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I N S E N A T E

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Introduced by Sens. LAVALLE, BOYLE, DeFRANCISCO, LIBOUS, MARCHIONE,
RANZENHOFER -- read twice and ordered printed, and when printed to be
committed to the Committee on Finance

AN ACT to amend the state finance law, in relation to establishing the
state university of New York upstate medical hospital operating
account, the state university of New York downstate medical hospital
operating account and the state university of New York Stony Brook
medical hospital operating account and to amend the education law, in
relation to apportionment to the state university; and to repeal
subdivision 8-a of section 355 of the education law relating thereto

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-
BLY, DO ENACT AS FOLLOWS:

1 Section 1. The state finance law is amended by adding three new
2 sections 99-v, 99-w and 99-x to read as follows:
3 S 99-V. STATE UNIVERSITY OF NEW YORK UPSTATE MEDICAL HOSPITAL OPERAT-
4 ING ACCOUNT. 1. THERE IS HEREBY ESTABLISHED IN THE JOINT CUSTODY OF THE
5 STATE COMPTROLLER AND THE COMMISSIONER OF TAXATION AND FINANCE AN
6 ACCOUNT TO BE KNOWN AS THE "STATE UNIVERSITY OF NEW YORK UPSTATE MEDICAL
7 HOSPITAL OPERATING ACCOUNT."
8 2. SUCH ACCOUNT SHALL CONSIST OF (A) ANY MONIES RECEIVED BY STATE
9 UNIVERSITY HEALTH CARE FACILITIES FROM FEES, CHARGES AND REIMBURSEMENT
10 FROM ALL OTHER SOURCES, AND (B) ANY FUNDING FROM THE STATE GENERAL FUND
11 PROVIDED TO THE STATE UNIVERSITY HEALTH CARE FACILITIES PURSUANT TO AN
12 ANNUAL TRANSFER SO DESIGNATED AS BEING ASSOCIATED WITH THE STATE UNIVER-
13 SITY HEALTH CARE FACILITY AT SYRACUSE. NOTWITHSTANDING THE PROVISIONS
14 OF ANY LAW, RULE OR REGULATION TO THE CONTRARY, A PORTION OF SUCH MONIES
15 CREDITED MAY BE TRANSFERRED TO A STATE UNIVERSITY ACCOUNT AS REQUESTED
16 BY THE STATE UNIVERSITY CHANCELLOR OR HIS OR HER DESIGNEE. MONIES TO
17 ESTABLISH RESERVES FOR LONG-TERM EXPENSES OF STATE UNIVERSITY HEALTH
18 CARE FACILITIES AND TO FULFILL OBLIGATIONS REQUIRED FOR ANY CONTRACT FOR
19 HEALTH CARE SERVICES AUTHORIZED PURSUANT TO SUBDIVISION SIXTEEN OF
20 SECTION THREE HUNDRED FIFTY-FIVE OF THE EDUCATION LAW MAY BE DESIGNATED
21 BY THE STATE UNIVERSITY HEALTH CARE FACILITY AT SYRACUSE AS A RESERVE
22 AND TRANSFERRED TO A SEPARATE CONTRACTUAL RESERVE ACCOUNT. THE AMOUNTS

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 IN SUCH ACCOUNTS SHALL BE AVAILABLE FOR USE IN ACCORDANCE WITH PARAGRAPH
2 B OF SUBDIVISION FOUR AND SUBDIVISION EIGHT OF SECTION THREE HUNDRED
3 FIFTY-FIVE OF THE EDUCATION LAW. MONIES SHALL ONLY BE EXPENDED FROM THE
4 STATE UNIVERSITY OF NEW YORK UPSTATE MEDICAL HOSPITAL OPERATING ACCOUNT
5 AND THE CONTRACTUAL RESERVE ACCOUNT PURSUANT TO APPROPRIATION. NOTWITH-
6 STANDING ANY OTHER PROVISION OF THIS CHAPTER, THE EDUCATION LAW OR ANY
7 OTHER LAW TO THE CONTRARY, SUCH APPROPRIATION SHALL REMAIN IN FULL FORCE
8 AND EFFECT FOR TWO YEARS FROM THE EFFECTIVE DATE OF THE APPROPRIATION
9 ACT MAKING SUCH APPROPRIATION. MONIES SO TRANSFERRED MAY BE RETURNED TO
10 THE STATE UNIVERSITY OF NEW YORK UPSTATE MEDICAL HOSPITAL OPERATING
11 ACCOUNT; PROVIDED, HOWEVER, THAT FUNDS IN SUCH CONTRACTUAL RESERVE
12 ACCOUNT MUST BE SUFFICIENT TO MEET THE OBLIGATIONS OF ALL SUCH
13 CONTRACTS.

14 3. NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH C OF SUBDIVISION FOUR
15 OF SECTION THREE HUNDRED FIFTY-FIVE OF THE EDUCATION LAW, OR ANY OTHER
16 LAW, RULE OR REGULATION TO THE CONTRARY, AND EXCEPT AS OUTLINED IN THIS
17 SECTION, SUCH FUNDS CONTAINED WITHIN THE STATE UNIVERSITY OF NEW YORK
18 UPSTATE MEDICAL HOSPITAL OPERATING ACCOUNT SHALL BE FOR THE OPERATIONS
19 OF THE STATE UNIVERSITY HEALTH CARE FACILITY AT SYRACUSE ALONE AND MAY
20 NOT BE SUPPLEMENTED BY MONIES CONTAINED WITHIN ANY OTHER STATE UNIVERSI-
21 TY ACCOUNT.

22 S 99-W. STATE UNIVERSITY OF NEW YORK DOWNSTATE MEDICAL HOSPITAL OPER-
23 ATING ACCOUNT. 1. THERE IS HEREBY ESTABLISHED IN THE JOINT CUSTODY OF
24 THE STATE COMPTROLLER AND THE COMMISSIONER OF TAXATION AND FINANCE AN
25 ACCOUNT TO BE KNOWN AS THE "STATE UNIVERSITY OF NEW YORK DOWNSTATE
26 MEDICAL HOSPITAL OPERATING ACCOUNT."

27 2. SUCH ACCOUNT SHALL CONSIST OF (A) ANY MONIES RECEIVED BY STATE
28 UNIVERSITY HEALTH CARE FACILITIES FROM FEES, CHARGES AND REIMBURSEMENT
29 FROM ALL OTHER SOURCES, AND (B) ANY FUNDING FROM THE STATE GENERAL FUND
30 PROVIDED TO THE STATE UNIVERSITY HEALTH CARE FACILITIES PURSUANT TO AN
31 ANNUAL TRANSFER SO DESIGNATED AS BEING ASSOCIATED WITH THE STATE UNIVER-
32 SITY HEALTH CARE FACILITY AT BROOKLYN. NOTWITHSTANDING ANY LAW, RULE OR
33 REGULATION TO THE CONTRARY, A PORTION OF SUCH MONIES CREDITED MAY BE
34 TRANSFERRED TO A STATE UNIVERSITY ACCOUNT AS REQUESTED BY THE STATE
35 UNIVERSITY CHANCELLOR OR HIS OR HER DESIGNEE. MONIES TO ESTABLISH
36 RESERVES FOR LONG-TERM EXPENSES OF STATE UNIVERSITY HEALTH CARE FACILI-
37 TIES AND TO FULFILL OBLIGATIONS REQUIRED FOR ANY CONTRACT FOR HEALTH
38 CARE SERVICES AUTHORIZED PURSUANT TO SUBDIVISION SIXTEEN OF SECTION
39 THREE HUNDRED FIFTY-FIVE OF THE EDUCATION LAW MAY BE DESIGNATED BY THE
40 STATE UNIVERSITY HEALTH CARE FACILITY AT BROOKLYN AS A RESERVE AND
41 TRANSFERRED TO A SEPARATE CONTRACTUAL RESERVE ACCOUNT. THE AMOUNTS IN
42 SUCH ACCOUNTS SHALL BE AVAILABLE FOR USE IN ACCORDANCE WITH PARAGRAPH B
43 OF SUBDIVISION FOUR AND SUBDIVISION EIGHT OF SECTION THREE HUNDRED
44 FIFTY-FIVE OF THE EDUCATION LAW. MONIES SHALL ONLY BE EXPENDED FROM THE
45 STATE UNIVERSITY OF NEW YORK DOWNSTATE MEDICAL HOSPITAL OPERATING
46 ACCOUNT AND THE CONTRACTUAL RESERVE ACCOUNT PURSUANT TO APPROPRIATION.
47 NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER, THE EDUCATION LAW
48 OR ANY OTHER LAW TO THE CONTRARY, SUCH APPROPRIATION SHALL REMAIN IN
49 FULL FORCE AND EFFECT FOR TWO YEARS FROM THE EFFECTIVE DATE OF THE
50 APPROPRIATION ACT MAKING SUCH APPROPRIATION. MONIES SO TRANSFERRED MAY
51 BE RETURNED TO THE STATE UNIVERSITY OF NEW YORK DOWNSTATE MEDICAL HOSPI-
52 TAL OPERATING ACCOUNT; PROVIDED, HOWEVER, THAT FUNDS IN SUCH CONTRACTUAL
53 RESERVE ACCOUNT MUST BE SUFFICIENT TO MEET THE OBLIGATIONS OF ALL SUCH
54 CONTRACTS.

55 3. NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH C OF SUBDIVISION FOUR
56 OF SECTION THREE HUNDRED FIFTY-FIVE OF THE EDUCATION LAW, OR ANY LAW,

RULE OR REGULATION TO THE CONTRARY, AND EXCEPT AS OUTLINED IN THIS SECTION, SUCH FUNDS CONTAINED WITHIN THE STATE UNIVERSITY OF NEW YORK DOWNSTATE MEDICAL HOSPITAL OPERATING ACCOUNT SHALL BE FOR THE OPERATIONS OF THE STATE UNIVERSITY HEALTH CARE FACILITY AT BROOKLYN ALONE AND MAY NOT BE SUPPLEMENTED BY MONIES CONTAINED WITHIN ANY OTHER STATE UNIVERSITY ACCOUNT.

S 99-X. STATE UNIVERSITY OF NEW YORK STONY BROOK MEDICAL HOSPITAL OPERATING ACCOUNT. 1. THERE IS HEREBY ESTABLISHED IN THE JOINT CUSTODY OF THE STATE COMPTROLLER AND THE COMMISSIONER OF TAXATION AND FINANCE AN ACCOUNT TO BE KNOWN AS THE "STATE UNIVERSITY OF NEW YORK STONY BROOK MEDICAL HOSPITAL OPERATING ACCOUNT."

2. SUCH ACCOUNT SHALL CONSIST OF (A) ANY MONIES RECEIVED BY STATE UNIVERSITY HEALTH CARE FACILITIES FROM FEES, CHARGES AND REIMBURSEMENT FROM ALL OTHER SOURCES, AND (B) ANY FUNDING FROM THE STATE GENERAL FUND PROVIDED TO THE STATE UNIVERSITY HEALTH CARE FACILITIES PURSUANT TO AN ANNUAL TRANSFER SO DESIGNATED AS BEING ASSOCIATED WITH THE STATE UNIVERSITY HEALTH CARE FACILITY AT STONY BROOK. NOTWITHSTANDING THE PROVISIONS OF ANY LAW, RULE OR REGULATION TO THE CONTRARY, A PORTION OF SUCH MONIES CREDITED MAY BE TRANSFERRED TO A STATE UNIVERSITY ACCOUNT AS REQUESTED BY THE STATE UNIVERSITY CHANCELLOR OR HIS OR HER DESIGNEE. MONIES TO ESTABLISH RESERVES FOR LONG-TERM EXPENSES OF STATE UNIVERSITY HEALTH CARE FACILITIES AND TO FULFILL OBLIGATIONS REQUIRED FOR ANY CONTRACT FOR HEALTH CARE SERVICES AUTHORIZED PURSUANT TO SUBDIVISION SIXTEEN OF SECTION THREE HUNDRED FIFTY-FIVE OF THE EDUCATION LAW MAY BE DESIGNATED BY THE STATE UNIVERSITY HEALTH CARE FACILITY AT STONY BROOK AS A RESERVE AND TRANSFERRED TO A SEPARATE CONTRACTUAL RESERVE ACCOUNT. THE AMOUNTS IN SUCH ACCOUNTS SHALL BE AVAILABLE FOR USE IN ACCORDANCE WITH PARAGRAPH B OF SUBDIVISION FOUR AND SUBDIVISION EIGHT OF SECTION THREE HUNDRED FIFTY-FIVE OF THE EDUCATION LAW. MONIES SHALL ONLY BE EXPENDED FROM THE STATE UNIVERSITY OF NEW YORK STONY BROOK MEDICAL HOSPITAL OPERATING ACCOUNT AND THE CONTRACTUAL RESERVE ACCOUNT PURSUANT TO APPROPRIATION. NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER, THE EDUCATION LAW OR ANY OTHER LAW TO THE CONTRARY, SUCH APPROPRIATION SHALL REMAIN IN FULL FORCE AND EFFECT FOR TWO YEARS FROM THE EFFECTIVE DATE OF THE APPROPRIATION ACT MAKING SUCH APPROPRIATION. MONIES SO TRANSFERRED MAY BE RETURNED TO THE UNIVERSITY OF NEW YORK STONY BROOK MEDICAL HOSPITAL OPERATING ACCOUNT; PROVIDED, HOWEVER, THAT FUNDS IN SUCH CONTRACTUAL RESERVE ACCOUNT MUST BE SUFFICIENT TO MEET THE OBLIGATIONS OF ALL SUCH CONTRACTS.

3. NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH C OF SUBDIVISION FOUR OF SECTION THREE HUNDRED FIFTY-FIVE OF THE EDUCATION LAW, OR ANY LAW, RULE OR REGULATION TO THE CONTRARY, AND EXCEPT AS OUTLINED IN THIS SECTION, SUCH FUNDS CONTAINED WITHIN THE STATE UNIVERSITY OF NEW YORK STONY BROOK MEDICAL HOSPITAL OPERATING ACCOUNT SHALL BE FOR THE OPERATIONS OF THE STATE UNIVERSITY HEALTH CARE FACILITY AT STONY BROOK ALONE AND MAY NOT BE SUPPLEMENTED BY MONIES CONTAINED WITHIN ANY OTHER STATE UNIVERSITY ACCOUNT.

S 2. Subdivision 8-a of section 355 of the education law is REPEALED and a new subdivision 8-a is added to read as follows:

8-A. THE DIRECTOR OF THE BUDGET, IN CONSULTATION WITH THE COMMISSIONER OF HEALTH AND CHANCELLOR OF THE STATE UNIVERSITY OF NEW YORK, SHALL DEVELOP A METHODOLOGY FOR THE APPORTIONMENT OF GENERAL FUND MONIES TO BE ALLOCATED ANNUALLY TO EACH OF THE STATE UNIVERSITY OF NEW YORK HEALTH CARE FACILITIES TO REFLECT ONGOING SUPPORT FOR COSTS ATTRIBUTABLE TO THE STATE AGENCY STATUS OF SUCH HEALTH CARE FACILITIES. IN DEVELOPING SUCH METHODOLOGY, THE DIRECTOR OF THE BUDGET SHALL TAKE INTO CONSIDERATION

1 EACH FACILITY'S SHARE OF LABOR COSTS, INCLUDING FRINGE BENEFIT COSTS, AS
2 WELL AS ANY APPLICABLE HOSPITAL INDUSTRY NORMS, WHICH SHALL INCLUDE, BUT
3 NOT BE LIMITED TO, THE NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES, AND
4 OUTPATIENT AND INPATIENT VOLUME. SUCH METHODOLOGY SHALL BE SUBMITTED TO
5 THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE
6 CHAIR OF THE SENATE FINANCE COMMITTEE, THE CHAIR OF THE ASSEMBLY WAYS
7 AND MEANS COMMITTEE AND THE CHAIRS OF THE SENATE AND ASSEMBLY HIGHER
8 EDUCATION COMMITTEES NO LATER THAN THIRTY DAYS PRIOR TO THE ALLOCATION
9 OF MONIES TO EACH HEALTH CARE FACILITY.

10 S 3. Notwithstanding any law to the contrary, and in accordance with
11 section 4 of the state finance law, the state comptroller is hereby
12 authorized and directed to transfer, upon request of the director of the
13 budget, the outstanding balance of the state university income fund,
14 state university hospitals income reimbursable account (22656) to the
15 state university of New York upstate medical hospital operating account,
16 the state university of New York downstate medical hospital operating
17 account and the state university of New York Stony Brook medical hospi-
18 tal operating account. Such transfer shall be done in direct proportion
19 to the share of the revenues received by each hospital for the state
20 university fiscal year ending on June 30, 2013.

21 S 4. This act shall take effect immediately, provided that sections
22 two and three of this act shall take effect on the thirtieth day after
23 it shall have become a law.