

**Preliminary 2004-2005 Budget Analysis (with Vetoes) Provided by:**

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**Based primarily on releases and information provided by the NYS Senate and NYS Assembly and our analysis of vetoes issued by Governor Pataki**

**2004-2005 NYS Budget at Glance**

**Legislature's estimate of "all funds" spending under the adopted appropriations bills: \$101.2-\$101.3 billion**

**Bills passed: August 10-11, 2004**

**Sent to Governor: August 12, 2004**

**Vetoes: 195 Vetoes Issued by the Governor on August 20, 2004**

This chart summarizes the budget bills that were passed on August 10-11 by both the Senate and Assembly and sent to the Governor on August 12th (bill numbers in bold indicate which House's bill was passed first and transmitted to the Governor)

<b><u>Bill</u></b>	<b><u>Appropriations</u></b>	<b><u>Language</u></b>
Education/Labor/Family Assistance	(S. 6053-B / <b>A. 9553-B</b> )	S.6057-B / <b>A. 9557-B</b>
Health and Mental Hygiene	<b>S. 6054-B</b> / A. 9554-B	<b>S.6058 B</b> / A.9558-B
Transportation, Economic Development, Environmental Protection	<b>S. 6055-B</b> / A.9555-B	<b>S.6059-B</b> / A.9559-B
Public Protection and General Government	S. 6050-B/ <b>A.9550-A</b>	S.6056-B/ <b>A. 9556-B</b>
Revenue/Fiscal Plan		<b>S.6060-B</b> / A.9560-B

**\*\*\*Special Item of Interest to many non-profits\*\*\***

**Member Items/Legislative Initiatives** (found in S.6055-B/A.9555-B – listed at end of bill on page 515)

**\$200 million appropriated - \$85 million each for Senate and Assembly and \$30 million for the Governor – DID NOT GET VETOED**

Community Projects Fund – 007 :For services and expenses, grants in aid, or for contracts with certain not-for-profit agencies, universities, colleges, school districts, corporations, and/or municipalities in a manner determined pursuant to section 99-d of the state finance law and subject to a memorandum of understanding to be executed by the director of the budget, the secretary of the senate finance committee and the secretary of the assembly ways and means committee. The funds appropriated hereby may be sub-allocated to any department, agency, or public authority

## **Tax and Revenue Highlights**

### **Clothing Sales Tax:**

The sales tax exemption for clothing items costing less than \$110 is delayed until May 31, 2005; and it established a sales tax holiday for clothing purchases (January 31, 2005 to February 6, 2005), in addition to the one already in law from August 31, 2004 through September 6, 2004; (This raises approximately \$495 million in revenue for the state)

**Empire Zones:** Extends Empire Zone program until 3/31/05, no reforms made to the program.

### **Increases the "fixed dollar" corporate minimum tax**

Under the NYS Corporate Franchise Tax, a firm is required to pay under the highest of several alternate bases - the main ones are (1) 7.5% of net income and (2) the Alternate Minimum Tax (AMT), which the Better Choice Budget Campaign recommended increasing and/or tightening and which is currently 2.5% of net income without certain loopholes. In addition there is a fixed dollar minimum, which says that no matter how low the other bases are you still have to pay at least X dollars.

S. 6060-B/A. 9560-B increases the fixed dollar minimum (a) for business with payrolls of \$25 million or more from the current \$1,500 to \$10,000, and (b) for businesses with payrolls of \$6.25 million to \$25 million from \$1,500 to \$5,000. It doesn't change the minimum for businesses with payrolls of between \$500,000 to \$6.25 million. And it reduces the fixed dollar minimum for businesses with payrolls between \$250,000 and \$500,000 from \$225 to \$100. This bill leaves unchanged an \$800 fixed dollar minimum for so-called "shelf" corporations which current law defines as corporations with a gross payroll of \$1,000 or less and total receipts "within and without this state" of \$1,000 or less, and assets valued at less than \$1,000. less, eight hundred dollars.

### **Other Revenue related issues:**

- Increases allowable low-income housing development tax credit from \$4 million to \$6 million;
- Changes sunset date on corporate surcharges in the MTA region from 12/31/05 to 12/31/09;
- Provides clean fuel property tax credits for hybrid vehicles;
- Extends certain bank tax reforms for one year; enacts provisions relating to the federal Gramm-Leach-Bliley Act (relates to privacy of personal and financial information)
- Taxes sale of cooperative housing by non-state residents;
- Exempts an aviation fuel businesses from sales tax if the business services four or more cities in the state with non-stop flights between such cities;

- Allows a seven day (from six) license for off-premises alcohol sales and allows for operation of liquor stores seven days a week;
- Exempts the repair, service and storage of private aircraft from sales tax;
- Requires registration of businesses w/ sales over \$300k to register in NYS as a requirement for doing business with the state;
- Creates the empire state film production credit for films and television produced in NYS;
- Makes NYC “wrap-around” mortgages taxable as real property;
- Allows crediting of tax overpayments against tax debt in New York City;
- Tax credits for SUV use in NYC; uncouples NYC, as NYS did last year, from federal tax loophole that allows SUV users to write off use of vehicle as a small business expense.
- Allows NYC property tax rebate as proposed by NYC Mayor Bloomberg and it authorizes NYC to establish an EITC on the New York City resident income tax;
- Allowable fees on rental vehicles;
- Extends Quick Draw through May 31, 2005;
- Extends provisions of NYC’s multiple dwelling law to May 31, 2005;

## **HEALTH AND MENTAL HYGIENE Highlights**

### **Office of Advocate for Persons with Disabilities**

The Legislature concurs with the Executive's All Funds request of \$4.1 million, an increase of \$2.5 million from SFY 2003-04. The additional funding comes from the Federal government to create a revolving loan fund that will enable disabled individuals to purchase assistive technology devices.

### **Office for the Aging**

The Legislature concurs with the Executive's All Funds request of \$183.8 million, an increase of \$161,000 from SFY 2003-04 levels. In addition, the Legislature provides \$788,645, which is allocated toward the full restoration of funding for the following programs:

- Community Services for the Elderly (CSE) - \$202,215 - **Vetoed**
- Expanded In-Home Services for the Elderly (EISEP) - \$528,030 - **Vetoed**
- Long Term Care Ombudsman Program - \$58,365 - **Vetoed**

### **Office of Alcoholism and Substance Abuse Services**

The Legislature concurs with the Executive's request with the following modifications:

- Restores \$2.1 million or 84 percent of the Executive's \$2.5 million reduction in local assistance programs. - **Vetoed**

Provides funding for :

- Western NY Alcohol & Substance Abuse Treatment - \$265,000 - **Vetoed**
- New York Southern Tier Prevention Program - \$145,000 - **Vetoed**
- Treatment Outcomes Data Collection Study - \$50,000 - **Vetoed**
- YES-CAP - \$265,000 - **Vetoed**

### **Developmental Disabilities Planning Council**

The Legislature concurs with the Executive's request of \$4.6 million, an increase of \$10,000 from SFY 2003-04.

### **Department of Health**

The SFY 2004-05 Adopted Budget restores \$485.4 million of the \$847.6 million in health care reductions advanced by the Executive. The Legislature proposes a total of \$503.6 million in restorations, which is offset by savings of \$18.2 million from the EPIC Medicare Drug Discount Card Program. The Legislature restores funding to the Medicaid Program, Public Health Programs, and HCRA Programs.

### **Health**

The Legislature fully restores Article 6 public health funding and rejects the Executive's proposal to reduce State reimbursement for optional services provided by county public health departments from thirty percent to twenty percent. The Executive proposed several changes to the Early Intervention (EI) Program including, the establishment of parental fees, the elimination of the rate

differential between EI home and community based center visits, and the institution of triennial registration fees for providers of EI services. The Legislature rejects the proposed EI program changes.

### **Medicaid**

The Legislature restores \$54.9 million of the Medicaid reductions proposed for Nursing Homes. The Legislature maintained the Gross Receipts Tax (GRT) on nursing homes at five percent, rejecting the six percent proposed by the Executive, and proposes a complete phase out of this tax by March 31, 2007.

The Legislature also rejects the Executive proposal to eliminate the two nursing home rate enhancements and restores \$19.2 million in funding for nursing homes receiving the enhanced rates.

The Legislature accepts the Executive's proposal to provide an update of the Wage Equalization Factor (WEF) at a State cost of \$19.2 million.

The Legislature rejects Gross Receipts Taxes proposed by the Executive and fully restores funding for hospitals and home care. Hospitals receive a total benefit of \$183.3 million and home care providers receive a benefit of \$15 million from these restorations.

The Legislature rejects the Executive's proposal to reduce reimbursement to pharmacies under the Medicaid and EPIC Programs from the Average Wholesale Price (AWP) minus twelve percent to AWP minus fifteen percent for brand name drugs and AWP minus thirty percent for generic drugs. The Legislature restored \$54.5 million to bring the reimbursement rate for brand name drugs to AWP minus 12.75 percent and reimbursement for generics to AWP minus 16.75 percent. In addition, the Legislature rejects the Executive's proposal to establish a Preferred Drug List (PDL) and prior authorization program and restores \$39.1 million in funding.

The Executive proposed the elimination of certain Medicaid benefits for recipients including the elimination of podiatry services, adult dental services, private nursing and audiology services by a private practitioner, and adoption of the Medicare policy used for enteral (nutritional supplements) products. The Legislature rejects these proposed reductions and restores \$37.5 million.

The Executive proposed increasing Medicaid co-payments for drugs by 50 cents to \$1 for generic drugs and from \$2 to \$3 for brand name pharmaceuticals. The Executive also proposed requiring managed care recipients to make co-payments for prescription drugs in a similar manner to those proposed for the fee-for-service program for a total savings of \$4.2 million. The Legislature rejects the proposed increase in co-payments for Medicaid recipients and requires

managed care recipients to have a co-payment of 50 cents for generic drugs and \$2 for brand name drugs, restoring \$2.9 million for the Medicaid Program.

### **Family Health Plus Program**

The Legislature enacted several changes to the Family Health Plus Program including establishing co-payments for prescription drugs, doctor visits, and hospital stays similar to the co-payments made by Medicaid recipients. The Legislature also established an asset and resource test for program eligibility. Individuals with assets and resources higher than 150 percent of the Federal Poverty Level will no longer be eligible for the Family Health Plus Program. The Executive proposed several benefit reductions for the Family Health Plus Program including elimination of vision and dental services which were rejected by the Legislature. The Legislature restored \$21.8 million to reflect these changes.

### **Child Health Plus:**

(According to CDF-NY) Eligibility for Child Health Plus A has been reduced from 133% of FPL to 100% of FPL. Will impact some 77,000 children in NYS - some of whom are severely disabled.

The Legislature also rejects decreases in facilitated enrollers (**Vetoed**).

**Facilitated Enrollment: Veto 119** is a direct hit on facilitated enrollment for children. It is likely to amount to a \$3 million cut to the \$10 million funding for child enrollment. The veto is for \$1 million but this translates into \$3 million when matching funds are factored in (Medicaid Matters).

### **Health Care Reform Act**

The Executive proposed the elimination of funding for several programs funded through the Health Care Reform Act including Family Health Plus facilitated enrollment, Child Health Plus facilitated enrollment, the Individual Subsidy Program, and the Catastrophic Program. The Legislature restored \$12.4 million for these programs.

### **Veto 120 eliminates \$12,500,000 for the Nursing Home Facility Viability Adjustment**

**Veto 121 eliminates \$250,000,000 for the health care system improvement capital grant program pursuant to a chapter of the laws of 2004.**

### **Local Government Relief**

In recent years, New York State's Medicaid expenditures have increased at an average annual rate of 10.3 percent. This escalating growth in the Medicaid program is placing tremendous financial strain on local governments. In December 2003, the New York State Association of Counties recommended, as

their highest priority, to the Senate Medicaid Reform Task Force that the Legislature take over the local share of the Family Health Plus Program. Therefore, in an effort to provide fiscal relief to local governments and reduce increases in local property taxes, the Legislature authorizes the State to assume the entire local share of the Family Health Plus Program. Effective January 1, 2005, the State will assume 50 percent of local expenditures for the Family Health Plus Program, and on January 1, 2006, New York State will assume 100 percent of the local share for the Family Health Plus Program. This will result in estimated local savings of \$49.3 million for SFY 2004-05 and \$404.3 million in SFY 2005-06.

### **Long Term Care**

To provide an incentive for and encourage individuals to consider options for financing of long term care services, the Legislature doubles the Long Term Care Tax Credit from ten percent to twenty percent, and provides \$20 million in funding for those tax credits. The Legislature also authorizes the Department of Health and the State Office for the Aging to develop an education and outreach program to inform residents of New York State of the many options available for financing of long term care services. In addition, the Legislature authorizes the Insurance Department and the Banking Department to study and develop long term care investment products for insurance policy holders and homeowners.

The Legislature rejects the Executive's proposed changes for long term care including an increase in the look back period and the penalty period for asset transfers, and elimination of "spousal refusal" to pay for the cost of care, and restores the \$25 million associated with these changes to the Medicaid Program.

### **Adult Homes**

The Legislature enacted several reform measures for adult homes including a \$3 increase in the daily rate for SSI residents of adult homes. Other statutory adult home reform measures include the following:

- Prohibit the operator of an adult home with a suspended or revoked license from applying to be an operator of another facility;
- Prohibit a hospital, nursing home, mental health facility or other health care facility from referring a patient to an adult home with substantial violations and/or an invalid operating license;
- Establish a web site with the Do Not Refer list of adult home facilities in substantial violation of health and safety standards, lack of valid operating license, or current action against the home;
- Establish a mechanism for voluntarily placing adult homes in receivership based on agreements between the Department of Health and an operator of an adult home;
- Protection against the arbitrary discharge of an adult home resident during receivership;
- Establish statutory requirements for temperature controls; and

-Establish the Adult Home Quality of Care Enhancement Fund to be funded with fines imposed against adult homes in violation of New York State regulations.

### **Insurance Department**

The Legislature reduces, without prejudice, the Executive's All Funds request of \$162.2 million, an increase of \$14.8 million from SFY 2003-04. The Legislature appropriates \$160.1 million to the Department, a decrease of \$1.3 million from the Executive's request. This represents an increase of \$13.5 million or 8.3 percent from SFY 2003-04 levels.

### **Office of Mental Health**

The Legislature concurs with the Executive's request with the following modifications:

Restores \$4.5 million or 58 percent of the Executive's \$7.7 million local assistance reduction for community support programs. - **Vetoed**

-Provides \$850,000 to restore not less than fifty percent of any reduction in funding from the recalculation of rates of reimbursement for mental health clinics.

-Provides \$800,000 to restore the Alternative Rate Methodology (ARMs) Program. - **Vetoed**

-Provides \$100,000 for enhanced Medicaid payments to Article 31 children's day treatment programs, excluding hospital based programs. - **Vetoed**

-Provides \$100,000 for mental health related projects and \$175,000 for Hospital Audiences Inc. - **Vetoed**

-Provides language to transfer \$500,000 to the Comprehensive Care Center for Eating Disorders Development Fund.

### **Office of Mental Retardation and Developmental Disabilities**

The Legislature concurs with the Executive's request of \$2.9 billion and provides additional funding for the following programs:

-Local Respite Programs - \$215,000 - **Vetoed**

-Epilepsy Coalition - \$195,000 - **Vetoed**

-Westchester Institute for Human Development - \$240,000 - **Vetoed**

## **TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION Highlights**

### **Adirondack Park Agency**

The Legislature concurs with the Executive request of \$4.2 million.

### **Department of Agriculture and Markets**

The Legislature concurs with the Executive's All Funds request of \$144.3 million, and provides additional funding for the following:

- Wine and Grape Foundation - \$276,000 - **Vetoed**
- Quality Milk Promotion - \$54,000 - **Vetoed**
- Cornell Diagnostic Laboratory - \$97,000 - **Vetoed**
- Cornell Agriculture in the Classroom - \$63,000 - **Vetoed**
- Farm Family Assistance - \$15,000 - **Vetoed**
- Cornell Integrated Pest Management - \$289,000 - **Vetoed**
- Cattle Health Assurance - \$117,000 - **Vetoed**
- Future Farmers of America - \$40,000 - **Vetoed**
- Avian Disease - \$16,000 - **Vetoed**
- Cornell Geneva Station - \$267,000 - **Vetoed**
- Cornell Seed Inspection - \$10,000 - **Vetoed**
- Agritourism - \$1,000,000 - **Vetoed**
- Golden Nematode - \$3,000 - **Vetoed**
- Apiary Inspection - \$105,000 - **Vetoed**
- Apiary Research - \$85,000 - **Vetoed**
- Cornell Onion Research - \$5,000 - **Vetoed**
- Cornell Johnes Disease Program - \$15,000 - **Vetoed**
- NYS Apple Growers Association - \$500,000 - **Vetoed**
- Migrant Child Care - \$396,000 - **Vetoed**
- Association of Agricultural Educators - \$40,000 - **Vetoed**
- North Country Agriculture- \$400,000 - **Vetoed**
- Marine Resources - \$100,000 - **Vetoed**
- Cornell Rabies - \$125,000 - **Vetoed**
- Dairy Products to Energy Initiative - \$1,000,000 - **Vetoed**

In addition, the Legislature rejects the Executive's proposal to establish new fees for food establishments. The Legislature also rejects the Executive's proposal to eliminate the annual inspection requirement for pet dealer's facilities.

### **Department of Economic Development**

The Legislature concurs with the Executive's request subject to the following modifications:

- Restoration of Local Tourism Promotion Matching Grants - \$1,000,000 - **Vetoed**
- Local Marketing Initiatives for "The Breeze" Rochester Fast Ferry - \$750,000 - **Vetoed**
- Funding for Statewide & Regional High-Tech Marketing Initiatives Matching Grants - \$1,000,000 - **Vetoed**
- Griffiss Local Development Corporation - \$150,000 - **Vetoed**
- Western New York Regional Business Marketing - \$300,000 - **Vetoed**

Total agency funding is \$46.4 million.

### **Empire State Development Corporation**

The Legislature rejects the Executive's proposal to move the Power for Jobs Program to the Empire State Development Corporation from the New York Power Authority, and extends the Urban Development Corporation's loan authority through July 31, 2005. The Legislature concurs with the Executive's spending request subject to the following restorations and/or Legislative initiatives:

- Additional funding for Military Base Re-Development for the Seneca army depot (\$900,000) and the Niagara air force base (\$100,000) - \$1,000,000 - **Vetoed**
- Metropolitan Development Association of Syracuse and Central New York "Essential New York" Initiative - \$2,000,000 - **Vetoed**
- Capital improvements for the Delphi Energy and Chassis Systems, Rochester Operations - \$2,500,000 - **Vetoed**
- Chief Executives Network for Manufacturing - \$500,000 - **Vetoed**
- Watervliet Arsenal Revitalization - \$210,000 - **Vetoed**
- Buffalo-Niagara Medical Campus, Pioneer of Science Development Fund and the Buffalo-Niagara Medical Campus Infrastructure Fund - \$2,000,000 - **Vetoed**
- Metropolitan Development Association-New York Environmental Quality Center - \$250,000 - **Vetoed**
- American Axle-Tonowanda Forge - \$1,000,000 - **Vetoed**
- Community Development Financial Institutions Program - \$1,000,000
- Entrepreneurial Assistance Program - \$1,300,000

Total agency funding is \$87.8 million in All Funds.

### **New York State Energy Resource and Development Authority - NYSERDA**

The Legislature concurs with the Executive's All Funds request of \$26.1 million, a reduction of \$1.9 million or 6.8 percent from SFY 2003-04 levels.

### **Department of Environmental Conservation**

The Legislature denies the following Executive proposals without prejudice:

- Establishing a \$3.3 million statutory Forest Property Tax Reimbursement Program, however communities affected by forest property tax exemptions are addressed through local aid relief;
- Increasing annual registration fees for All Terrain Vehicles (ATV's) from \$10 to \$45;
- Restructuring and increasing air regulatory fees for facilities emitting air pollutants;
- Funding a new \$850,000 ATV Trail Development Program;
- Repealing and reallocating \$14.8 million in 1965 Pure Waters Bond funds.

The Legislature includes funding for the following:

- \$200,000 for Cornell Integrated Pest Management - **Vetoed**
- \$155,000 for North Elba/ORDA Promotion - **Vetoed**
- \$100,000 for the Town of Duaneburg sewer project - **Vetoed**
- \$2.2 million for the non-Federal share of the Whitney Point Environmental Restoration Project
- \$1.6 million for the Jamaica Bay Waterfront Project

### **Environmental Protection Fund (EPF)**

The Legislature denies without prejudice the Executive's request to create additional permanent categories eligible for EPF funding. In addition, the Legislature includes Sonnenberg Gardens on the eligible land acquisition funding list and provides the following allocations for the EPF:

- \$1 million for Rensselaer waterfront projects
- \$600,000 for Oyster Bay water projects
- \$400,000 for the Town of Huntington water projects
- \$750,000 for Belleayre Ski Center projects
- \$450,000 for Breast Cancer Environmental Risk Factors
- \$750,000 for Historic Barns
- \$12.6 million for Farmland Protection
- \$10.8 million for non-point source pollution projects
- \$1.86 million for Soil and Water Conservation Districts
- \$1.5 million for the Finger Lakes/Lake Ontario Watershed Protection Alliance (FFLOWPA)
- \$950,000 for the Long Island Pine Barrens Commission
- \$600,000 for the Long Island South Shore Estuary Reserve
- \$32 million for Land Acquisition
- \$10 million for the Hudson River Park project

### **Environmental Facilities Corporation**

The Legislature concurs with the Executive's request of \$10.2 million.

### **Greenway Heritage Conservancy for the Hudson River Valley**

The Legislature concurs with the Executive's request of \$190,000.

### **Department of Housing and Community Renewal**

The Legislature concurs with the Executive's request of \$309.9 million and provides the following restorations:

- Rural Preservation Companies - \$2.3 million - **Vetoed**
- Neighborhood Preservation Companies - \$4.9 million - **Vetoed**

The Legislature provides additional funding as follows:

- Rural Community Revitalization - \$400,000 - **Vetoed**
- Urban Homeownership Assistance Program - \$440,000 - **Vetoed**

The Legislature provides \$57 million (**all Vetoed**) in additional funding according to the following sub-schedule:

- Affordable Housing Corporation - \$20 million - **Vetoed**
- Homes for Working Families - \$7.5 million - **Vetoed**
- Housing Opportunities for the Elderly - \$2 million - **Vetoed**
- Low Income Housing Trust Fund - \$20 million - **Vetoed**
- Rural Area Revitalization Program - \$4.5 million - **Vetoed**
- Rural Homeownership Assistance Program - \$1 million - **Vetoed**
- Urban Initiative - \$2 million - **Vetoed**

The Legislature concurs with the Executive's proposal to allow for an additional \$2 million in tax credits annually, or \$20 million over the ten year life of the Low-Income Housing Tax Credit Program.

### **Hudson River Park Trust**

The Legislature concurs with the Executive's request of \$10 million from the Environmental Protection Fund (EPF).

### **Hudson River Valley Greenway Communities Council**

The Legislature concurs with the Executive's request of \$575,000.

### **Division of the Lottery**

The Legislature concurs with the Executive's request of \$4.7 million or an increase of three percent. The net increase is derived not only from increased expenditures associated with advertising, fringe benefits and indirect costs, but the addition of six funded positions to support video lottery terminal operation at

racetracks. Total regular Lottery sales are projected to be \$5.9 billion in SFY 2004-05 while net receipts for education are estimated to total \$2,219 million or \$323 million (14.5%) above the estimated SFY 2003-04 net receipt level. This includes \$240 million to be generated by the current video lottery program at racetracks. The Executive's request for eight additional Video Lottery Terminal locations is denied.

### **Department of Motor Vehicles**

The Legislature amends the Executive's proposal to establish a Driver Responsibility Program. The SFY 2004-05 Executive Budget included language which would require drivers convicted of drug or alcohol related offenses, or drivers who refuse to submit to chemical tests to pay a driver responsibility assessment of \$1,000 per year for a three year period. The Legislature reduces the Driver Responsibility assessment from \$1,000 per year for a three year period to \$250 per year for a three year period. In addition, the Legislature denies the Executive's proposed \$3.6 million License Integrity initiative, and rejects the proposal to statutorily delay the State Hazmat Fingerprinting Program.

### **Olympic Regional Development Authority**

The Legislature concurs with the Executive's request of \$7.35 million.

### **Office of Parks, Recreation and Historic Preservation**

The Legislature concurs with the Executive's request of \$219 million and provides additional funding as follows:

- \$4.95 million for Zoo's Botanical Gardens and Aquaria from the General Fund instead of the Environmental Protection Fund.
- \$500,000 for expenses of the Independence Trail. - **Vetoed**

### **Public Service Commission**

The Legislature concurs with the Executive's All Funds request of \$69.7 million, an increase of \$3.5 million from SFY 2003-04 levels.

### **State Racing and Wagering Board**

The Legislature concurs with the Executive's recommendation to authorize \$21.7 million for the regulation of all legalized gambling activities in the State, except for the State Lottery. The Board is fully funded through fees, reimbursements and assessments imposed on raceways, gaming, OTB's and casino's.

### **Office for Science, Technology and Academic Research**

The Legislature concurs with the Executive's request subject to the following modifications:

- Funding for a Regional Innovation and Economic Development Strategies Assessment Program - \$850,000 - **Vetoed**

- Funding for the Center for Re-manufacturing - \$400,000 - **Vetoed**

Total agency funding is \$70.1 million in All Funds, respectively.

#### **State of New York Mortgage Agency**

The Legislature concurs with the Executive's request of \$248.5 million.

#### **Department of Taxation and Finance**

The Legislature reduces the appropriation to the Department of Taxation and Finance by \$750,000 to reflect savings within various agency programs, including the Tax Policy and Analysis Program. - **Vetoed**

#### **Division of Tax Appeals**

The Legislature concurs with the Executive's request of \$3.085 million.

#### **Office for Technology**

The Legislature concurs with the Executive's All Funds request of \$254.7 million, a reduction of \$24.7 million from SFY 2003-04.

#### **Department of Transportation**

The Legislature provides funding of \$100 million for a new Multi-Modal Program - **Vetoed**

In addition, the Legislature increases the Consolidated Highway Improvement Program (CHIPS) capital funding for Counties and New York City by \$34.9 million - **Vetoed**

Funding of \$39.7 million for the Municipal Streets and Highways Program ("Marchiselli" Program) is also provided in the SFY 2004-05 Budget. The Legislature also accepts the Executive's proposal to expand the heavyweight truck permit system with minor technical modifications. The SFY 2004-05 Executive Budget includes \$9 million for the Industrial Access Program (IAP). The Legislature concurs with this funding authorization, and maintains the traditional 60/40 split between the Executive and the Legislature.

## EDUCATION, LABOR AND FAMILY ASSISTANCE Highlights

### Council on the Arts

The Legislature reduces funding for the Council on the Arts by \$12.5 million as a result of denial of the Executive's proposal to create the New York Institute of Cultural Education (NYICE), which would assume jurisdiction over the State Museum, the State Library and the State Archives. The administration of these entities will remain within the State Education Department (SED). Therefore, SFY 2004-05 funding for the Council totals \$46.1 million.

### Office of Children and Family Services

The Legislature concurs with the Executive's request with the following modifications: the Legislature denies the Executive's proposal to establish a block grant to reimburse counties for secure and non-secure detention costs. In line with this rejection, the Legislature restores \$2.3 million for local detention costs.

The Legislature restores funding for the following programs:

- Youth Development and Delinquency Prevention Program - \$1.2 million - **Vetoed**
- Family Preservation Centers - \$315,000 - **Vetoed**
- Family Preservation Centers - \$245,000 - **Vetoed**
- Runaway and Homeless Youth Act Program - \$307,800 - **Vetoed**
- Child Advocacy Centers - \$307,800 - **Vetoed**
- Domestic Violence/Child Protective Services Training - \$135,000 - **Vetoed**
- Hoyt Trust Fund - \$647,770 - **Vetoed**
- Case Worker Education & Training - \$648,850 - **Vetoed**
- Homeless Veterans - \$199,500 - **Vetoed**
- Settlement Houses - \$1.4 million - **Vetoed**
- Maternity and Early Childhood Foundation - \$200,000 - **Vetoed**
- Abandoned Infants - \$200,000
- Healthy Families New York Home Visiting Program - \$1.6 million
- Foster Care Enhancement Rate Payments - \$10 million - **Vetoed**

The Legislature reduces, without prejudice, maintenance for the statewide-automated child welfare information system by \$1 million and maintenance undistributed by \$2 million.

### City University of New York

The Legislature concurs with the Executive's request with the following modifications:

- Restoration of the proposed \$115 reduction to base aid per full-time equivalent (FTE) student at CUNY community colleges. - \$5,475,000 - **Vetoed**
- Additional base aid of \$50 per FTE student is provided to CUNY community colleges to increase State aid per student from \$2,300 to \$2,350. - \$2,400,000
- Restoration of the proposed five percent reduction in funding for the Search for Education, Elevation and Knowledge (SEEK) Program at CUNY. - \$547,000 - **Vetoed**
- Restoration of the proposed five percent reduction in funding for the College Discovery Program at CUNY. - \$38,000 - **Vetoed**

### **State Operating Aid**

- Additional State operating aid of \$27 million is provided to CUNY senior college programs to mitigate existing revenue shortfalls. The additional resources would be used to hire new full-time faculty and staff, purchase equipment, and provide additional scholarships to students. This action does not require additional General Fund spending beyond the Executive's request. The increase would be funded from available CUNY funds.
- Restoration of \$795,000 to continue funding for additional full-time faculty positions at CUNY senior colleges. - **Vetoed**

In addition, the Legislature rejects the Executive's proposal to exempt CUNY's capital projects from the Wicks Law requirements.

### **State Education Department**

The 2004-05 Legislative Budget provides for an All Funds add of \$577 million over the Executive's recommendation for the State Education Department. This add is largely attributable to increased appropriations for education of \$560.5 million, \$4.4 million in additions to Higher Education programs, \$12.5 million in Special Revenue Fund restorations including the restoration of funds for the Cultural Education Program resulting from rejection of the Executive's NYICE proposal. In school aid, the Executive recommended a net increase of \$147.3 million (1.02 percent) over the previous year for the 2004-05 school year for General Support for Public Schools. The Legislative package provides an overall school aid increase of \$751 million (5.2 percent) over the previous year, which includes a formula school aid increase of \$740 million and an \$11 million categorical aid increase including teacher centers and the Teacher Mentor Intern Program.

**The Legislature provides for the following changes to the Executive proposal for the 2004-05 school year:**

**Operating/Unrestricted Aids (+\$438 million):**

**Comprehensive Operating Aid (COA) (+\$124.4 million):** The Legislature provides a \$124.4 million increase in operating aid with a minimum 1.75 percent increase for all schools over their respective COA base. The Legislature rejects the Executive's proposed consolidation of extraordinary needs aid, educationally related support services aid, public excess cost aid, limited English proficiency aid, tax limitation aid and summer school into Flex Aid;

**Extraordinary Needs Aid (+\$270.9 million):** The Legislature provides enhancements to this program for high needs districts. Funding enhancements are provided to recognize the additional costs of educating children in areas with high population densities as well as increasing funding to districts with high concentrations of poverty, rural districts and districts with greater numbers of limited english speaking children;

**Educationally Related Support Services Aid (-\$1.4 million):** The Legislature fully funds this program at present law levels;

**Summer School (-\$6.6 million):** The reduction from the Executive's proposal is the result of updated data submitted to the State Education Department by school districts after submission of the Executive budget. Full funding is provided by the Legislature for this program;

**Limited English Proficiency Aid (LEP) (+\$18.9 million):** Additional funds are provided beyond the Executive Budget recommendation for LEP;

**Tax Limitation Aid (+\$18.6 million):** The Legislature increases this program beyond the Executive recommendation, providing an additional \$18.6 million; and

**Growth Aid (+\$13.1 million):** The Legislature provides present law funding for this program. These additional resources are needed to fund increased student enrollment.

**Expenses Based Aids (+\$253.5 million):**

**BOCES Aid (+\$45.4 million):** The Legislature fully restores the Executive's proposed reduction and funds BOCES aid at present law levels. The Legislature rejects the Executive's proposal to eliminate BOCES aid for administrative expenses in 2004-05;

**Excess Cost Aids (+\$105.7 million):** The Legislature fully funds at present law levels both public and private excess cost aid. The Legislature rejects the Executive's reduction in private excess cost aid. Furthermore, the Legislature

rejects the Executive's recommendation to eliminate the separate formula for public excess cost aid and its proposed inclusion in Flex Aid;

**Transportation Aid (+\$63.1 million):** The Legislature rejects the Executive's proposed cap on transportation reimbursement and provides present law funding for this program; and

**Building Aid/Reorganization Building Aid (+\$39.1 million):** The Legislature provides an additional \$39.1 million in building aid over the Executive's proposed funding level. This increase over the Executive Budget is the result of new data that has been submitted by school districts to the State Education Department. The Legislature also rejects a series of changes in building aid advanced by the Executive including:

**Priority Pool:** The Legislature rejects the Executive's proposal to establish a priority pool for building aid in SFY 2004-05. This proposal included a temporary moratorium on approval of building aid for projects approved after February 1, 2004, pending the creation of a new prioritized building aid system;

**Building Project Third Party Review:** The Legislature rejects the Executive's proposal to establish a value engineering process by requiring third party review of all major school construction projects in excess of \$5 million or any project in excess of 30,000 square feet in size;

**No Contract Aid Deferral:** The Legislature modifies the Executive's proposal to defer aid for those projects that have Commissioner approval but do not have, on file with the Commissioner's office, a certification that a general construction contract had been awarded as of November 15, 2003. The Legislature continues present law by changing the no-contract certification date to February 15, 2004 to conform with current practice;

**Eliminate WICKS Law:** The Legislature rejects the Executive's proposal to abolish WICKS Law requirements;

**Cost Allowance Simplification:** The Legislature rejects the Executive recommendation to amend the Education Law to modify the basis for calculating allowable costs for building projects approved by the Commissioner of Education after February 1, 2004.

**LADDER Aid (+1.2 million):**

Funds for the LADDER programs are provided at present law levels and include funding for universal pre-kindergarten, the full day kindergarten incentive program, the minor maintenance and repair program and the class size reduction program.

**Instructional Materials:**

Library, Software, Textbook and Hardware Aid (**+\$187,000**): Additional funds are included beyond the Executive's proposal to provide present law funding for these instructional material programs.

**Teacher Programs (+\$71.6 million):**

**Teacher Centers (+\$21 million):** The Legislature restores Teacher Center funding to base year levels of \$31 million;

**Teacher Mentor/Intern Program (+\$4.7 million):** The Legislature restores this program and provides an additional \$2 million for total funding of \$6 million;

**Teacher Support Aid (+\$44.9 million):** The Legislature restores funding for Teacher Support Aid to base year levels of \$67.48 million;

**National Board for Professional Teaching Standards Certification Grant Program (+\$500,000);** New funding is provided to offset the cost of certified, tenured public school teachers in New York State who are seeking to reach a national teaching certificate from the National Board for Professional Teaching Standards - **Vetoed**;

**PEER Intervention Program (+\$500,000):** New funding is provided for counseling and professional development services to teachers- **Vetoed**.

**Other General Support for Public School Programs (+\$6 million):**

**Employment Preparation Education (EPE) (+\$6 million):** Additional funds are provided for EPE in the 2004-05 school year including an additional \$2.9 million increase for the Consortium for Workers Education.

**The following Education Program changes provide for restorations to 2003-04 base funding levels:**

- Library Aid - \$4.5 million – **Vetoed**
- New York Public Library - \$225,000 – **Vetoed**
- New York Public Library, Science, Industry and Business - \$112,500 - **Vetoed**
- VESID Case Services/Independent Living Centers/Supported Employment - \$3.16 million - **Vetoed**
- Public Television - \$692,000 - **Vetoed**
- Education of Children of Migrant Workers - \$4,500 - **Vetoed**
- Transferring Success Program- \$31,400 - **Vetoed**
- AIDS Education - \$34,600 - **Vetoed**
- Workplace Literacy - \$68,800 - **Vetoed**
- Apprenticeship Training - \$91,500 - **Vetoed**
- Comprehensive School Health Demonstration - \$18,300 - **Vetoed**

- Extended Day School Violence Prevention Grants - \$1.5 million - **Vetoed**
- School Health Demonstration Project - \$7,500 - **Vetoed**
- Schools Under Registration Review - \$100,000 - **Vetoed**
- Primary Mental Health Project - \$28,500 - **Vetoed**
- Deaf Infant Program - \$1 million
- Additional Grants in aid to certain school districts, libraries and non-profit institutions - \$15,344,000 - **Vetoed**
- Regional Center for Autism - \$250,000 – **Vetoed**
- Additional Aid to Independent Colleges and Universities - \$2,212,000 - **Vetoed**

### **State Education Department**

**State Education Department Reorganization:** The Legislature rejects the Executive Budget recommendation to transfer the Cultural Education Program from the State Education Department to the proposed public benefit corporation, New York Institute for Cultural Education (NYICE);

**Management Efficiency Plan (+\$2.1 million):** The Legislature restores \$2.1 million to the State Education Department - **Vetoed**. This action will require the State Education Department to develop a plan that will result in a \$4.9 million savings for the State Operations Budget in 2004-05; and

**Regents Selection:** The Legislature rejects the Executive's proposal to increase the number of Regents from 16 to 18, and to increase their terms from five to six years. The Legislature rejects the Executive's proposal to change the selection process for the Board of Regents.

### **Special Education:**

**Special Education Pre-Kindergarten Program Moratorium:** The Legislature rejects the Executive's proposal to create Pre-kindergarten special education program moratoriums;

**Deaf Infant Program Transfer:** The Legislature rejects the Executive's proposal to transfer oversight of the existing SED administered program which serves children under age three with hearing impairments, to the Early Intervention Program administered by the Department of Health; and

**Special Education Hearings:** The Legislature rejects the Executive's proposal to allow the Commissioner to establish reimbursement rates for process costs in appeals, as well as standards for payments to hearing officers for the Preschool Special Education Program.

**School Property Tax Report Card Information Addition:** The Legislature rejects the Executive's proposal to add data to the school property tax report card that would provide a comparison of the change in total tax levy in the three preceding school years to the percentage increase in the Consumer Price Index over the same three year period.

**Creation of the New York Institute for Cultural Education (NYICE):** The Legislature rejects the Executive's proposal to create a new public benefit corporation, NYICE.

**School Budget Property Tax Cap:** The Legislature rejects the Executive's proposal to cap school district spending at the lesser of four percent or 120 percent of the increase in the Consumer Price Index for the prior year.

**Teacher Tenure Hearings Payment Responsibility Shift:** The Legislature rejects the Executive recommendation to authorize the Commissioner of Education to establish a chargeback whereby individual school districts would be responsible for funding the costs of disciplinary hearings involving tenured teachers. The Legislature provides \$2.1 million in funding to restore the current payment structure.

**Executive Proposal to Restrict the Regents Unfunded Mandates:** The Legislature rejects the Executive's proposal to restrict the Board of Regents' ability to unilaterally impose costly new mandates on school districts by limiting the imposition of unfunded mandates through the Governor's Office of Regulatory Reform (GORR).

### **Education - Higher Education Programs**

The Legislature restores funding for student educational opportunity programs to SFY 2003-04 levels to expand access to institutions of higher education for educationally and economically disadvantaged students. The programs include:

- The Higher Education Opportunity Program (HEOP) for independent colleges and universities. - \$770,000 - **Vetoed**
- BUNDY Aid - \$1.5 million
- The STEP/CSTEP program designed to increase the number of historically underrepresented and disadvantaged students who enroll in mathematics, science, technology, health-related and licensed professions. - \$305,000 - **Vetoed**
- The Liberty Partnership Program - \$385,250 - **Vetoed**
- The Teacher Opportunity Corps Programs - \$38,000 - **Vetoed**

### **Higher Education Services Corporation**

The Legislature concurs with the Executive's proposal with the following modifications:

- The Legislature rejects the Executive's proposal to restructure the Tuition Assistance Program awards which would defer one-third of a student's TAP award until graduation.
- Restoration of TAP Awards - \$201.3 million
- Restoration of the proposed reduction in funding for the Regents Professional Opportunity Scholarships. - \$2.6 million
- The Legislature provides additional funding for the Aid for Part-time Study Program. - \$2.0 million – **Vetoed**
- Licensed Social Worker Loan Forgiveness Program - \$1 million - **Vetoed**

In addition, the Legislature rejects the Executive's proposal to establish an \$11.5 million TAP loan program as part of TAP restructuring.

### **Division of Human Rights**

The Legislature concurs with the Executive's All Funds request of \$17.9 million, a reduction of \$355,000 from SFY 2003-04 funding levels.

### **Department of Labor**

The Legislature concurs with the Executive's Article VII legislation to increase worker protection fees by \$1.6 million and the Executive's SFY 2004-05 All Funds request of \$5.8 billion, which represents a decrease of \$376 million from SFY 2003-04 levels.

Additionally, the Legislature increases General Fund spending by \$3.7 million for SFY 2004-05 (**all vetoed except Chamber of Commerce OJT**).

These funds include full or partial restoration of the following programs:

- Dislocated Worker Assistance Program - \$882,000 - **Vetoed**
- Chamber of Commerce On The Job Training - \$896,000

Furthermore, \$3.6 million in funding from the Workforce Investment Act (WIA) Temporary Assistance to Needy Families (TANF) programs are allocated to the Displaced Homemaker program (**\$2 million in TANF Vetoed – so actual appropriation is \$1.6 million from WIA**).

### **Office of Real Property Services**

The Legislature concurs with the Executive's All Funds request of \$63.1 million, an increase of \$11.3 million from SFY 2003-04 funding levels.

### **State University of New York**

The Legislature concurs with the Executive's request with the following modifications:

- Restoration of \$115 or a five percent reduction to base aid per full-time equivalent (FTE) student at SUNY community colleges. - \$13.8 million - **Vetoed**
- An additional base aid increase of \$50 per FTE is provided to SUNY community colleges, increasing State aid per student from \$2,300 to \$2,350. - \$6.0 million
- Restoration of a five percent reduction in funding for the Educational Opportunity Program (EOP). - \$574,000 - **Vetoed**
- Additional support for SUNY community college Rental Aid. - \$700,000 - **Vetoed**
- Restoration of the Cornell Cooperative Extension. - \$193,000 – **Vetoed**
- Center for Autism at SUNY Albany - \$250,000 - **Vetoed**

## **State Operating Aid**

- Additional State operating aid of \$41 million is provided to SUNY State-operated and statutory colleges to mitigate existing revenue shortfalls. The additional resources would be used to hire new full-time faculty and staff, purchase much-needed equipment, and provide additional scholarships to students. This action does not require additional General Fund spending beyond the Executive's request. The increase would be funded with available SUNY funds.
- Restoration of \$1.7 million to continue funding for full-time faculty positions at SUNY colleges of Agriculture and Technology - **Vetoed**

## **SUNY Hospitals**

- The Legislature denies legislation authorizing the SUNY Board of Trustees to develop a plan to convert the three SUNY hospitals (Brooklyn, Stony Brook and Syracuse) into not-for-profit corporations.

## **State University Construction Fund**

The Legislature concurs with the Executive's All Funds request of \$12.2 million, an increase of \$1.2 million or 11 percent over SFY 2003-04.

## **Office of Temporary and Disability Assistance**

The Legislature concurs with the Executive's request with the following modifications: the Legislature denies the three Executive Article VII proposals for Full Family Sanctions, Welfare Grant Reductions, and Earned Income Disregard Step-down. In line with these rejections, the Legislature restores \$49.8 million to continue current benefits.

The Legislature restores \$765,000 in funding for the Local Innovations for Non-TANF Eligible Persons Program - **Vetoed**

## **Allocation of the TANF surplus moneys by functional areas are as follows:**

- Child Welfare Investments - \$425.8 million (**Vetoed Language**)
- Low Income Working Families - \$391.1 million
- Child Care Investments - \$375 million
- Employment/Transitional Initiatives - \$89.2 million (**Vetoed Language**)
- Services and Health Initiatives - \$82.9 million (**Vetoed Language**)
- Legislative Initiatives - \$50.9 million (**Vetoed Language**)
- Increase in SSI for eligible aged, blind, and disabled individuals - \$3 million – **Vetoed**
- Additional State Reimbursement of Social Service Districts expenditures for temporary assistance programs - \$4,369,000 - **Vetoed**

**Total TANF Surplus Spending - \$1.505 billion**

The Legislature reduces, without prejudice, funding for the welfare management system by \$5 million.

**TANF “SURPLUS” SFY 2004-05**  
**FINAL BUDGET AGREEMENT** (for a more detailed explanation please go to  
[www.sensesny.org](http://www.sensesny.org) - state budget analysis)

<b>Category/Item</b>	<b>Enacted Budget SFY 2003-04</b>	<b>Executive 30 Day Budget SFY 04-05</b>	<b>Legislative Budget SFY 2004-05</b>
<b>Child Welfare Investments</b>	<b>549,000</b>	<b>425,800</b>	<b>425,800</b>
Title XX	241,000	119,000	119,000
Local JD/PINS	105,000	105,000	105,000
NYC Foster Care Tuition	41,000	41,000	41,000
Child Welfare EAF	140,000	140,000	140,000
OCFS JDs	12,000	12,000	12,000
OCFS Community Based JD Services	1,000	950	950
Pins/Preventive Services	7,000	5,950	5,950
Child Welfare Quality	2,000	1,900	1,900
<b>Support for Low-Income Working Families</b>	<b>494,900</b>	<b>486,729</b>	<b>480,683</b>
EITC	382,000	396,737	390,691
Prior-Year EITC	(2,100)	0	0
CDCC	107,700	89,992	89,992
Prior-Year CDCC	7,300	0	0
<b>Child Care Investments</b>	<b>408,000</b>	<b>375,000</b>	<b>375,000</b>
Child Care (includes CAP & EAP)	390,600	375,000	365,100
Child Care Demos	11,000	0	3,500
Child Care SUNY/CUNY	3,400	0	3,400
Satellite Child Care	2,000	0	2,000
Child Care Migrant Workers	1,000	0	1,000
Child Care Enforcement	0	0	0
<b>Employment/Transitional Initiatives</b>	<b>52,125</b>	<b>94,053</b>	<b>74,178</b>
Employment Block Grant*	38,625	50,000	38,625
Transportation	5,000	5,000	5,000
Drugs Screening/Treatment	2,500	2,500	2,500
DV Screening	6,000	6,000	6,000
Edge	0	12,500	12,500
Bridge	0	9,553	9,553
Employment Demonstration Projects	0	8,500	0
<b>Services &amp; Health Initiatives</b>	<b>100,110</b>	<b>91,179</b>	<b>97,949</b>
Summer Youth Employment	<b>25,000</b>	<b>15,000</b>	<b>15,000</b>
YEETP	4,300	0	4,300
Displaced Homemakers	1,600	0	2,000

Green Teams	1,010	0	0
Advantage Schools	10,000	20,200	20,200
Home Visiting**	16,000	16,000	14,128
Food Pantries	12,000	12,000	12,350
Pregnancy Prevention	10,000	10,000	11,600
APPS**	7,700	5,954	5,870
School Based Health Centers	3,500	3,325	3,500
Title XX-WIC	3,000	3,000	3,000
WIC	2,000	1,900	2,000
ATI	4,000	3,800	4,000
<b>Systems</b>	0	11,500	0
<b>Legislative Initiatives</b>	<b>46,575</b>	<b>0</b>	<b>51,325</b>
Wage Subsidy Program	5,000	0	5,000
Preventive Services Initiative	18,000	0	18,000
Technology Training	7,000	0	8,500
Language Immersion/English Training/ESL	1,250	0	1,750
Adult & Family Literacy	1,000	0	1,000
VESID – case services	3,000	0	2,000
Homeless Assistance (SHIP)	4,000	0	4,000
Parents Count Demo	175	0	0
Access-Welfare to Careers**	1,000	0	500
Emergency Homeless	500	0	500
DAP	1,000	0	1,000
DAP Savings	(500)	0	- 500
Supportive Housing for Families	2,000	0	2,500
Basic Education	3,000	0	3,000
Caretaker Relative	150	0	1,150
Medical Transcriptionist Training			700
Built on Pride			1,125
After School Pilot			1,100
<b>TANF Surplus Commitments</b>	<b>2,017,010</b>	<b>1,484,261</b>	<b>1,504,935</b>

\* Includes \$4.5 million for the Transitional Opportunities Program (Vetoed)

\*\* Reflects programs being kept whole, but a portion of SFY-2003-04 funding has been used to start the SFY 2004-05 program

For more information please contact SENSES at 518-463-5576

**Office of the Welfare Inspector General**

The Legislature concurs with the Executive's All Funds request of \$1.1 million in funding, consistent with SFY 2003-04 levels.

## **PUBLIC PROTECTION AND GENERAL GOVERNMENT Highlights**

### **Division of Alcoholic Beverage Control**

The Legislature concurs with the Executive's All Funds request of \$13.5 million, an increase of \$204,000 from SFY 2003-04. In addition, the Legislature restores funding for the State Liquor Authority and the Division's Syracuse office.

### **Department of Audit and Control**

The Legislature concurs with the Executive's All Funds request of \$208.9 million, an increase of \$2 million from SFY 2003-04. Also included is local assistance funding of \$12 million for payments to counties and New York City related to indigent legal services, consistent with previously enacted legislation.

### **Banking Department**

The Legislature concurs with the appropriations set forth in the Executive's Budget. The Legislature requires the Department to conduct a report on the purpose, activities and policies of the Holocaust Claims Processing Office, the London Office and the Tokyo Office by January 15, 2005.

### **Division of Budget**

The Legislature concurs with the Executive's All Funds request of \$56 million, a reduction of \$1.7 million from SFY 2003-04.

### **Capital Defenders Office**

The Legislature concurs with the Executive's All Funds request with the following modifications: the Legislature denies the Executive's proposal to transfer the administrative functions of the Office over to the Division of Criminal Justice Services, and restores \$89,000 in General Fund support. – **Vetoed appropriation and language**

### **Department of Civil Service**

The Legislature denies \$1.0 million of a \$1.5 million Executive request for moving expenses and equipment, due to delays in the completion date for the Alfred E. Smith Office Building. All Funds appropriations of \$56.9 million are approved.

### **Consumer Protection Board**

The Legislature concurs with the Executive's All Funds request of \$3.4 million, a reduction of \$1.6 million from SFY 2003-04.

### **State Commission on Correction**

The Legislature concurs with the Executive's All Funds request of \$2.4 million, a reduction of \$96,000 or 3.8 percent from the previous fiscal year.

### **Division of Correctional Services**

The Legislature concurs with the Executive's All Funds request with the following modifications:

The Legislature restores funding for the following:

The Camp Pharsalia Correctional Facility, the Camp at the Mount McGregor Correctional Facility and the Fulton Correctional Facility - \$12,000,000 - **Vetoed**

The Watertown Special Housing Unit (SHU) - \$300,000 - **Vetoed**

The Legislature provides \$7 million in new funding for an increase in additional correctional officer and correctional sergeant positions at correctional facilities in order to increase the number of security relief positions and reduce overtime costs. - **Vetoed**

In addition, the Legislature requires the Division to provide a report to the Legislature on the staffing of correctional officers and correctional sergeants in state facilities as required in the previous year.

### **Division of Criminal Justice Services**

The Legislature concurs with the Executive's All Funds request with the following modifications: the Legislature denies the merger of the Crime Victims Board, and the merger of the aid to localities grant programs in the Department of Probation and Correctional Alternatives into the Division of Criminal Justice Services.

The Legislature restores funding of \$2.6 million for the Westchester County Policing Program. - **Vetoed**

The Legislature adds support for the following:

Legal Assistance for Indigent Parolees - \$580,000 - **Vetoed**  
Lifespan (Elder Abuse Prevention Project) - \$300,000 - **Vetoed**  
New York Prosecutors Training Institute - \$134,000 - **Vetoed**  
Education and Assistance Corporation - \$450,000 - **Vetoed**  
Road to Recovery Program - \$500,000  
Division of Criminal Justice study/report on non-lethal weapons - \$50,000 –  
**Vetoed Language and Appropriation**

Local Law Enforcement Training and Technology Enhancements - \$170,000 -  
**Vetoed**

In addition, the Legislature appropriates \$16.2 million in Edward Byrne Federal Memorial Grant funds to three separate accounts for drug, violence, crime control, and local prevention programs.

The Legislature transfers \$12 million to the Department of Audit and Control for payments to counties and New York City related to indigent legal services, consistent with previously enacted legislation.

The Legislature concurs with the following Executive Article VII proposals, with the following modifications:

The Executive proposed that all speeding ticket fines be based on the initial charged offense, generating \$17.8 million in revenue for the State and reducing local revenues by an equal amount. The Legislature accepted this proposal and authorized cities, towns and villages to impose a \$10 surcharge on all traffic violations on which there is a surcharge presently imposed by the State until September 1, 2005, in order to provide local governments with the ability to recapture a portion of the revenue lost under the Executive proposal. In addition, the Legislature denies \$5 million for District Attorney prosecution of vehicle and traffic infractions, and restores \$3 million to the Division of State Police for the loss of overtime savings.

The Legislature amends the Executive Article VII proposal regarding the Motor Vehicle Law Enforcement fee to ensure that the State Police Motor Vehicle Law Enforcement Account (MVLEA) receives \$60.4 million from the Motor Vehicle Law Enforcement fee. The Legislature approves \$4.7 million for the Motor Vehicle Theft and Insurance Fraud Prevention Program for local assistance grants, while sunsetting this provision in March 2005.

In addition, the Legislature provides additional appropriation authority of up to \$1 million, should revenues be available, to fund the Motor Vehicle Theft and Insurance Fraud Prevention Program for additional local assistance grants. -  
**Vetoed**

The Legislature denies the following Executive Article VII proposals:

Automated Speed Enforcement in Work Zones.

Local option to impose a \$5 fee on vehicle insurance policies.

### **Office for the Prevention of Domestic Violence**

The Legislature restores the Executive's reduction to the Batterer Program, at a cost of \$38,000 - **Vetoed**

All Funds appropriations total \$2.3 million, an increase of \$16,000 from SFY 2003-04 funding levels.

### **State Board of Elections**

The Legislature concurs with the Executive's recommendation of \$3.65 million in General Fund support for State Operations, a six percent increase from SFY 2003-04.

The Legislature denies appropriations for Federal funding, in the amount of \$180 million, for the Help America Vote Act (HAVA) pending final approval of a plan by the Legislature.

### **Office of Employee Relations**

The Legislature concurs with the Executive's All Funds request of \$5.7 million, an increase of \$52,000 for salary and fixed costs increases from SFY 2003-04.

### **Executive Chamber**

The Legislature concurs with the Executive's All Funds request of \$13.4 million, a reduction of five percent from SFY 2003-04.

### **Office of General Services**

The Legislature concurs with the Executive's All Funds request of \$352.6 million, a reduction of \$63.5 million from SFY 2003-04.

### **Homeland Security**

The Legislature concurs with the Executive's request of \$476.8 million to support Homeland Security programs in SFY 2004-05. These appropriations are dispersed throughout the budget as follows:

\$200 million for Weapons of Mass Destruction is appropriated within the Division of Criminal Justice Services.

\$14.9 million is appropriated to the Office of Public Security.

\$261.9 million is appropriated in two separate parts of the Miscellaneous section of this bill.

In addition to these new appropriations, \$104 million in SFY 2003-04 Weapons of Mass Destruction funding was approved as part of chapter 18 of the laws of 2004.

Funding Support for the 2004 Anti-Terrorism Law:

Language is included by the Legislature to provide a minimum of \$2 million from Federal Funds received during SFY 2004-05 to reimburse both small private, as defined by section 14-m of the Transportation Law, and small and medium sized regional commercial airports for the cost of improvements made to enhance security. Projects which are funded by the Transportation Security Agency are ineligible for funding. The Director of the Office of Public Security is charged with promulgating rules and regulations governing the use of these monies. **(Vetoed Language)**

Language is also included that would authorize the Executive to utilize a portion of the Federal Funds received in SFY 2004-05 to support enhanced security measures for hazardous substance storage facilities and training to insure an adequate response to incidents involving hazardous materials or weapons of mass destruction. **(Vetoed Language)**

### **Office of the State Inspector General**

The Legislature concurs with the Executive's All Funds request of \$5.8 million, a reduction of \$25,000 or four percent from the previous fiscal year.

### **Interest on Lawyers Account (IOLA)**

The Legislature concurs with the Executive's All Funds request of \$13.6 million, a reduction of \$955,000 or 6.5 percent from the previous fiscal year.

### **Temporary State Commission on Investigation**

The Legislature concurs with the Executive's All Funds request with the following modification: the Legislature provides an additional \$400,000 in General Fund support.

### **Judicial Commissions**

The Legislature concurs with the Executive's All Funds request of \$2.6 million an increase of \$131,000 or 5.4 percent from SFY 2003-04.

### **Department of Law**

The Legislature concurs with the Executive's All Funds request of \$197.3 million, an increase of four percent from SFY 2003-04.

### **Office of the Lieutenant Governor**

The Legislature concurs with the Executive's General Fund request of \$465,500, a reduction of five percent from SFY 2003-04.

### **Temporary State Commission on Lobbying**

The Legislature concurs with the Executive's All Funds request of \$1.3 million, an increase of \$16,000 from SFY 2003-04.

### **Division of Military and Naval Affairs**

The Legislature approves All Funds appropriations of \$134.0 million to support the Division's operations in SFY 2004-05. Executive requests to eliminate lease payments from the Park Avenue Armory and increase Nuclear Reactor Fees are denied.

Additional funding of \$450,000 is provided to support the purchase and operation of three marine security patrol boats. The new security crafts will be stationed at the Indian Point Nuclear Power Facility in Westchester County and the Ginna Nuclear Power Facility in Ontario, Wayne County.

### **Division of Parole**

The Legislature concurs with the Executive's All Funds request with the following modifications: the Legislature denies the Executive Article VII proposal to extend the period in which the Division of Parole can process a parole violation warrant for certain out-of-state parole violators from five days to ten days.

The Legislature also restores \$176,000 in General Fund support - **Vetoed**.

The Legislature concurs with the following Executive Article VII proposal:

Clarifies current law as to when the Division of Parole is responsible for reimbursing local jails for housing a preemptively released, paroled or conditionally released violator.

### **Department of Probation and Correctional Alternatives**

The Legislature concurs with the Executive's All Funds request with the following modifications: the Legislature denies the merger of the Division of Probation and Correctional Alternatives aid to localities grant programs to the Division of Criminal Justice Services,

and restores \$202,000 in General Fund Support (**Vetoed Appropriation and Language**) along with \$68.7 million in Aid to Localities.

The Legislature denies the Executive Article VII proposal to authorize, at local option, counties and New York City to assess probation fees to support county probation services.

### **Office of Public Security**

The Executive's All Funds request of \$14.9 million to support office operations is approved. Article VII Legislation to impose an additional \$1.96 million in article 18-a assessments to fund a Power Generation and Transmission Facility Security Initiative is also approved by the Legislature.

### **Public Employee Relations Board**

The Legislature concurs with the Executive's All Funds request of \$3.7 million, a reduction of \$338,000 from SFY 2003-04.

### **Governor's Office of Regulatory Reform**

The Legislature concurs with the Executive's General Fund request of \$3.37 million, an increase of \$250,000 from SFY 2003-04.

## **Department of State**

The Legislature concurs with the Executive's All Funds request of \$138.5 million, a reduction of \$103.9 million. The decrease is a result of reduced capital funding for local expedited employment of E-911 services.

## **Division of State Police**

The Legislature concurs with the Executive's All Funds request with the following modifications:

The Legislature denies the following Executive Article VII proposals and restores General Fund support for the following:

\$3 million in overtime costs as a result of the Legislature's denial of changes in the vehicle and traffic law prosecution process;

\$1 million as a result of the Legislature's denial of the Executive's request pertaining to crime lab analysis using the aggregate weight; and

\$154,000 as a result of the Legislature's denial of the Executive's request to authorize recording of Grand Jury Testimony.

The Legislature denies the following Executive Article VII proposal:

Establishing a State licensing fee on pistol and revolver permits with an expiration date of five years for all gun licenses. The Executive's proposal would have required new State pistol and revolver permit fees of: \$100 on new and renewal pistol or revolver permits; \$25 on each permit; \$100 on gunsmith and dealer licenses; \$25 for a duplicate license; and \$25 for transfers. A five year expiration for gun licenses was also proposed for counties outside of New York City, Nassau, Suffolk, and Westchester counties. Lifetime holders would have been required to have their licenses certified prior to February 1, 2005. The proposal requires recertification of a gun license be conducted by a National Instant Background Check System (NICS) instead of resubmission of an applicants fingerprints. In addition, the Legislature denies the Executive's request for \$1.5 million for State Police expenses related to administrative expenses of this new licensing program.

## **Division for Veterans' Affairs**

The Legislature concurs with the Executive's SFY 2004-05 request of \$13.3 million, an increase of \$198,000 or 1.5 percent.

### **Workers' Compensation Board**

The Legislature concurs with the Executive's request and provides \$170 million in Special Revenue appropriations to support Board operations in SFY 2004-05.

An Executive Article VII request to permit the use of electronic recordings for hearing transcription purposes is denied.

### **Local Government Assistance**

The Legislature approves funding of an additional \$700,000 for the seven cities which were not previously in the supplemental municipal aid program. Each of the following cities will receive \$100,000: Glens Falls, Ithaca, Little Falls, Rye, Saratoga Springs, Sherrill and Watervliet. - **Vetoed**

The cities of Buffalo, Rochester and Syracuse will receive a spin-up of aid in their City Fiscal Years (CFY) 2005, 2006 and 2007. This aid will provide, in each year, a one-time cash benefit. This advance payment will not increase State spending, as it moves the payment within the same State fiscal year. The three cities will each receive an additional \$15.6 million in CFY 2005, \$6 million in CFY 2006 and \$3.4 million in CFY 2007. This advancement of aid is conditional on the locality submitting a four-year financial plan to the State Comptroller, and the Comptroller certifying that the plan follows Generally Accepted Accounting Principles. The Director of the Budget must also approve the plan.

The following cities will receive a spin-up in CFY 2005:

Auburn - \$1 million  
Corning - \$330,000  
Lackawanna - \$1.3 million  
Long Beach - \$700,000  
Rensselaer - \$230,000  
Watertown - \$976,000  
White Plains - \$1.1 million

This advance payment will not increase State spending, as it moves the payment within the same State Fiscal Year.

**Small Government Assistance**The Legislature approves funding of an additional \$1.9 million, to be distributed to municipalities in the Adirondack and Catskill regions which have tax-exempt forest property within their jurisdiction, and an additional \$1.4 million for the City of Schenectady.

