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March 13, 2018

Honorable John Flanagan
Temporary President and Majority Leader
New York Senate
Capital Room 330
Albany, New York 12247

Dear Senator Flanagan:

With the conclusion of the Joint Legislative Budget Hearings on the Executive Budget, the Senate Democratic Conference has reviewed and analyzed the testimony of stakeholders and has generated a series of priorities and recommendations for the 2018-19 State Budget. After serious consideration of the Executive Budget submission, the Senate Democratic Conference makes the following substantive recommendations as our budget priorities for the 2018-19 State Budget. We believe these proposals should be given consideration and should be included in the Enacted Budget as the value of these priorities are balanced, consistent with the SFY 2018-19 financial plan and responsibly within the recently agreed-to revenue consensus.

The initiatives outlined below are prudent proposals to help grow our economy, improve the lives of hard-working New Yorkers and re-earn the public's trust in State government. Albany must become a place of action and not just political posturing, and that is why we urge you to review these recommendations and work with the Senate Democratic Conference to achieve meaningful results in the State Budget that move all New Yorkers forward.

While the Budget is primarily a financial document that allocates billions of dollars of revenue and aid for various purposes, it has also become the main policy document generated by the State and, as such, the Senate Democratic Conference proposes essential reforms and initiatives to be included in the Enacted Budget. Critical priorities include supporting tax fairness for New Yorkers, substantive criminal justice reform, enacting a comprehensive agenda to support women's rights, boosting funding for the New York City Housing Authority, promoting sensible gun reform, supporting repairs and improvements to restore good service throughout the MTA, and ensuring that critical healthcare and education priorities are given the full funding support they deserve. In addition to these policy initiatives, the Senate Democratic Conference proposes a series of fiscal proposals that should be included in the Senate One House Budget Resolution and the final Enacted Budget.

Revenue and State Fiscal Plan

New York's residents will be disproportionately impacted by the Federal Tax Cuts and Jobs Act of 2017's new limitations on the amount of state and local taxes that are deductible. Because the state's income tax system conforms to the federal system in numerous ways, federal changes will have significant flow-through effects on the state taxes that New Yorkers pay and the revenues the State collects. Now, more than ever, financial plan decisions play a critical role in the daily lives of New Yorkers. The State must plug a \$4 billion budget gap in a way that ensures our most vulnerable communities are not harmed. As a result, further tax reforms are needed to raise needed revenue while leveling the playing field for working and middle class families. To implement this basic premise, the Senate Democratic Conference recommends the following tax and revenue proposals:

- Strongly support the Executive proposal to decouple the state tax code from the federal tax code in areas impacted by 2017 federal tax reform in order to protect New York taxpayers from unnecessary and unfair tax increases. Decoupling the state and federal tax codes would allow New Yorkers to continue itemizing their state taxes, ensuring that union members, working families and the self-employed can continue to benefit from progressive state tax deductions while taking the standard deduction at the federal level;
- Support the Executive proposal to establish state and local charitable funds that would promote education and health in the state and also provide property tax relief at the local level in the form of a state tax credit;
- Support the Executive proposal to tax carried interest earnings at the rate of earned income;
- Support expanding NYS Child and Dependent Care Credit benefits to families with children younger than the age of four;
- Oppose the proposed cap in the annual growth for the STAR program at 0%;
- Support the continued implementation of the NYS Middle Class Personal Income Tax Reduction Program that was enacted by the State Legislature in 2016;
- Deny the Executive proposal to defer the payment of tax credits in excess of \$2 million;
- Support the Executive proposal to extend internet sales tax collection responsibilities to marketplace providers;
- Include tax-relief for small businesses that hire young workers or workers with physical or developmental disabilities to help subsidize minimum wage increases;
- Support legislative and technological initiatives to stop sales tax avoidance/suppression schemes;
- Support a 50% expansion of benefits for the current Earned Income Tax Credit Program (EITC);
- Support the Executive proposal to eliminate existing tax credit benefits provided in the NYS Tax Law to energy service companies (ESCO's);
- Support the reform of the State's Investment Tax Credit (ITC). This proposal would deny tax credit benefits to companies that are not directly involved in manufacturing activities;
- Support the Executive proposal to implement an excise tax on vaping products;
- Support the extension of the Hire a Vet Tax credit for two years; and
- Reject the Executive proposal to wrest local property tax revenue by redirecting NYC property taxes to the MTA via value capture without NYC approval. Similarly, reject the proposal to end the state's historical obligation to pay assessed property taxes on state-owned land.

The Senate Democratic Conference continues to express our concerns over several provisions included in appropriation language that provide the Executive with significant flexibility after the enactment of the Budget. In particular, provisions that would authorize excessive Executive authority should be rejected, including: authorizing the Director of the Budget to uniformly reduce certain Aid to Localities by up to 3% if projected tax receipts for FY 2019 are reduced by more than \$500 million, allowing DOB to cut planned spending if the federal government reduces assistance by \$850 million or more without legislative approval, and linking State Operations and Aid to Localities budgets for education and health to the Legislature's enactment of the Aid to Localities bill in an amount deemed sufficient by the Director of Budget.

Criminal Justice and Public Protection

Our state is in desperate need of substantive criminal justice reform. Defendants currently wait far too long for trials, which are dragged out by prosecutors exploiting loopholes in current law. Our bail system establishes two tiers in the state's courts, one for defendants who can pay, and one for defendants who cannot. Defendants who cannot afford bail often take plea deals that are not to their advantage in order to get out; sometimes, defendants plead guilty before they even are aware of the evidence that would be used against them.

We support the initial effort by the Governor to address these important issues; however, the Senate Democratic Conference specifically supports a package of bills that would go further and implement a wide-range of critical reforms. We have proposed the most comprehensive plan to reform New York's criminal justice system: S.3579-A/Gianaris, S.7006-B/Bailey, and S.7722/Bailey, Benjamin. In order to be true reform, any proposal must include the following principles:

- Fully eliminate cash bail, minimize the use of pre-trial detention, and establish a system to remind defendants of their court dates;
- Allow courts discretion in determining whether to detain a defendant pending trial;
- Require the court to ask prosecutors about their readiness for trial and make preliminary rulings about the status of the speedy trial clock at each court appearance;
- Hold the prosecution responsible for delays based on court congestion;
- Allow defendants to maintain their ability to appeal on speedy trial grounds, even after pleading guilty;
- Require discovery to occur immediately upon arraignment and include the entire file without redactions;
- Require both parties to seek judicial approval to withhold evidence; and
- Ensure that discovery occurs before the expiration of plea offers.

The Executive Budget includes other proposals that would substantially address inequities in the state's criminal justice system and courts of law. The Senate Democratic Conference advocates for the following actions in other areas of public protection:

- Strongly support inclusion of the Child Victims Act in this year's budget. The final budget should include a version of the Child Victims Act mirroring legislation championed by Senator Hoylman to provide broad remedies and eliminate criminal and civil statutes of limitations for all relevant offenses;

- Provide additional funding for the Youth Gang Prevention activities including prevention activities related to MS-13;
- Limit the use of solitary confinement in State and local correctional facilities as proposed by S.4784A/Parker;
- Support an expanded geriatric parole system, including a proposal that would allow for elderly inmates to be parole-eligible, regardless of their physical health;
- Eliminate the “gay/trans panic” extreme emotional distress affirmative defense to Murder in the Second Degree;
- Oppose the judicial timekeeping proposal, as this proposal places an unworkable burden on trial judges and does not realistically address the backlog issue. Instead, the State should increase funding to the Commission on Judicial Conduct by \$312,000 so that it can effectively hold judges accountable for misconduct, including judicial truancy;
- Provide individual appropriations for SNUG programs and deny the Executive’s lump sum approach. SNUG dollars should also be expanded to include school-based programs;
- Provide additional support for New York State Defenders and Aid to Defense programs;
- Increase funding and continue support for immigration legal defense services and provide a new appropriation of \$150,000 for the Albany Law School immigration clinic;
- Reject the Executive proposal to move rape crisis centers from the Department of Health to DCJS;
- Oppose the proposal to shift responsibility for mailing a copy of service of process from the Department of State to individual plaintiffs;
- Provide \$2.5 million to restore and increase funding for the New York State Defenders Association training and assistance program;
- Add \$2.7 million for the American Red Cross;
- Add \$100,000 to the Albany County Sheriff’s Office to support a credentialed alcoholism and substance abuse counselor;
- Support Civil Asset Forfeiture reforms; and
- Fully restore the following programs eliminated or reduced in the Executive Budget proposal:
 - \$2.1 million to support the Public Defense Backup Center;
 - \$1.9 million for Westchester County Policing;
 - \$600,000 for the Indigent Parole Representation Program;
 - \$2 million to restore eliminated Alternative to Incarceration funding;
 - \$4.4 million for the Legal Services Assistance Fund; and
 - \$3.5 million in total support for Prisoners’ Legal Services.

Sensible Gun Reform

New York must again take the lead in ending the scourge of gun violence that has plagued far too many schools and communities. Our Conference has supported a multi-pronged package to address gun violence and ensure that dangerous individuals cannot access weapons of mass destruction. The Senate Democratic Conference proposes the following agenda on guns to be included in this year’s budget:

- Ban bump stocks and other accessories that turn a weapon into a functional automatic/semi-automatic weapon (S.6902/Hoylman);
- Support the Governor’s proposal to take guns out of the hands of domestic abusers;

- Authorize courts to issue Extreme Risk Protection Orders, which would prohibit access to guns for individuals who are likely to act in ways that would result in serious harm to themselves or others (S.7133/Kavanagh);
- Restrict the ability of school districts to authorize teachers to carry firearms on school grounds (S.7874/Kaminsky);
- Create a 10-day window for a background check, and background checks for gun dealer employees (S.5808/Gianaris); and
- Create a center for research into firearm-related violence and provide \$5 million in support to establish a research institute (S.4363/Persaud).

Women's Agenda

This year is a critical turning point in fighting gender inequality and sexual harassment in the workplace. The #MeToo movement and a litany of important revelations in the past several months have shined a light on the inequalities women still face, and we strongly support legislative efforts to address inequality in New York. The Senate Democratic Conference has taken the lead in addressing women's rights by supporting the following legislative proposals as part of the stand-alone Women's Agenda legislation:

- Support the multi-pronged Conference initiative to systemically address sexual harassment in the workplace that includes strengthening anti-retaliation protections for victims who come forward, lowering the standard for systemic sexual harassment claims, and ending the abuse by habitual abusers of confidentiality agreements to gag victims from speaking out. Our Conference initiative mirrors many of the Governor's proposals, but provides additional remedies and responsibilities that will better balance the scale in favor of women's rights;
- Support proposals to provide contraceptive coverage and security for a woman's right to choose, and go further by supporting the inclusion of the full Reproductive Health Act in the budget proposal;
- Support a proposal to institute comprehensive sex education curriculum by enacting legislation sponsored by Senator Rivera (S.1070); and
- Support additional proposals by the Governor that would expand Hospital Rape Kit Maintenance, establish a Maternal Mortality Review Board, provide Diaper Changing Stations in both gender restrooms, and provide free feminine hygiene products in schools.

Ethics, Campaign Finance Reform, and Transparency

The Senate Democratic Conference understands the need for ethics and campaign finance reform in our government. Over the past several years, Senate Democrats have introduced the most comprehensive package of bills in the legislature aimed at restoring the public's trust in its government. Once again, we strongly urge the Senate Majority to review our proposals in conjunction with the reforms included in the Executive Budget, and ensure that the voter protections contained in the Voting Rights Act are codified into state law. Among other items, our Conference proposes the following initiatives:

- Create a new framework for early voting (S.7400A/Kavanagh). The Governor has put forward \$7 million to support local government costs, and we consider the costs associated with this proposal to be a small price to pay for enhancing our democracy;

- Modernize and automate voter registration (S.3304/Gianaris);
- Lower contribution limits (S.3301/Gianaris);
- Limit the role of soft money to party committees (S.4164/Krueger);
- Allow for no-fault absentee voting (S.840/Comrie);
- Close the LLC loophole (S.7194/Kavanagh);
- Prohibit and punish undisclosed self-dealing (S.124/Hoylman);
- Require disclosure of bundlers (S.1086/Rivera);
- Require shareholder approval for corporate political donations (S.4111/Sanders);
- Require disclosure of employer and occupation for large donors (S.7129/Kavanagh); and
- Establish a public financing system for state campaigns (S.7593/Stewart-Cousins).

Education

The Senate Democratic Conference supports an investment in education that advances learning outcomes and helps all students succeed. The Conference supports increased State aid and values its commitment to funding all school districts through a three-year phase-in of the foundation aid formula. We recognize that investments in all students, whether through CTE programs, ELL supports, or various schools for students with disabilities, is necessary to meet the strong educational goals we have set for our students. The Senate Democratic Conference makes the following recommendations to the FY 2019 budget:

- Provide school districts with additional school aid and commit to phasing-in the foundation aid formula over three years, and additionally:
 - Include a set-aside within foundation aid to provide school districts with large ELL populations additional aid to support educating these students; and
 - Provide additional aid to support CTE programs by increasing the BOCES salary reimbursement and the Special Services Aid per-student formula for non-component school district.
- Provide additional funding for early childhood education programs through the UPK to ensure that all 4-year olds have access to pre-kindergarten programs;
- Establish a statewide approach to funding improvements to crumbling school facilities;
- Reject the Governor's proposal to tie funding increases to the submission and approval of school-level spending plans;
- Reject the Governor's proposal to cap expense based aids to 2% yearly growth;
- Reject the Governor's proposal to shift summer school special education reimbursement to a wealth-adjusted formula;
- Address teacher evaluations by reducing state mandates and providing more local control over the evaluation process. The State should convene a group of experts to determine how best evaluate teachers and ensure that district reliance on teacher evaluation promotes teacher growth and the interests of both teachers and students;
- Restore the \$4 million cut to library aid, and provide increases that fund libraries at current law levels;
- Provide additional funding to support professional development for school administrators and teachers;
- Provide supplemental aid to the Public Broadcasting Stations operating in New York;
- Support the Executive's increase of \$10 million for Empire After-School Grants;
- Increase the set-aside funding for MS-13 initiatives for school districts in Long Island;

- Exclude BOCES capital costs from the property tax cap threshold;
- Support \$18 million allocated for the My Brother's Keeper initiative;
- Increase funding for section 4201 schools, 4410 programs, 853 and Special Act schools, including the following programs:
 - \$14.7 million increase over the flat funding received for the Excessive Teacher Turnover Prevention program for 4410 programs and 853 Schools;
 - \$25 million for a capital investments program for 853 schools;
 - \$5 million for short-term deferred maintenance projects for 4201 schools;
 - 4% increase to support for 4201 schools;
 - Support a change in funding rates for Special Acts school districts that is equitable to the tuition rates received by public schools; and
 - Permit 4201 Schools to use DASNY for another round of long-term capital projects.
- Allow school districts to establish a retirement contribution reserve fund to better prepare for increased pension costs in the future;
- Provide an additional \$415,000 for Community Schools Regional Technical Assistance Centers;
- Restore \$20 million cut by the Executive budget for funding Teacher Centers;
- Add \$3 million for Substance Abuse Prevention and Intervention Specialists (SAPIS) in New York City schools;
- Continue to fund the Executive Leadership Institute by a \$475,000 grant in this year's budget, same level as FY 18;
- Support increasing the State's school meal reimbursement rates as part of the expansion of Breakfast after the Bell and ban on school lunch shaming;
- Reject Executive proposals that would eliminate reimbursement for charter school supplemental tuition, cap reimbursement for the New York City charter school facilities aid, and provide a 3% increase in charter school per pupil tuition aid;
- Add new language that would ensure transparency and accountability from charter schools;
- Increase the school aid formula for Yonkers to match the aid shares received by other large, fast-growing school districts; and
- Support important local initiatives, including:
 - \$50,000 for the purchase of books and materials by the NY Public Library;
 - \$300,000 to the Caribbean Cultural Center of African Diaspora Institute;
 - \$246,500 for expenditures to close down the Greenburgh Abbott School;
 - \$1,000,000 for capital expenditures at the Studio Museum in Harlem;
 - \$100,000 for capital improvements for Boys & Girls Harbor; and
 - \$5 million for the South Shore Campus High School field upgrades.

Higher Education

New York State must continue its long-standing commitment to provide access to higher education to all students. Our Conference supports instituting several reforms in this year's budget that includes increasing State support for public higher education institutions, expanding maintenance of effort to include public teaching hospitals, and providing parity for CUNY hospital students. In addition, we understand the need to allow institutions to increase faculty and provide students with smaller classes and better access to advisement. The FY 18 Budget provided a significant investment in higher education affordability through the Excelsior Scholarship and Enhanced

Tuition Award, but this momentum must be expanded as a first dollar program so that students can earn a degree without being saddled with insurmountable debt. The Senate Democratic Conference offers the following modifications to the Executive's FY 19 Budget:

- Fully restore cuts to the various opportunity programs, including:
 - Restore \$2.5 million for ASAP;
 - Restore \$4.7 million for SEEK;
 - Restore \$5.4 million for the Educational Opportunity Program (EOP);
 - Restore \$7.0 million for the Educational Opportunity Centers (EOCs);
 - Restore \$1.5 million for the Graduation, Achievement and Placement (GAP) Program;
 - Restore \$225,000 for the College Discovery Program;
 - Restore \$3.1 million for the Liberty Partnership Program;
 - Restore \$5.9 million for the Higher Education Opportunity Program;
 - Restore \$2.6 million for STEP and \$2 million for C-STEP; and
 - Restore \$3 million for the Foster Youth Initiative and provide an additional \$1.5 million to support an additional cohort of students.
- Reject the Governor's proposal to discontinue the Bundy Aid program and fully restore aid provided to Independent Colleges at FY18 levels;
- Increase TAP funding, as the current TAP award has not increased since 2014;
- Allow flexibility in the TAP program to allow for part-time TAP and include \$5 million to allow for Graduate TAP;
- Provide new tax incentives to promote student loan assistance, such as employer loan repayment programs, state tax deductions for loan interest payments, expanded 529 contribution deductions, and loan-based forgiveness for State Service Corps or individuals who work in opioid addiction recovery;
- Support increased funding for critical maintenance at SUNY and CUNY campuses through supporting building renovations and new constructions;
- Support and increase funding for worker education by \$2 million to support career-training programs;
- Increase CUNY and SUNY Community College per-FTE funding over the next two years, bringing the overall increase to \$250 per FTE;
- Restore the \$300,000 reduction to the mental health tele-counseling program at SUNY;
- Restore funding reductions to childcare centers at SUNY and CUNY Community Colleges;
- Support language regarding maintenance of effort at CUNY, SUNY, and SUNY Hospitals to maintain funding at 2011-12 levels, and expand the definition to include inflationary expenses such as rental costs and fringe benefits at SUNY Hospitals;
- Restore the \$78.6 million cut to the SUNY Hospital Operating Subsidy;
- Support the inclusion of the DREAM Act;
- Support a legislative initiative to allow non-CPAs to be minority owners of CPA firms;
- Allow private college students to participate in STEM Incentive Scholarship and the Masters in Education Incentive Scholarship; and
- Support important local college development programs, including:
 - \$20.4 million in community college capital matching funds for the Fashion Institute of Technology's new academic building;
 - \$200,000 for D'Youville College to support the development of a health professions hub;

- \$500,000 for capital costs at Queens College;
- \$25,000 for St. Francis College for a summer science academy; and
- \$250,000 for the Kingsborough Community College for a multicultural center.

Health and Mental Hygiene

The State of New York is responsible for the healthcare of millions of working New Yorkers. It is critical that the State continue its strong support for health care services, especially given the uncertainty of future federal funding for these vital programs. The Executive Budget includes 2-year financing of \$153.57 billion in All Funds support for the Department of Health, including \$70.1 billion for Medicaid spending, of which \$18.9 billion represents the State share for Medicaid. Many critical healthcare programs require additional support to promote a healthy life for all of New York State's residents. The Senate Democratic Conference recommends the following modifications to the Executive Budget:

- Reject the following proposals:
 - The consolidation of 30 public health programs into four separate appropriations and restore \$9.2 million in State funds for these programs;
 - The elimination of prescriber prevails provisions for both fee for service and managed care under the Medicaid program;
 - Ending spousal refusal for spouses living together in the community and restore \$13.5 million in State funds;
 - Proposed reductions to health homes and restore \$20 million in State funds;
 - Elimination of the Empire Clinical Research Investigator Program (ECRIP) and provide \$6.9 million in State funding;
 - Deferral of the COLA for the Department of Health Agencies and provide \$19.9 million in State funds;
 - 1% reduction in Medicaid Capital funding for hospitals and nursing homes and restore \$6.7 million in State funds;
 - Medicaid rate cuts to nursing homes for poorly performing nursing homes and restore \$10 million in State funds;
 - Managed Long Term Care provisions including tightening eligibility for long term care enrollees, instituting a 12 month lockout for enrollees to change plans, and limiting the number of licensed home care agencies an MLTC can contract with and restore \$98.5 million in State funds; and
 - Health Homes provision that impose penalties for health homes that do not meet targets for enrolling patients with more complex needs and restore \$33.3 million in State funds.
- Support \$425 million for the new Transformation Capital Fund for hospitals and other healthcare providers, but amend the provision to set aside \$25 million for Licensed Home Care Services Agencies and increase the set-aside for community-based providers to \$100 million;
- Amend the Health Care Shortfall account to establish a "lockbox" along with contingency language requiring program coverage in the event of future federal reductions. In addition, priority restorations would be given to public hospitals and other safety net hospitals;

- Amend the Comprehensive Medication Management (CCM) proposal to ensure that any CMM's established in New York State must include collaborations between physicians and pharmacists;
- Reject the proposed reduction for Patient-Centered Medical Home Incentive Payments;
- Amend lead paint remediation provisions to include funding for municipalities to increase inspections and remediation of lead paint with oversight;
- Accept the proposal to extend the Indigent Care Pool, but modify the distribution formula to ensure that the safety-net hospitals that actually provide the most indigent care receive their fair share of funding;
- Provide additional funding for health programs as follows:
 - \$5 million in additional funding for community Health Navigators to bring the total level of funding to \$32 million;
 - \$4.02 million in additional funding for School Based Health Programs;
 - \$200,000 for ALS Association of Greater New York Chapter
 - \$40 million in additional funding for Safety Net Hospitals with an appropriate allocation for NYC Health and Hospitals;
 - \$1 million in additional funding for Community Health Advocates (CHA) to bring the funding total to \$3.5 million;
 - Additional funding for Cost of Living Adjustments (COLA) for consumer directed personal assistants;
 - \$3 million in additional funding for Sickle Cell Awareness and Research;
 - \$6.4 million in additional funding to provide 4% increase for Early Intervention (EI) providers;
 - \$1.26 million in additional funding for a feasibility study on a burn center in Kings County at the University Hospital of Brooklyn;
 - \$1.6 million in funding for operating support for Lupus Awareness and Research;
 - \$25 million in additional funding for the New York State AIDS Institute;
 - \$3 million for the Nurse Family Partnership Program;
 - \$750,000 for family planning grants;
 - \$3.1 million in additional funding for the LGBT health and human services network;
 - Additional funding for NYC Health and Hospitals to close a \$1.8 billion financial deficit by 2020; and
 - \$2.5 million in funding for an epidemiology study on Autism.
- Support administrative actions that will ensure that the 700,000 New Yorkers enrolled in the Essential Plan will have continued access to quality, low-cost health insurance regardless of federal policy change;
- Support extending the Medicaid Prescription Drug Cap and the Excess Medical Malpractice program;
- Support the addition of fentanyl and synthetic cannabinoids to list of controlled substances, but amend the proposed language to ensure the Medical Marijuana Program is not unduly affected;
- Support the physician misconduct proposals but continue to review to ensure doctors are not unduly burdened and licenses are not unfairly threatened; and
- Give permanent authorization to pharmacists to provide flu vaccinations to children.

Mental Hygiene

- Amend the Opioid surcharge proposal; if enacted, this surcharge should be revised to ensure funds are used for healthcare purposes, eliminate any surcharges directed towards hospice providers and other providers that use opioids for treatment as well as the pharmacies that serve them, and strengthen consumer protections so this surcharge is not otherwise passed on to the end-buyer;
- Provide \$18.25 million to increase salaries by 3.25% for direct support professionals starting January 2019, under the Mental Hygiene Areas. This would accelerate payments to a three year period instead of six years;
- Reject the proposal to require criminal background checks for personal assistants hired by consumers in the Consumer Directed Personal Assistance (CDPA);
- Provide \$20,000 for family Residences and Essential Enterprises, Inc. for individuals participating in its substance abuse prevention training programs;
- Provide \$15 million to increase the capacity of children's behavioral health programs;
- Provide \$12.8 million for substance use disorder treatments;
- Provide \$110 million in additional capital funding for community based mental health housing programs;
- Provide \$25 million for residential placements living at home with aging caregivers;
- Support the use of telemedicine for intellectual/developmental disabilities providers;
- Provide \$400,000 in additional funding for NY Farmnet;
- Restore \$3.09 million for the Joseph P. Dwyer Veteran Peer to Peer Services Program and provide additional funding to expand to New York City and other regions where currently unavailable;
- Provide \$493,000 for the Suicide Prevention and Crisis Services of Erie County;
- Provide \$100,000 in funding for Best Buddies;
- Add \$20 million to the Governor's \$10 million proposal to support the Association for Community Living's Bring it Home campaign;
- Support reinvestment of savings from closing hospital beds into community based services, but add language to link the bed closure to an exact dollar amount that will be reinvested back into the community;
- Develop a family support and recovery services program that would provide assistance to families dealing with addiction issues, and establish at least one family support and recovery program in Western New York and one program in Long Island;
- Reject the Executive proposal to sweep and transfer funds from the Chemical Dependence Account to the General Fund;
- Reject provisions clarifying which services performed by social workers and mental health practitioners do not need licensure, as these should not be discussed in the context of the budget; and
- Amend the jail-based restoration provisions to add language and additional funding to help localities and the affected workforce operate these new units in lieu of the \$850,000 in startup costs provided for in the budget.

Human Services and Housing

It is critical for our State to fund and support services that provide care for our most vulnerable populations. Human service and housing operations provide shelter, protection, and development for our youth, seniors, struggling working families, and the homeless. The Senate Democratic Conference proposes modifying the Executive Budget to ensure that New York State meets the needs of vulnerable populations:

- Support full funding to close the wage gap and support non-profits by adding \$88 million for wage increases for the employees of the state's human service providers;
- Add \$500 million for the New York City Housing Authority, representing a down payment on the \$17 billion capital deficit currently facing residents of public housing. The Legislature should also reject the condition that the funds appropriated in FY 16 to NYCHA be spent before utilizing the \$200 million re-appropriation;
- NYCHA should also be given Design-Build authority, with MWBE participation and workforce protections like Project Labor Agreements and Federal Section 3 requirements, while providing transparency and accountability to the public on the status of lead paint remediation;
- Ensure the 3-year tax credit delay excludes credits used for affordable housing development, including historic tax credits and LIHTCs;
- Create a separate appropriation line for the Tenant Protection Unit (TPU) in the budget;
- Increase MIF excess funds authority by \$21 million more for N/RPP and N/RPCs;
- Add \$9 million for NPPs/RPPs from the Mortgage Insurance Fund, bringing total funding to \$21 million;
- Add \$9 million to Access to Home, bringing total funding to \$10 million;
- Add \$10 million for a new Affordable Senior Housing with Services Program;
- Support an additional \$7.5 million for the Advantage After-School Program for a total of \$24.8 million;
- Add \$271 million to support the following programs within the Office of Children and Families (OCFS):
 - Add \$1.4 million for 2-1-1;
 - Restore \$41.4 million for Close to Home;
 - Add \$100 million to expand child care statewide, including:
 - \$31 million to restore childcare subsidy levels (to 2016 levels);
 - \$42 million to cover anticipated changes in the market rate and markets and also cover possible reinstatement of the 75th percentile market rate for child care subsidies (currently at the 69th percentile);
 - Increase funding to cover the incremental statewide minimum wage increase;
 - Increase funding to expand and adjust the child and dependent care tax credit; and
 - \$25 million to allow for a statewide expansion of Child Care Facilitated Enrollment, as well as a \$6.1 million restoration for Child Care Facilitated Enrollment programs in last year's budget, \$2.5 million for Erie County WDI Child Care Facilitated Enrollment, and \$4 million for Child Care Facilitated Enrollment for Suffolk and Nassau Counties.
 - Add \$1.9 million for statewide expansion and \$380,000 for Kinship Navigator and an expansion in services in rural counties;

- Add \$6.2 million for Runaway and Homeless Youth Services for a total of \$10.6 million;
- Add \$2 million for the Youth Development Program (YDP) for a total of \$16.1 million;
- Restore \$50,000 for Helen Keller Services for the Blind; and
- Add \$100,000 in Capital funding for Helen Keller Services for the Blind.
- Add \$72.4 million to support the following programs within the Office of Temporary and Disability Assistance (OTDA):
 - Increase TANF funding for the Summer Youth Employment Program (SYEP) by \$4 million for a total allocation of \$44 million;
 - Restore \$1.5 million and add \$3 million for the Disability Advocacy Program (DAP) for a total of \$8.3 million;
 - Restore \$2.45 million and add \$2.55 million for a total of \$5 million for the Settlement House program;
 - Add \$40 million for the Housing Stability Support Rental Supplement Program;
 - Reject the Executive's proposal to require local social services districts to develop and submit to OTDA a homeless plan tailored to the needs of its communities, and to report regularly on progress made. Appropriation language would allow the State to withhold homeless funding if it deems a plan insufficient;
 - Restore TANF funding for the following initiatives:
 - ACCESS-Welfare-to-Careers- \$800,000;
 - Advanced Technology Training and Information Networking (ATTAIN)- \$4 million;
 - Career Pathways- \$2.85 million;
 - Child Care CUNY- \$141,000;
 - Child Care Demonstration Projects (UPS)- \$2.5 million;
 - Child Care Demonstration Projects (NYC)- \$6 million;
 - Child Care SUNY- \$193,000;
 - Preventive Services for Foster Care Families- \$1.6 million;
 - Strengthening Families through Stronger Fathers- \$200,000;
 - Wage Subsidy Program- \$475,000; and
 - Wheels for Work- \$144,000.
- Add \$42 million to support the following programs within the Office for the Aging (SOFA):
 - Restore \$3.8 million for the scheduled 1.9% COLA for direct care providers;
 - Add \$25 million for Community Services for the Elderly (CSE);
 - Restore \$2 million and add \$1 million for a total of \$7.5 million for Naturally Occurring Retirement Communities (NORCs) and Neighborhood NORCs;
 - Provide \$10 million for a new Affordable Senior Housing with Services Program; and
 - Provide \$350,000 for the Center for Elder Law & Justice.
- Provide \$100 million for the Nonprofit Infrastructure Capital Investment Program;
- Reject the Executive's proposal to cap NYC Child Welfare Services at \$320 million;
- Support the 5 year extension of the Close to Home Initiative, but reject the proposed \$41 million cost shift from the State to NYC for the program;
- Provide a new \$1 million appropriation for new programs to support Holocaust survivors;

- Support closure of the Ella McQueen Reception Center provided that a longer notice period between the announcement and date of the closure is provided in lieu of 30 days. The statutorily required one year notice of closure should be provided to the community and the workforce, and any future facility use should focus on juvenile justice programming;
- Support the 3 year extension of the Youth Development Program;
- Support the 3 year extension of BOCES educational services in OCFS juvenile justice facilities;
- Support the authorization of the Dormitory Authority to provide capital construction services to OCFS as part of the Raise the Age implementation, and support Executive appropriations that provide for ramping up the operations of Raise the Age;
- Support full restorations to the NYS Defenders Association Veterans' Defense Program, Legal Services for Hudson Valley Veterans and Military Advocacy Project and the Helmets to Hardhats program;
- Support the federal COLA increase for SSI benefits and increase of Personal Needs Allowance;
- Establish a new statewide rental supplement program through the Home Stability Support Program;
- Support the proposed concept of a rental cap for public assistance recipients with HIV/AIDS to counties outside of NYC, and reject the discretionary local option for local social services districts; and
- Reject deferment of the human services workers COLA.

Labor and Workforce

The Executive Budget increases the State workforce by nearly 200 FTEs, and Executive staff have indicated an intention to backfill nearly 1800 vacancies throughout State services. Years of workforce attrition and unfilled positions have paralyzed many agencies, making this attempt to fill appropriated and authorized vacancies a positive step towards rebuilding the State's workforce. However, further attention must be paid to critical human service agencies, especially OCFS, OPWDD, and OMH, which have suffered greatly from years of budget tightening.

The Executive Budget also proposes various initiatives that would affect both public- and private-sector employees. The Senate Democratic Conference proposes the following modifications in relation to these initiatives:

- Support the One Fair Wage campaign and eliminate the tipped worker sub-minimum wage;
- Add legislation to restore the definition of public works, and bring general State-funded projects under the prevailing wage regime. This proposal would boost worker wages throughout the state and improve the overall economic effect of the State's economic development and tax incentive footprint;
- Reject any proposal to reduce workers' compensation benefits. Last year workers' compensation reforms were introduced within the state budget at the 11th hour. After the proposed administrative reform to Schedule Loss of Use impairment guidelines was substantially rejected and revised at the end of 2017, no further reductions in workers' compensation should be considered at this time;

- Reject several proposals that would hurt public employees and diminish benefits for the state's retirees. Proposals that would cut Medicare Part B and IRMAA premium reimbursements and increase healthcare costs should be rejected entirely, as the Legislature has done for the past several years;
- Support inclusion of a "public option" for retirement savings accounts by allowing private-sector employees to maintain an investment account through the state retirement system;
- Support equity for SUNY Police by enacting accidental disability retirement benefits and the "heart presumption" for certain medical conditions, bringing benefits in line with other similar police officer titles;
- Reject the Executive proposal to authorize term appointees to the Office of Information Technology Services, and require the Department of Civil Service to grade and establish a list based off of the 2017 examination for advanced IT positions among current state employees; and
- Support the restoration and addition of funding in the area of labor and workforce development of the following amounts:
 - \$200,000 for the New York Committee for Occupational Safety and Health;
 - \$4 million for Operations/Non-Manufacturing Programming for the Workforce Development Institute ("WDI");
 - \$3 million for Manufacturing Programming at WDI;
 - \$2.5 million for WDI Erie County;
 - \$1 million for the Erie 1 BOCES Lackawanna Workforce Center;
 - \$1 million for New York State YouthBuild programs;
 - \$300,000 for the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) Cornell Leadership Institute and Domestic Violence Program;
 - \$350,000 for the Worker Institute at Cornell University; and

Environment, Agriculture, and Parks

The Senate Democratic Conference recognizes the strong foundation that a clean environment provides for the health and wellness of our families, communities and economy. To ensure this strong foundation endures, the State must adequately support and staff the institutions that protect our environment and open our state parks and lands to recreation. Additionally, New York must be proactive in facing a changing climate by protecting our most vulnerable communities from severe impacts and positioning our businesses to succeed in an evolving economy. The Senate Democratic Conference proposes the following recommendations to conserve our natural resources, support agriculture and promote healthy food options, and expand recreational and cultural learning opportunities throughout the state:

- Support the Executive proposal to fund a \$300 million Environmental Protection Fund;
- Restore EPF funding for Zoos, Botanical Gardens and Aquaria to \$15 million;
- Support the \$5 million EPF sub-allocation to Nassau County for wastewater treatment improvements;
- Add \$10 million for the City of Long Beach to address the Bay Park Wastewater Treatment Facility;
- Ensure that Superfund resources are dedicated to the expeditious remediation of Long Island water contamination emanating from the Northrup Grumman site;

- Support the prompt disbursement of \$2.5 billion in water quality project allocations approved as part of the FY 18 Budget and reappropriated in FY 19, and explore additional resources for local infrastructure repair and replacement projects;
- Support the Executive proposal to divert organic food waste produced by large generators to food banks and organics recyclers;
- Support the Executive proposal to expand private forest tax incentives;
- Reject the Executive proposal to defer a portion of Brownfield Tax Credits;
- Reject the proposed \$23 million transfer of RGGI auction proceeds to the General Fund;
- Reject any proposal that would further delay implementation of the Diesel Emission Reduction Act (DERA);
- Fully restore Aid to Localities funding for agricultural initiatives including Cornell educational programs such as Ag in the Classroom, the Association of Ag Educators, and FFA, in addition to agricultural outreach and research programs such as FarmNet and the Farm Viability Institute;
- Support Executive proposals to increase funding for Farm to School programs to \$1.5 million and increase school lunch reimbursements for in-state procurement;
- Support \$90 million in NY Works capital funding for continued State Park infrastructure improvements;
- Support \$50 million for improvements to the Hudson River Park;
- Support an increase to NYSCA grants for local community and non-profit cultural development, including \$20,000 for BRIC community arts programming in Brooklyn;
- Provide start-up funding for a museum education grant program to increase educational offerings at museums, historical societies, nature centers, zoos, and other cultural organizations; and
- Provide a second round of capital grants for humane societies and animal shelters that did not receive FY 18 funding.

Economic Development & Energy

The Senate Democratic Conference supports policies that promote job creation and economic development throughout the entire state with particular emphasis on micro, small, and medium-sized businesses due to their important impacts on job growth. The SDC wants every New Yorker to have an equal opportunity to participate and flourish in New York's economy. Additionally, the Conference strongly endorses the State's goals to transition to clean, renewable and affordable energy which will result in a stronger economy and cleaner environment while creating green jobs and combating climate change via the enactment of the Climate and Community Protection Act. Therefore, the Senate Democratic Conference recommends the following policies relating to the Executive Budget:

- Accept the Executive's extension of the MWBE program, with conditions:
 - Oppose authorizing the Director of the New York State Division of Minority and Women's Business Development to maintain unilateral administrative control over the program, as the MWBE program should be subject to legislative enactment and oversight. The enactment of the disparity study should be done by legislative enactment, not by administrative order;
 - Support creating a new Workforce Diversity Program as proposed by the Governor as long as this program represents the actual results of the disparity study;

- Support cracking down on fraud in the MWBE program, but revise proposed penal sanctions so that good-faith actors are not subject to criminal penalties;
- Add \$40 million to the Minority- and Women-Owned Business Enterprises Development and Lending Program administered by Empire State Development;
- Direct \$50 million for the creation of a micro-bonding program for MWBEs to be administered by Empire State Development;
- Provide real access to capital for MWBEs by utilizing financial institutions with good lending records for MWBEs and small businesses;
- Expand the micro-lending program to support additional MWBE businesses and capital needs;
- Support additional mentoring programs to potential MWBEs to alleviate a lack of availability or capacity in critical subcontracting industries;
- Increase transparency on agency and contractor waiver requests, utilization and remedial plans, audit compliance, and preserve annual reporting requirements or increase regularity;
- Prioritize MWBE directory and certification accuracy to improve ease of use for prospective and participating MWBEs and prime contractors seeking firms with capacity to perform projects, and update more regularly;
- Exempt localities from provisions applying Article 15-A participation goals if they have more protective participation goals and programs in place and from provisions authorizing State assumption of procurement powers;
- Support ending the Personal Net Worth threshold but conform to the proposal sponsored by Assemblymember Bichotte;
- Consider establishing a prequalification program to vet firm capacity;
- Investigate prompt payment reforms to ensure that MWBEs are paid as promptly as responsibly possible on public contracts;
- Explore additional State and City best management practices to implement, including better mentoring programs, linking civil rights units with procurement units, streamlined unified MWBE forms for all programs, and splitting contracts to facilitate increased MWBE usage and potentially gain experience as prime contractors;
- Support additional staff to expedite certification and implement Executive Budget proposal to speed up certification approval;
- Ensure that future disparity studies analyze and incorporate MWBE participation on megaprojects and top quartile of State projects, and oppose narrowing of project scopes for which MWBE participation goals apply;
- Improve post-bid debriefing and mentoring for MWBEs that lose bids or are removed from jobs;
- Improve outreach facilitating joint ventures in sectors where there is insufficient MWBE availability;
- Expand MWBE Advocate's role to include Executive proposed changes while preserving existing technical assistance responsibilities, and publish statutorily required reports and analysis;
- Improve incorporation of MWBE participation goals into pre-bid and design phase analysis;

- Support establishing agency compliance "report cards" by the Comptroller using objective, empirically sound metrics; and
 - Consider the establishment of a State insurance program to assist MWBEs in heavily regulated sectors.
- Direct \$50 million in new funding for the Small Business Revolving Loan Fund, targeting businesses that have difficulty accessing regular credit markets, and offering regular and micro-loans pursuant to the need;
- Add \$2 million to the Entrepreneurial Assistance Program (EAP) to assist entrepreneurs, especially minorities, women, and dislocated workers - in strengthening and creating new businesses. Of this amount, \$350,000 would be dedicated to EAP centers for the assistance of veterans starting, or seeking to start, new business ventures, or to train veterans in the principles and practices of entrepreneurship to prepare them for self-employment opportunities;
- Dedicate an additional \$25 million to the Urban and Community Development Program to help economically distressed communities;
- Provide \$25 million from current resources to establish the Hire NY program to provide zero-interest loans to businesses with less than 5 employees that hire New York residents;
- Fund centers at \$1.6 million for each the Centers of Excellence and the Centers for Advanced Technology programs;
- Provide a comprehensive record of all economic development incentives entered into between State entities and businesses to increase transparency and inform the Legislature and the Governor for prospective tax expenditure decisions;
- Provide more transparency in the Public Authorities Control Board process where it affects purchase of property, ownership, and/or the use of State dollars and include information on repayment of State appropriation agreements, job retention or job creation requirements and other related information;
- Accept the Executive proposal to direct \$175 million toward workforce investments, but modify the application and award process to avoid unpredictable funding streams and meet business workforce needs;
- Enact comprehensive reforms that would support net neutrality in New York, including an initiative by Senator Parker and Hoylman that would prohibit telecommunications throttling and require contractors doing business with the State to maintain neutrality principles;
- Direct current resources from the New York Jobs Authority (NYJA) to establish a State University Center for Employee Ownership to support education and outreach concerning employee ownership succession plans. Authorize NYJA to loan money to companies in which employees seek financing to buyout owners while retaining their jobs in the process;
- Cap the monthly cost assessed to residential utility consumers at 25 cents as a result of the Zero-Emissions Credit (ZEC) program, part of the Public Service Commission's Clean Energy Standard (CES);
- Supports the Executive proposal to expand NYPA's authority to offer energy programs and services for public entities;
- Supports the Executive proposal to permit NYPA to finance, own, construct, and operate renewable energy generating facilities to help meet Clean Energy Standard targets;
- Provide \$1,000,000 for the Public Utility Law Project;
- Support \$2.3 million capital funding to help support continuing football in Western NY;

- Supports the Executive off-budget proposal to deploy 1,500 megawatts of energy storage by 2025 and the off-budget proposal for New York State to procure at least 800 megawatts of offshore wind power between two solicitations to be issued in 2018 and 2019, which will be the first in a set schedule to reach the State's 2.4 gigawatt by 2030 target;
- Supports the Executive off-budget proposal to establish Charge NY 2.0, which will drive the buildout of EV charging infrastructure and promote ZEV-capable roadways and destinations across New York, including the public availability of at least 10,000 charging stations across New York by 2021;
- Supports the Executive off-budget proposal to create the Zero Cost Solar for All Program, by directing NYSERDA to provide cost savings and clean energy to more than 10,000 low-income New Yorkers;
- Reject the Executive proposal to charge fees for fiber optic lines related to state transportation rights of way; and
- Revise the Governor's Uniform Wireless Facilities Siting proposal. While we support expanding wireless service throughout New York State, including 5G rollout, this proposal should be revised to ensure that municipalities retain control over critical land use and public safety authority within their borders.

Local and General Government

Local governments provide critical daily services to New Yorkers, but State funding continues to be flat year-over-year. The Senate Democratic Conference supports increasing local government assistance to end the continued freeze in funding for Aid and Incentives for Municipalities (AIM) Base Level Grants. The Senate Democratic Conference also proposes the following recommendations to support local governments and general government operations:

- Provide a \$16.7 million increase in State Operating Assistance to Westchester County to provide funding parity and support the cost of patrolling state parkways;
- Provide \$12.5 million in support for the City of Albany;
- Provide \$500,000 for the Village of Lindenhurst to renovate and reconstruct the Department of Public Works Buildings and Garage;
- De-link adherence to the property tax cap as an eligibility requirement for state reimbursement for Raise the Age;
- Remove the proposed cap on STAR exemptions at 2018 levels;
- Support a \$7 million appropriation in support of Early Voting to assist counties in paying for the administrative costs;
- Support making Countywide Shared Services Panels permanent, but include matching grant incentives for local governments that find savings to match last year's Enacted Budget language. The Enacted budget should also extend the implementation window for matching funding to account for projects that take longer than one year, mitigate the loss of property tax cap room when a local government delegates functions to another entity under a shared services proposal, and remove other barriers to sharing services;
- Support the Executive proposal to regulate the student loan servicing industry and hold them accountable to borrowers;
- Add a \$25 million appropriation for the New York Community Development Financial Institutions (CDFI) Fund; and
- Further investigate and study the ability of the State to create a public bank.

Transportation

Transportation-related expenditures carry a significant economic multiplier for the localities in which they invest while strengthening the State's essential infrastructure and improving competitiveness. The Senate Democratic Conference supports investments required to meet the state's infrastructure needs as well as policy initiatives that promote sound regional development:

- Provide dedicated, sustainable funding to meet the Metropolitan Transportation Authority's (MTA) needs to restore system quality, serve transit deserts, and prepare it for the future, while significantly improving customer service and spending efficiency;
- Restore Extreme Winter Recovery funds and explore significant funding increases for CHIPS – local experts recommend an additional \$150 million per year. Explore updating the arterial maintenance formula to accommodate years of inflation;
- Create and implement transit “action plans” for the entire State, and restore the \$20.5 million non-MTA capital reduction relative to the 2017 Enacted Budget;
- Provide additional detail from Department of Transportation (DOT) on the impacts of capital program funding, and release the transit funding study promised last November;
- Invest an additional \$4 million for cleaner locomotives and healthier rail transport, and provide additional funds for the Airport Improvement Program (AIP) and freight rail;
- Restore the \$65 million swept from the MTA and ensure that it receives the \$125 million additional funding it budgeted, in addition to preserving the State's commitment to an additional \$1 billion for the capital program and funding the Subway Action Plan during this state of emergency;
- Provide equity for traditionally licensed taxicabs in New York City by ensuring that any new fees imposed on drivers takes into account the various pre-existing fiscal costs already paid by drivers;
- Expedite testing and implementation of the electric bus pilot program to ensure that clean, emissions-free buses transport the straphangers and travelers who will be displaced during the L-Train shutdown, which would avoid increasing harmful emissions across Brooklyn, 14th Street, and other long stretches;
- Provide additional financial support for critical upstate and suburban transportation systems, including CDTA, NICE, NFTA, and Westchester Bee-Line;
- Save lives by expanding seatbelt use throughout motor vehicles;
- Expand the focus of any studies on commuter, intercity, charter, and sightseeing buses to focus on safety and include Queens County in the analysis;
- Dedicate revenue from proposed rail and bus camera enforcement programs to transportation improvements, such as safety and educational outreach;
- Clarify the funding stream for BRIDGE NY/PAVE NY programs rather than lumping into other appropriations;
- Reexamine the cashless tolling fine assessment system and administration to ensure motorists are being provided adequate notice and opportunity to pay their bills;
- Respect local governance in any alternative financing efforts;
- Accelerate implementation of the Freedom Ticket Initiative;
- Reform design-build pending improved information verifying cost-savings and MWBE participation, and ensure that any authorization for design-build includes the use of project labor agreements on major infrastructure projects where cost-

effective. Additional information justifying expansion of design-build to other state agencies is needed, though the State should explore extending Design-Build authorization to New York City and authorize design-build procurement on the Brooklyn-Queens Expressway rehabilitation project. As with State authorization, MWBE participation and workforce protections like PLAs are critical to this authorization;

- Improve capital transparency by requiring long-term needs assessment for DOT projects and timely submission of five-year capital programs; and
- Provide funding for a feasibility study of the Lefferts Boulevard Bridge.

Sincerely,



Senator Andrea Stewart-Cousins
Leader, Senate Democratic Conference



Senator Liz Krueger
Ranking Member, Senate Finance Committee

cc: Governor Andrew M. Cuomo
Speaker Carl E. Heastie
Senate Coalition Leader Jeffrey D. Klein