

3. INVESTING IN NEW YORK

The State has received a total of \$8.3 billion from financial settlements with banks and insurers in FY 2015 and FY 2016, well beyond typical levels and what was budgeted in the Financial Plan. Using these resources, the FY 2016 Enacted Budget earmarked \$5.4 billion for one-time purposes, including \$4.6 billion for capital projects to support economic development and bolster some of the state's most vital infrastructure. The FY 2017 Executive Budget programs the remaining \$2.3 billion of available settlement funds for critical time-limited priorities.

Putting Settlement Revenues to Work

The FY 2017 Executive Budget directs \$2.3 billion in unallocated settlement funds to additional projects that will grow the economy over the long-term and position every region of the state for growth. Settlement funds will support transportation, housing, environmental infrastructure, economic development and other capital investments. These resources will support a wide array

of projects, from large-scale infrastructure projects and complex program enhancements, to smaller strategically critical needs in project funding. Specific investments include:

- **Thruway Stabilization Plan (\$700 million).**

The Budget invests \$700 million in Thruway infrastructure, on top of last year's commitment of \$1.285 billion. This two-year investment of nearly \$2 billion will support both the New NY Bridge project and other transportation infrastructure needs on the rest of the Thruway system across the State. Further, it will enable the Thruway to freeze tolls for all drivers until at least 2020.

- **Thruway Toll Reduction Plan (\$340 million).**

The Budget effectively cuts tolls in half for New York residents and businesses who utilize the Thruway most often by creating a three-year nonrefundable credit for Thruway tolls paid electronically. The toll reduction would benefit nearly one million passenger, business and farm vehicles. Drivers of passenger vehicles who spend at least \$50, annually, and businesses and commercial account holders who spend between \$100 and \$9,999, annually, in Thruway tolls would receive a tax credit worth 50 percent of tolls paid. For farmers, the Budget provides a 100 percent nonrefundable credit, regardless of usage, for farm vehicle use on the Thruway. The program would begin on January 1, 2016 and sunset December 31, 2018. Over the three years,

drivers will save \$340 million, paid for with settlement funds.

- **Transportation Capital Plan (\$200 million).** The Budget funds an unprecedented \$22 billion multi-year transportation capital plan to upgrade critical roads, bridges and other vital transportation infrastructure throughout the New York, especially Upstate. \$200 million in settlement funds will be allocated to DOT to help fund the plan. The \$22 billion plan includes \$1 billion each for the BRIDGE NY and PAVE NY programs to replace, rehabilitate, pave and maintain state and local bridges and roads. It also includes \$500 million for the Extreme Weather Infrastructure Hardening program, which will make investments in roadways across the state susceptible to flooding and other extreme weather related events.
- **Homeless and Affordable Housing (\$640 million).** The Budget commits \$640 million in settlement funds towards the \$20 billion comprehensive multi-year investment in affordable housing and services for individuals and families who are homeless or at risk of homelessness. Funding will be used to expand efforts to create, improve, and ensure homeless and affordable housing opportunities through a statewide multiagency housing program, and to support the State's emergency homeless response.
- **Environmental Protection (\$120 million).** The Budget uses \$120 million of settlement funds to support capital projects within the Environmental Protection Fund (EPF). Overall

funding for the EPF is increased to \$300 million – the highest amount ever and more than twice the Fund’s level when the Governor first took office. The EPF offers wide ranging benefits to communities around the state and plays an important role in preserving the state’s natural resources and habitats. It funds land acquisition, farmland protection, waterfront revitalization, municipal recycling, and local government assistance to improve wastewater treatment plants and municipal parks. It supports the stewardship of public lands, including state parks and millions of acres of public lands throughout the state. Beginning in FY 2017, the EPF will also support programs for greenhouse gas management and resiliency.

- **Economic Development (\$255 million).** The Budget includes \$170 million in settlement funds to support Upstate Revitalization Initiative projects to help continue to restore economic opportunity to regions across Upstate New York. An additional \$30 million is provided through Empire State Development capital appropriations, for a total of \$200 million. This program, modeled on the Buffalo Billion initiative and the existing structure of the Regional Economic Development Councils (REDCs), targets investment to economically-distressed Upstate regions. These additional funds are available to the four regions (North Country, Capital District, Mohawk Valley and Mid-Hudson) that were eligible for the first round of the Upstate Revitalization Initiative but were not a 2015 Best Plan Awardee. An additional \$85 million of settlement funds will

support other critically-needed economic development or infrastructure projects in the Budget to continue driving growth across New York State.

- **Empire State Poverty Reduction Initiative (\$25 million).** The Budget includes \$25 million of new funding to significantly expand the anti-poverty initiative, begun in 2015. Planning grants totaling \$5 million will be available in ten communities with high concentrations of poverty. In addition, \$20 million will be available for grants to match private sector and foundation funding.
- **Municipal Consolidation (\$20 million).** \$20 million in settlement funding is used to advance and enhance programs that encourage local municipal government consolidations. These programs will help lower the cost of government and reduce the burden placed on property taxpayers.