S T A T E O F N E W Y O R K

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I N S E N A T E

January 10, 2014

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 ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The state finance law is amended by adding three new sections 99-v, 99-w and 99-x to read as follows:

S 99-V. STATE UNIVERSITY OF NEW YORK UPSTATE 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 UPSTATE 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 SYRACUSE. 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 SYRACUSE AS A RESERVE 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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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 UPSTATE 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 STATE UNIVERSITY OF NEW YORK UPSTATE 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 OTHER LAW, RULE OR REGULATION TO THE CONTRARY, AND EXCEPT AS OUTLINED IN THIS SECTION, SUCH FUNDS CONTAINED WITHIN THE STATE UNIVERSITY OF NEW YORK UPSTATE MEDICAL HOSPITAL OPERATING ACCOUNT SHALL BE FOR THE OPERATIONS OF THE STATE UNIVERSITY HEALTH CARE FACILITY AT SYRACUSE ALONE AND MAY NOT BE SUPPLEMENTED BY MONIES CONTAINED WITHIN ANY OTHER STATE UNIVERSITY ACCOUNT.

S 99-W. STATE UNIVERSITY OF NEW YORK DOWNSTATE 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 DOWNSTATE 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 BROOKLYN. NOTWITHSTANDING 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 BROOKLYN 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 DOWNSTATE 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 STATE UNIVERSITY OF NEW YORK DOWNSTATE 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 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

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

S 3. Notwithstanding any law to the contrary, and in accordance with section 4 of the state finance law, the state comptroller is hereby authorized and directed to transfer, upon request of the director of the budget, the outstanding balance of the state university income fund, state university hospitals income reimbursable account (22656) to 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. Such transfer shall be done in direct proportion to the share of the revenues received by each hospital for the state university fiscal year ending on June 30, 2013.

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