$3,000,000.

Article VII Proposals (S.2810-B)

- Part T: The Senate denies the Executive proposal to create a new Competitive Agriculture Development and Promotion Program. In line with this rejection, the Senate restores \$1,222,000 proposed for this program to various local agricultural programs across the state.
- Part U: The Senate concurs with the Executive proposal to establish the “*Share NY Food*” initiative. This program would be eligible to utilize funds from the Upstate Agricultural Economic Development Fund and potential federal funding, but no specific appropriation is included in the budget.

Alcoholic Beverage Control Board

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal of \$17.1 million, a decrease of \$5.25 million from SFY 2010-11 levels.
 - The Senate restores \$220,000 in funding for two Non-Chair Commissioners’ compensation.

Article VII Proposal (S.2807-B)

- PART E: The Senate denies the Executive’s Article VII language to change the compensation of the two Non-Chair Commissioners of the State Liquor Authority from an annual salary of \$90,800 to a per diem compensation of \$260 per day.

All State Departments and Agencies

Capital Projects (S.2804-B)

- The Senate denies the Executive's recommendation to require the approval of the economic development capital funding by the proposed regional economic development councils.

Audit and Control

State Operations (S.2800-C)

- The Senate amends the Executive Budget proposal for State Operations as follows:
 - Denies the Executive request to increase spending from the Abandoned Property Account by \$7.5 million.
 - The Senate approves State Operations spending in the amount of \$244.8 million.

Aid To Localities (S.2803-C)

- The Senate amends the Executive Budget for Aid to Localities as follows:
 - Transfers the Special Revenue Fund for Indigent Legal Services from the abolished Office of Indigent Legal Services, for revenue neutral increase in spending authority of \$77 million, attributed to the balances and anticipated receipts of the Indigent Legal Services Fund.
 - The Senate approves Aid to Localities spending in the amount of \$109 million.

Article VII Proposals (S.2807-B)

- PART R: The Senate places the custody and oversight of the distribution of funds for indigent legal services with the Office of the State Comptroller, where it was previously located prior to the establishment of the Office of Indigent Legal Services.

Budget

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal including the 10 percent General Fund State Operations reduction.

Children and Family Services

State Operations (S.2800-C)

The Senate modifies the Executive's All Funds Recommendation of \$529.2 million, a decrease of \$5.2 million or 1.0 percent from SFY 2010-11 levels, as follows;

- Reduce State Operations funding for the Youth Facility Program, (\$20,000,631).

Aid To Localities (S.2803-C)

- The Senate modifies the Executive’s All Funds Recommendation of \$3.1 billion, a decrease of \$162.4 million or 4.9 percent from the SFY 2010-11 levels, as follows;
- The Senate restores the following General Fund programs:
 - Home Visiting, \$23,288,200;
 - Community Optional Preventive Services, \$14,121,700;
 - Youth Development and Delinquency Program / Special Delinquency Prevention Program (YDDP/SDPP), \$12,124,750;
 - Runaway Homeless and Youth Act, \$2,355,800;
 - Caseload Reduction, \$757,200;
 - Kinship Caretaker Relative, \$338,750;
 - Post Placement Services, \$311,700;
 - Uncapped Detention Services, \$33,840,000;
 - Adoption Subsidies, \$34,000,000; and
 - Committee on Special Education, \$53,250,000.
- The Senate reduces General Fund programs as follows:
 - Primary Prevention Incentive Program, (\$35,420,000);
 - Supervision and Treatment for Juveniles Program, (\$31,376,000); and
 - Capped Detention Services, (\$15,000,000).
- The Senate denies the Executive’s proposal to utilize additional Title XX funding to support Child Welfare Services expenditures and restores \$22,400,000.
- The Senate restores funding for the following Temporary Assistance for Needy Families (TANF) programs within the Office of Temporary and Disability Assistance:
 - Advantage Afterschool, \$5,507,000;
 - Nurse Family Partnership, \$2,000,000;
 - Caretaker Relative, \$250,000;
 - Child Care Demonstration Projects, \$2,000,000;
 - Preventive Services, \$3,000,000;
 - Non-Residential/Domestic Violence, \$3,000,000;
 - Child Care CUNY, \$696,000; and
 - Child Care SUNY, \$947,000.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive’s All Funds Recommendation of \$37.7 million, consistent with SFY 2010-11 levels.

Article VII Proposals (S.2808-B)

- PART O: The Senate amends the Executive’s proposal to eliminate the State share of reimbursement for Committee on Special Education maintenance costs by reducing the State’s share from 36.8 percent to 28.4 percent and increasing the school districts’ share from 20 percent to 28.4 percent. The local share would remain unchanged at 43.2 percent. The Senate restores \$53.2 million.
- PART P: The Senate denies the Executive’s proposal to establish a Primary Prevention Incentive Program.

- PART Q: The Senate amends the Executive’s proposal to reform juvenile justice as follows:
 - Denies the proposal to eliminate the 12- month notification requirement, however would waive the closure requirement to reduce capacity from 1,209 to 833 to achieve \$21.8 million in savings in SFY 2011-12.
 - Denies the proposal to create a Supervision and Treatment Services for Juveniles program, however would allow for 50 percent reimbursement for alternative to detention and residential placement programs within the \$72 million uncapped detention services appropriation.
 - Denies the proposal to cap detention on July 1, 2011. The Senate restores \$33.8 million.
 - Denies the proposal to eliminate the placement of Persons in Need of Supervision (PINS) in detention.
 - Amends the Executive proposal to create a risk assessment tool linked to reimbursement by requiring localities to implement a risk assessment tool for the purposes of making a determination, however would reject the proposal to provide reimbursement for detention for only high-risk youth.
- PART R: The Senate amends the Executive’s proposal to increase and implement a \$60 fee for providing background checks within the Statewide Central Registry (SCR) by reducing the proposed fee increase to an individual to \$25 for their first background after April 1, 2011 and \$5 for any subsequent checks thereafter. The Senate restores \$7.6 million.
- PART AA: The Senate advances legislation to modify the structure of the OCFS-operated residential placement system. Effective April 1, 2012, OCFS would only operate secure and limited-secure residential placement facilities. All youth placed in non-secure facilities would be in the custody of his or her respective locality and would be placed within a local voluntary agency.
- PART BB: The Senate advances legislation that would require OCFS to provide the Legislature with electronic weekly reports on the capacity of OCFS operated youth facilities and the number of youth who are in OCFS custody that are not residing in OCFS facilities.
- PART JJ: The Senate advances legislation that would require the State to provide the Legislature and local social services districts with information pertaining to the per-diem rate determinations for children in OCFS placements, as well as to require the State to reconcile interim per-diem rates within one year of the end of the fiscal year during which the days were claimed for.
- PART Z: The Senate advances legislation that would provide municipalities with permissive language to effectuate the Subsidized Kinship Guardianship Program on April 1, 2011 if the locality has the financial resources to provide payments.
- PART GG: The Senate advances legislation that would require the Office of the State Comptroller to conduct a study, in consultation with United Way of New York, to determine which human services toll-free hotlines could be consolidated under 2-1-1. Further, the legislation would require all agencies operating a hotline recommended for elimination in the report to transfer the operating funds of such hotlines into the 2-1-1 system account.

City University of New York (CUNY)

State Operations (S.2800-C)

- The Senate concurs with following Executive proposals related to CUNY:
 - Reduction of operating support for CUNY senior colleges (-\$70 million); and
 - The Senate reduces CUNY by \$40 million within the senior college revenue offset account.

Aid To Localities (S.2803-C)

- The Senate modifies the following Executive proposal related to CUNY:
 - The Senate restores \$6.5 million in community college base aid increasing FTE support from the Executive's advanced \$2,034 funding level to \$2,147 (+\$16.6 million).

Capital Projects

- The Senate concurs with the Executive recommendation.

Civil Service

State Operations (S.2800-C)

- The Senate concurs with the Executive Budget request of \$59.6 million.

Article VII Proposals (S.2807-B)

- PART H: The Senate concurs with the Executive's proposal to remove from the statutory salary list all board members, except the President, of the Civil Service Commission and provide those members with per diem compensation.
- PART BB: The Senate advances legislation that requires the President of the Civil Services Commission to investigate and report to the Legislature the statewide impact of any state workforce reductions.

Collective Bargaining Agreements

State Operations (S.2800-C)

- The Senate concurs with the Executive Budget request of \$5.8 million.

Consumer Protection Board

State Operations (S.2800-C)

- The Senate denies the Executive proposal to eliminate the Board and the transfer of the Board's duties to the Department of State.

Corrections and Community Supervision

State Operations (S.2800-C)

- The Senate concurs with the Executive’s All Funds recommendation of \$2.6 billion a decrease of \$257 million or six percent from SFY 2011-12 levels, with the following modifications:
 - The Senate concurs with the Executive’s proposed reduction of \$72 million related to “right-sizing” the prison system. The Senate includes new Article VII language to effectuate the reduction in SFY 2011-12 of \$72 million in savings from the restructuring of the system in order to achieve a more efficient correctional system by statute.
- The Senate includes the following reductions:
 - (\$35.4 million) in additional non-personal service;
 - (\$7.5 million) General Fund Maintenance Undistributed reduction from the elimination of duplicative administrative positions in correctional facilities at certain facilities within close proximity to one another; and,
 - (\$5 million) Additional administrative positions within the Department’s Central Office.
- The Senate concurs with the Executive proposal to merge the Department of Correctional Services and the Division of Parole into a new Department of Corrections and Community Supervision to save \$6 million in SFY 2011-12. However, the Senate modifies the Executive’s proposed Article VII that would allow the merger to occur.

Aid To Localities (S.2803-C)

- The Senate concurs with the Executive’s All Funds recommendation of \$17 million a decrease of \$5 million or 22 percent from SFY 2011-12 levels.

Article VII Proposals (S.2807-B)

- PART AA: The Senate includes new Article VII language to create a Prison Efficiency Task Force (Correction Law §79-c) that would recommend cost saving strategies to the Department and identify minimum and medium security level facilities to close, reduce excess capacity and achieve the savings advanced in the Executive’s proposed budget. The task force’s recommendations would require unanimous approval by the nine voting members of the task force, and would be binding upon the commissioner. The Senate includes the following non-exclusive list of criteria by priority, for the task force to consider when making its prison closure recommendations:
 - Marketability of the property;
 - Value of the property;
 - Economic Impact on community and region affected;
 - Cost to maintain and operate the facility and infrastructure;
 - Workforce Productivity; and
 - Impact on Unemployment.

- PART AA: The membership of the task force would be appointed by the Governor and the Legislature, but unlike the Executive Order, there is no requirement that members of the Legislature be on the task force.
- PART C: The Senate denies the Executive's Article VII proposal to permanently waive all notification (Correction Law §79-a) and modify the adaptive reuse plan requirements (Correction Law §79-b) as they pertain to state prison closures. The Senate does allow the one-year notice to be waived for only those facilities identified and recommended for closure by the Task Force pursuant to a new section 79-c of the Corrections Law.
- The Senate proposes the following legislation to:
 - PART Y: Require that the members of the Board of Parole assigned to determine whether or not an inmate should be paroled, must unanimously agree to parole for the inmate to be released.
 - PART Z: Allow the chief law enforcement officer of the jurisdiction where the inmate committed his/her offense, to provide information regarding the knowledge of the inmate relevant to the issues before the Board of Parole.
 - PART V: Modify section 189 of the Correction Law to require the Commissioner of the Department of Corrections and Community Supervision to collect the \$1 per week inmate incarceration fee. The collection of the fee could still be waived if it is determined the fee would be an unreasonable hardship on the inmate.
 - PART X: Modify section 26 of the Correction Law to require inmates to pay a \$7 medical co-payment.
 - PART W: Requires the imposition of the Sales Tax on the sale of taxable items within the commissaries.

Article VII Proposals (S.2812-B)

- PART C: The Senate accepts the Executive's Article VII proposal to allow the merger of the Department of Correctional Services and the Division of Parole into the Department of Corrections and Community Supervision (DCCS) and reduce the number of Board of Parole members from nineteen to thirteen, with the following modification:
 - Provide for the Board of Parole to maintain its current authority.
 - Include language to ensure that the function of the Board would not be hampered in any way by the new entity, including, but not limited to, restricting resources including staff assistance, limiting access to vital information, or presenting inmate information in a manner to influence the Board to make its decisions pursuant to a policy or goal of the new entity, rather than upon the statutory guidelines relevant to that specific inmate.
 - Require an annual report from the new entity and/or the Board and/or Division of Criminal Justice Services (DCJS) with regard to the number of parolees that are charged with a violation of parole as well as the outcome of that charge. In addition, the annual report would provide data on the types of crimes and when the crime was committed.

Council of the Arts

Capital Projects (S.2804-B)

- The Senate concurs with the Executive's proposal.

State Operations (S.2800-C)

- The Senate concurs with the Executive's reduction of \$484,000 in operating costs.
- The Senate concurs with reduction of \$1.5 million for the elimination of the New York State Theatre Institute (NYSTI).
- The Senate concurs with the \$25,000 reduction for the Empire Plaza Performing Arts Center Corporation.

Aid To Localities (S.2803-C)

- The Senate concurs with the reduction of \$3.5 million in New York State Council of the Arts grants.

Article VII Proposals:

- The Senate concurs with the Executive's proposal to transfer the remaining property assets of New York State Theatre Institute to the Office of General Services.

Criminal Justice Services

State Operations (S.2800-C)

- The Senate concurs with the Executive's All Funds recommendation of \$114 million a decrease of \$22.5 million or sixteen percent from SFY 2010-11 levels, with the following modifications:
 - The Senate concurs with the Executive's proposal to merge the Office of Victims Services into the Division of Criminal Justice Services.
 - Denies, without prejudice, the merger of the Office for the Prevention of Domestic Violence and State Commission of Corrections and restores state operation funding to SFY 2010-11 levels.

Aid To Localities (S.2803-C)

- The Senate concurs with the Executive's All Funds recommendation of \$232.5 million, a decrease of \$45.9 million or sixteen percent from SFY 2010-11 levels, with the following modifications:
 - The Senate concurs with the Executive's proposal to merge the Office of Victims Services into the Division of Criminal Justice Service.
 - Denies, without prejudice, the merger of the Office for the Prevention of Domestic Violence and restores the agency's aid to localities funding to the same level of funding as in SFY 2010-11.
 - Modifies the Executive's recommendation, without prejudice, related to the Federal Edward Byrne Justice Assistance Grant (JAG) appropriation. Alternatively the Senate requests that the JAG program be allocated as it has been in previous years.

- Modify, without prejudice, the Executive's recommendation that combines criminal justice Aid to Localities programs into one appropriation. The Senate recommends that the various criminal justice Aid to Localities funding be specifically appropriated by program.
- Include partial restoration of \$3 million from the Criminal Justice Improvement Account.
- Modify, without prejudice, the combining of Aid to Prosecution, Aid to Defense and the District Attorney and Indigent Legal Attorney Loan Forgiveness program under the Legal Services Assistance Account. The Senate recommends that these programs be specifically appropriated by program.
- Restore funding of \$609,000 for domestic violence program with the use of the Criminal Justice Improvement Account; Provide \$1.5 million for civil or criminal legal services for domestic violence programs with the use of the Legal Services Assistance Account.

Article VII Proposals (S.2807-B)

- The Senate modifies the following Executive Article VII proposal to:
 - PART A: Extend various criminal justice provisions set to expire in 2011 for two years instead of three years.
 - PART B: Make permanent and change the distribution of certain monies recovered by District Attorneys in New York City. The Executive anticipates this proposal to generate \$75 million in revenue for the State in SFY 2011-12. The Senate accepts the change in distribution, and recommends extending this provision for one year.
- PART U: The Senate proposes new Article VII legislation to modify section 679-e of the Education Law, making the District Attorney and Indigent Legal Attorney Loan Forgiveness program applicable only to district attorneys.

Deferred Compensation Board

State Operations (S.2800-C)

- The Senate concurs with the Executive Budget request of \$931,000.

Economic Development:

State Operations (S.2800-C)

- The Senate restores \$1 million for the Administration Program to pay for administrative services related to the merger of NYSTAR into the Department.
- The Senate adds \$500,000 for the marketing of horse racing in New York.
- The Senate concurs with \$385,000 for the Clean Air Program.
- The Senate concurs with \$12.134 million for the Economic Development Program.

Aid To Localities (S.2803-C)

- The Senate includes \$34.048 million for the High Technology Program.

- The Senate restores \$392,000 in funding for Gateway information centers.
- The Senate includes \$343,000 for the Research and Development Program.
- The Senate includes \$1.47 million for the Training and Business Assistance Program.

Article VII Proposals (S. 2812-B)

- PART D: The Senate amends the Executive proposal to merge NYSTAR into ESDC, and instead merges NYSTAR into the Department of Economic Development.
- PART H: The Senate accepts the Executive proposal to amend the Linked Deposit Program to increase the lifetime maximum loan from \$1 million to \$2 million.
- The Senate will consider a proposal to remove additional taxes on sales of hotel rooms made online, this new tax created last year has had a distressing impact on primarily upstate hotels, and has hampered growth in New York’s vital tourism industry. A proposal to mitigate the impact of the so-called “Expedia Tax,” especially on upstate and rural properties will be considered.
- The Senate remains committed to the repeal of the IDA Tax; and while the Senate concurred with the Executive proposal for purposes of the Executive Budget submission, the Senate has already passed legislation (S.2682) which would retroactively repeal this tax and urges that this proposal be incorporated into any negotiated budget agreement.

Education Department

State Operations (S.2800-C)

- The Senate concurs with the Executive’s 10 percent reduction of \$4 million.

Aid To Localities (S.2803-C)

- The Senate restores \$256 million (\$195 million fiscal year), for the Net Gap Elimination Adjustment and \$9 million for data adjustment for a \$265 million adjustment to General Support for Public Schools. This reduces the executive’s \$2.8 billion Gap elimination Adjustment to \$2.5 billion
- The Senate restores \$14 million (\$9.8 million), for grants to the City of NY, Syracuse, Buffalo, and Rochester.
- The Senate restores \$4.2 million, mandate services funding for non public schools.
- The Senate restores \$1.5 million, for the Consortium for Workers Education Program.
- The Senate restores \$750,000, for public radio and television.
- The Senate denies the Executives cost shift to local districts for the Blind and Deaf 4201 schools this restoration is \$98 million.
- The Senate denies limiting the State reimbursement to \$100 million for the 2011-12 fiscal years for Summer School Special Education this restoration is \$57 million.
- The Senate restores \$4.2 million, of the \$8.4 million reduction in aid to New York Public Libraries.
- The Senate denies the Executive’s \$500 million, in competitive management efficiency and school district management efficiency grants.
- The Senate denies \$70 million for the MTA mobility tax.
- The Senate denies \$6 million for the Smart Scholars Early College High Schools.
- The Senate denies \$1.7 million in education improvement performance grants.

Article VII proposals

- The Senate denies the Executive's proposal to expand the contracts for excellence program to 23 new school districts.
- The Senate denies the Executive's proposal to shift the state share of funding for 4201 schools for the Blind and Deaf to district of residence.
- The Senate denies the Executive proposal requiring schools to demonstrate that the cost of a lease over the lifespan of a bus would be lower than the cost of purchasing for a term of up to 5 years.
- The Senate denies the Executive's proposal to limit reimbursement and make certain non instructional services non aidable for Board of Cooperative Educational Services.
- The Senate denies the Executive's proposal to cap building aid and create a priority pool six tiered process for receiving stat aid.
- The Senate denies the Executive's proposal to cease reimbursing districts for purchasing buses that are less than 6 years old or have more than 75,000 miles without a waiver.
- The Senate denies the recommendation of the Executive to freeze the electronic data used to compute state aid payments.
- The Senate denies the Executive's proposal to use a Foundation Aid State sharing ratio to calculate state reimbursement for each district as opposed to the 70 percent flat rate of State reimbursement and limit total state aid payment to \$100 million.
- The Senate denies the Executive's proposal on the purchase of bus equipment.
- The Senate accepts the Charter school tuition payment freeze to the 2010-11 payment.
- The Senate denies the Transportation cost effectiveness proposal that schools must demonstrate to the commissioner they have implemented a majority of the cost effective management best practices per the commissioners regulations or entered into a cost effective share transportation arrangement to receive aid.
- The Senate concurs with the Executive's proposal to allow for more flexibility in library materials aid for purchasing textbooks, software and hardware
- The Senate denies the proposal for a competitive grant program for school districts that demonstrate significant improvements in student performance outcomes.
- The Senate denies the proposal for a competitive grant program for school districts that undertake long term structural changes which will reduce costs and improve efficiency.
- The Senate adds the net gap elimination adjustment to target additional funding for General Support for Public Schools. The net GEA offsets a portion of the GEA.
- The Senate amends to provide new language allowing access to grants to the math and science high schools for Tech Valley High School, Bard College, and Nazareth College.
- The Senate adds mandate relief to ban all future unfunded mandates and the paper work reduction act, which reduces the burden of paperwork on school districts and BOCES.
- The Senate creates the Shared Superintendent Program, to allow small school district school boards to enter into a Shared Superintendent Program with no more than two schools.
- The Senate provides legislation to add building aid for joined municipal facilities providing School districts with the ability to receive building aid for construction and reconstruction of joint municipal facilities.

- The Senate amends and adds central high school districts. If the general contract of forming central a high school district was signed prior to July 1, 2011 such reorganized school district will be eligible for additional apportionment of the money.
- The Senate amends the Education Law creating a default layoff mechanism in New York City in effect unless and until such time as the city of New York and its teachers union collectively bargain new layoff procedures. Decision-making based solely on seniority would be prohibited in any collective bargaining agreement. In addition, it will amend the Education Law in relation to teacher evaluation system.
- The Senate additionally proposes S.4007, which encompasses the school aid formula for the next state fiscal year.

Elections

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal.

Aid to Localities (S.2803-C)

- The Senate concurs with the Executive proposal.

Article VII Proposals (S.2808-B)

- PART F: The Senate accepts the Executive proposal to eliminate the hard-copy newspaper notice requirement for constitutional amendments on the ballot and election results. These notices would instead have to be posted on applicable websites.

Empire State Development Corporation:

Aid To Localities (S.2803-C)

- The Senate denies \$35.861 million for the proposed merger of the Foundation for Science, Technology, and Innovation (NYSTAR) into the Urban Development Corporation (d.b.a. Empire State Development Corporation).
- The Senate denies \$1 million for the administrative costs of ESDC associated with the merger of NYSTAR.
- The Senate concurs with \$18.378 million for the Economic Development Program with the following modifications:
- Restores \$2 million for Metropolitan Development Association Central New York (MDA CNY) Essential Initiatives;
- Restores \$980,000 for military base retention efforts; and
- Provide \$2 million for economic development opportunities.

Capital Projects (S.2804-B)

- The Senate concurs with \$25 million for the Economic Development Fund.
- The Senate denies \$130.55 million for the Regional Economic Development Councils.

- The Senate denies \$100 million for the Economic Transformation Program which would provide capital funding for communities impacted by the closure of prisons and youth facilities. The Senate replaces this proposal with a tax incentive program.
- The Senate denies the re-programming of \$240 million in reappropriations for various economic development capital programs for the purpose of funding the regional economic development councils and the Economic Transformation Program.
- The Senate concurs with the re-programming of \$100 million in capital funding from the NYS Capital Assistance Program to the Metropolitan Transportation Authority (MTA) capital plan.

Article VII Proposals (S.2807-B)s

- The Senate amends the Executive proposal to merge the Foundation for Science, Technology, and Innovation (NYSTAR) into ESDC and instead merges NYSTAR into the Department of Economic Development.
- The Senate amends the Executive proposal to permanently authorize ESDC to issue loans for economic development projects; and instead extends this authorization for one year.
- The Senate denies the amendments to the Excelsior Jobs Program which include the extension of the tax benefit period and the calculation of certain tax credits. The Senate is exploring the creation of a more comprehensive economic development plan.

Employee Relations

State Operations (S.2800-C)

- The Senate concurs with the Executive Budget request of \$6.8 million.

Energy Research and Development Authority

State Operations (S.2800-C)

- The Senate concurs with the Executive recommendation of \$8,090,000.

Aid To Localities (S.2803-C)

- The Senate concurs with the Executive recommendation of \$8,140,000.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive recommendation of \$15,310,000.

Article VII Proposals (S.2810-B)

- PART P: The Senate concurs with the Executive proposal to transfer \$913,000 from the Unrestricted Corporate Funds of the Authority to the State General Fund to offset New York's debt service requirements related to the Western New York Nuclear Service Center.

- PART Q: The Senate concurs with the Executive proposal to authorize the Authority to finance a portion of its activities, as well as the Department of Environmental Conservation's Climate Change Program, through an annual assessment on gas and electric corporations. The Executive proposes a \$16.2 million appropriation for these programs.

Environmental Conservation

State Operations (S.2800-C)

- The Senate reduces non personal service funding for Environmental Law Enforcement by \$500,000.
- The Senate reduces non personal service funding for the Operations Program by \$1,500,000.

Aid To Localities (S.2803-C)

- The Senate provides \$200,000 to establish the Conditional Shellfish Harvesting Program.
- The Senate restores \$200,000 for Community Integrated Pest Management.

Capital Projects (S.2804-B)

- The Senate amends the Executive proposal by outlining the following programs under the Environmental Protection Fund:
 - \$450,000 -- Cornell University Breast Cancer & Environmental Risk Factors
 - \$550,000 -- Buffalo Waterfront
 - \$300,000 -- Niagara River Greenway
 - \$225,000 -- Olmstead Park
 - \$125,000 -- Hyde Park
 - \$225,000 -- Darwin House
 - \$125,000 -- Graycliff Manor
 - \$750,000 -- Belleayre Mountain Ski Center

Article VII Proposals (S. 2810-B)

- PART S: The Senate amends the Executive proposal to make permanent the current fee structure for the review of a pesticide product. The Senate extends the registration fee at current levels for three years. Until July 31, 2014, this fee generates \$7.9 million annually.
- PART CC: The Senate advances legislation to extend the timeframe established by Chapter 203 of the Laws of 2010 for requiring that all number two heating oil sold for use in residential, commercial, or industrial heating within the State shall have a sulfur content no greater than fifteen parts per million from July 1, 2012 to July 1, 2014.
- PART DD: The Senate advances legislation to amend the New York State Returnable Container Act (Bottle Bill) to clarify and streamline the responsibilities of deposit initiators, redemption centers and dealers (retailers) in order to increase the accuracy of container counts, and to make the operation of the bottle and can redemption system less labor intensive and more cost effective; and replaces the current "refund value account" and corresponding reporting mandates with a less onerous system of accounting for both the Department of Taxation and Finance and bottle initiators.

- PART EE: The Senate advances legislation to direct the New York Power Authority to issue a request for proposals to purchase from the Authority one or more of its ten gas turbine electric generating facilities located in and around the City of New York.
- PART FF: Repeals Part LL of Chapter 59 of the Laws of 2009, which established the recreational marine fishing license; establishes a free registration system for saltwater recreational fishing in compliance with the federal Magnuson-Stevens Fishery Conservation and Management Reauthorization Act; provides reciprocity for anglers licensed or registered in adjacent states who fish on New York's marine boundary waters; and refunds the amount paid by any person who purchased a lifetime recreational marine fishing license less the established fee for a single license season. Importantly, the Senate remains committed to ensuring that the Conservation fund programs will continue at the current level of service.
- PART GG: The Senate advances legislation extending the time period of compliance for retrofitting heavy-duty diesel vehicles owned by State agencies or public authorities, and exempts contractors, subcontractors and material suppliers who work on public job sites.

Environmental Facilities Corporation

State Operations (S.2800-C)

- The Senate concurs with the Executive recommendation of \$12,310,000.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive recommendation of \$343,000.

Executive Chamber

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal including the 10 percent General Fund State Operations reduction.

Financial Services

The Senate amends the Executive's proposal to merge the Banking and Insurance Departments, and Consumer Protection Board into a newly created Department of Financial Regulation.

State Operations (S.2800-C)

- The Senate denies, without prejudice, merging the Consumer Protection Board with the Department of Banking and the Department of Insurance.
- The Senate amends the Department of Financial Regulation by renaming the entity the Department of Financial Services and only merging the Banking Department and the Insurance Department.
- The Senate provides funding of \$329.5 million for the Department of Financial Services, a decrease of \$1.4 million from SFY 2010-11 levels.

Aid To Localities (S.2803-C)

- Provides Aid To Localities funding of \$225.6 million, no change from SFY 2010-11 levels.

Article VII Proposals (S.2812-B)

- PART A: The Senate denies, without prejudice, the Executive's proposal to broaden the regulatory powers over the banking, insurance and financial service industries.

General Services

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal including the 10 percent General Fund State Operations reduction.
- The Senate concurs with the Executive proposal to transfer the properties from the former New York State Theatre Institute (NYSTI) to the Office of General Services, however, the Senate concurs with a proposal to allow Russell Sage College the continued use of certain properties formerly owned by NYSTI, including the transfer of such properties to the College to ensure their continued access.

Aid to Localities (S.2803-C)

- The Senate concurs with the Executive proposal.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive proposal.

General State Charges

State Operations (S.2800-C)

- The Senate concurs with the Executive Budget request of \$3 billion.

Article VII Proposals (S.2807-B)s

- The Senate accepts the Executive's proposal to clarify that the State will assume responsibility for payment in lieu of taxes (PILOT) agreements previously entered into by the City of Rochester on lands in the Hemlock and Canadice Lake watersheds that were recently acquired by the State from the City of Rochester.

Greenway Heritage Conservancy of the Hudson River Valley

State Operations (S.2800-C)

- The Senate concurs with the Executive recommendation of \$166,000.

Health, Department of

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal.

Aid To Localities (S.2803-C)

- The Senate concurs with the Executive's proposal with the exception of the following:
- Denies the expenditure of \$1,000,000 for the creation of the Public Health Services Corps;
- Denies appropriation bill language proposing to bundle pharmacy reimbursement (currently fee for service) into Medicaid managed care; restores \$50,000,000 for this purpose;
- Denies the Executive's proposal to eliminate prescriber prevail for the Medicaid program: restores \$42,000,000 for this purpose;
- Denies the expenditure of \$310,000 in proposed funding for the expansion of Medicaid smoking cessation services;
- Denies the Executive's elimination of spousal refusal under Medicaid; restores \$28,600,000 for this purpose;
- Denies the Executive's proposal to allow the Commissioner of Health to unilaterally set Medicaid reimbursement rates and dispensing fees to pharmacies; restores \$30,200,000 for this purpose;
- Denies the Executive's proposal to permanently eliminate the return on and return of equity for proprietary nursing homes, amends this to only apply for State Fiscal Year 2011-12;
- Denies language in the appropriation bill regarding pharmacy proposals, including placing pharmacy into managed care, the Commissioner of Health setting reimbursing rates and dispensing fees, and changes to the Pharmacy and Therapeutics Committee;
- Denies language in the appropriation bill requiring health insurance companies to cover early intervention claims;
- Removes medical malpractice language from the appropriation bill without prejudice as this language is appropriately addressed in a non-appropriation bill.;
- Amends the Executive's proposal for managed long term care by moving the implementation date one year in the future, restores \$8,300,000 for this purpose; and
- Amends the Executive's proposal to eliminate priority health programs and create a local competitive grant program using one-half of the funding from the priority health programs at the Commissioner's discretion. The Senate instead authorizes the Commissioner of Health to allocate up to \$1,043,000 at his discretion. In addition, funding for various priority health programs is restored at the following amounts:
 - Restores \$300,000 for Brain Trauma Foundation;
 - Restores \$820,000 for Cardiac Services;
 - Restores \$160,000 for Eating Disorders;
 - Restores \$360,000 for Falls Prevention;
 - Restores \$2,380,000 for Infertility Program;
 - Restores \$160,000 for Interim Lead Safe Housing;
 - Restores \$40,000 for Latino Outreach Program;

- Restores \$40,000 for Long Term Care Community Coalition;
- Restores \$80,000 for Maternal Mortality and Safe Motherhood Initiative;
- Restores \$360,000 for Maternity and Early Childhood Foundation;
- Restores \$820,000 for Medicaid Collaborative Services;
- Restores \$40,000 for Minority Wellness Program;
- Restores \$340,000 for Public Health Leaders of Tomorrow;
- Restores \$360,000 for Racial Disparities Study;
- Restores \$180,000 for Tick-Borne Diseases;
- Restores \$20,000 for Upstate Medical SUNY; and
- Restores \$240,000 for Workforce Studies.

Capital Projects (S.2804-B)

The Senate concurs with the Executive's proposal.

Article VII Proposals (S.2807-B)s

The Senate concurs with the Executive except for the following:

- The Senate denies the Executive's proposal to implement a two-year Medicaid budget.
- It is the intent of the Senate to ensure that payment system reforms are implemented to address the vastly disproportionate amount of Medicaid funding that is spent on personal care services in the downstate region compared to a much smaller amount spent upstate.
- The Senate authorizes counties to determine which, if any, optional Medicaid services they will offer in their program.
- It is the intent of the Senate to ensure that transportation programs are appropriately managed throughout the State to ensure that the inappropriate and unnecessary utilization of services is prohibited.
- It is the intent of the Senate to continue to support the Early Intervention (EI) and the Elderly Pharmaceutical Insurance Coverage programs, and the Senate remains concerned about the proposed cuts in this fiscal year. To the extent that funds become available, every effort will be made to minimize the impact of the reductions proposed by the Executive. It is also the intent of the Senate to explore options with regard to securing EPIC funding possibly through programs maximizing federal participation such as the Medicare Savings Program.
- PART A (Section 3-3n): The Senate denies the Executive's proposal to eliminate the EPIC panel and transfer authorization to modify and oversee the program to the Commissioner.
- PART A (Section 11): The Senate denies the Executive's proposal to prohibit insurance companies from denying EI claims for medical services even though the reasons for denial would fall under normal plan parameters outlined in statute and regulation including : prior authorization requirements, the location where services are provided, the duration of the condition, the likelihood of significant improvement, or the network status of the service provider.
- PART A (Section 13): The Senate advances legislation to require the Commissioner of Health to establish a task force to evaluate and make recommendations regarding the Statewide Planning and Research Cooperative System (SPARCS).
- PART A (Section 14): The Senate denies the Executive's proposal authorize the Commissioner to distribute monies via a Local Competitive Performance Grant, which

would be funded through the elimination of current local programs funded through the Department of Health and through the State Office for the Aging. It is the intent of the Senate is to directly allocate the majority of available funds while authorizing the Commissioner of Health to allocate a portion to local priority health initiatives.

- It is the intent of the Senate to utilize a portion of the funds currently appropriated annually for stem cell research to fund various important State health care programs and initiatives.
- PART A (Section 24-24b): The Senate advances legislation to exempt medical malpractice insurance companies from provisions of law relating to risk based financial standards and require the superintendent of insurance to promulgate a new regulation to provide a separate finance security standard; allow carriers to limit the application of contingent liabilities to the financial statements of medical malpractice insurers; and extend certain prohibitions on requests for orders of rehabilitation or liquidation for medical malpractice carrier.
- PART A (Section 25-25c): The Senate denies the Executive's proposal to authorize the Commissioner distribute funds available under the Health Care Efficiency and Affordability Law for New Yorkers (HEAL-NY) program through grants to general hospitals and nursing homes, without a competitive bid or request for proposal process, to facilitate closures, mergers and restructuring of such facilities for the purpose of promoting access to essential health care services.
- The Senate advances proposals to: provide that a policy, blanket policy, or policy issued by a medical expense indemnity corporation shall authorize the option to purchase covered medications from a network non-mail order pharmacy or network mail order pharmacy; and provide that health maintenance organization shall authorize the option to purchase prescription drugs and nutritional supplements from a network non-mail order pharmacy or network mail order pharmacy.
- PART B (Section 1): The Senate concurs with the Executive's proposal to authorize supplemental Medicaid payments for professional services provided by physicians, nurse practitioners, and physician assistants participating in practice plans affiliated with SUNY hospitals. These would increase fees for such professional services to amounts equal to the average commercial rate that would otherwise be received by these professionals. SUNY will be responsible for payment of 100 percent of the non-federal share of such supplemental non-Medicaid payments.
- PART B (Section 1a): The Senate advances legislation to allow supplemental Medicaid payments for professional services of New York City public hospitals.
- PART B (Section 2a): The Senate advances legislation in relation to reimbursement of federally qualified health care centers (FQHCs) pursuant to provisions determining which counties comprise the “downstate” region in relation to reimbursement for diagnostic and treatment centers.
- PART B (Section 3): The Senate modifies the Executive's proposal to suspend implementation of the nursing home rebasing methodology until July 1, 2011, to require implementation prior to July 1, 2011 and extend rebasing until July 1, 2012.
- It is the intent of the Senate to ensure that Healthcare Efficiency and Affordability Law (HEAL) funds annually appropriated to Roswell Park Cancer Institute through the health care system improvement capital grant program is restored from the pool of funds

proposed to be utilized at the Commissioner's discretion for various purposes including hospital mergers and closures.

- PART B (Section 4a): The Senate denies the Executive's proposal to establish a statewide pricing methodology for nursing homes, and inserts a proposal to further delay the implementation of the regional pricing methodology until July 1, 2012.
- PART B (Section 8a): The Senate advances a proposal to allow counties to determine which, if any, optional Medicaid services they will offer in their program, pursuant to a federal waiver.
- It is the intent of the Senate to advance changes to Section 3614 of the Public Health Law that would allow Nursing Homes to convert beds to Assisted Living Program (ALP) beds in certain facilities that are not free-standing facilities.
- PART D: The Senate modifies several of the Executive proposals to make certain programs permanent by extending them instead and by limiting broad authority for the Commissioner, including the ability to circumvent the State's procurement process, that had been proposed by the Executive.
- It is the intent of the Senate to deny without prejudice the non-RFP contract the Department proposes to award for the implementation of the federal Early Innovator grant.
- PART H (Section 1-2a): The Senate modifies the Executive's proposal to eliminate the trend factor for health care providers by limiting the elimination to just two years.
- PART H (Section 5-5a): The Senate denies the Executive's proposal to repeal the prescription drug carve out from managed care and bundle prescription drugs into Medicaid Managed Care (MMC).
- PART H (Section 7a): The Senate advances a proposal to allow New York City to allow HIV special needs plans to participate in a program that would increase federal reimbursement to New York City.
- PART H (Section 8): The Senate modifies the Executive's proposal to permanently discontinue reimbursement of equity in the capital component of the rate for proprietary nursing homes by instead suspending such reimbursements through the SFY 2011-12.
- PART H (Section 12): The Senate modifies the Executive's proposal to allow pharmacists to administer all CDC-recommended vaccinations by increasing the minimum patient age from 11 to 18.
- PART H (Section 18): The Senate denies the executive's proposal to eliminate "physician prevails" provisions re. non-PDL medications.
- PART H (Section 23): The Senate modifies the Executive's proposal to limit payments for enteral formula, prescription footwear and compression stockings to certain medically necessary circumstances, and to authorize the Commissioner to require prior authorization for more than four opioid prescriptions in a thirty day period, by removing such limitations on "other nutritional or dietary supplements."
- It is the intent of the Senate require the Commissioner of Health to evaluate and reduce the number of Medicaid optional services offered, and/or to appropriately reduce levels of utilization of those available services including but not limited to transportation, personal care and private duty nursing. New York State currently offers all but two of the available optional services to Medicaid recipients at a State share cost of at least \$4.68 billion annually (2009 federal fiscal year), nearly one third of the projected Medicaid state share spending for SFY 2011-12.

- PART H (Section 24): The Senate denies the Executive's proposal to prohibit spousal refusal for present and legally responsible relatives.
- PART H (Section 29-30): The Senate denies the Executive's proposal to allocate \$1 million to establish the Public Health Services Corps.
- PART H (Section 31): The Senate denies the Executive's proposal to remove limits on Medicaid coverage for smoking cessation counseling to pregnant women and individuals between 10 and 20 years of age to expand access to smoking cessation counseling.
- PART H (Section 33): The Senate denies the Executive's proposal to establish living wage requirements for home- and community-based long term care providers.
- PART H (Section 33a): The Senate denies the Executive's proposal to establish guidelines for managed care contracting with home care agencies, including requirements in accordance with the local prevailing wage.
- PART H (Section 34): The Senate modifies the Executive's proposal to authorize the Commissioner to appoint a temporary operator to a hospital or diagnostic and treatments center that is experiencing managerial failures by limiting an appointment to 90 days, plus one possible 90-day extension.
- PART H (Section 35): The Senate advances a proposal to require the Commissioner to certify patient centered medical home programs using standards developed by specific national accrediting and professional organizations.
- PART H (Section 41-41b): The Senate modifies the Executive's proposal to require mandatory enrollment in Medicaid managed long term care for persons twenty-one years or older residing in the community in need of home and community-based long term care services and accelerate, and to implement State assumption of Medicaid administration, by delaying the effective date until SFY 2012-13.
- It is the intent of the Senate to ensure that current proven home care programs are utilized appropriately if the State moves to a Managed Long Term Care model statewide, or offered as alternatives. It is the intent of the Senate that such programs, including the Long Term Home Health Care Program, CHHAs, Consumer Directed Personal Assistance Program, Nursing Home Transition and Diversion Waiver Program, and other care coordination models, are incorporated in any final managed long term care model adopted by the state.
- PART H (Section 48): The Senate modifies the Executive's proposal to require hospitals, nursing homes, and assisted living residences to provide access to palliative care and pain management service to: 1) limit coverage of pain management services to those associated with palliative care and 2) require the Department of Health to consider access to, and proximity of, such services.
- It is the intent of the Senate to examine opportunities for potential modifications to the system of reimbursement for accredited office- based surgery facilities to include reimbursement for costs associated with facilities in addition to physician fees.
- PART H (Section 49): The Senate denies the Executive's proposal to establish a workgroup to develop a plan and necessary legislation to create a public benefit corporation for the purpose of operating and managing public nursing homes.
- PART H (Section 52-52m): The Senate accepts the Executive's intent to address the issue of medical malpractice in order to reduce avoidable injury and suffering to citizens of New York State and to help reduce medical malpractice insurance premiums to providers. It is the intent of the Senate to address the challenges of medical malpractice in

a manner that provides appropriate relief and sustainable care to injured parties, while enacting measures to ensure the sustainability and effectiveness of the provision of health care services in New York State.

- The Senate modifies the Executive’s proposal to institute various medical malpractice reforms—including establishment of the medical indemnity fund and capping non-economic damages. The Senate will consider alternatives including adopting legislation for the purpose of improving patient safety and reducing medical malpractice incidents and costs by subsidizing medical malpractice premiums for hospitals that implements comprehensive patient safety measures such as team training, enhanced and improved communications, proper staffing and supervision, and medication awareness.
- PART H (Section 66): The Senate modifies the Executive’s proposal to authorize the Commissioner to seek all necessary federal approvals to establish payment methodologies with accountable care organizations (ACOs) by establishing parameters for the establishment of ACOs in New York State.
- PART H (Section 68): The Senate denies the Executive’s proposal to extend the HCRA surcharge to ambulatory surgery and radiology services.
- PART H (Section 82-87d): The Senate modifies the Executive’s promotion for the Partnership for Long Term care (PLTC) by modifying the tax credit.
- PART H (Section 90): The Senate modifies the Executives proposal to reduce Medicaid spending by 2 percent across the board by: limiting the effective period to SFYs 2011-12 and 2012-13, and capping reductions at \$345 million annually without prejudice for future years.
- PART H (Section 91): The Senate modifies the Executive’s proposal to institute a Medicaid rate of growth cap based on 10 year rolling by limiting the effective period to SFYs 2011-12 and 2012-13 without prejudice for future years.
- PART H (Section 92): The Senate modifies the Executive’s proposal to authorize the Department of Budget to make contingent Medicaid reductions if Medicaid savings aren’t realized by limiting the effective period to SFYs 2011-12 and 2012-13, by adding provisions requiring review and consideration by the state legislature.
- It is the intent of the Senate that any changes to reimbursement methodology, any changes to structure and delivery of health care services, any new, enhanced or modified allocation of public funds associated with the delivery of health or health related services, and any other changes made to the State’s public health care system by the Commissioner of Health or other authorized person must be preceded by 60 days prior notice: posted on the Department’s web site; distributed to affected health care providers; delivered to the Temporary President of the Senate and to the Speaker of the Assembly; and also be fully vetted and approved by the Public Health and Health Planning Council (PHHPC) established in the SFY 2010-11 budget.

Higher Education Services Corporation

State Operations (S.2800-C)

- The Senate concurs with the Executive recommendation.

Aid To Localities (S.2803-C)

Tuition Assistance Program (TAP)

- The Senate concurs with the following Executive proposals related to TAP:
 - Continue reduced maximum TAP Award for Students Matriculated in Certain Two-Year Degree Programs at \$4,000;
 - Continue the default parity provision as it relates to students in default on non HESC backed student loans;
 - Continue TAP Schedule for Students who are married with no children;
 - Continue increased academic standards for non-remedial tuition assistance program recipients;
 - Continue elimination of TAP for Graduate Students.
- The Senate modifies the following Executive proposals related to TAP:
 - Reject inclusion of the first \$20,000 in private pension and annuity income for TAP eligibility determinations (+4.2 million); and
 - New language is added to provide tuition assistance to those schools that are not currently under the State Education Department's supervision (+\$3 million).

Scholarships / Loan Programs

- The Senate concurs with the following Executive proposals related to scholarship and loan programs:
 - Extend the Regents Physician Loan Forgiveness Program Until the End of the 2015-16 Academic Year;
 - Extend the Patricia K. McGee Nursing Faculty Scholarship and the Nursing Faculty Loan Forgiveness Incentive programs Until 2015;
 - Extend the Regents Licensed Social Worker Loan Forgiveness Program Until June 30, 2016; and
 - Reduce the NYHELPS program by \$6 million (program left at \$4 million).

Higher Education Programs

- The Senate concurs with the following Executive education programs as proposed by the Executive:
 - HEOP
 - STEP
 - CSTEP
 - Liberty Partnerships
 - Bundy Aid (-\$3.9 million)
 - EOP (+\$340,000)
 - Teacher Opportunity Corps (-\$671,000)

Article VII Proposals (S.2807-B)s

- The Senate concurs with the Executive's proposal to reduce the maximum TAP award for students matriculated in certain two-year degree programs to \$4,000.
- The Senate rejects the Executive's proposal to include pension and annuity income for tuition assistance eligibility determinations.

- The Senate concurs with the Executive’s proposal to amend the eligibility requirements for TAP as it relates to students in default on certain student loans;
- The Senate concurs with the Executive’s proposal to continue the TAP award schedule for students who are married with no children.
- The Senate concurs with the Executive’s proposal to increase academic standards for non-remedial TAP recipients, but adds clarifying language that students who qualify remain subject to all other academic standards.
- The Senate concurs with the Executive’s proposal to eliminate TAP eligibility for graduate students.
- The Senate concurs with the Executive’s proposal to extend the Regents Physician Loan Forgiveness Program until the end of the 2015-2016 academic year.
- The Senate concurs with the Executive’s proposal to extend the Patricia K. McGee Nursing Faculty Scholarship and Nursing Faculty Loan Forgiveness Incentive Programs until 2016.
- The Senate concurs with the Executive’s proposal to extend the Regents Licensed Social Worker Loan Forgiveness Program until June 30, 2016.
- The Senate proposes adding TAP eligibility for students attending certain institutions not under the State Education Department’s direct supervision.
- The Senate concurs with the Executive’s proposal to extend the HESC matching grant program.

Homeland Security

State Operations (S.2800-C)

- The Senate concurs with the Executive’s All Funds recommendation of \$135.5 million a decrease of \$1.2 million or 0.8 percent from SFY 2010-11 levels.

Aid To Localities (S.2803-C)

- The Senate concurs with the Executive’s All Funds recommendation of \$682.7 million an increase of \$25 million or three percent from SFY 2010-11 levels.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive’s All Funds recommendation of the elimination of \$42 million in capital spending for the State Preparedness Training Center and subsequent reappropriation of \$37 million.

Article VII Proposals (S.2807-B)

- PART D: The Senate accepts the Executive’s Article VII proposal that would deny the annual transfer of \$1.5 million from the State Public Safety Communications Account to the Emergency Services Revolving Loan Fund. The Senate further amends the Article VII to allow counties the flexibility to also use funding under the State Public Safety Communications Account related to the interoperable communications program for operations of public safety answering points; and modifies the amount that is available to no less than \$20 million in SFY 2011-12, \$45 million in SFY 2012-13, \$75 million in SFY 2014-15 be provided, and \$75 million annually thereafter.

Housing and Community Renewal

State Operations (S.2800-C)

- The Senate reduces non-personal service funding for the Administration Program by \$1,500,000.
- The Senate reduces non-personal service funding for Housing Information System Program by \$1,000,000.

Aid To Localities (S.2803-C)

- The Senate denies the Executive's recommendation to merge the Neighborhood Preservation and Rural Preservation Programs, and allocates the following appropriations:
 - \$4,240,000 for the Neighborhood Preservation Program
 - \$1,770,000 for the Rural Preservation Program

Capital Projects (S.2804-B)

- The Senate concurs with the Executive recommendation of \$74,200,000.

Article VII Proposals (S.2808-B)

- PART V: The Senate denies the Executive proposal to consolidate the Neighborhood Preservation Program and Rural Preservation Program into a new Neighborhood and Rural Preservation Program funded at \$6,010,000. In line with this rejection, the Senate appropriates \$4,240,000 for the Neighborhood Preservation Program and \$1,770,000 for the Rural Preservation Program.

Hudson River Valley Greenway Communities Council

State Operations (S.2800-C)

- The Senate concurs with the Executive recommendation of \$185,000.

Aid To Localities (S.2803-C)

- The Senate concurs with the Executive recommendation of \$136,000.

Human Rights

State Operations (S.2800-C)

- The Senate concurs with the Executive's All Funds recommendation of \$21.3 million, a decrease of \$1.5 million or 6.4 percent from SFY 2010-11 levels.

Indigent Legal Services

State Operation

- The Senate proposes the elimination of the Office of Indigent Legal Services and the Board of Indigent Legal Services for a savings of \$3 million in State Operations spending.

Aid To Localities (S.2803-C)

- The Senate proposes the elimination of the Office of Indigent Legal Services and subsequently transfers \$77 million for grants to counties and the city of New York to be distributed and administered by the State Office of the Comptroller (*further detail provided under the Office of the Comptroller*).

Inspector General

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal.

Insurance and Securities Funds Reserve Guarantee

State Operations (S.2800-C)

- The Senate concurs with the Executive's proposed appropriation level of \$1.6 billion, which is equal to the SFY 2010-11 levels.

Interest on Lawyer Account

State Operation

- The Senate concurs with the Executive's All Funds recommendation of \$1.8 million an increase of \$16,000 or 0.9 percent from SFY 2010-11 levels.

Aid To Localities (S.2803-C)

- The Senate concurs with the Executive's All Funds recommendation of \$45 million, which is the same as last year's level.

Judiciary

- The Senate takes no action on the Judiciary Budget in anticipation of a voluntary appropriation and cash reduction in the amount of \$100 million to be implemented by the Chief Administrative Judge of the Unified Court System.

Article VII Proposals (S.2807-B)

- PART Q: The Senate concurs with the Unified Court System's request for an additional \$25 million to implement the recommendations of the Task Force to expand Access to Civil Legal Services in New York, but amends this part by providing that the distribution allocate no more than forty percent to New York City, and no less than \$7.5 million is allocated for the operation of town and village courts.

Judicial Commissions

State Operations (S.2800-C)

- The Senate concurs with the Executive Budget request of \$5.5 million.

Labor

State Operations (S.2800-C)

- The Senate concurs with the Executive Budget request of \$9 billion, of which approximately \$8.4 billion relates to the Unemployment Insurance Benefit Fund and approximately \$574 million relates to Federal grants for work force development and work place safety initiatives.

Aid To Localities (S.2803-C)

- The Senate amends the Executive Budget for Aid to Localities as follows:
 - The Senate denies the Executive Budget action to repeal various items of reappropriation and rejects the assertion that such repeal will generate a cash savings of \$4.6 million.
 - The Senate has not appropriated but intends to provide funding for work force development initiatives in an amount specified pursuant to a chapter of the laws of 2011.

Article VII Proposals (S.2807-B)

- PART M: The Senate denies the Executive Budget recommendation to lapse State and Local reappropriations after a five year period of time.
- PART W: The Executive proposes to make permanent the ability of the Department of Labor to assess a surcharge on employers for payment of interest due on federal government loans for unemployment insurance benefits. The Senate amends the proposal to provide the authority to the Department of Labor through December 31, 2013.

Law

State Operations (S.2800-C)

- The Senate concurs with the Executive Budget request of \$209 million.

Lieutenant Governor

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal including the 10 percent General Fund State Operations reduction.

Local Government Assistance

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal.

Aid To Localities (S.2803-C)

- Reduces the City of Yonkers Video Lottery Terminal (VLT) aid by \$15.2 million from \$19.6 million to \$4.4 million through an amended formula.
- Restores \$6.3 million for 17 municipalities, who also host VLT parlors.
- Restores \$1.96 million or 50 percent to the counties of Oneida and Madison for interim financial assistance for county revenue shortfalls related to the non-payment of Oneida Indian real property taxes.
- Restores \$2.05 million in Small Government Assistance for forest property tax exemptions.

Article VII Proposals (S.2807-B)

- PART I: The Senate amends the Executive's proposal regarding the current Aid to Municipalities (AIM) program in order to restrict the two percent or \$19.6 million reduction in AIM funding to the 2011-2012 fiscal year only and to restore New York City aim funding for the 2012-2013 fiscal year.
- PART J: The Senate amends the VLT aid formula to restore funding for those municipalities eliminated in the Executive Budget at 45 percent of their SFY 2008-09 level. In addition, those municipalities that have more than \$400 million credits played per month at their VLT facility would receive 50 percent of their SFY 2008-09 aid in SFY 2011-12.
- PART K: The Senate amends the Executive proposal relating to the creation of four programs that would provide up to \$75 million in the out-years for local government consolidations by including school districts within the definition of municipality. In addition, the Senate proposal increases from 50 to 70 percent the proportion of tax credit authorized for property tax relief for purposes of the citizen empowerment tax credit.

Lottery

State Operations (S.2800-C)

- The Senate concurs with the Executive's proposed appropriation level of \$89.7 million, a decrease of \$5.6 million from SFY 2010-11 levels.
- The Senate concurs with the Executive's proposal to increase the Division's Full Time Employee (FTE) headcount by 52. There is revenue associated with these employees in the State Financial Plan.

Mental Health, Office of

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal with the following exceptions:
 - Deny \$375,000 for a court appointed monitor for the Disabled Advocates Inc. (DAI) vs. Paterson lawsuit proceeding in Federal Court; and
 - Deny the Executive's language in the appropriations related to mental health facility closures and consolidations.

Aid To Localities (S.2803-C)

- Denies \$40,827,000 in the Executive's proposal in related to *DAI vs. Paterson*, a lawsuit in Federal Court to transition disabled adults from group homes into the community. The judge has ordered a stay in the case, pending the appeal.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive's proposal.

Alcoholism and Substance Abuse Services

State Operations (S.2800-C)

- The Senate concurs with the Executive's proposal.

Aid To Localities (S.2803-C)

- The Senate concurs with the Executive's proposal.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive's proposal.

Mental Hygiene

Article VII Proposals (S.2807-B)

- The Senate concurs with the Executive's proposal to suspend the Medicaid coverage of individuals admitted as inpatients to an Institute for Mental Disease (IMD) until the time of discharge. Time spent as an inpatient would not enter into calculations of when an individual must recertify his or her eligibility for medical assistance.
- The Senate concurs with the Executive's proposal to delay the previously enacted three-year Human Services COLA for one year, and extend the adjustment for an additional year through March 21, 2015.
- The Senate amends the Executive's proposal to repeal the current provision that requires one-year notice for significant service reductions. Language is added that requires the Office of Mental Health (OMH) to provide notice on its website and to the Legislature no less than two weeks prior to the anticipated closure, consolidation or transfer of inpatient wards. Community reinvestment requirements would be repealed.
- The Senate proposes to suspend community reinvestment requirements for one year; establish criteria upon which OMH must base determinations concerning the closure, consolidation or of beds, wards and hospitals; require notice at least 180 days prior to a

hospital closing; and require notice at least two weeks prior to the anticipated closure or the consolidation or transfer of inpatient beds or wards.

Office for People with Developmental Disabilities

State Operations (S.2800-C)

- The Senate concurs with the Executive's proposal.

Aid To Localities (S.2803-C)

- The Senate concurs with the Executive's proposal excepting the following:
 - Amends the Executive's proposal to include \$87 million in General Funds and \$69 million in Federal funds for a health care reimbursement rate adjustment for community programs.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive's proposal.

Metropolitan Transportation Authority

Capital Projects (S.2804-B)

- The Senate concurs with the Executive proposal including the redirection of \$100 million in capital for MTA purposes.

Article VII Proposals (S.2810-B)

- Part HH – The Senate provides language to require the Metropolitan Transit Authority to hire a certified public accounting firm within 60 days to conduct a forensic audit of the authority.

Military and Naval Affairs

State Operation

- The Senate concurs with the Executive's All Funds recommendation of \$66.9 million, a decrease of \$1.7 million or 2.5 percent from SFY 2010-11 levels.

Aid To Localities (S.2803-C)

- The Senate concurs with the Executive's All Funds recommendation of \$650,000, same as last year's level.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive's All Funds recommendation of \$39.2 million, an increase of \$8.5 million or 27 percent from SFY 2010-11 levels.

Mortgage Agency (SONYMA)

State Operations (S.2800-C)

- The Senate concurs with the Executive recommendation of \$76,800,000.

Aid To Localities (S.2803-C)

- The Senate concurs with the Executive recommendation of \$96,372,000.

Article VII Proposals (S.2808-B)

- PART FF: The Senate provides language to reallocate \$4,000,000 in available funds to certain counties in the Catskill Region from a 2008 Flood Buyout Program. Certain counties continue to have a need for funds but have reached their limitation from the existing legislation.

Motor Vehicles

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal including the 10 percent General Fund State Operations reduction.

Aid to Localities (S.2803-B)

- The Senate concurs with the Executive proposal.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive proposal.

Article VII Proposals (S.2810-B)

- Part C – The Senate concurs with the Executive’s proposal to make permanent provisions of New York law that impose penalties required by Federal law for driving while intoxicated.
- Part D – The Senate concurs with the Executive’s proposal to make permanent provisions of New York law that impose penalties required by Federal law for drug-related convictions.
- Part E – The Senate concurs with the Executive’s proposal to make permanent certain provisions relating to the Motor Vehicle Financial Security Act, which require motorists to maintain vehicle insurance at all times as well as the related fines and penalties for noncompliance.
- Part F – The Senate concurs with the Executive’s proposal to conform New York law to Federal requirements governing commercial motor vehicle operators and medical certification requirements pertaining to such operators.

Power Authority Asset Transfer

State Operations (S.2800-C)

- The Senate concurs with the Executive recommendation of \$318,000,000.

Olympic Regional Development Authority

State Operations (S.2800-C)

- The Senate concurs with the Executive recommendation of \$5,054,000.

Parks, Recreation and Historic Preservation

State Operations (S.2800-C)

- The Senate concurs with the Executive recommendation of \$214,266,000.

Aid To Localities (S.2803-C)

- The Senate restores \$2,920,000 in funding to reimburse 50 percent of municipalities' costs for Navigation Law Enforcement.
- The Senate restores \$100,000 for Historic Homes.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive recommendation of \$46,801,000.

Article VII Proposals (S.2810-B)

- PART V: The Senate denies the Executive proposal to eliminate reimbursement of Navigation Law enforcement to local governments. In line with this modification, the Senate restores \$2,920,000 in Aid to Localities.

Public Employment Relations Board

State Operations (S.2800-C)

The Senate concurs with the Executive Budget request of \$4.1 million.

Public Integrity

State Operations (S.2800-C)

The Senate concurs with the Executive Budget request of \$3.9 million.

Public Service

State Operations (S.2800-C)

- The Senate concurs with the Executive recommendation of \$78,892,000

Aid To Localities (S.2803-C)

- The Senate concurs with the Executive recommendation of \$1,500,000.

Article VII Proposals (S.2807-B)

- The Senate advances legislation to clarify that the Public Service Commission shall have no authority over any services or technology used by a telephone corporation or a cable television company that the Commission did not actively regulate as of January 1, 2011.

Racing and Wagering Board

State Operations (S.2800-C)

- The Senate concurs with the Executive's proposed appropriation level of \$24.7 million, an increase of \$2.3 million from SFY 2010-11 levels.

Article VII Proposal (S.2810-B)

- PART X: The Senate denies the Executive's proposed 2.75 percent surcharge on harness and thoroughbred race tracks.

Racing Reform Program

State Operations (S.2800-C)

- The Senate concurs with the Executive's proposed appropriation level of \$2 million, no change from SFY 2010-11.

Regulatory Reform

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal to eliminate the Governor's Office of Regulatory Reform amended to provide that all the positions be eliminated and not be transferred to any other State agency.

Article VII Proposals (S.2807-B)

- PART O: The Senate concurs with the Executive's proposal to eliminate statutory references to the Governor's Office of Regulatory Reform with the following modification:
 - Amend the Executive's proposal by precluding the ability to transfer open positions from the Governor's Office of Regulatory Reform to the Division of Budget.

State, Department of

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal (including the 10 percent General Fund State Operations reduction) with the following modifications:
 - Rejects the transfer of the duties of the Department of Consumer Affairs to the Department of State.

- Rejects the elimination of the \$101,600 salary of the State Athletic Commission Chairman for an additional \$154,000 which includes nonpersonal service expenses and fringe benefits.
- Restore \$1,104,000 to the Tug Hill Commission which includes a 10 percent General Fund State Operations reduction.

Aid to Localities (S.2803-C)

- The Senate concurs with the Executive proposal.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive proposal.

Article VII Proposals (S-2810-B)

- PART K: The Senate concurs with the Executive proposal to make permanent the distribution of the federal Community Services Block Grant Program.
- PART L: The Senate concurs with the Executive proposal to make permanent the authority of the Department of State to charge increased fees for the expedited handling of documents.
- PART M: The Senate denies the Executive proposal to dissolve the Tug Hill Commission.
- PART N: The Senate denies the Executive proposal to eliminate the salary for the Chair of the State Athletic Commission.
- PART Y: The Senate concurs with the Executive proposal to extend the renewal period for the appearance enhancement disciplines licensed by the Department of State.

State Equipment Finance Program:

Capital Projects (S.2804-B)

- The Senate concurs with the Executive's All Funds recommendation of \$92.751 million.

State Police

State Operation

- The Senate concurs with the Executive's All Funds recommendation of \$677 million, a decrease of \$45.8 million or six percent from SFY 2010-11 levels.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive's All Funds recommendation of \$11.5 million, which is the same as last year's level.

State University of New York (SUNY)

State Operations (S.2800-C)

- The Senate concurs with the Executive's proposal to reduce funding for the following state operation programs:
 - SUNY senior colleges (-\$100 million);
 - SUNY statutory colleges (Alfred and Cornell) (-\$15 million).
- The Senate modifies the Executive State operations appropriation structure proposal by removing all general fund appropriations in SUNY to fiduciary accounts. Corresponding Article VII language in Part II of Senate bill S.2808-B is included to require that tuition and revenues shall be transferred to SUNY. This action removes the Executives authority to reduce support for SUNY operations without legislative action.

Aid To Localities (S.2803-C)

- The Senate rejects the following Executive proposals related to SUNY:
- The Senate restores \$115 million to SUNY Hospitals (+\$115 million);
- The Senate restores funding for the Long island Veterans Home (\$4.7 million)
- The Senate restores \$16.6 million in community college base aid increasing FTE support from the Executive's advanced \$2,034 funding level to \$2,147 (+\$16.6 million).
- The Senate also adds appropriation authority within the Hospital Income Reimbursable account Upstate Medical to utilize the revenue generated by Community General Hospital (CGH) in Syracuse in advance of SUNY Upstate's potential acquisition of CGH.
- The Senate proposes authorizing the state university to increase tuition for out of state residents by five percent and authorizes the state university to retain the proceeds there from (+\$12.5 million).

Capital

- The Senate modifies the Executive recommendation by adding capital projects for Jamestown Community College and Erie Community College.

Article VII Proposals (S.2807-B)

- The Senate amends the Executive's proposal to enhance flexibility for SUNY and CUNY in the areas of procurement and participation in public-private partnerships by limiting procurement to procurement of goods and construction related services for SUNY and rejects portions dealing with procurement for CUNY and participation in public-private partnerships.
- The Senate proposes to allow the state university to retain seventy-five percent of the tuition increase from the 2008-09 academic year in the 2012-13 academic year, and one hundred percent of any tuition increase for all academic years thereafter. Current law only allows for a fifty percent return in the 2012-13 academic with no provision for tuition retention after the 2012-13 academic year.
- The Senate proposes authorizing the state university to increase tuition for out of state residents by five percent and authorizes the state university to retain the proceeds there from.

- The Senate proposes to require tuition and revenues transferred to SUNY through an new appropriation structure. This action removes the Executives authority to reduce support for SUNY operations without legislative action.
- The Senate concurs with the Executive’s proposal to allow the State University Downstate Medical Center to create a not-for-profit corporation.
- The Senate proposes to allow the State University Upstate Medical Center to acquire the assets of Community-General Hospital of Greater Syracuse.

Statewide Financial System

State Operations (S.2800-C)

- The Senate concurs with the Executive Budget request of \$45 million.

Tax Appeals

State Operations (S.2800-C)

- The Senate accepts the Executive’s proposed appropriation level of \$3.02 million, a decrease of \$32,000 from SFY 2010-11

Taxation and Finance

State Operations (S.2800-C)

- The Senate concurs with the Executive’s proposal to reduce State Operations by 10 percent, or \$74.3 million from SFY 2010-11 levels.
- Therefore, the Senate recommends a State Operations appropriation level of \$452.3 million, a decrease of \$75.6 million from SFY 2010-11.

Aid To Localities (S.2803-C)

- The Senate restores \$350,000 in funding for state mandated local assessment training aid.
- The Senate restores \$2.5 million of the Executive’s proposed \$5.1 million reduction in railroad real property aid to localities.
- The Senate concurs with the Executive’s proposal to reduce local re-assessment aid by \$6.15 million.
- Therefore, the Senate recommends an Aid to Localities appropriation level of \$3.65 million, a decrease of \$8.67 million from SFY 2010-11.

Article VII Proposals (S.2807-B)

- Part CC: Local Sales Tax. This part allows counties and certain cities to enact local sales tax provisions without requiring State Legislative approval as long as they meet certain requirements. The intent of the Senate is to eliminate the need for localities to have to seek legislative approval simply to extend existing tax rates. Localities will be able to, by local law, extend existing tax rates. State Legislative approval will still be required for an increase in the tax rate.

- PART Z: The Senate amends the Executive’s proposal regarding Electronic Real Property Tax Administration by allowing local governments the discretion to opt into the program and requiring the commissioner of taxation and finance to seek approval from the Legislature for the new parcel based e-government data system after submitting estimated expenditures associated with the implementation and administration of such a system.
- The Senate denies the Executive’s proposal to mandate individuals to e-file personal income tax returns if the individuals prepare their taxes using tax preparation software.
- The Senate amends the Executive’s proposal regarding tax preparer e-file requirements to align with Federal law requiring tax preparers to e-file when they prepare more than ten tax filings. The Senate denies the Executive’s proposal to increase fees on tax preparers for violations of e-file requirements.
- The Senate accepts the Executive’s proposal to permit the Department of Taxation and Finance to use secure electronic means to deliver documents to account holders who agree to receive electronic communications.
- The Senate denies the Executive’s proposal that would allow the Department of Taxation and Finance to require the use of a certified sales tax transaction system for any sales tax vendor, who files quarterly or monthly, that files their taxes incorrectly or does not pay their full liability.
- The Senate denies the Executive’s proposal concerning abandoned property amendments for tax refund debit cards.

Technology

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal with the following modification:
 - Rejects \$6 million in spending for the State Data Recovery Center for which the Executive has not determined the location.

Aid to Localities (S.2803-C)

- The Senate concurs with the Executive proposal.

Capital Projects (S.2804-B)

- Rejects the \$99.5 million capital reappropriation for the State Data Center for which the Executive has not determined the location.
- Restores the \$7.5 million to the \$10 million Broadband capital reappropriation.

Temporary and Disability Assistance

State Operations (S.2800-C)

- The Senate concurs with the Executive’s All Funds Recommendation of \$427.3 million, an increase of \$1.0 million or 0.2 percent from SFY 2010-11 levels.

Aid To Localities (S.2803-C)

- The Senate modifies the Executive's All Funds recommendation of \$5.1 billion, a decrease of \$368.8 million or 6.8 percent from SFY 2010-11 levels, as follows;
- The Senate denies the establishment of a homeless housing lump appropriation and restores funding for the following General Fund programs:
 - Single Room Occupancy, \$17,664,300;
 - Homeless Intervention Program, \$2,669,400;
 - Homeless Prevention Program, \$3,400,000; and
 - Operation Support for AIDS Housing, \$982,800.
- The Senate reduces General Fund programs as follows:
 - New York/New York III, (\$1,250,000);
 - Public Assistance Savings-State Share, (\$101,800,000).
- The Senate amends the proposal to reduce the State share of the Safety Net Assistance program from 50 percent to 30 percent by further reducing the State share to approximately 25.9 percent. This action would increase the associated State savings from \$61.6 million to \$114.3 million, or by \$52.7 million. This action, in conjunction with the proposal to fully finance Family Assistance with TANF, maintains a neutral impact to localities and would allow for the restoration of other Executive reductions which would otherwise result in cost shifts to localities.

Temporary Assistance for Needy Families (TANF)

- The Senate denies the Executive's proposal to set aside \$10 million in the Flexible Fund for Family Services to allow districts to use up to \$10 million for consolidated services.
- The Senate restores funding for the following TANF programs:
 - ACCESS-Welfare to Careers, \$575,000;
 - Centro of Oneida, \$125,000;
 - Disability Advocacy Program, \$1,500,000;
 - Displaced Homemakers, \$2,500,000;
 - Rochester-Genesee Regional Transportation Authority, \$1,000,000;
 - Strengthening Families through Stronger Fathers, \$1,500,000;
 - Summer Youth Employment, \$10,000,000;
 - Supportive Housing for Families and Young Adults, \$2,500;
 - Supplemental Homeless Intervention Program, \$500,000; and
 - Wheels for Work, \$1,000,000.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive's All Funds Recommendation of \$30.0 million, consistent with SFY 2010-11 levels.

Article VII Proposals (S.2808-B)

- PART S: The Senate concurs with the Executive's proposal to authorize the federal Supplemental Security Income (SSI) cost of living adjustment pass-through.
- PART T: The Senate concurs with the Executive's proposal implement full-family sanctions an individuals' second instance of non-compliance with work requirements.

- PART U: The Senate amends the Executive proposal to delay the third public assistance grant increase to July of 2012 by reducing the current basic allowance amount to SFY 2009-10 levels. The remaining two 10 percent increases would be rescheduled for July of 2012 and July of 2013, respectively. This action creates additional State savings totaling \$29.3 million in SFY 2011-12.
- PART CC: The Senate provides Article VII legislation that would reduce the personal Needs Allowance for Safety Net Assistance recipients residing in drug and alcohol residential facilities. This proposal creates State savings totaling \$5 million in SFY 2011-12.
- PART DD: The Senate provides Article VII legislation that would recognize the presence of Supplemental Security Income (SSI) recipients when determining the grant level of a public assistance household. This proposal creates state savings totaling \$15 million in SFY 2011-12.

Thruway Authority

Capital Projects (S.2804-B)

- The Senate concurs with the Executive proposal.

Transportation

State Operations (S.2800-C)

- The Senate concurs with the Executive proposal including the 10 percent General Fund State Operations reduction.
- The Senate maintains that reductions should not include additional closures of non-Thruway rest areas and the Senate will work to restore those rest areas closed in 2010-11. Rest area closures present serious safety risks to all motorists and the commercial trucking industry.

Aid to Localities (S.2803-C)

- The Senate concurs with the Executive proposal which includes funding to the MTA and non-MTA transit systems.

Capital Projects (S.2804-B)

- The Senate concurs with the Executive proposal.

Article VII Proposals (S.2810-B)

- Part A – The Senate concurs with the Executive’s proposal to provide annual authorization for the Consolidated Highway Improvement Program (CHIPS) at \$363.1 million and for the Marchiselli program at \$39.7 million, for a total of \$402.8 million.

The Senate also concurs with the Executive's proposal to permit CHIPS funding to be used for four specific road resurfacing options.

- Part B – The Senate concurs with the Executive's proposal to make permanent the Single Audit Program, which was first established in 1998.
- Part AA - The Senate proposes to amend the transportation law to allow municipal and private airports to receive, with the Division of the Budget's approval, up to \$4 million in unused, existing aviation funding. This authority has been included in previous Enacted Budgets.
- Part BB – The Senate proposes to require that outdoor advertising in New York City be licensed by the New York State Department of Transportation. This would provide the State with \$15 million in additional General Fund revenues.

Tribal State Compact

Aid To Localities (S.2803-C)

- The Senate accepts the Executive's proposed appropriation level of \$44.3 million, an increase of \$5.2 million from SFY 2010-11.

Article VII Proposals (S.2810-B)

- PART W: The Senate concurs with the Executive's proposal to segregate enacted Tribal State Compact appropriations by year.
- The Senate concurs with the Executive's proposal to change the distribution formula for local disbursements made to the Niagara Falls Underground Railroad Heritage Commission. The formula will reduce cash disbursements from a current level of \$350,000 per year to \$62,500 per year.

Veterans' Affairs

State Operations (S.2800-C)

- The Senate concurs with the Executives All Funds recommendation of \$7.8 million, a decrease of \$645,000 or 7.7 percent from SFY 2010-11 levels.

Aid To Localities (S.2803-C)

- The Senate amends the Executives All Funds recommendation of \$8.5 million, an increase of \$80,000 or 0.9 percent from SFY 2010-11 levels, as follows;
 - \$50,000 for the Buffalo Service Organization
 - \$75,000 for the New York City Service Organization; and
 - \$600,000 to create a State Veteran's Cemetery.

Workers' Compensation Board

State Operations (S.2800-C)

- The Senate concurs with the Executive Budget request of \$205 million.

Article VII Proposals (S.2817-B)

- PART G: The Senate denies, without prejudice, the Executive's proposal to eliminate, except under certain limited circumstances, the ability of private companies to enter into group self-insured trusts (GSITs) and remove GSITs as a separate category of worker's compensation assessments. The Senate remains interested in considering a comprehensive solution to this issue, and looks forward to working with the Executive to accomplish this goal.

Welfare Inspector General

State Operations (S.2800-C)

- The Senate concurs with the Executive's All Funds recommendation of \$1.6 million, a decrease of \$42,000 or 2.6 percent from SFY 2010-11 levels.

Miscellaneous Items

State Operations (S.2800-C)

- The Senate concurs with the Executive Budget request for the following:
 - Green Thumb Program, \$2.8 million;
 - Reserve For Federal Audit Disallowances (no cash), \$200 million;
 - Special Emergency Appropriation (no cash), \$100 million; and,
 - Special Federal Emergency Appropriation (no cash), \$1 billion.

Article VII Proposals (S.2807-B)

- PART DD: The Senate advances legislation to reform the budget process and ensure fiscal reform. The Senate proposes:
 - The creation of a Legislative Budget Office (LBO) whose primary responsibility would be to provide individual members and legislative committees, on a nonpartisan basis, with information related to the budget process.
 - The LBO have an independent executive director appointed jointly by both houses for a six-year term. In addition, the Senate proposes the creation of a board of directors comprised of experts to develop best practices to be used by the LBO.
 - The Executive and Legislature adopt budgets that are balanced in accordance with Generally Accepted Accounting Principles (GAAP).
 - The Division of Budget adopt a five-year financial plan in accordance with GAAP.
- The Senate advances legislation that would require a report as to the required reduction of state workforce at any agency. The Executive budget proposes far-reaching powers for Commissioners in many agencies to implement cuts at will, with no notice. The legislation would require that notice and a report be made to the Legislature so that any such required reductions could be monitored to ensure that they are made only when necessary and in a rational, deliberative manner.

Revenue

(S.2811-B)

- PART A: Amends the Executive proposal by eliminating additional administrative money for the Comptroller. Changes from five to three years the amount of time it takes for a condemnation award, credit balances arising from loans, bank accounts, lost cash, money on deposits to secure funds, court bail, certain trusts, escrow accounts and child or spousal support to be deemed abandoned property and collected by the state. Also changes from six years to three years the amount of time a surplus from the sale of pledged property will become abandoned property.
- PART B: The Senate amends the Executive proposal by extending the provisions of the tax law relating to tax shelter disclosure and penalties by four years. First enacted in 2005, these provisions require the disclosure of information necessary to detect the use of tax shelters by taxpayers.
- PART C: The Senate denies the Executive's proposal to clarify that the Tax Department would have the power to deny Empire Zone credits to those businesses decertified by Department of Economic Development (DED). Under the Empire Zone Program, certified businesses were allowed certain tax benefits for a period of ten years. However, the Empire Zone Program expired on June 30, 2010. Upon expiration of the program, those businesses that had not exhausted their tax benefits were authorized to retain those benefits for the full ten year period unless the business was subsequently decertified for not meeting its performance objectives. Since there are still 7,500 businesses receiving tax benefits under the Program, DED is still required to monitor these businesses.
- PART D: The Senate concurs with the Executive proposal to intercept lottery prizes for the payment of outstanding tax liabilities. Currently, the Tax Department is authorized to intercept a taxpayer's refund in order to pay outstanding tax liabilities, child support payments, education loans, or debts to state agencies. In addition, the Division of Lottery is authorized to intercept a lottery winner's awards for the payment of outstanding child support and the repayment of public assistance benefits.
- PART E: The Senate amends the Executive proposal by making the financial services investment tax credit permanent. The current credit is scheduled to sunset on October 1, 2011. The credit is extended for the corporation franchise tax, personal income tax, bank tax and insurance tax.
- PART F: The Senate concurs with the Executive to authorize an additional \$4 million in low-income housing credits for ten years, allowing the Commissioner of Housing and Community Renewal to allocate a total of \$32 million in these credits per year.
- PART G: The Senate denies the Executive's proposal to extend and modify the Excelsior Jobs program and will explore a more comprehensive, less restrictive economic development package to vastly increase the number of New York businesses that can participate in and benefit from such a program. Under the Excelsior Jobs program, four refundable tax credits were created for selected firms in targeted industries that create and maintain new jobs in New York. A business' initial application to the program requires a plan that the business will create a minimum number of new jobs, dependent on the specific industry. For example, a manufacturing business is required to create at least ten jobs. The changes made by the Executive Budget do not address the overall weakness of

the program. The program is still too inflexible and too exclusive. Each phase of the program is estimated to include only 40 companies. In addition, if a company performs and grows beyond plans and expectations the company gains no additional benefits from the program.

- PART H: The Senate denies the Executive proposal limiting the exemption for town or county cooperative insurance companies that existed before 1937 on the insurance franchise tax
- PART I & EE: The Senate amends the Executive proposal conforming the Article 33-A insurance tax on independently procured insurers to the new rules established in the Federal Dodd-Frank Wall Street Reform and Consumer Protection Act and the Non-admitted and Reinsurance Reform Act of 2010 by conforming tax provisions and also enacting an interstate compact effectuating such federal changes.
The new Federal law no longer allows any State to tax excess line premiums if the insured resides outside of the taxing state. This will conform New York State with this Dodd-Frank provision allowing New York State to participate in the NCOIL compact (SLIMPACT), which is a multi-state agreement for the purpose of collecting, allocating and disbursing taxes to participating states.
- PART J: The Senate concurs with the Executive proposal making permanent the major provisions of the 1985 and 1987 bank tax reforms and amends the proposal to extend the transitional provisions in New York's bank tax enacted in response to the Federal Gramm-Leach-Bliley Act by making them permanent while adding language to allow a one-time tax change for those companies that no longer qualify as a bank and would like to be taxed as a corporate franchise.
- PART K: The Senate concurs with the Executive proposal changing the definitions of fuels in the tax law to match the definitions in Federal law. This will change the current assignment of taxation from the fuel's level of "enhancement" to the federal basis of whether the fuel is dyed. Changes at the federal level regarding the use of low sulfur diesel and the changes enacted by New York State in 2010 requiring all home heating fuel to be low sulfur fuel has created a situation in New York that could force hundreds of thousands of New York taxpayers to pay taxes up front on exempt fuel products. A homeowner that heats with oil could end up paying hundreds of dollars extra at the time of purchase and then have to apply for a refund from the state. This part will rectify that situation and will continue to allow up front exemptions for exempt products. This part does not change any tax rates. Additionally, the definition for E85 is changed to match federal standards to allow the alternative fuels exemption for all seasonal mixes of E85.
- PART L: The Senate concurs with the Executive proposal extending the sunset date of the exemption for alternative fuels from September 1, 2011 to September 1, 2012. This provision of law allows E85, compressed natural gas, and hydrogen a full exemption and B20 a partial exemption from the motor fuel tax, the petroleum business tax, the fuel use tax and state and local sales taxes. The definition for E85 is changed to match federal standards to allow the alternative fuels exemption for all seasonal mixes of E85.
PART M: The Senate concurs with the Executive proposal to streamline the disposition of revenues from motor vehicle taxes and fees. Currently, some motor vehicle fees are counted as miscellaneous receipts and flow directly into the General Fund while motor vehicle taxes and other fees flow to the Dedicated Funds Pool. Any excess over \$169.4 million then flows into the General Fund. This new method will not result in any General

Fund or Dedicated Funds Pool receipt increase or decrease; the method will streamline the way the state accounts for Motor Vehicle Fee collections and disbursements.

- PART N: The Senate concurs with the Executive proposal to eliminate the Quick Draw restrictions relating to food sales, hours of operation and the size of the facility.
- PART O: The Senate concurs with the Executive proposal to give the Division of Lottery the ability to authorize a free play allowance program for all nine video lottery gaming (VLG) facilities. The free play allowance program will allow VLG facilities to offer free play credits up to an amount equal to 10 percent of net machine income without having to include them in the calculation of net machine income (NMI) distributions.
- PART P: The Senate concurs with the Executive proposal to expand from three to five the number of new instant scratch off games that may offer a 75 percent payout.
- PART Q: The Senate concurs with the Executive proposal allowing the Division of Lottery to increase the prize payouts to above 50 percent on multi-jurisdictional lottery games if two-thirds of the participating states agree to prize payout levels above 50 percent. Currently, New York State only participates in the Mega millions and Powerball multi-jurisdictional lottery games. New York is the only state that has a prize payout limit
- PART R: The Senate concurs with the Executive proposal to allow the Division of Lottery to enter into VLG agreements with other states for the purpose of creating multi-state progressive jackpot games. Currently, VLG facilities within the state have worked together in administering progressive jackpots.
- PART S: The Senate concurs with the Executive proposal extending lower pari-mutuel tax rates and rules governing simulcasting of out-of-state races for one year.
- The Senate amends the Executive proposal to include the following:
 - PART T: Eliminate the Sunset on the QETC training credit. It currently expires at the end of the year.
 - PART U: Reduce the Cigarette Registration Fee from the current levels of \$1,000, \$2,500 and \$5,000 down to \$200 retro actively to 2010.
 - PART V: Fix a loophole in the sales tax on Transportation Services so that a NYC Livery which does the same business as a Black Car on a non-cash basis, it has to pay the sales tax just as a Black Car currently does (Livery operators outside of NYC already have to pay the tax on all its business).
 - PART W: Cap the Tobacco tax on cigars at \$1 and, as an enforcement/loophole closer, amends the law so that "blunt wraps" are considered the same and taxed as any other tobacco product. Also specify that, as with cigarettes, the wraps must be sold in packs of 20 to make it more difficult for young smokers to acquire such products.
 - PART X: Allow companies who were earning new tax credits during the period when credits were being deferred to recoup a larger portion of the credits that were deferred when the payout period begins.
 - PART Y: Amend the Biofuel Production Credit to postpone for one year the change that applied the \$2.5 million credit maximum to the entity level of the business instead of for each shareholder.
 - PART Z: Expand the securities investment tax credit (ITC) definition of investment advisory activity so that investment advisory services beyond those provided to Regulated Investment Companies (i.e., mutual funds) will qualify for

the securities ITC. The expanded definition reflects changes in the business model that have occurred since the ITC was originally enacted.

- PART AA: Eliminate the increased 18-A assessments enacted in 2009. These assessments are added on to residents' utility bills and are scheduled to sunset at the end of the 2013-14 state fiscal year. These provisions are not intended to have any fiscal impact in the 2011-12 state fiscal year.
 - PART BB: Exempt both public and private elementary and secondary schools from the Metropolitan Transportation District payroll mobility tax.
 - PART CC: Exclude the historic properties tax credit from the list of deferred tax credits. The deferral of tax credits above \$2 million was enacted in 2010 deferring credits in 2010, 2011 and 2012 until the payout period which begins in 2013.
 - PART DD: Allow Mixed Martial Arts in New York under the regulatory framework established by the New York State Athletic Commission. The State would implement an 8.5 percent tax on gross receipts from ticket sales and 3 percent gross receipts tax on broadcasting rights related to professional MMA events held in the State.
 - PART FF: Provide an economic development incentive package for the redevelopment of communities impacted by prison and youth facility closures. This package includes tax incentives for job creation and capital investments.
 - PART GG: Allow a private vendor operator to run one or more profitable off-track betting branches in New York City. The legislation would also enact statutory changes to reform outdated and inequitable statutory formulas. Further, the legislation addresses an emergent situation at Suffolk Regional Off-Track Betting Corporation, which would ease cash-flow concerns temporarily, and sunset the legislation in 2014.
- The deferral of credits enacted as part of last year's budget has had a deleterious effect on economic development projects in New York State, including luring projects with the promise of tax credits, only to then make them unavailable once the project was in motion. While the immediate restoration of these many worthy credits is impossible in this fiscal year, the Senate will continue to explore opportunities to eliminate or refund the deferred credits.

The Senate prefers a comprehensive economic development plan to be considered separately from the budget that would spur needed economic growth across all sectors of industry, with broad-based tax cuts and greater access to capital funding in a regionally comprehensive fashion; the proposals contained in the Executive Budget submission either hamper access by placing one individual in charge of determining the access to funds or simply do not go far enough to provide the sort of meaningful relief to draw business into New York State.

S.2812-B MERGER OF STATE ENTITIES

Merger of the Department of Banking, Department of Insurance and the Consumer Protection Board into the Department of Financial Regulation

The Senate has rejected, without prejudice, the Article VII Legislation to effectuate this merger. However, the Senate remains, in concept, unopposed to a streamlined and efficient oversight agency for the financial services industry. In the manner in which the Executive proposed the merger, the Senate was constrained from amending the appropriations language that would have fully effectuated the Senate's intent. Therefore, only moderate changes were made to the appropriation language, and the Article VII language was eliminated. In principle, the Senate denies merging the Consumer Protection Board with the Department of Banking and the Department of Insurance. Further, the Senate believes any merged entity should be renamed the Department of Financial Services. Future discussions can further delineate the powers and duties of this new merged agency.

Merger of the Department of Correctional Services and the Division of Parole into the Department of Corrections and Community Supervision

The Senate accepts the Executive's Article VII proposal to allow the merger of the Department of Correctional Services and the Division of Parole into the Department of Corrections and Community Supervision (DCCS) and reduce the number of Board of Parole members from nineteen to thirteen, with the following modification:

The Senate would provide for the Board of Parole to maintain its current authority and include language to ensure that the function of the Board would not be hampered in any way by the new entity, including, but not limited to, restricting resources including staff assistance, limiting access to vital information, or presenting inmate information in a manner to influence the Board to make its decisions pursuant to a policy or goal of the new entity, rather than upon the statutory guidelines relevant to that specific inmate.

Require an annual report from the new entity and/or the Board and/or Division of Criminal Justice Services (DCJS) with regard to the number of parolees that are charged with a violation of parole as well as the outcome of that charge. In addition, the annual report would provide data on the types of crimes and when the crime was committed.

Merger of Division of Criminal Justice Services with the Office Of Victim Services, and Office for the Prevention of Domestic Violence and State Commission on Corrections

The Senate concurs with the Executive's proposal to merge the Office of Victim's Services into the Division of Criminal Justice Services and denies, without prejudice, the merger of the Office for the Prevention of Domestic Violence and State Commission of Corrections and restores state operation funding to SFY 2010-11 levels.

Merger of the Foundation for Science, Technology, and Innovation (NYSTAR)

The Senate modifies the Executive's proposal to Merge NYSTAR into Empire State Development Corporation by creating a separate division within Department of Economic Development called the Division of Science, Technology and Innovation which will ensure the retention of the technical personnel associated with the NYSTAR corporation.

AGENCY REORGANIZATION SAGE COMMISSION S.2813:

The Senate concurs in principle with the Executive's objective to enact legislation that permits the Governor to examine the organization of all State agencies and recommend structural changes through a reorganization plan. The Senate will continue to have discussions with the Executive and Assembly regarding appropriate legislation.

In addition, the Senate maintains that such legislation should be accompanied with legislation concerning budget and fiscal reform. The Senate maintains that any legislation concerning agency reorganization must be consistent with the following positions:

- Any agreed upon legislation must be constitutionally sound. Thus, such legislation must:
 - (1) preserve the Senate's advice and consent authority;
 - (2) maintain separation of powers; and
 - (3) be consistent with constitutional provisions governing how legislation shall be enacted.
- Legislation must adequately address any bond issues that may arise resulting from any proposed reorganization plan.
- The Legislature must be required to act on the Governor's proposed reorganization plan within a reasonably fixed period of time after submission by the Governor.
- To be able to properly analyze any reorganization plan within a limited time period, future legislation must require that a reorganization plan include (1) anticipated savings and costs associated with each significant modification to any agency; (2) the number of employees and types of positions the Governor anticipates being eliminated or created as a result of the reorganization plan; (3) estimated impacts, including fiscal and service impacts, on program or service recipients related to the modification or abolition of any agency, program or service; and (4) a five-year projected fiscal impact of the reorganization plan.

S.3164 RECHARGE NEW YORK POWER PROGRAM

The Senate has accepted this bill, which was proposed by the Executive as a "Freestanding" Article VII bill, which was delivered with the several appropriation and Article VII bills in February. This legislation is supported by the Senate and has already passed the Senate on March 8. The Senate urges that the Executive continue to raise this issue as a priority, with the Assembly, in facilitation of a negotiated budget agreement.

Property Tax Relief

The Senate has accepted the Governor's Program Bill imposing a Property Tax Cap; and has passed this legislation on January 31 (S.2706 SKELOS). The Senate remains committed to finding real, meaningful property tax relief for all New Yorkers, and the Senate urges that the Executive continue to press the importance of this issue with the Assembly throughout the budget negotiations.

Mandate Relief

The Senate proposes mandate relief proposals be considered as part of the SFY 2011-12 Budget. The Mandate Relief Design Team issued a list of current mandates. The Team will make its final recommendation at the end of State Fiscal Year 2011-12.

The Senate passed a property tax cap bill (S.2706) for local governments and school districts on January 31, 2011. In addition, the Senate has expressed a commitment to mandate relief. The Senate passed a complete ban on unfunded mandates (S.2707) for school districts and local municipalities multiple times in recent years including January of 2011. This starting point would prospectively prohibit unfunded mandates by requiring that *any* state mandated programs imposed on municipalities by rule, regulation or law be funded by the State.

In addition Senate also passed a resolution (J.400) to underscore that the only way to realistically achieve a long term, meaningful reduction of the real property tax burden, presently placed upon homeowners, and businesses, is to establish in State law, a comprehensive approach, which would both cap the growth of real property taxes, and provide significant fiscal mandate relief reform for local governments and school districts. The resolution urged the Governor, his mandate relief redesign team, and Medicaid redesign team, to work with the Senate and Assembly, to develop legislation that will comprehensively address a real property tax cap and mandate relief.

This Senate Resolution (J.400) cites the need for a comprehensive approach to provide for meaningful, long term real property tax relief. The resolution urged the development and passage of comprehensive legislation that includes measures to:

- Empower local governments and school districts to unilaterally control their costs and expenditures, including, but not limited to, non-wage benefits costs of government employees;
- Reduce, control and eliminate mandates by State government upon local governments and school districts;
- Empower local governments and school districts to establish individual practices to best administrate programs performed on behalf of State government;
- Empower local governments and school districts to unilaterally improve efficiencies, either by means of their own action or in cooperation with other local governments and school districts;

- Authorize local governments and school districts to address judgments concerning tort actions or tax certiorari actions, or any other contingency for which such local government or school district could not be reasonably expected to plan;
- Promote inter-municipal and inter-school district cooperation, coordination, and consolidation, so as to reduce costs and expenses, including, but not limited to contracting, purchasing and personnel costs; and
- Reduce, control and eliminate regulations imposed by State law upon local governments and school districts, which negatively impact the operations and services they provide.