

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

278--A

2015-2016 Regular Sessions

I N S E N A T E

(PREFILED)

January 7, 2015

Introduced by Sens. LAVALLE, BOYLE, FLANAGAN, MARCHIONE, RANZENHOFER, RITCHIE -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- recommitted to the Committee on Finance in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

1 Section 1. The state finance law is amended by adding three new
2 sections 99-y, 99-z and 99-aa to read as follows:
3 S 99-Y. 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

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

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1 BY THE STATE UNIVERSITY CHANCELLOR OR HIS OR HER DESIGNEE. MONIES TO
2 ESTABLISH RESERVES FOR LONG-TERM EXPENSES OF STATE UNIVERSITY HEALTH
3 CARE FACILITIES AND TO FULFILL OBLIGATIONS REQUIRED FOR ANY CONTRACT FOR
4 HEALTH CARE SERVICES AUTHORIZED PURSUANT TO SUBDIVISION SIXTEEN OF
5 SECTION THREE HUNDRED FIFTY-FIVE OF THE EDUCATION LAW MAY BE DESIGNATED
6 BY THE STATE UNIVERSITY HEALTH CARE FACILITY AT SYRACUSE AS A RESERVE
7 AND TRANSFERRED TO A SEPARATE CONTRACTUAL RESERVE ACCOUNT. THE AMOUNTS
8 IN SUCH ACCOUNTS SHALL BE AVAILABLE FOR USE IN ACCORDANCE WITH PARAGRAPH
9 B OF SUBDIVISION FOUR AND SUBDIVISION EIGHT OF SECTION THREE HUNDRED
10 FIFTY-FIVE OF THE EDUCATION LAW. MONIES SHALL ONLY BE EXPENDED FROM THE
11 STATE UNIVERSITY OF NEW YORK UPSTATE MEDICAL HOSPITAL OPERATING ACCOUNT
12 AND THE CONTRACTUAL RESERVE ACCOUNT PURSUANT TO APPROPRIATION. NOTWITH-
13 STANDING ANY OTHER PROVISION OF THIS CHAPTER, THE EDUCATION LAW OR ANY
14 OTHER LAW TO THE CONTRARY, SUCH APPROPRIATION SHALL REMAIN IN FULL FORCE
15 AND EFFECT FOR TWO YEARS FROM THE EFFECTIVE DATE OF THE APPROPRIATION
16 ACT MAKING SUCH APPROPRIATION. MONIES SO TRANSFERRED MAY BE RETURNED TO
17 THE STATE UNIVERSITY OF NEW YORK UPSTATE MEDICAL HOSPITAL OPERATING
18 ACCOUNT; PROVIDED, HOWEVER, THAT FUNDS IN SUCH CONTRACTUAL RESERVE
19 ACCOUNT MUST BE SUFFICIENT TO MEET THE OBLIGATIONS OF ALL SUCH
20 CONTRACTS.

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

29 S 99-Z. STATE UNIVERSITY OF NEW YORK DOWNSTATE MEDICAL HOSPITAL OPER-
30 ATING ACCOUNT. 1. THERE IS HEREBY ESTABLISHED IN THE JOINT CUSTODY OF
31 THE STATE COMPTROLLER AND THE COMMISSIONER OF TAXATION AND FINANCE AN
32 ACCOUNT TO BE KNOWN AS THE "STATE UNIVERSITY OF NEW YORK DOWNSTATE
33 MEDICAL HOSPITAL OPERATING ACCOUNT".

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

1 APPROPRIATION ACT MAKING SUCH APPROPRIATION. MONIES SO TRANSFERRED MAY
2 BE RETURNED TO THE STATE UNIVERSITY OF NEW YORK DOWNSTATE MEDICAL HOSPI-
3 TAL OPERATING ACCOUNT; PROVIDED, HOWEVER, THAT FUNDS IN SUCH CONTRACTUAL
4 RESERVE ACCOUNT MUST BE SUFFICIENT TO MEET THE OBLIGATIONS OF ALL SUCH
5 CONTRACTS.

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

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

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

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

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

1 8-A. THE DIRECTOR OF THE BUDGET, IN CONSULTATION WITH THE COMMISSIONER
2 OF HEALTH AND CHANCELLOR OF THE STATE UNIVERSITY OF NEW YORK, SHALL
3 DEVELOP A METHODOLOGY FOR THE APPORTIONMENT OF GENERAL FUND MONIES TO BE
4 ALLOCATED ANNUALLY TO EACH OF THE STATE UNIVERSITY OF NEW YORK HEALTH
5 CARE FACILITIES TO REFLECT ONGOING SUPPORT FOR COSTS ATTRIBUTABLE TO THE
6 STATE AGENCY STATUS OF SUCH HEALTH CARE FACILITIES. IN DEVELOPING SUCH
7 METHODOLOGY, THE DIRECTOR OF THE BUDGET SHALL TAKE INTO CONSIDERATION
8 EACH FACILITY'S SHARE OF LABOR COSTS, INCLUDING FRINGE BENEFIT COSTS, AS
9 WELL AS ANY APPLICABLE HOSPITAL INDUSTRY NORMS, WHICH SHALL INCLUDE, BUT
10 NOT BE LIMITED TO, THE NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES, AND
11 OUTPATIENT AND INPATIENT VOLUME. SUCH METHODOLOGY SHALL BE SUBMITTED TO
12 THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE
13 CHAIR OF THE SENATE FINANCE COMMITTEE, THE CHAIR OF THE ASSEMBLY WAYS
14 AND MEANS COMMITTEE AND THE CHAIRS OF THE SENATE AND ASSEMBLY HIGHER
15 EDUCATION COMMITTEES NO LATER THAN THIRTY DAYS PRIOR TO THE ALLOCATION
16 OF MONIES TO EACH HEALTH CARE FACILITY.

17 S 3. Notwithstanding any law to the contrary, and in accordance with
18 section 4 of the state finance law, the state comptroller is hereby
19 authorized and directed to transfer, upon request of the director of the
20 budget, the outstanding balance of the state university income fund,
21 state university hospitals income reimbursable account (22656) to the
22 state university of New York upstate medical hospital operating account,
23 the state university of New York downstate medical hospital operating
24 account and the state university of New York Stony Brook medical hospi-
25 tal operating account. Such transfer shall be done in direct proportion
26 to the share of the revenues received by each hospital for the state
27 university fiscal year ending on June 30, 2015.

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