

**2015-16 NEW YORK STATE EXECUTIVE BUDGET**

**PUBLIC PROTECTION AND GENERAL GOVERNMENT**  
**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 executive law, in relation to authorizing the commissioner of corrections and community supervision to make the final decision on medical parole for certain eligible non-violent inmates (Part A); to amend chapter 887 of the laws of 1983, amending the correction law relating to the psychological testing of candidates, in relation to the effectiveness thereof; to amend chapter 428 of the laws of 1999, amending the executive law and the criminal procedure law relating to expanding the geographic area of employment of certain police officers, in relation to extending the expiration of such chapter; to amend chapter 886 of the laws of 1972, amending the correction law and the penal law relating to prisoner furloughs in certain cases and the crime of absconding therefrom, in relation to the effectiveness thereof; to amend chapter 261 of the laws of 1987, amending chapters 50, 53 and 54 of the laws of 1987, the correction law, the penal law and other chapters and laws relating to correctional facilities, in relation to the effectiveness thereof; to amend chapter 339 of the laws of 1972, amending the correction law and the penal law relating to inmate work release, furlough and leave, in relation to the effectiveness thereof; to amend chapter 60 of the laws of 1994 relating to certain provisions which impact upon expenditure of certain appropriations made by chapter 50 of the laws of 1994 enacting the state operations budget, in relation to the effectiveness thereof; to amend chapter 3 of the laws of 1995, amending the correction law and other laws relating to the incarceration fee, in relation to extending the expiration of certain provisions of such chapter; to amend chapter 62 of the laws of 2011, amending the correction law and the executive law, relating to merging the department of correctional services and division of parole into the department of corrections and community supervision, in relation to the effectiveness thereof; to amend chapter 55 of the laws of 1992, amending the tax law and other laws relating to taxes, surcharges, fees and funding, in relation to extending the expiration of certain provisions of such chapter; to amend chapter 907 of the laws of 1984, amending the correction law, the New York city criminal court act and the executive law relating to prison and jail housing and alternatives to detention and incarceration programs, in relation to extending the expiration of certain provisions of such chapter; to amend chapter 166 of the laws of 1991, amending the tax law and other laws relating to taxes, in relation to

extending the expiration of certain provisions of such chapter; to amend the vehicle and traffic law, in relation to extending the expiration of the mandatory surcharge and victim assistance fee; to amend chapter 713 of the laws of 1988, amending the vehicle and traffic law relating to the ignition interlock device program, in relation to extending the expiration thereof; to amend chapter 435 of the laws of 1997, amending the military law and other laws relating to various provisions, in relation to extending the expiration date of the merit provisions of the correction law and the penal law of such chapter; to amend chapter 412 of the laws of 1999, amending the civil practice law and rules and the court of claims act relating to prisoner litigation reform, in relation to extending the expiration of the inmate filing fee provisions of the civil practice law and rules and general filing fee provision and inmate property claims exhaustion requirement of the court of claims act of such chapter; to amend chapter 222 of the laws of 1994 constituting the family protection and domestic violence intervention act of 1994, in relation to extending the expiration of certain provisions of the criminal procedure law requiring the arrest of certain persons engaged in family violence; to amend chapter 505 of the laws of 1985, amending the criminal procedure law relating to the use of closed-circuit television and other protective measures for certain child witnesses, in relation to extending the expiration of the provisions thereof; to amend chapter 3 of the laws of 1995, enacting the sentencing reform act of 1995, in relation to extending the expiration of certain provisions of such chapter; to amend chapter 689 of the laws of 1993 amending the criminal procedure law relating to electronic court appearance in certain counties, in relation to extending the expiration thereof; to amend chapter 688 of the laws of 2003, amending the executive law relating to enacting the interstate compact for adult offender supervision, in relation to the effectiveness thereof; to amend part H of chapter 56 of the laws of 2009, amending the correction law relating to limiting the closing of certain correctional facilities, providing for the custody by the department of correctional services of inmates serving definite sentences, providing for custody of federal prisoners and requiring the closing of certain correctional facilities, in relation to the effectiveness of such chapter; to amend part C of chapter 152 of the laws of 2001, amending the military law relating to military funds of the organized militia, in relation to the effectiveness thereof; to amend chapter 554 of the laws of 1986 amending the correction law and the penal law relating to providing for community treatment facilities and establishing the crime of absconding from the community treatment facility, in relation to the effectiveness thereof; and to amend chapter 503 of the laws of 2009, relating to the disposition of monies

recovered by county district attorneys before the filing of an accusatory instrument, in relation to the effectiveness thereof (Part B); relating to transferring certain employees of the division of state police to the office of general services (Part C); to amend the workers' compensation law, in relation to eliminating certain arbitration and license fees; and to repeal paragraph (c) of subdivision 1 and subparagraph (iii) of paragraph (b) of subdivision 3 of section 13-c of the workers' compensation law relating to payment of license fees (Part D); to amend the election law, in relation to campaign finance reform; to amend the election law, in relation to campaign contribution limits and penalties for violations; to amend the election law, in relation to campaign receipts and expenditures; to amend the election law, in relation to contribution and receipt limitations; to amend the election law, in relation to public financing; to amend the state finance law, in relation to the New York state campaign finance fund; and to amend the tax law, in relation to the New York state campaign finance fund check-off (Part E); to amend the election law, in relation to eliminating certain publishing requirements by state and local boards of election; and to repeal certain provisions of such law relating thereto (Part F); to amend the civil service law, in relation to supporting the previous consolidation of information technology services within the state office of information technology services (ITS) and permit term appointments for eligible, high-demand ITS positions without examination (Part G); to amend the civil service law and the correction law, in relation to salaries (Part H); establishing a commission on executive and legislative compensation, and providing for the powers and duties of the commission and for the dissolution of the commission (Part I); to amend the civil service law, in relation to auditing enrollee information in the New York State Health Insurance Program (Part J); to amend the state finance law, in relation to increasing the allowable balance in the rainy day reserve fund, and in relation to updating consulting services reporting; to amend the retirement and social security law, in relation to requiring pension system reporting; and to repeal certain provisions of the state finance law relating thereto (Part K); to amend the state finance law, in relation to a program of aid to municipalities in which a video lottery terminal facility is located (Part L); to amend chapter 674 of the laws of 1993, amending the public buildings law relating to value limitations on contracts, in relation to extending the effectiveness thereof; and to amend the public buildings law, in relation to increasing the value limitation to one million dollars on emergency contracts (Part M); to amend the public buildings law, in relation to increasing the threshold of small capital projects delegated by OGS to one hundred fifty thousand dollars (Part N); to amend the state finance law, in

relation to the creation of a new dedicated infrastructure investment fund (Part O); and to provide for the administration of certain funds and accounts related to the 2014-15 budget, authorizing certain payments and transfers; to amend the state finance law, in relation to school tax relief fund; to amend the state finance law, in relation to payments, transfers and deposits; to amend the state finance law, in relation to the issuance of bonds and notes; to amend the New York state urban development corporation act, in relation to funding project costs for certain capital projects; to amend chapter 389 of the laws of 1997, relating to the financing of the correctional facilities improvement fund and the youth facility improvement fund, in relation to the issuance of bonds; to amend the private housing finance law, in relation to housing program bonds and notes; to amend chapter 329 of the laws of 1991, amending the state finance law and other laws relating to the establishment of the dedicated highway and bridge trust fund, in relation to the issuance of bonds; to amend the public authorities law, in relation to the dormitory authority; to amend chapter 61 of the laws of 2005, providing for the administration of certain funds and accounts related to the 2005-2006 budget, in relation to issuance of bonds by the urban development corporation; to amend the New York state urban development corporation act, in relation to funding project costs for the Binghamton university school of pharmacy, New York power electronic manufacturing consortium and the nonprofit infrastructure capital investment program; to amend the public authorities law, in relation to the state environmental infrastructure projects; to amend the New York state urban development corporation act, in relation to authorizing the urban development corporation to issue bonds to fund project costs for the implementation of a NY-CUNY challenge grant program; to amend chapter 81 of the laws of 2002, providing for the administration of certain funds and accounts related to the 2002-2003 budget, in relation to increasing the aggregate amount of bonds to be issued by the New York state urban development corporation; to amend the public authorities law, in relation to financing of peace bridge and transportation capital projects; to amend the public authorities law, in relation to dormitories at certain educational institutions other than state operated institutions and statutory or contract colleges under the jurisdiction of the state university of New York; to amend the public authorities law, in relation to authorization for the issuance of bonds for the capital restructuring bond finance program and the health care facility transformation program; to amend chapter 389 of the laws of 1997, relating to the financing of the correctional facilities improvement fund and the youth facility improvement fund, in relation to the issuance of bonds; to amend

the New York state medical care facilities finance agency act, in relation to bonds and mental health facilities improvement notes; to amend chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, in relation to the aggregate amount of and issuance of certain bonds; and to amend chapter 63 of the laws of 2005, relating to the composition and responsibilities of the New York state higher education capital matching grant board, in relation to increasing the amount of authorized matching capital grants; to amend the smart schools bond act of 2014, in relation to the issuance of bonds; to amend the public authorities law, in relation to the financing of hazardous waste site remediation projects, financing of the metropolitan transportation authority transportation facilities; and providing for the repeal of certain provisions upon expiration thereof (Part P)

### **PURPOSE:**

This bill contains provisions needed to implement the Public Protection and General Government portions of the 2015-16 Executive Budget.

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

### **Part A – Authorize the Commissioner of the Department of Corrections and Community Supervision to make the final determination regarding the medical parole release of certain non-violent offenders**

#### **Purpose:**

This bill would authorize the Commissioner of the Department of Corrections and Community Supervision (DOCCS) to make the final determination regarding the medical parole release of certain non-violent offenders, instead of the Board of Parole.

#### **Summary of Provisions and Statement in Support:**

To qualify for medical parole, an inmate must be suffering from a terminal condition and be so debilitated or incapacitated that he or she is incapable of presenting any danger to society. Inmates convicted of certain crimes are ineligible for medical parole, including: murder in the 1st degree; and attempt or conspiracy to commit murder in the 1st degree. Under current law, all inmates seeking medical parole release must appear before the Board of Parole for a final determination. The Board of Parole process can be time-consuming and a number of eligible inmates die in prison.

This bill would allow the DOCCS Commissioner to make the final determination regarding the medical parole release of inmates who have been convicted of non-violent crimes.



Inmates who have been convicted of crimes such as A-1 felonies, manslaughter, and sex offenses would still be required to appear before the Board of Parole before a medical parole release could be granted.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget. It would achieve an estimated \$1 million in annual savings of inmate health care costs from the expeditious release non-violent inmates who meet the qualifications for medical parole.

Effective Date:

This bill would take effect immediately.

**Part B – Extend various criminal justice and public safety programs that would otherwise sunset**

Purpose:

This bill would extend for two years various criminal justice and public safety programs, including continuation of the existing formula for distribution of certain monies recovered by county district attorneys that would otherwise expire in 2015.

Summary of Provisions and Statement in Support:

This bill would extend the authorization of various sections of law to ensure the continuation of a host of criminal justice programs -- all of which have been extended multiple times. Key programs and statutory provisions continued by this bill include: psychological testing of correctional officer candidates; geographic area relating to employment of police officers; determinate sentencing; inmate work release and furloughs; earned eligibility program; substance abuse treatment for inmates; incarceration, parole and probation fees; mandatory surcharge and crime victim assistance fee; alternatives to incarceration; armory rent; ignition interlock program for individuals convicted of alcohol-related violations; electronic court appearances; adult interstate compact; mandatory arrest in cases of domestic violence; and protective measures for child witnesses.

This bill would also extend Chapter 503 of the laws of 2009, as amended by Part C of Chapter 55 of the Laws of 2014, for two years. Pursuant to that law, a county district attorney in New York City may retain a portion of recoveries it makes before the filing of an accusatory instrument, and the remaining amount is distributed equally between the State and the City of New York.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-2016 Executive Budget which relies on continuation of these programs in certain Financial Plan projections.

Effective Date:

This bill would take effect immediately.

**Part C – Authorize the transfer of Division of State Police employees engaged in certain finance and human resource functions to the Office of General Services**

Purpose:

This bill would authorize the transfer of Division of State Police (DSP) employees to the Office of General Services (OGS) as part of the centralization of certain finance and human resource functions within OGS's Business Services Center (BSC).

Summary of Provisions and Statement in Support:

This bill would authorize the transfer of DSP employees engaged in certain finance and human resource functions to OGS. These employees will work in the BSC within OGS.

The BSC was established within OGS in 2012 to provide shared services to streamline financial and human resource transactions for State agencies. Its mission is to increase efficiencies, lower costs and support agencies as they focus on core mission activities. Agency employees substantially engaged in the performance of duties associated with such transactions are transferred to OGS. As part of the BSC assuming responsibility for DSP transactions, certain employees that are in the unclassified service need to be transferred to OGS to work in the BSC. The transfer of such employees requires statutory authorization.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget. It would provide the legal authority necessary to effectuate DSP employee transfers to the BSC within OGS, thereby enabling efficiencies and cost savings.

Effective Date:

This bill would take effect immediately.

## **Part D – Repeal miscellaneous fees levied by the Workers’ Compensation Board while retaining the necessary functions associated with those fees**

### Purpose:

This bill would repeal miscellaneous fees charged by the Workers’ Compensation Board for assorted minor licenses and requests for arbitration services.

### Summary of Provisions and Statement in Support:

Elimination of ten fees charged by the Workers’ Compensation Board would provide relief to employers, providers and claimants from these regulatory costs.

### Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget and will reduce costs related to workers’ compensation by \$60,000 annually for employers, providers, and claimants.

### Effective Date:

This bill would take effect April 1, 2015.

## **Part E – Campaign Finance Reform and Public Financing of Campaigns**

### Purpose:

This bill would reform campaign contribution limits and enact a voluntary public campaign finance program in order to restore the public’s trust in State government.

In 2014, Governor Cuomo passed the Public Trust Act to address ethics issues within New York’s government and elections process. A pilot program designed to provide public campaign financing of State Comptroller elections was also enacted as part of the 2014-15 Budget and this bill would expand public financing of campaigns to all State offices in 2018.

### Summary of Provisions and Statement in Support:

The bill will take effect immediately and is composed as follows:

Section 1 would create a new heading for Article 14 of the Election Law (EL): Campaign Receipts and Expenditures; Public Financing.

Section 2 would amend EL§ 14-100 by adding a new subdivision defining "intermediary" and by adding a definition of “authorized committee”.

Section 3 would amend EL§ 14-102 to require that statements filed by political committees include information about intermediaries.

Section 4 would amend EL§ 14-124 to apply a \$25,000 contribution limit to so-called “housekeeping accounts.”

Section 5 would amend EL§ 14-108 to provide that the receipt of any campaign contribution or loan in excess of \$1,000 be disclosed within 48 hours of receipt.

Section 6 would amend EL § 14-114 to amend the campaign contributions limits for all candidates participating in the public financing system as follows:

- Statewide candidates would have a contribution limit of \$6,000 for both the primary and general election, for an aggregate of \$12,000;
- State Senate candidates would have a contribution limit of \$4,000 for both the primary and general election, for an aggregate of \$8,000; and
- State Assembly candidates would have a contribution limit of \$2,000 for both the primary and the general, for an aggregate of \$4,000.

For those candidates not participating in the public financing system limits are amended as follows:

- Statewide candidates would have a contribution limit of \$10,000 for the primary and \$15,000 for the general election, for an aggregate of \$25,000;
- State Senate candidates would have a contribution limit of \$5,000 for both the primary and general election, for an aggregate of \$10,000; and,
- State Assembly candidates would have a contribution limit of \$3,000 for both the primary and the general, for an aggregate of \$6,000.

In addition, this section would limit transfers from party or constituted committees to other party or constituted committee to no more than \$5,000 per election, except that such committees may transfer or spend up to \$500 from each contributor to support or oppose a candidate. This section would also prohibit contributions from any contributor to a party or constituted committee greater than \$25,000 per year.

Section 7 would amend EL § 14-116 to close the limited liability company (LLC) loophole which allows LLCs to contribute to candidates as if they were individuals, and lowers the LLC and corporate contribution limit to \$1,000.

Section 8 would amend EL § 14-130 to clarify and strengthen the prohibition on the use of campaign contributions for “personal use” – including prohibiting using contributions to

pay fines or penalties imposed in connection with a criminal conviction or by JCOPE or the Legislative Ethics Commission.

Section 9 would amend the EL by creating a new Title II under Article 14 entitled “Public Financing” that establishes:

- Comprehensive reporting and disclosure requirements to ensure maximum transparency and accountability [new EL§ 14-201];
- Eligibility criteria, including criteria based on accrual of “matchable contributions” by candidates [new EL §§ 14-204];
- Limits on the total amounts of public funds that may be provided in any election cycle [new EL § 14-205];
- Provisions governing the calculation and payment of public matching funds [new E L § 14-206];
- Lists allowable uses for public matching funds [new EL§ 14-207];
- Provisions requiring board of election audits and providing for repayment of any excess State funds disbursed [new EL § 14-209]; and
- Civil and criminal penalties for violations [new EL § 14-210].

Section 10 would amend the State Finance Law (SFL) by adding a new § 92-t creating the “New York State Campaign Finance Fund.”

Section 11 would amend SFL § 95 to allow for certain transfers from the abandoned property fund into the Campaign Finance Fund.

Section 12 would amend Tax Law § 658 by adding a new subsection (f) establishing a check-off for the “New York State Campaign Finance Fund” on tax returns.

#### Statement in support

New York lacks any public financing for statewide or legislative candidates. New York’s political candidates routinely rely far more upon large donors than candidates in other states—in 2010, on average only 6% of aggregate individual contributions received by candidates for state offices were for amounts of \$250 or less, and in no other state did a smaller percentage of the total population contribute to political campaigns (.05%).

In addition, for most offices, New York State’s contribution limits are substantially higher than any other State that imposes limits, and so high as to ensure that large donors dominate major political campaigns and candidates spend a large amount of time raising money rather than talking with voters about issues. At present, individuals in New York

are permitted to give up to \$60,800 for primary and general election campaigns (combined) for state-wide office candidates, \$16,800 for State Senate candidates, and \$8,200 for Assembly candidates.

And even the existing contribution limits are undermined by loopholes. Corporations are limited to political contributions of \$5,000 per year. But because LLCs are treated as individuals by the New York State Board of Elections, wealthy individuals and special interests can use LLCs to contribute large amounts to candidates.

This bill would enact a voluntary system of public financing. In addition, the bill lowers contribution limits, closes loopholes in the campaign finance law, and clarifies and enhances restrictions on the personal use of campaign funds.

Finally, this bill would require increased disclosure of contributions by requiring virtually real-time disclosure of contributions within 48 hours of receipt to candidates, to party committees, and to entities making independent expenditures to influence an election.

#### Budget Implications:

Public campaign financing will be financed by allowing resident taxpayers to make a donation to the new Campaign Finance Fund through a check-off box on their State income tax return, beginning with the 2016 tax year. Impacts will be dependent upon candidate participation in the program.

#### Effective Date:

The bill would take effect immediately; provided however all candidates will be eligible to participate in voluntary public financing beginning with the 2018 primary election.

### **Part F – Eliminate costly and unnecessary election law printing and publication requirements**

#### Purpose:

This bill would eliminate costly and unnecessary election law printing and publication requirements.

#### Summary of Provisions and Statement in Support:

The bill's provisions will help the State Board of Elections (SBOE) to operate more efficiently by:

- Repealing subdivision 2 of section 4-126 of the Election Law, eliminating the requirement that the SBOE annually print and distribute the full text of the Election Law to all County boards of election and to the public when requested;

- Amending subdivision 2 of section 9-212 of the Election Law, eliminating the requirement that certified copies of election results be published in local legal ads and instead require that such results be posted on a local board of elections' web site for a minimum of three days. With on-site and immediate coverage of elections by news media, election results are made public as soon as they are available. Continuing the requirement to subsequently publish certified results is redundant and costly; and
- Amending section 4-116 of the Election Law, eliminating the requirements that constitutional amendments and ballot questions be published in local newspapers and instead require that they be posted and disseminated on the SBOE's and Department of State's websites for a minimum of three days.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget and will generate approximately \$342,000 in annual savings for the State. Counties also should realize savings from this bill.

Effective Date:

This bill takes effect on April 1, 2015.

**Part G – Implement changes supporting the previous consolidation of information technology staff and services within the Office of Information Technology Services**

Purpose:

This bill would make changes necessary to support the consolidation of information technology services within the State Office of Information Technology Services (ITS).

Summary of Provisions and Statement in Support:

The Governor established ITS in 2012 to consolidate statewide IT operations, policies, and standards in order to deliver services more efficiently to customers and enable other State agencies to focus on their core policy missions. A key purpose of the ITS consolidation was to provide greater promotional and training opportunities for the State's IT workforce across multiple programs and services.

This bill would allow the Department of Civil Service to reclassify individuals employed in competitive, non-competitive, and exempt titles, now transferred to ITS, into appropriate IT titles so that they may benefit from promotional and training opportunities.

This bill would also allow a set number of individuals to be appointed to ITS positions that require special expertise or qualifications for a limited term without an examination.

Budget Implications:

This provision would support the ongoing consolidation of financial support for ITS and the economies and savings engendered by its activities.

Effective Date:

This bill would take effect immediately.

**Part H – Phase in Management/Confidential salary parity**

Purpose:

This bill would provide Management/Confidential (M/C) employees incremental general salary increases over the next four State fiscal years totaling a cumulative 7.18 percent, as follows:

- July 1, 2015 -- 2 percent
- April 1, 2016 -- 2 percent
- April 1, 2017 -- 2 percent
- April 1, 2018 -- 1 percent

These increases are in addition to a 2 percent general salary increase currently scheduled to be paid in April 2015. As such, factoring no other potential actions at this point in time, the total salary increase over the next four years would be 9.33 percent.

Summary of Provisions and Statement in Support:

Section 1 of this bill would amend Civil Service Law §130(1)(d) by adding new subparagraphs 4, 5, 6, and 7, which include new salary schedules for M/C employees.

Section 2 of this bill would amend Correction Law §19(1) by extending the same general salary increases to superintendents of correctional facilities appointed on or after August 9, 1975, or any superintendent who elects to be covered by these provisions.

Section 3 of this bill would specify that, starting in FY 2016, eligible employees will receive the following:

- 2% general salary increase, effective July 1, 2015;
- 2% general salary increase, effective April 1, 2016;
- 2% general salary increase, effective April 1, 2017; and,



- 1% general salary increase, effective April 1, 2018.

This section would also exclude former unionized employees who already received the three percent general salary increase on April 1, 2009 and/or the four percent general salary increase on April 1, 2010 - and whose current salaries reflect the effect of these increases - from receiving the increases under this bill. Finally, this section would provide salary increases to certain State employees in the State University and certain employees of the contract colleges at Cornell and Alfred.

Sections 4 through 7 would specify the use of appropriations, protect individuals participating in a special annuity program, provide for the effective date of raises, continue the ability of the Director of the New York State Division of the Budget (Budget Director) to withhold any increases, and require that the Budget Director notify the New York State Comptroller before any amounts in this bill are paid.

Section 8 would provide that this bill would take effect immediately, and shall be deemed to have been in full force and effect on and after April 1, 2015.

#### Budget Implications:

This bill would increase M/C compensation over a period of four years, the cost of which would be paid for within existing Agency budgets. Each 1% general salary increase for M/C employees costs \$10.5M (All Funds, excluding fringe benefits).

#### Effective Date:

This bill would take effect immediately, and shall be deemed to have been in full force and effect on and after April 1, 2015.

### **Part I – Create a salary commission to make recommendations on executive and legislative compensation**

#### Purpose:

This bill would create a salary commission that would convene every four years, commencing on June 1, 2015, to examine, evaluate and make recommendations regarding compensation for the governor, lieutenant governor, attorney general, comptroller, state officers covered by section 169 of executive law, and members of the legislature.

#### Summary of Provisions and Statement in Support:

Section 1 of this bill creates a salary commission that will examine pay levels and other benefits, including per diems and allowances, for legislators, statewide elected officers

and agency heads referred to in section 169 of the executive law. The commission will take into account factors not limited to the economic climate and inflation.

If the commission determines that legislative pay should be adjusted, the adjustment will consist of a two-tier level of pay, as follows: 1) a salary for members who agree to not receive "income from outside sources" for the upcoming legislative session; and, 2) a salary set lower than tier one for members who elect to receive income from outside sources for the upcoming legislative session. If legislators elect the second tier, their outside earnings may be capped and they must disclose, without any limitation, the source of outside income. They will also be barred from representing any client in any matters before the State or State agency. Decisions on which tier the legislator will elect to receive compensation will be made prior to entering the term of office beginning with the legislative session in January 2017.

Section 2 of this bill establishes that the commission will be comprised of three members, as follows: one appointed by the Governor, who will serve as chair of the commission; one by the Temporary President of the Senate; and one by the Speaker of the Assembly.

The commission will hold at least four public hearings, at different sites across the state, to gather input from citizens. The commission will publish its findings within 150 days after its establishment and must be unanimously voted on by the commission in order to draft legislation to send to the governor and legislature for consideration.

Executive and legislative compensation has not been changed in decades. This legislation, if enacted, would provide for a bipartisan, public examination of the issue of pay raises that would be tied, if authorized, to meaningful reforms.

#### Budget Implications:

Enactment of this bill is necessary to implement the 2015-16. Legislative pay raises, should they be authorized, would not be effective until calendar year beginning January, 2017. Other raises in salary, if so authorized, would not be effective until legislation was subsequently passed and enacted.

#### Effective Date:

This bill would take effect April 1, 2015..

### **Part J - Establish amnesty periods in the New York State Health Insurance Program**

#### Purpose:

This bill would authorize the President of the Civil Service Commission to establish amnesty periods in the New York State Health Insurance Program (NYSHIP).

During such amnesty periods, public employees enrolled in NYSHIP may voluntarily identify ineligible dependents (ex-spouses, ineligible minors). Public employees who utilize this opportunity would not be subject to the disciplinary, civil or criminal actions that would otherwise result from the identification of ineligible dependents. This authority was previously granted to the President by statute on a limited basis for only FY 2008-2009. This bill would expand the President's ability to establish amnesty periods without such restriction.

Summary of Provisions and Statement in Support:

During an amnesty period, when any public employee enrolled in NYSHIP voluntarily identifies any ineligible dependent, this bill would:

- Terminate coverage of such ineligible dependent on a current basis;
- Prohibit NYSHIP from seeking recovery of any claims paid on behalf of the ineligible dependent;
- Prohibit the refund of premium paid on behalf of the ineligible dependent; and
- Exempt employees from disciplinary, civil or criminal action resulting from the coverage of the ineligible dependent.

Budget Implications:

Amnesty is a key component of the larger NYSHIP Eligibility Audit to be conducted in FY 2015-16. This audit could save the State \$13 million annually, and possibly more if savings for public authorities and local governments are included.

Effective Date:

This bill would take effect immediately.

**Part K - Increase permissible deposit and fund balance in the Rainy Day Reserve Fund, expand and modify reporting requirements for pension and consulting services**

Purpose:

This bill would provide the State increased flexibility in managing unforeseen fiscal challenges by increasing both the maximum allowable deposit and fund balance in the Rainy Day Reserve Fund and improving pension system and consulting services reporting.

### Summary of Provisions and Statement in Support:

This bill would increase the maximum allowable balance in the Rainy Day Reserve Fund from three to eight percent of State General Fund spending, bringing the maximum allowable balance that can be held in the Rainy Day Reserve Fund, and the Tax Stabilization Reserve Fund, to ten percent of General Fund spending. The bill would also increase the maximum allowable deposit from 0.3 percent of General Fund spending to 1 percent of General Fund spending. In addition, this bill would allow the State to respond in a more timely manner to a budget shortfall caused by an economic downturn. The bill does this by reducing from five months to three months, the consecutive declines in the State's Coincident Economic Index that must occur before money in the Rainy Day Reserve Fund may be borrowed. In the past 30 years, the State's business cycle index experienced consecutive declines in eight separate instances. Changing the trigger from a five to a three-month consecutive decline would have only resulted in one additional instance of permissible use, in June 1995.

This bill would also require the Executive to report on disbursements for consulting services for the prior two fiscal years, commencing with the FY 2016-17 budget. In addition to reporting two years of prior actual disbursements, this bill would retain the current year cash spending estimates and full-time equivalent employee estimates for consulting services. Estimated appropriations and budget year estimates of cash spending and associated full-time equivalent employees would no longer be reported. The Statewide Financial System provides the State with an improved platform for capturing and reporting prior year disbursements. The change will improve accuracy of consulting services information available.

Finally, this bill would require the New York State and Local Employees' Retirement System, the New York State Police and Fire Retirement System, the New York State Teachers' Retirement System, the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Police Pension Fund, the New York City Fire Pension Fund, and the New York City Board of Education Retirement System to annually report estimated out-year employer pension contribution rates. Such reporting would provide improved financial planning information to all state and local government employers.

### Budget Implications:

This bill would improve long-term fiscal health by enabling New York State to set aside more for rainy day reserves during periods of economic growth and higher revenues. The State would no longer be constrained by current statutory limitations on the total size of reserves that provide inadequate protection against downturns, and by rules for annual deposits that make saving a low budget priority. This reform would give the State the option to increase its rainy day reserves from current levels of roughly 2 percent to 10 percent, which would place New York among the healthiest state rainy day fund balances in the nation and at the level preferred by credit rating agencies. Since the rainy day funds have the potential to aid the State in weathering periods of fiscal stress, they may

reduce default risk associated with State-issued debt and improve the State's credit rating and reduce borrowing costs.

Further, this bill is necessary to allow the State to more effectively access its rainy day reserves during periods of fiscal downturn and in the context of increasingly volatile economic and revenue conditions by allowing for more immediate withdrawals, protecting against budget disruptions and providing alternatives to mid-year budget reductions.

Effective Date:

This bill would take effect immediately.

**Part L - Return Video Lottery Terminal Aid to 2013-14 levels**

Purpose:

This bill would return aid to all eligible municipalities hosting a video lottery terminal (VLT) facility to the amount received in 2013-14.

Summary of Provisions and Statement in Support:

This bill would amend State Finance Law to return VLT aid to 2013-14 levels.

In 2013-14, the State provided approximately \$27.3 million of aid to the municipalities that host eight VLT facilities across the State. Of this amount, \$19.6 million was distributed to the City of Yonkers. The 17 eligible municipalities other than Yonkers received payments equal to 55 percent of 2008-09 aid levels (\$7.6 million). The 2014-15 Budget increased these payments to non-Yonkers municipalities to 70 percent of 2008-09 aid levels (\$9.7 million).

To achieve current Financial Plan assumptions, this amendment is needed to return payment levels for eligible municipalities other than the City of Yonkers to that which was paid in State Fiscal Year 2013-14.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget and achieve approximately \$2.1 million in General Fund savings. The Financial Plan includes a one-year aid increase in 2014-15 and returns 2015-16 funding levels to 2013-14 amounts.

Effective Date:

This bill would take effect immediately.

## **Part M - Extend and increase the authority of the Office of General Services to promptly enter into construction contracts during emergencies**

### Purpose:

This bill would extend until June 30, 2017 the authority of the Office of General Services (“OGS”) to enter into construction contracts without formal competitive bidding in certain emergencies. OGS’s authority is due to expire on June 30, 2015. It would further increase the threshold for this authority from \$300,000 to \$1,000,000.

### Summary of Provisions and Statement in Support:

This bill would extend by two years the sunset date set forth in Chapter 674 of the Laws of 1993 regarding the authority of OGS to enter into certain emergency construction contracts up to a value of \$300,000 without formal competitive bidding. It would also increase the value set forth in Chapter 84 of the Laws of 2007 from \$300,000 to \$1,000,000.

The emergency contracting authority granted by Public Buildings Law § 9 since 1993 has allowed OGS to quickly respond to damage sustained by buildings and facilities as a result of fire, explosion or other casualty, equipment failure and like exigencies, and breakdowns occurring on State properties. Such construction emergencies frequently create a direct threat to the health, safety and lives of State employees, institutional clients, and members of the public. Absent authorization for prompt contracting for repair and remedial work, disruptive malfunctions would remain unaddressed for weeks while OGS follows the statutorily mandated formal contracting processes for State construction work. Extending OGS’s emergency contracting authority would permit OGS to promptly respond to emergencies, reduce threats to health and safety, and preserve significant public assets.

### Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget because extending the sunset provision and increasing the value limitation for necessary emergency construction contracting will preclude potentially large losses in additional repair and restoration costs for damaged State facilities. It will also lessen the effect of discontinuance of State programs in emergencies, and will permit avoidance of further injuries, casualties and malfunctions, and consequent claims against the State.

### Effective Date:

The first section of this bill would take effect immediately and shall remain in full force and effect only until June 30, 2017. The second section would take effect immediately.

## **Part N - Increase the ability of the Office of General Services to delegate the responsibility of executing small capital projects to agencies and departments**

### Purpose:

This bill would increase the authority of the Office of General Services (“OGS”) to delegate small capital construction projects to agencies and departments from those under \$50,000 up to those under \$150,000.

### Summary of Provisions and Statement in Support:

This bill would increase the value limitation set forth in Chapter 237 of the Laws of 1992 regarding the authority of OGS to delegate the responsibility of executing any project on a public building from \$50,000 to \$150,000.

The small capital project delegation authority granted by Public Buildings Law § 6 was originally set at \$20,000 in 1969 and increased to \$50,000 in 1992, to account for increasing costs. With 24 years transpiring since the last update, it is due to be increased again. This law has allowed agencies to address routine and uncomplicated building projects efficiently and cost-effectively, reducing the potential for emergency repairs and minimizing fees, while preserving significant public assets.

### Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget because increasing the value limitation for small projects completed by the agencies would reduce costs for repairing and maintaining State facilities. It would also lessen the potential for small projects to become large projects by completing projects more efficiently, before they worsen in size, complexity, or become health and safety risks.

### Effective Date:

This bill would take effect immediately.

## **Part O - Create the Dedicated Infrastructure Investment Fund**

### Purpose:

This bill would create the new Dedicated Infrastructure Investment Fund in the State Finance Law.

### Summary of Provisions and Statement in Support:

The State has received a one-time windfall from settlements with financial institutions. The creation of the new Dedicated Infrastructure Investment Fund, funded with a portion

of the proceeds from financial settlements, would allow the State to invest strategically in capital works and projects. This bill would specifically:

- Create a new fund to be known as the Dedicated Infrastructure Investment Fund;
- Prescribe that the fund shall consist of two separate and distinct accounts to be called the: (1) Upstate Revitalization Account; and (2) the Special Infrastructure Account, and describes the uses of each account;
- Provide transfer authority, allowing the General Fund to send money to, and receive money from, the Dedicated Infrastructure Investment Fund; and
- Limit the ability to transfer money from the Dedicated Infrastructure Investment Fund to the General Fund to three specific needs, as follows:
  - In the case of an economic downturn as measured objectively using the State's Coincident Economic Index;
  - To respond to or mitigate the effects of a man-made or natural disaster; or
  - To satisfy costs related to Medicaid disallowances for the Office of People with Developmental Disabilities.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget. Creation of this new fund would allow the State to use financial settlement moneys for infrastructure upgrades and investments in economic development throughout the State.

Effective Date:

This bill would take effect immediately.

**Part P - Authorize transfers, temporary loans, and amendments to miscellaneous capital/debt provisions, including bond caps**

Purpose:

This bill would provide the statutory authorization necessary for the administration of funds and accounts included in the Fiscal Year 2015-16 Executive Budget, and propose certain modifications to improve the State's General Fund position in the upcoming fiscal year. Specifically, it would: (1) authorize temporary loans and the deposits of certain revenues to specific funds and accounts, (2) authorize the transfers and deposits of funds to and across various accounts, (3) extend various provisions of Chapter 55 of the Laws of 2014 in relation to capital projects and certain certifications, and (4) modify various debt and bond provisions necessary to implement the budget.



### Summary of Provisions and Statement in Support:

This bill is necessary to execute a balanced Financial Plan in accordance with the 2015-16 Executive Budget. Similar legislation is enacted annually to authorize the transfer of funds budgeted in the financial plan (that do not have permanent statutory authorization) and to provide for other transactions necessary to effectuate the provisions of the budget. The bill includes the following provisions:

- Section 1 of this bill would authorize the New York State Comptroller (Comptroller) to make temporary loans to specific State funds and accounts during fiscal year 2015-16.
- Section 1-a of this bill would authorize the Comptroller to make temporary loans to accounts within specific federal funds during fiscal year 2015-16.
- Sections 2 and 3 of this bill would authorize the Comptroller to make transfers between designated funds and accounts.
- Section 4 of this bill would authorize the Comptroller to deposit funds into the Banking Services Account.
- Section 5 of this bill would authorize the Dormitory Authority of the State of New York (DASNY), at the direction of the Director of the Division of Budget (DoB) and upon request by the State University of New York (SUNY), to transfer up to \$22 million to SUNY for bondable equipment costs, which in turn would be re-paid to the General Fund.
- Section 6 of this bill would authorize the Comptroller, at the request of the Director of DoB and upon consultation with the SUNY Chancellor, to transfer up to \$16 million to the General Fund for debt service costs related to capital project costs for the NY-SUNY 2020 Challenge Grant program at the University at Buffalo.
- Section 7 of this bill would authorize the Comptroller, at the request of the Director of DoB and upon consultation with the SUNY Chancellor, to transfer up to \$6.5 million to the General Fund for debt service costs related to capital project costs for the NY-SUNY 2020 Challenge Grant program at the University at Albany.
- Section 8 of this bill would authorize the SUNY Chancellor to transfer the estimated tuition revenue balances from the State University Collection Fund to the State University Fund, State University General Revenue Offset Account.
- Section 9 of this bill would authorize the Comptroller, at the request of the Director of DoB, to transfer up to \$69.3 million from the General Fund to the State University Income Fund, State University Hospitals Income Reimbursement Account.

- Section 10 of this bill would authorize the Comptroller to transfer up to \$987.1 million from the General Fund to the State University Income Fund, State University General Revenue Offset Account during the period of July 1, 2015 through June 30, 2016.
- Section 11 of this bill would authorize the Comptroller to transfer up to \$3.4 million from the General Fund to the State University Income Fund, State University General Revenue Offset Account, during the period of April 1, 2015 through June 30, 2015.
- Section 12 of this bill would authorize the Comptroller to transfer up to \$55 million from the State University Income Fund, State University Hospitals Income Reimbursable and Long Island Veterans' Home accounts, to the State University Capital Projects Fund.
- Section 13 of this bill would authorize the Comptroller, after consultation with the SUNY Chancellor, to transfer monies from the State University Collection and the State University Income funds to the State University Income Fund, State University Hospitals Income Reimbursable Account, in the event that insufficient funds are available to permit the full transfer of moneys authorized for transfer to the General Fund for SUNY Hospitals' debt service.
- Section 14 of this bill would authorize the Comptroller, at the direction of the Director of DoB and the SUNY Chancellor, to transfer up to \$80 million between the State University Dormitory Income Fund and the State University Residence Hall Rehabilitation Fund.
- Section 15 of this bill would authorize the Comptroller, at the request of the Director of DoB, to transfer up to \$350 million between the following accounts, in any combination: the Miscellaneous Special Revenue Fund, Patient Income Account; the Miscellaneous Special Revenue Fund, Mental Hygiene Program Fund Account; the Miscellaneous Special Revenue Fund, Federal Salary Sharing Account; and the General Fund.
- Section 16 of this bill would authorize the Comptroller, at the request of the Director of DoB, to transfer up to \$500 million from the unencumbered balance of any Special Revenue Fund or Account, Agency Fund or Account, Internal Services Fund or Account, or Enterprise Fund or Account, or any combination thereof (excluding federal funds, or any fund in which the eligibility for federal benefits would be impacted), to the General Fund.
- Section 17 of this bill would authorize the Comptroller, at the request of the Director of DoB, to transfer up to \$100 million from any non-general fund or account, or combination thereof (excluding funds in which the eligibility for federal benefits would be impacted), to the Technology Financing Account or the

Miscellaneous Capital Projects Fund, Information Technology Capital Financing Account, for the consolidation of costs related to technology services.

- Section 18 of this bill would authorize the Comptroller, at the request of the Director of DoB, to transfer up to \$300 million from any non-general fund or account, or combination thereof (excluding funds in which the eligibility for Federal benefits would be impacted), to the General Fund as reimbursement for costs related to technology services.
- Section 19 of this bill would authorize the transfer of up to \$90 million from the Power Authority of the State of New York to the credit of the General Fund for energy related initiatives or economic development purposes, with at least \$25 million transferred by June 30, 2015 and the remainder transferred by March 31, 2016.
- Section 20 of this bill would authorize the transfer of up to \$36 million from the New York State Energy Research and Development Authority to the credit of the General Fund, on or before March 31, 2016.
- Section 21 of this bill would amend State Finance Law (SFL) §97-rrr to allow the State Comptroller to deposit up to \$3.2 Billion into the School Tax Relief Fund.
- Section 22 of this bill would authorize the Comptroller to transfer to the General Fund funding from the Correctional Facilities Capital Improvement Fund.
- Section 23 would continue the authorization to use any balance remaining in the debt service appropriation for Mental Hygiene facilities to make rebates necessary to protect the tax-exempt status of the bonds.
- Section 24 would amend SFL § 68-b to authorize any authorized issuer to issue personal income tax revenue bonds for any authorized purpose.
- Section 25 of this bill would increase the bond cap for the Office of Information Technology Services from \$182.44 million to \$269.14 million.
- Section 26 of this bill would establish a new \$50 million bond cap for the nonprofit infrastructure capital investment program.
- Section 27 of this bill would increase the bond cap for financing correctional facilities from \$7.148 billion to \$7.163 billion.
- Section 28 of this bill would increase the bond cap for financing housing programs from \$2.999 billion to \$3.154 billion.
- Section 29 of this bill would increase the bond cap for financing local highway projects from \$8.121 billion to \$8.609 billion.

- Section 30 of this bill would increase the bond cap for financing library facilities from \$126 million to \$140 million.
- Section 31 of this bill would increase the bond cap for financing State Police capital projects from \$149.6 million to \$155.6 million.
- Section 32 of this bill would amend the bond cap for financing economic development to include projects for the Binghamton University School of Pharmacy and the New York Power Electronics Manufacturing Consortium. Additionally, the bond cap would increase from \$2.203 billion to \$2.488 billion.
- Section 33 of this bill would increase the bond cap for financing environmental infrastructure projects from \$1.398 billion to \$1.576 billion.
- Section 34 of this bill would increase the bond cap for financing the NY-SUNY and NY-CUNY 2020 challenge grant program from \$330 million to \$440 million.
- Section 35 of this bill would increase the bond cap for financing improvements to State office buildings and other facilities from \$317.8 million to \$469.8 million.
- Section 36 of this bill would increase the bond cap for financing transportation initiatives from \$465 million to \$1.44 billion.
- Section 37 of this bill would increase the bond cap for financing SUNY educational facilities from \$10.98 billion to \$11.23 billion.
- Section 38 of this bill would increase the bond cap for financing City University of New York senior and community colleges from \$7.27 billion to \$7.39 billion.
- Section 39 of this bill would increase the bond cap for financing SUNY community colleges from \$776 million to \$838 million.
- Section 40 of this bill would amend the bond cap for financing the capital restructuring financing program to include the Health Care Facility Transformation Program. Additionally, the bond cap would increase from \$1.2 billion to \$2.2 billion.
- Section 41 of this bill would increase the bond cap for financing youth facilities from \$465.4 million to \$611.2 million.
- Section 42 of this bill would increase the bond cap for financing mental health services facilities improvement from \$7.436 billion to \$7.723 billion.
- Section 43 of this bill would increase the bond cap for financing higher education capital matching grants from \$180 million to \$210 million.

- Section 44 of this bill would amend the Smart Schools Bond Act of 2014 to allow DASNY and ESDC to bond for Smart Schools Bond Act purposes with personal income tax revenue bonds and sales tax revenue bonds subject to the same limitations for bonding by the State.
- Section 45 of this bill would amend the bond cap for financing hazardous waste site remediation projects to include projects for environmental restoration, and would remove the restriction for issuing bonds only for new appropriations enacted as of March 31, 2013. Additionally, the bond cap would increase from \$1.2 billion to \$1.3 billion.
- Section 46 of this bill would increase the bond cap for financing MTA transportation facilities from \$770 million to \$1.52 billion.

All of the sections of this bill would become permanent upon enactment except for sections one through eight and thirteen through twenty, which would all expire on March 31, 2016.

Budget Implications:

Enactment of this bill is necessary to implement the 2015-16 Executive Budget, including the transfer of funds budgeted in the financial plan and the provision of temporary loans from the State Treasury for cash flow purposes. This bill is also necessary to reimburse projected Capital Projects Fund spending with the proceeds of bonds sold by public authorities, to ensure the continued borrowing necessary for certain State-supported debt issuances to implement the budget, and to permit the State to carry out basic administrative functions.

Effective Date:

This bill takes effect April 1, 2015.

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.