

2011-12 NEW YORK STATE EXECUTIVE BUDGET

**EDUCATION, LABOR AND FAMILY ASSISTANCE
ARTICLE VII LEGISLATION**

MEMORANDUM IN SUPPORT

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MEMORANDUM IN SUPPORT

A BUDGET BILL submitted by the Governor in
Accordance with Article VII of the Constitution

AN ACT to amend the education law, in relation to contracts of excellence, library funding, reimbursement of school districts, electronic format materials and reporting requirements, apportionment of school aid, building aid, foundation aid base, apportionment of school aid and of current year approved expenditures for debt service, apportionment of transportation aid, academic enhancement aid, incentive operating aid for reorganized districts, high tax aid, Medicaid reimbursement, gap elimination adjustment, school district performance incentive grants, grants, maximum class size; to amend the state finance law, in relation to base grant; to amend chapter 756 of the laws of 1992 relating to funding a program for work force education conducted by the consortium for worker education in New York city, in relation to apportionment and reimbursement; in relation to the apportionment of funds to the education jobs fund; to amend chapter 169 of the laws of 1994 relating to certain provisions related to the 1994-95 state operations, aid to localities, capital projects and debt service budgets, chapter 82 of the laws of 1995, amending the education law and certain other laws relating to state aid to school districts and the appropriation of funds for the support of government, chapter 386 of the laws of 1996 amending the education law relating to providing for a waiver allowing state aid in certain circumstances, chapter 472 of the laws of 1998 amending the education law relating to the lease of school buses by school districts, chapter 147 of the laws of 2001 amending the education law relating to conditional appointment of school district, charter school or BOCES employees, chapter 425 of the laws of 2002 amending the education law relating to the provision of supplemental educational services, attendance at a safe public school and the suspension of pupils who bring a firearm to or possess a firearm at a school, chapter 101 of the laws of 2003 amending the education law relating to implementation of the No

Child Left Behind Act of 2001, chapter 57 of the laws of 2008 amending the education law relating to the universal pre-kindergarten program, in relation to school aid and extending the expiration of certain provisions of such chapters; to amend chapter 665 of the laws of 1963, relating to the human resources school, in relation to changing such name to the Henry Viscardi school; to amend the public authorities law, in relation to approved non-profit schools for the deaf and blind or other students with disabilities, in relation to school bus driver training; in relation to the support of public libraries; to provide special apportionment for salary expenses; to provide special apportionment for public pension expenses; in relation to suballocation of certain education department accruals; in relation to purchases by the city school district of Rochester; to repeal section 23 of chapter 169 of the laws of 1994, relating to certain provisions related to the 1994-95 state operations, aid to localities, capital projects and debt service budgets, in relation to the effectiveness thereof; to repeal certain provisions of the education law, in relation to instruction of the deaf and blind; and providing for the repeal of section 86 of this act on March 31, 2012 when upon such date the provisions of such section shall be deemed repealed (Part A); to amend the education law, in relation to the school district management efficiency awards program and school district performance improvement awards grant (Part B); to repeal article 9 of the arts and cultural affairs law relating to the New York state theatre institute corporation and section 97-u of state finance law relating to the New York state theatre institute corporation fund, and to establish procedures for the transfer and ownership of rights and real property currently held by the entity formerly referred to as the New York state theatre institute (Part C); to amend the education law, the public authorities law and the public buildings law, in relation to capital facilities in support of the state university and community colleges; and providing for the repeal of certain provisions upon expiration thereof (Subpart A); to amend the education law and the state finance law, in relation to procurement in support of the state and city universities; and providing for the repeal of such provisions upon expiration thereof (Subpart B); to

amend the education law, in relation to state university health care facilities; and providing for the repeal of such provisions upon expiration thereof (Subpart C); and to enact certain reporting requirements; and providing for the repeal of such provisions upon expiration thereof (Subpart D) (Part D); to amend the education law, in relation to tuition assistance program award determinations (Part E); to amend the education law, in relation to income as a determinate of tuition assistance awards (Part F); to amend the education law, in relation to restrictions on eligibility to receive awards and loans; and to repeal certain provisions of such law relating thereto (Part G); to amend the education law, in relation to tuition assistance program awards (Part H); to amend the education law, in relation to good academic standing requirements (Part I); to amend the education law, in relation to tuition assistance program awards for graduate school students; and to repeal certain provisions of such law relating thereto (Part J); to amend chapter 31 of the laws of 1985, amending the education law relating to regents scholarships in certain professions, in relation to the physician loan forgiveness program (Part K); to amend chapter 57 of the laws of 2005 amending the education law relating to the New York state nursing faculty loan forgiveness incentive program and the New York state nursing faculty scholarship program, in relation to the effectiveness thereof (Part L); to amend chapter 161 of the laws of 2005, amending the education law and other laws relating to the social worker loan forgiveness program, in relation to the effectiveness thereof (Part M); to amend the real property tax law and the tax law, in relation to containing the cost of the STAR program and allowing the renunciation of STAR and other property tax exemptions (Part N); to amend the education law, in relation to maintenance costs for students with disabilities placed in a residential school under article 89 of the education law; and to amend the social services law, in relation to expenditures by social services districts for children in residential schools (Part O); to amend the social services law and the executive law, in relation to establishing a primary prevention incentive program; to amend the executive law, in relation to delinquent and runaway youths; to repeal subdivision 3 of

section 409-a of the social services law, relating to community optional preventive services; and to repeal article 10-A of the social services law, relating to the William B. Hoyt memorial children and family trust (Part P); to amend the executive law, in relation to prior notice for closure of facilities operated by the office of children and family services; and to repeal certain provisions of such law relating thereto (Subpart A); and to amend the executive law, the family court act, the social services law and the county law, in relation to funding and utilization of juvenile detention and funding for supervision and treatment services; to repeal subdivisions 7 and 8 of section 530 of the executive law, relating to state operation of juvenile detention and approval of new juvenile detention capacity; and to repeal certain provisions of article 7 of the family court act and subdivision 12 of section 153 of the social services law, relating to the use of detention for persons alleged or adjudicated to be in need of supervision (Subpart B) (Part Q); to amend the social services law, in relation to the fee charged for clearances from the statewide central register of child abuse or maltreatment (Part R); to amend the social services law, in relation to increasing the standards of monthly need for aged, blind and disabled persons (Part S); to amend the social services law, in relation to sanctions imposed for noncompliance with public assistance work requirements; and to repeal certain provisions of such law relating thereto and providing for the repeal of such provisions upon expiration thereof (Part T); to amend the social services law, in relation to the standards of monthly need for persons in receipt of public assistance (Part U); to amend the private housing finance law, in relation to the neighborhood and rural preservation program and to repeal articles 16 and 17 of such law relating thereto (Part V); and to amend chapter 62 of the laws of 2003 amending the state finance law and other laws relating to authorizing and directing the state comptroller to loan money to certain funds and accounts, in relation to extending the interest assessment surcharge fund (Part W)

PURPOSE:

This bill contains provisions needed to implement the Education, Labor and Family Assistance portions of the 2011-12 Executive Budget.

This memorandum describes Parts A through W of the bill which are described wholly within the parts listed below.

Part A – Amend the Education Law to realign School Aid and make other changes necessary to implement education-related programs in the Executive Budget.

Purpose:

This bill contains various provisions necessary for implementation of the education portion of the 2011-12 Executive Budget.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

Public education in New York represents a significant commitment of State and local resources. With total State and local spending levels exceeding \$53 billion, New Yorkers have maintained the highest per-pupil spending levels in the nation even in these difficult financial times. Education is the largest area of State spending. This is a reflection of New York State's long-standing commitment to providing opportunity for all students and ensuring that the children of New York have an opportunity for a sound, basic education.

Although today's economic climate imposes significant limitations on funding of public education, the State's commitment to ensuring that this critical standard is met is unwavering. Accordingly, we must improve the performance of our schools in educating our children through greater efficiency and wiser investments. In addition, as we proceed in future years, we must reassess the State's approach to public education to ensure that it meets the needs of our children for the future.

This bill includes several measures to realign School Aid along with other changes necessary to implement education-related programs in the Executive Budget. The major initiatives include:

- **Foundation Aid and Other Operating Support:** Funding for individual aid categories that provide operating support to school districts will be continued at current levels for the 2011-12 and the 2012-13 school years. These include: Foundation Aid, Academic Enhancement Grants, High Tax Aid, Supplementary Public Excess Cost Aid, and Universal Prekindergarten. In addition, this bill would

adjust the phase-in schedule for Foundation Aid so it would be fully phased-in by 2016-17.

- **Gap Elimination Adjustment:** This bill would authorize a Gap Elimination Adjustment (GEA) formula that reduces School Aid progressively, accounting for each school district's wealth, student need, administrative efficiency and residential property tax burden. The GEA would be applied against formula-based School Aid, excluding Building Aid and Universal Prekindergarten. It would reduce School Aid by a \$2.8 billion GEA in the 2011-12 school year, which translates to a \$2.0 billion reduction in State General Fund support in the 2011-12 State fiscal year. In future years, the GEA would be continued and scaled to limit annual growth in School Aid based on growth in New York personal income.
- **Building Aid:** This bill would redesign Building Aid to target limited State resources for school construction by aligning reimbursement rates more closely with the fiscal capacity of school districts. This bill would also create a new funding structure for school construction that will use a competitive application process that considers the need for the project, the age of the building to be renovated or replaced and district fiscal capacity. This new process would provide an authorization for \$2 billion in new reimbursable construction expenses annually for school districts statewide.
- **Transportation Aid:** Prospective changes to the Transportation Aid program would be made to encourage cost-effective school transportation services. By the end of the 2012-13 school year, school districts must either demonstrate participation in a cost-effective shared services program or use best practices identified as efficient by the State Education Department. Noncompliance would result in graduated reductions in the percentage of costs the State would reimburse, beginning in the 2013-14 school year. Limits would also be placed on reimbursement to ensure that the acquisition of school buses are cost justified.
- **Boards of Cooperative Educational Services (BOCES) Aid:** Beginning with aid payable in the 2012-13 school year, the State aid ratios used in the calculation of BOCES Aid would be more closely aligned with those used in the calculation of Foundation Aid. In addition, certain non-instructional shared services provided by BOCES would no longer be reimbursed by the State.
- **Summer School Special Education:** State reimbursement to school districts for summer school special education costs would be changed from a flat rate of 70 percent for all districts to the Foundation Aid State sharing ratio for each district, starting with the 2011-12 school year. This change would conform reimbursement for summer school special education with the more equitable wealth adjusted financing structure of the State's School Aid funding system. This bill would also limit the portion of the current year appropriation that is available to pay prior years' claims.

- **State Supported Schools for the Blind and Deaf:** Beginning with the 2011-12 school year, the 11 State Supported Schools for the Blind and Deaf would be consolidated into the broader private special education school classification. This consolidation will better align the funding for these schools with that of other private special education schools. The amendment would maintain the ability of State Supported Schools for the Blind and Deaf to finance capital projects through the Dormitory Authority.
- **Library Aid:** The Library Aid program provides operating support to more than 700 public libraries, 23 public library systems, 41 school district library systems and 9 reference and research library systems. This bill would permanently authorize Library Aid payments to be disbursed pursuant to the same methodology enacted in recent years.
- **Contract for Excellence:** School districts recently participating in the Contracts for Excellence program would continue operating approved academic intervention programs consistent with Contract for Excellence requirements. However, the required investment in these programs will be permitted to decline by the same percentage as the district's formula-based aid will be reduced under the Gap Elimination Adjustment. This approach will ensure the continued participation of 23 school districts, including all "Big Five" city school districts (New York City, Buffalo, Rochester, Syracuse and Yonkers).
- **Access to Employee Benefit Accrued Liability Reserve Funds:** School districts would be authorized to withdraw excess funds in an Employee Benefits Accrued Liability Reserve Fund in order to maintain educational programming during the 2011-12 school year. The amount withdrawn could not exceed the Gap Elimination Adjustment for a school district.
- **Claiming Limits:** The State's liabilities for School Aid would be limited to data and claims on file with the State Education Department by the statutory deadline for the production of the data set used in developing the Executive Budget.
- **School District Charter School Payments:** The per pupil charter school tuition payments made by school districts to charter schools for the 2011-12 and 2012-13 school years would be maintained at 2010-11 levels.
- **County Vocational Education and Extension Boards (CVEEBs):** Reimbursement for CVEEBs would be limited to courses submitted to the Commissioner of Education for approval on or before July 1, 2010. In addition, the statute would be clarified to codify the methodology used by State Education Department to calculate reimbursement. A statute of limitations would be established to ensure timely submission of claims.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-12 Executive Budget including out-year savings.

Effective Date:

This bill takes effect April 1, 2011, except that selected provisions take effect immediately or on other specified dates.

Part B – Authorize competitive grants to reward school districts with the most improvement in student performance and/or management efficiencies.

Purpose:

This bill will incentivize improvement in student performance and management efficiencies by awarding competitive grants to school districts with the most improved student achievement and districts that implement long-term management efficiencies.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

New York's public schools spend more money per pupil than those in any other state. Yet, in measures of student performance, New York ranks 40th nationally in graduation rates and 34th nationally in the percentage of adults who have a high school diploma or the equivalent. Current education aid is primarily distributed through formula-based grants with no performance incentives or requirements.

Last year the federal government began to change this model through the Race to the Top competition, by awarding competitive grants to states that demonstrated a cohesive plan to improve student achievement, as well as those states with the best plans for accelerating reforms in the future.

On August 24, 2010, the U.S. Department of Education announced that New York State had been awarded \$700 million as a winner of the Race to the Top competition. As a result school districts across New York are implementing plans to improve education outcomes and close gaps in achievement.

To expand on this successful model and bring performance based education awards to the next level, the Governor provides \$500 million in the 2011-2012 Executive Budget to fund two competitive education award programs: 1) School District Performance Improvement Awards and 2) School District Management Efficiency Awards.

The parameters of each award program are described below.

School District Performance Improvement Awards Program

By participating in the Race to the Top program, the majority of New York's school districts made a substantial commitment to partake in an innovative program to help close the State's achievement gap and improve student outcomes.

The School District Performance Improvement Awards program builds on the education reforms being implemented throughout New York. The performance awards seek to reward school districts that produce the most improved measureable results in student performance, student outcomes, high school performance and graduation rates, and college attendance and retention rates, as well as close the gap in achievement. The awards will also be available to school districts that exhibit the greatest potential for continued improvements in student performance.

Additionally, priority will be given to eligible districts that have been most successful in implementing innovative and replicable programs, including models to improve and expand middle school student performance; college level or early college programs; college admission; and career and technical education training programs.

The grants will be awarded pursuant to a competitive process and applications will be reviewed and scored by a peer review panel. In determining grant award, district size and student enrollment will be considered, as well as measures of district need.

These performance grants will first be awarded during the 2011-2012 school year.

School District Management Efficiency Awards Program

The School District Management Efficiency Awards Program will reward school districts that have implemented long-term efficiencies or cost saving measures in school district management and operations.

Priority will be given to proposals that provide for the implementation of long term efficiencies, and to efficiencies that create significant savings while maintaining or improving student achievement; include the participation of key school district stakeholders, such as parents and teachers; can be replicated by other districts; or have the greatest sustainable savings. No award will be granted to programs that result in additional cost to the State.

Awards will be administered by the Commissioner of Education subject to a plan jointly developed with the Secretary of State and approved by the Director of the Budget. The maximum grant award will reflect student enrollment and may be adjusted based on measures of district need. Two or more school districts may jointly apply for shared services agreements that result in savings.

These efficiency grants will first be awarded during the 2011-2012 school year.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-2012 Executive Budget, which includes a \$250 million appropriation for each grant program.

Effective Date:

This bill takes effect immediately.

Part C – Eliminate the statutory authorization for the New York State Theatre Institute and provide for the transfer of its rights and property to the Office of General Services.

Purpose:

This bill repeals the New York State Theatre Institute Corporation's (NYSTI's) enabling legislation and transfers its rights and property to the Office of General Services (OGS).

As of January 1, 2011, pursuant to actions taken by the NYSTI Board of Directors, NYSTI operations were suspended and the retrenchment of its remaining employees was initiated. This bill is necessary to eliminate NYSTI as a public benefit corporation and ensure orderly transfer of its remaining assets to the State.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

The 2010-11 Enacted Budget phased-out State support for NYSTI and required NYSTI to become a self-supporting organization. Because NYSTI was unable to generate sufficient off-budget revenue or identify feasible solutions to become self-sufficient, the NYSTI Board of Directors suspended NYSTI's operations effective December 31, 2010.

The NYSTI Board of Directors also adopted a resolution on December 22, 2010 to transfer NYSTI's deeds, assets and property to OGS to be held in escrow until its existence is terminated in law. The transfer was effective January 1, 2011. As a result, OGS has managed NYSTI's property and assets since that time.

This bill repeals Article 9 of the Arts and Cultural Affairs Law, which established NYSTI as a public benefit corporation dedicated to producing family theatre and providing educational programs to students. Repeal of Article 9 terminates NYSTI's status as a public benefit corporation.

This bill also repeals section 97-u of State Finance Law, which established NYSTI's authority to deposit revenue and funds received from productions and sale of

concessions into bank accounts. As NYSTI's existence is terminated, this language is no longer necessary.

Consistent with similar provisions included in NYSTI's enabling legislation, this bill also authorizes OGS to take possession of any rights or property formerly held or owned by NYSTI, and upon enactment, these assets pass to and are vested with the State.

Budget Implications:

This bill is necessary to implement the 2011-12 Executive Budget because it dissolves NYSTI, and no State support for NYSTI is included in the 2011-12 Financial Plan. Absent this bill, the State would continue to incur costs related to ongoing upkeep and maintenance of NYSTI's real property. Further, this bill provides resources necessary to satisfy NYSTI's outstanding liabilities.

Effective Date:

This bill takes effect immediately.

Part D – Enhance flexibility for SUNY and CUNY in the areas of procurement and participation in public-private partnerships.

Purpose:

This bill would provide enhanced discretion for the State University of New York (SUNY) and the City University of New York (CUNY) in the areas of procurement, participation in public-private partnerships, and the lease and transfer of state lands.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

In June 2008, the Commission on Higher Education submitted its Final Report of Findings and Recommendations. The Commission recommended that the regulatory reforms enacted subsequent to the 1985 report of the Independent Commission on the Future of the State University of New York should be expanded in scope so that New York's public universities were better equipped to sustain themselves in an environment of declining State support, and were better aligned with the innovative capacity enjoyed by peer public university systems and institutions in other states. Two specific recommendations of the Commission involved providing SUNY and CUNY with greater flexibility in the areas of procurement and public-private partnerships. Such proposals would be beneficial during times of strong economic growth, but are essential in this time of financial difficulty, and would give the universities specific tools to better manage declining State fiscal support.

This bill includes the following specific provisions:

Sections 1 and 3 of subpart A authorize SUNY to lease real property to other entities for up to fifty years in support of its educational purpose, and participate in public-private partnerships that would benefit SUNY's mission, subject to approval of a newly created State University Asset Maximization Review Board.

Section 1 further provides that any lease agreement authorized pursuant to this legislation would be subject to minority and women-owned business enterprise (MWBE) provisions, prevailing wage rates, indemnification clauses, reverter clauses and project labor agreements.

Section 2 of subpart A creates the State University Asset Maximization Review Board and establishes that arrangements for the lease of real property and participation in public-private partnerships be unanimously approved by all voting members of the board--including representation from the Executive, Assembly and Senate. The board will also include representation from the State Comptroller, Attorney General, president of the AFL-CIO and the director of the Division of Minority and Women-Owned Business Enterprises (MWBE).

Section 2 of subpart A further establishes the action and timeline for which the board shall adhere with regards to voting.

Sections 4 and 5 of subpart A broaden the abilities of the State University Construction Fund (SUCF) to implement capital projects through alternative construction delivery methods and streamlined procurement guidelines, which must substantially conform to those applicable to existing public authorities.

Sections 6 and 7 of subpart A authorize the construction and financing by the Dormitory Authority of the State of New York (DASNY) of facilities for the benefit of SUNY's State-operated and community colleges by not-for-profit entities associated with the State University, provided that the associated projects are subject to prevailing wage, MWBE, and competitive process requirements.

Sections 8 and 9 of subpart A authorize DASNY to construct and finance dormitories on behalf of community colleges, and requires community colleges to assume full financial responsibility for the cost of the projects.

Section 10 of subpart A allows SUNY to lease facilities within Albany County directly, rather than requiring the Office of General Services (OGS) to act on its behalf.

Sections 1, 2, 3, 4 and 6 of subpart B remove provisions of law subjecting SUNY and CUNY to pre-approval of contracts by the Office of the State Comptroller (OSC) in order to streamline the procurement of goods and services, while maintaining provisions requiring the post-audit of such contracts by OSC. Also, sections 2 and 4 promulgate new protocol and reporting requirements to gauge the efficacy of the aforementioned action.

Section 5 of subpart B authorizes streamlined procurement guidelines for the City University Construction Fund (CUCF), which must substantially conform to those applicable to existing public authorities.

Section 7 of subpart B allows post-audit in lieu of pre-audit requirements for Attorney General approval of leases between SUNY and its alumni associations in support of dormitory projects.

Section 8 of subpart B codifies in law, the ability of CUCF and DASNY to implement capital projects through alternative construction delivery mechanisms, other than "design, bid, build".

Subpart C allows for expansion of State University hospital participation in managed care networks and other joint and cooperative health care arrangements without pre-approval from any State entity, and conforms procurement guidelines of SUNY's health care facilities to those of the SUNY campuses, as prescribed in this bill.

Subpart D prescribes reporting requirements by the universities that detail the effectiveness of the provisions of this bill.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-12 Executive Budget, as it will provide SUNY and CUNY with the ability to more efficiently and effectively manage recommended reductions of State support.

Effective Date:

The provisions of this bill would be effective immediately upon enactment, and would expire and be deemed repealed June 30, 2016.

Part E – Reduce the maximum TAP award for students matriculated in certain two-year degree programs to \$4,000.

Purpose:

This bill continues provisions from the FY 2010-11 budget that set the maximum TAP award for students matriculated in certain two-year degree programs at \$4,000.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

This bill continues the maximum TAP award for students matriculated in certain two-year degree programs at \$4,000, and adjusts the overall award schedule accordingly.

The highest tuition rate currently being charged at a New York public community college is \$3,890 and the average rate is \$3,521. As a result, the maximum TAP award proposed in this bill would still cover the entire cost of tuition at public community colleges. Additionally, students enrolled in a program of study leading to a certificate or degree in nursing as well as students currently matriculated in two-year degree programs at institutions which also offer baccalaureate and graduate degrees would remain on the current schedule that has a \$5,000 maximum TAP award.

A bill to lower the maximum TAP award for students in certain two-year degree programs from \$5000 to \$4000 was advanced with the 2010-11 Executive Budget. Similar provisions were enacted through appropriation language for a one-year period. This bill would amend the Education Law to include such a limitation.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-12 Executive Budget, which assumes savings of \$11.2 million in 2011-12 and \$16.0 million in savings on a recurring basis annually thereafter.

Effective Date:

This bill takes effect July 1, 2011.

Part F – Include pension and annuity income for Tuition Assistance Program eligibility determinations.

Purpose:

This bill continues a provision from the FY 2010-11 Budget that provides that the calculation of income for purposes of the Tuition Assistance Program (TAP) shall include private pension and annuity income not subject to State taxation.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

Currently, for private pensioners aged 59½ and older, the first \$20,000 of pension and annuity income is excluded for purposes of calculating TAP. This bill continues from FY 2010-11 the treatment of private pension and annuity income in the same manner as that of public pension income, by requiring that pension income from any and all sources be counted as income for purposes of calculating TAP award levels.

This measure was enacted in the FY 2010-11 Executive Budget through appropriation language for a one-year period.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-12 Executive Budget, which assumes savings of \$4.2 million in 2011-12 and \$6.0 million in savings on a recurring basis annually thereafter.

Effective Date:

This bill takes effect July 1, 2011.

Part G – Amend the eligibility requirements for the Tuition Assistance Program (TAP) related to students in default on certain student loans.

Purpose:

This bill modifies the award eligibility criteria for the Tuition Assistance Program (TAP) to create parity in the treatment of students in default on New York State and Federal loans, regardless of guarantor.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

The Federal Department of Education enters into agreements with state or private non-profit entities to serve as guarantors on student loans, and also provides loans directly to students without using a guarantor. The New York State Higher Education Services Corporation (HESC) is such a guarantor and has the largest share of New York State's guaranteed student loan market. Under current law, students in default on loans guaranteed by HESC are ineligible for TAP awards, while students in default on other student loans remain eligible for TAP. This bill creates parity by amending Section 661 of the Education Law to eliminate TAP eligibility for all students who are in default on any New York State or Federal student loan, regardless of whether or not the loan is guaranteed by HESC.

This proposal was advanced with the 2010-11 Executive Budget and was enacted through appropriation language for a one-year period.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-12 Executive Budget, which assumes savings of \$3.6 million in 2011-12 and \$5.2 million in savings on a recurring basis annually thereafter.

Effective Date:

This bill takes effect July 1, 2011.

Part H – Continue Tuition Assistance Award (TAP) schedule for students who are married with no children.

Purpose:

This bill continues the Tuition Assistance Award (TAP) schedule for students who are married with no children currently in effect for FY 2010-11.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

Currently, students who are married with no children are on a more generous TAP award schedule than single adults with no children. This bill continues from FY 2010-11 the TAP award schedule that decreases the maximum award for independent students who are married without children from \$5,000 to \$3,025, which is consistent with the award provided to single adults with no children. Approximately 6,500 students are expected to be impacted by this proposal, resulting in an average award reduction of about \$1,200.

This proposal was advanced with the 2010-11 Executive Budget and was enacted through appropriation language for a one-year period.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-12 Executive Budget, which assumes savings of \$5.4 million in 2011-12 and annual savings of \$7.8 million when fully effective.

Effective Date:

This bill takes effect July 1, 2011.

Part I – Increase academic standards for non-remedial Tuition Assistance Program (TAP) recipients.

Purpose:

This bill maintains the minimum academic standards required for non-remedial students to maintain Tuition Assistance Program (TAP) eligibility.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

This bill maintains the minimum academic standards required for non-remedial students to be eligible for TAP. Students whose scores on a recognized college placement exam or nationally recognized standardized exam indicate the need for remediation, as certified by the appropriate college official and approved by the Commissioner of Education, and who are enrolled in up to nine remedial courses in their first term, and up to six remedial courses in subsequent terms, will remain on the current academic standards and TAP eligibility schedules. Students enrolled in the higher education opportunity program (HEOP), the education opportunity program (EOP), the search for education, elevation and knowledge (SEEK) program, or the college discovery program will also remain on the current schedules. All other TAP recipients who first received an award starting in the 2010-11 academic year and thereafter are placed on a more stringent academic standards schedule that will require them to earn a minimum of 15 credits and a 1.8 GPA by the end of their second semester of study. Similar requirements are established for students attending programs organized on a trimester basis. This proposal will impact approximately 2,100 TAP recipients currently receiving an average award of about \$3,000.

Similar provisions were advanced with the 2010-11 Executive Budget and enacted through appropriation language for a one-year period.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-12 Executive Budget, which assumes savings of \$4.4 million in 2011-12 and annual savings of \$8.9 million when fully effective.

Effective Date:

This bill takes effect July 1, 2011.

Part J – Eliminate Tuition Assistance Program (TAP) eligibility for graduate students.

Purpose:

This bill continues the provision enacted in the 2010-11 budget that renders graduate students ineligible for the tuition assistance program (TAP).

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

The 2010-11 budget eliminated TAP eligibility for graduate students for a period of one year through appropriation language. This proposal makes this provision permanent. Graduate students are typically eligible for institutionally-supported fellowships and assistantships to help defray the cost of attendance. Moreover, in light of the State fiscal situation, continuing the elimination of graduate TAP awards would help minimize the reductions necessary to TAP awards for undergraduate students.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-12 Executive Budget, which assumes savings of \$2.0 million in 2011-12 and annual savings of \$2.8 million when fully effective.

Effective Date:

This bill takes effect July 1, 2011.

Part K – Extend the Regents Physician Loan Forgiveness Program until the end of the 2015-16 school year.

Purpose:

This bill extends the Regents Physician Loan Forgiveness Program until the end of the 2015-16 school year.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

The Regents Physician Loan Forgiveness Program provides annual awards of \$10,000 for a period of 2 years to physicians who are serving in high need areas of New York State. Statutory authorization for the Regents Physician Loan Forgiveness Program expired June 30, 2009. This proposal extends authorization for this Program through the 2015-16 school year, which will provide the necessary statutory authority for the continuation of the program and fulfill prior year obligations to individuals who are carrying out their service requirements associated with the program.

This Program provides up to 80 new awards annually.

A proposal to provide statutory authorization to continue this Program was advanced in the 2010-11 Executive Budget, but not enacted.

Budget Implications:

Enactment of this bill is expected to cost \$3.9 million in 2011-12 and \$1.6 million annually when fully effective.

Effective Date:

This bill takes effect immediately and shall be deemed to have been in full force and effect on the same date and in the same manner as part I of Chapter 57 of the laws of 2008.

Part L – Extend Patricia K. McGee Nursing Faculty Scholarship and the Nursing Faculty Loan Forgiveness Incentive programs until June 30, 2016.

Purpose:

This bill extends the Patricia K. McGee Nursing Faculty Scholarship and the Nursing Faculty Loan Forgiveness Incentive programs until June 30, 2016.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

Statutory authorization for the Patricia K. McGee Nursing Faculty Scholarship and the Nursing Faculty Loan Forgiveness Incentive programs expired June 30, 2010. This proposal extends authorization for these programs through June 30, 2016, which would provide the necessary statutory authority to continue these programs, and fulfill prior year obligations to individuals who are carrying out their service requirements associated with the programs. The McGee Nursing Faculty Scholarship Program pays for the cost of attendance up to \$20,000 for individuals who enroll in a masters or doctoral program and agree to teach in a clinical or faculty position in the field of nursing. The Nursing Faculty Loan Forgiveness Program provides up to \$8,000 per year for individuals who provide classroom or clinical instruction in nursing.

A proposal to provide statutory authorization to continue these programs through June 30, 2015 was advanced in the 2010-11 Executive Budget, but not enacted.

Budget Implications:

Enactment of this bill is expected to cost \$3.8 million in 2011-12 and \$2.6 million annually when fully effective.

Effective Date:

This bill takes effect immediately.

Part M – Extend the Regents Licensed Social Worker Loan Forgiveness Program until June 30, 2016.

Purpose:

This bill extends the Regents Licensed Social Worker Loan Forgiveness Program until June 30, 2016.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

Statutory authorization for the Regents Licensed Social Worker Loan Forgiveness Program is set to expire June 30, 2011. This proposal extends authorization for this Program through June 30, 2016. The Regents Social Worker Loan Forgiveness Program encourages professional social workers with outstanding student loans to accept and continue employment in mission critical human service areas of health, mental health, substance abuse, aging, HIV/AIDS and child welfare by providing them with up to \$6,500 per year for a period of up to four years.

Budget Implications:

The State Financial Plan currently takes the extension of this program into account; therefore, this bill has no fiscal implications. Estimated SFY 2011-12 spending for the Regents Licensed Social Worker Loan Forgiveness Program is \$978,000.

Effective Date:

This bill takes effect immediately.

Part N – Establish STAR Program Cost Containment Measures.

Purpose:

This bill makes the STAR program more cost-effective.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

This proposal enables the State to continue offering broad-based tax relief under the STAR program by implementing important cost-containment reforms. In particular, the bill (1) caps the maximum tax benefit in each school district or “portion” thereof at 2 percent above of the tax benefit that was applicable therein for the prior school year, and (2) creates a mechanism by which property owners may renounce and repay (with interest and a \$500 processing fee) any previously-granted property tax exemptions (including, but not limited to STAR) to which they now acknowledge they were not

entitled (for example, where they own two homes in New York and have been improperly receiving STAR on both, or where they own homes both in New York and Florida and have been improperly receiving STAR on the first and the Florida Homestead Exemption on the second). Those who undertake such renunciation and repayment would be exempt from sanctions that otherwise could be imposed. Providing this process would encourage individuals to come into legal compliance, and reduce the number of individuals improperly receiving tax exemptions.

In addition, the bill authorizes the Commissioner of Taxation and Finance to adopt by regulation a uniform statewide system of parcel identification numbers and a uniform statewide assessment calendar, to be effective no sooner than January 1, 2013. This will facilitate the matching of taxpayer ID numbers to parcel ID numbers by the Department for purposes of administering the new \$500,000 income limit for Basic STAR.

The STAR program now costs the State over \$3 billion each year. Its costs are growing annually at a time when the State can least afford it. These reforms will bring these costs under control while making the Program work more fairly and effectively.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-2012 Executive Budget. Establishing these STAR program cost containment measures would reduce General Fund spending by \$125 million in SFY 2011-12.

Effective Date:

This bill takes effect immediately.

Part O – Better align Committee on Special Education (CSE) maintenance cost shares.

Purpose:

This bill realigns the State share of maintenance costs for children placed in a residential school by a school district's Committee on Special Education (CSE) to the placing school district.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

The Office of Children and Family Services (OCFS) is charged with overseeing the maintenance (room and board) costs of students who are placed in residential schools by a CSE when the child's needs cannot be met in the school district. Currently, the

maintenance cost shares are split as follows: 36.8 percent to the State, 43.2 percent to the local social services district and 20 percent to the school district.

This bill adjusts this allocation of costs so that the school district cost share will be 56.8 percent, and the State will no longer bear such maintenance costs. Educational determinations that result in residential placements are made by a school district's CSE. The cost share change made by the bill would better align fiscal responsibilities with the entity that makes the placement decisions. It would also incentivize school districts to find more effective and less costly ways to better serve these children in their schools and community.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-2012 Executive Budget, which assumes a \$69.3 million General Fund savings.

Effective Date:

This bill takes effect January 1, 2011.

Part P – Establish the Primary Prevention Incentive Program.

Purpose:

Establish a Primary Prevention Incentive Program to provide funding to prevent out of home placements and to reduce juvenile delinquency.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

Currently, there are various contract programs and county allocations that provide front-end prevention services to prevent juvenile delinquency and placements in foster care. These programs include the Healthy Families New York Home Visiting Program, Hoyt Trust Fund (Family Violence Prevention), Kinship Contract Program, Community Optional Preventive Services, Youth Development and Delinquency Prevention, Special Delinquency Prevention Program, Runaway Homeless Youth Act, Child Protective Caseworker Caseload Ratio Funding, and Settlement Houses. This bill would restructure the allocation of moneys supporting such programs by creating a new Primary Prevention Incentive Program.

This proposal would reinvest 50 percent of the savings from this restructuring to support statewide front-end prevention services. Funding to local districts would support outcome-based preventive programs to mitigate the need for more costly services in the child welfare and juvenile justice systems by preventing placements in foster care and combating juvenile delinquency.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-2012 Executive Budget, which assumes \$35.4 million in General Fund savings.

Effective Date:

This bill takes effect on July 1, 2011.

Part Q – Establish Juvenile Justice Reforms.

Purpose:

This bill reforms the State's juvenile justice system by: 1) rightsizing the State's youth facility system; 2) reducing placements of low risk youth into both local detention centers and Office of Children and Family Service (OCFS) facilities; and 3) investing in performance-focused and community-based supervision and treatment programs for juveniles.

Statement in Support, Summary of Provisions, Existing Law and Prior Legislative History:

OCFS currently pays 50 percent of costs associated with residential placements in OCFS facilities for youth sentenced for committing crimes prior to their 16th birthday that would be criminal if committed by an adult. OCFS also supports 49 percent of costs associated with operating local secure and non-secure detention centers. In addition, OCFS supports aftercare services and provides funding through allocations to local social services districts and direct contracts with not-for-profit organizations for programs that act as an alternative to detention and OCFS residential placement.

The current residential programs are expensive and ineffective, as is shown by recidivism rates in excess of 80 percent. Research indicates that youth are better served in less expensive, community-based programs that allow them to remain in their homes while receiving services necessary to help them lead lives as productive, law-abiding citizens. As a result of youth being diverted into community-based settings, OCFS has experienced a significant decline in placements in facilities (65 percent decline between 2001 and 2009). Currently, OCFS facilities are operating at 50 percent capacity, resulting in exorbitant excess costs to both the State and local governments.

This bill allows for reform in the State's juvenile justice system by rightsizing the State's youth facility system, reducing placements of low risk youth into both local detention centers and OCFS facilities, and investing in performance-focused and community-based supervision and treatment programs for juveniles.

To achieve these reforms, this bill does the following:

- eliminates the current requirement that OCFS provide 12-months notice prior to instituting significant service reductions, public employee staffing reductions or the transfer of operations to a private or not-for-profit entity (effective April 1, 2011);
- eliminates the current open-ended 49 percent reimbursement for local secure and non-secure detention and in its place creates a capped appropriation to support 50 percent of costs associated with local secure and non-secure detention. In addition, the bill eliminates Person In Need of Supervision (PINS) placements into local detention. As of January 1, 2012, these funds will only support youth who have been designated as high risk, as determined by a risk assessment instrument approved by OCFS (effective July 1, 2011); and
- creates the Supervision and Treatment Services for Juveniles Program, in which OCFS will provide 62 percent reimbursement to eligible municipalities and New York City for services to divert youth at risk of, alleged to be, or adjudicated as juvenile delinquents from placement in detention or in residential care (effective July 1, 2011).

In 2009-10, the 12-month notification requirement was waived for one year to close certain facilities.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-2012 Executive Budget. The net savings is \$13.6 million in 2011-12 and \$24.6 million in 2012-13, which is broken down as follows:

- Rightsizing the capacity of OCFS facilities including elimination of the 12-month notification requirement (2011-12: \$21.8 million savings; 2012-13: \$21.8 million savings).
- Eliminating the open-ended 49 percent funding for secure and non-secure detention (2011-12: \$38.2 million savings; 2012-13: \$81.1 million savings).
- Creating a capped funding stream for detention for high risk youth (2011-12: \$15 million cost; 2012-13: \$30 million cost).
- Creating the Supervision and Treatment Services for Juveniles Program (2011-12: \$31.4 million cost; 2012-13: \$48.3 million cost).

Effective Date:

Provisions are effective on various dates, as indicated above.

Part R – Modify the fee structure for Statewide Central Registry (SCR) clearance checks.

Purpose:

This bill increases or imposes fees on certain individuals to help cover the costs of conducting Statewide Central Registry (SCR) clearance checks.

Statement in Support, Summary of Provisions, Existing Law and Prior Legislative History:

The SCR receives calls alleging child abuse and maltreatment and maintains records of all persons who have been the subject of child abuse investigations. State Law requires that individuals who work alone with children receive clearance checks through the SCR database. However, the current fee structure does not support the per clearance check cost of approximately \$60 that the Office of Children and Family Services (OCFS) incurs for meeting this requirement. This bill amends Social Services Law § 424-a by increasing the fee from \$5 to \$60 for individuals who currently pay for clearances through the SCR. It also imposes a \$60 fee on certain individuals who are currently exempt from the fee.

Under existing law, prospective OCFS employees, and employees of the following institutions and types of organizations must pay a \$5 fee for an SCR clearance: runaway and homeless youth shelters and programs certified by OCFS; residential schools operated by the State Education Department; early intervention programs; preschool services; Office of Alcoholism and Substance Abuse Services (OASAS) programs and facilities; residential facilities and non-facilities programs under the Office of Mental Health (OMH) and the Office for People with Developmental Disabilities (OPWDD); residential facilities under OCFS; and applicants of safe houses for children's programs.

Currently, applicants to become a child day care provider, and applicants for employment with such a provider do not pay a fee for an SCR clearance. This bill imposes a \$60 fee on both individuals requiring a clearance for becoming a child day care provider and applicants for employment with such a provider.

A \$25 fee was proposed in the 2009-10 Executive Budget, but it was not enacted.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-12 Executive Budget. New and increased fees will result in \$11.9 million in revenue in 2011-12 that will support costs currently paid with General Fund dollars.

Effective Date:

This bill takes effect April 1, 2011.

Part S – Authorize the pass-through of any Federal Social Security Income (SSI) Cost of Living Adjustment which becomes effective on or after January 1, 2012.

Purpose:

To authorize SSI benefits to be increased in 2012 by the percentage of any Federal SSI Cost of Living Adjustment (COLA).

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

Sections 131-o and 209 of the Social Services Law establish specific amounts for the monthly Personal Needs Allowance (PNA) and the monthly SSI standard of need (the maximum combined federal and State benefit) for recipients in various living arrangements. This bill amends those sections of law to set forth the actual 2011 PNA amounts and the standard of need for eligibility and payment of additional State payments. It also authorizes those amounts to be automatically increased in 2012 by the percentage of any federal SSI COLA which becomes effective within the first half of calendar year 2012.

Legislation to effectuate the federal SSI COLA has been enacted annually since 1984.

Budget Implications:

If the pass-through of the federal SSI COLA is not authorized in State statute, there will be no statutory authority to provide SSI recipients with the full amount of any federal increase plus a State supplement at the current level. The State supplements would be automatically reduced to reflect the current standards of need set forth in the SSL.

Effective Date:

This act shall take effect December 31, 2011.

Part T – Strengthen compliance with Public Assistance Work Requirements.

Purpose:

This bill encourages public assistance recipients to comply with employment requirements by withholding the public assistance grant of a household when the head of household does not engage in eligible work activities.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

Under current State law, public assistance benefit payments to households in which the head of household is out of compliance with work requirements are reduced by the portion of the grant attributable to the head of household. As such, if the head of a three-person household does not comply with work requirements, the household still receives two-thirds of the monthly public assistance grant. This partial sanction policy remains effective until compliance and is also durational; therefore, the greater the instances of non-compliance, the longer the period of benefit reduction.

Current statute also requires local social services districts to notify those households at-risk of a partial sanction of their right to a conciliation process whereby “good cause” for non-compliance may be established.

This bill:

- Compels local social services districts to make a second attempt to contact households with dependent children who do not respond to the first conciliation notice;
- Includes in the conciliation notice an explanation of the benefits of compliance and makes the conciliation process consistent for all public assistance recipients regardless of the length of stay on assistance;
- Withholds the entire monthly public assistance grant in the second instance of non-compliance with work requirements until such time of compliance; and
- Applies the full sanction in the third and subsequent instances of non-compliance for a minimum of six months - with households that comply during this period receiving a partial grant for the duration of the sanction period.
- Mandates a report on the implication of the full family sanction policy by December 31, 2012.

Implementation of a full family sanction policy will remove the current disincentive to work that allows recipients to receive a reduced benefit regardless of the duration of their non-compliance and it will end payments to those currently sanctioned households that may have alternate sources of income and use the reduced benefit as supplemental income.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-2012 Executive Budget, which assumes \$7.4 million in General Fund savings.

Effective Date:

This bill takes effect on October 1, 2011.

Part U – Delay the scheduled Public Assistance Grant increase.

Purpose:

This bill delays the scheduled 2011 ten percent increase to the non-shelter portion of the public assistance grant.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

The public assistance benefit is comprised of a shelter and non-shelter portion. The shelter portion varies based on family composition and county of residence. The non-shelter portion varies based on family composition and is comprised of a basic allowance, a home energy allowance and a supplemental home energy allowance.

The enacted 2009-2010 budget included a ten percent increase to the non-shelter portion of the public assistance grant for three consecutive years. The first two increases were implemented in July 2009 and July 2010 and raised the monthly non-shelter portion of the grant from \$291 to \$353 for the average public assistance household. The third and last increase was scheduled for July 2011 and would increase the monthly non-shelter portion of the grant to \$388 for approximately 240,000 households. This bill would delay the increase until July 2012.

This bill:

- Delays the planned July 2011 increase to the non-shelter portion of the grant by amending paragraphs (a-2) and (a-3) of subdivision 3 of section 131-a of the Social Services law; and
- Maintains the current income threshold used to determine public assistance eligibility by amending paragraphs (a-2) and (a-3) of subdivision 2 of section 131-a of the Social Services Law - the income threshold must always align with the amount of the non-shelter portion of the public assistance grant.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-2012 Executive Budget, which assumes \$29.3 million in General Fund savings.

Effective Date:

This bill takes effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2011.

Part V – Consolidate the Neighborhood Preservation Program and Rural Preservation Program into a single, competitive, performance-based program.

Purpose:

This bill restructures the Neighborhood Preservation Program (NPP) and Rural Preservation Program (RPP) into a single, competitive, performance based program.

Statement in Support, Summary of Provisions, Existing Law, and Prior Legislative History:

This bill repeals Articles 16 and 17 of the Private Housing Finance Law (PHFL) that establishes the Neighborhood Preservation Program and the Rural Preservation Program and creates a new Article 27 to establish a new Neighborhood and Rural Preservation Program.

Under current law, the Division of Housing and Community Renewal (DHCR) provides financial support to approximately 200 not-for-profit community-based housing corporations across the State. These corporations provide various housing related services to communities and are required to serve areas with significant unmet housing needs for low- and moderate- income populations. The proposed single program would support the same housing and community renewal activities that are supported under current law.

Under the new program, funds will be awarded pursuant to a competitive solicitation, and based upon achievement of performance standards established by the Commissioner of DHCR. The bill raises the cap on payments to be made under contracts pursuant to this program to \$500,000 per year. The bill also authorizes more than one corporation to file a joint application for funding.

Budget Implications:

In addition to the reform of the NPP and RPP programs, the 2011-12 Executive Budget recommends a consolidation of the funding for the NPP and RPP programs into a single appropriation. The proposal includes a 50 percent reduction in funding for the NPP and RPP programs, from \$12 million in 2010-11 to \$6 million in 2011-12.

Effective Date:

This bill takes effect July 1, 2011.

Part W – Make permanent the Unemployment Insurance (UI) Interest Assessment Surcharge.

Purpose:

This bill makes permanent the statutory authorization for the Department of Labor (DOL) to assess a surcharge on employers for payment of interest due on Unemployment Insurance (UI) benefit loans from the Federal government.

Statement in Support, Summary of Provisions, Existing Law and Prior Legislative History:

This bill permanently extends current statutory authorization to collect a UI interest assessment surcharge from employers in order to pay interest on federal loans taken to support the UI benefit program and ensure UI Trust Fund solvency. The UI Trust Fund currently has outstanding loans for which the State is expected to be required to begin interest payments in October, 2011.

This bill eliminates the expiration date of sections 30 and 31 of Chapter 62 of the Laws of 2003. Section 30 establishes the interest assessment surcharge fund in order to receive these assessed surcharges from DOL. Section 31 authorizes DOL to collect a surcharge from employers for the purpose of paying interest on UI benefit loans from the Federal government. These provisions have been extended since 2006. Given that the surcharge authorized by the statute is necessary to ensure repayment of UI benefit loans, there is no purpose in requiring the annual renewal of this provision.

Budget Implications:

Enactment of this bill is necessary to implement the 2011-12 Executive Budget. If New York State is required to make federal interest payments and there is no mechanism in place to assess employers for this cost, the State could incur General Fund liabilities, which are not assumed in the Executive Budget, or face federal sanctions.

Effective Date:

This bill takes effect immediately.

The provisions of this act shall take effect immediately, provided, however, that the applicable effective date of each part of this act shall be as specifically set forth in the last section of such part.