NEW YORK STATE SENATE

THE STENOGRAPHIC RECORD

ALBANY, NEW YORK

March 28, 2001

11:07 a.m.

REGULAR SESSION

SENATOR JOHN R. KUHL, JR., Acting President

STEVEN M. BOGGESS, Secretary

P R O C E E D I N G S

ACTING PRESIDENT KUHL: The Senate will come to order. I ask the members to take their places, staff to take their places.

I ask everybody in the chamber to rise and join with me in saying the Pledge of Allegiance.

(Whereupon, the assemblage recited the Pledge of Allegiance to the Flag.)

ACTING PRESIDENT KUHL: In the absence of clergy, may we bow our heads in a moment of silence.

(Whereupon, the assemblage respected a moment of silence.)

ACTING PRESIDENT KUHL: Reading of the Journal.

THE SECRETARY: In Senate, Tuesday, March 27, the Senate met pursuant to adjournment. The Journal of Monday, March 26, was read and approved. On motion, Senate adjourned.

ACTING PRESIDENT KUHL: Hearing no objection, the Journal stands approved as read.

Presentation of petitions.

Messages from the Assembly.

Messages from the Governor.

Reports of standing committees.

Reports of select committees.

Communications and reports from state officers.

Motions and resolutions.

Senator Wright.

SENATOR WRIGHT: Thank you, Mr. President. I move the following bill be discharged from its respective committee and recommitted with instructions to strike the enacting clause: Senate Bill 3217.

ACTING PRESIDENT KUHL: The bill will be recommitted and the enacting clause stricken.

Senator Wright.

SENATOR WRIGHT: Mr. President, on page number 16, I offer the following amendments to Calendar Number 197, Senate Print Number 2533, and ask that said bill retain its place on Third Reading Calendar.

ACTING PRESIDENT KUHL: The amendments to Calendar Number 197 are received

and adopted. The bill will retain its place on the Third Reading Calendar.

Senator Wright.

SENATOR WRIGHT: Mr. President, on behalf of Senator Libous, please place a sponsor's star on Calendar Number 308.

ACTING PRESIDENT KUHL: Calendar Number 308 starred at the request of the sponsor.

Any other motions or resolutions?

Senator Bruno.

SENATOR BRUNO: Mr. President, I believe that there is a privileged resolution by Senator McGee. I would ask that the title be read and move for its immediate adoption.

ACTING PRESIDENT KUHL: The Secretary will read the title to the privileged resolution by Senator McGee.

THE SECRETARY: By Senator McGee, Legislative Resolution Number 1068, congratulating Robert Saurini upon the occasion of receiving the distinguished rank of Eagle Scout, the most prestigious of Scouting honors, on April 1, 2001.

ACTING PRESIDENT KUHL: The

question is on the resolution. All those in favor signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT KUHL: Opposed, nay.

(No response.)

ACTING PRESIDENT KUHL: The resolution is adopted.

Senator Bruno.

SENATOR BRUNO: Mr. President, I believe there is another privileged resolution, by Senator Stafford. I would ask that the title be read and move for its immediate adoption.

ACTING PRESIDENT KUHL: The Secretary will read the title of the privileged resolution by Senator Stafford.

THE SECRETARY: By Senator Stafford, Legislative Resolution Number 1070, congratulating the Plattsburgh State Hockey Team upon the occasion of winning the NCAA Division III Tournament Championship.

ACTING PRESIDENT KUHL: The question is on the resolution. All those in favor signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT KUHL: Opposed, nay.

(No response.)

ACTING PRESIDENT KUHL: The resolution is adopted.

Senator Bruno.

SENATOR BRUNO: I believe that there are two privileged resolutions by Senator Morahan. I would ask that their titles be read and move for their immediate adoption.

ACTING PRESIDENT KUHL: The Secretary will read the titles to the two privileged resolutions by Senator Morahan.

THE SECRETARY: By Senator Morahan, Legislative Resolution Number 1076, honoring Freddie Roman upon the occasion of his designation as recipient of the "Lifetime Achievement" Award by the JCC-Y of Rockland on April 1, 2001.

And by Senator Morahan, Legislative Resolution Number 1077, honoring Amy and Irwin Schneidmill upon the occasion of their designation for special recognition by the

JCC-Y of Rockland on April 1, 2001.

ACTING PRESIDENT KUHL: The question is on the resolutions. All those in favor signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT KUHL: Opposed, nay.

(No response.)

ACTING PRESIDENT KUHL: The resolutions are adopted.

Senator Bruno.

SENATOR BRUNO: Mr. President, I would ask for an immediate meeting of the Finance Committee in the Majority Conference Room.

ACTING PRESIDENT KUHL: There will be an immediate meeting of the Senate Finance Committee, immediate meeting of the Senate Finance Committee in Room 332, the Senate Majority Conference Room.

Senator Bruno.

SENATOR BRUNO: Mr. President, can we at this time take up the noncontroversial calendar.

ACTING PRESIDENT KUHL: The

Secretary will do the noncontroversial reading of the calendar.

THE SECRETARY: Calendar Number 194, by Senator Rath, Senate Print 1811, an act to amend the Real Property Tax Law, in relation to the allocation.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 234, by Senator Rath, Senate Print 2617, an act to amend the Penal Law, in relation to assaults.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 237, by Senator Johnson, Senate Print 2732, an act to amend the Penal Law, in relation to criminal contempt.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 252, by Senator Skelos, Senate Print 399, an

act to amend the Family Court and the Criminal Procedure Law.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 253, by Senator Saland, Senate Print 1339, an act to amend the Social Services Law, in relation to child abuse.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 254, by Senator Meier, Senate Print 1447, an act to amend the Domestic Relations Law, in relation to notification.

SENATOR PATERSON: Lay it aside, please.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 257, by Senator Balboni, Senate Print 849, an act to amend the Banking Law, in relation to the maintenance.

SENATOR PATERSON: Lay it aside,

please.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 258, by Senator Farley, Senate Print 2838, an act to amend the Banking Law, in relation to the apportionment.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 268, by Senator McGee, Senate Print 3089, an act to amend the General City Law and others.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 274, by Senator Libous, Senate Print 2900, an act to amend the Tax Law, in relation to extending.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 283, by Senator Morahan, Senate Print 514A, an

act to amend the Highway Law, in relation to designating.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 286, by Senator Kuhl, Senate Print 3071, an act to amend the Vehicle and Traffic Law.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 290, by Senator Fuschillo, Senate Print 1070, an act to amend the Vehicle and Traffic Law.

SENATOR PATERSON: Lay it aside, please.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 296, by Member of the Assembly Vitaliano, Assembly Print Number 6816, an act to amend Chapter 395.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 298, by Senator Bonacic, Senate Print 2275, an act to amend the County Law, in relation to review.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 300, by Senator Kuhl, Senate Print 2491, an act to amend the General Municipal Law, in relation to authorizing.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 301, by Senator LaValle, Senate Print 2589, an act to amend Chapter 554.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

THE SECRETARY: Calendar Number 302, by Senator Padavan, Senate Print 2774, an act to amend the General Municipal Law, in relation to the salary.

SENATOR PATERSON: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

Senator Bruno, that completes the noncontroversial reading of the calendar.

SENATOR BRUNO: Mr. President, can we at this time take up the controversial reading of the calendar.

ACTING PRESIDENT KUHL: The Secretary will read the controversial reading of the calendar.

THE SECRETARY: Calendar Number 194, by Senator Rath, Senate Print 1811, an act to amend the Real Property Tax Law, in relation to the allocation of payments.

SENATOR PATERSON: Explanation.

ACTING PRESIDENT KUHL: Senator Rath, an explanation has been requested of Calendar Number 194 by Senator Paterson.

SENATOR RATH: Thank you, Mr. President.

This is a local bill that will deal only with the Town of Tonawanda, which pretty obviously is in my district. But also, as chairman of the Local Government Committee, it would have come under my purview.

And what this bill does is authorizes the town at its option to allocate PILOT payments on IDA-owned property to nonhomestead property instead of to both nonhomestead and homestead property. And the reason for this is that the Town of Tonawanda biggest's taxpayer was an energy generating station, the Huntley energy generating station, owned by Niagara Mohawk at one time. It's now been purchased by NRG.

And of course as a result of that, the assessment issues were very high on the discussions as that property was changing hands. It was formerly the town's largest real property taxpayer when it was the Huntley generating plant, and as it's coming off of the tax rolls, the PILOT agreement of course came into place.

And what will happen is that the town wants now to take those PILOT payments and spread them to the nonhomestead properties so that the businesses in the Town of Tonawanda will not be so negatively impacted that they themselves ask for reassessments, which would again cause difficulty on the

total tax base in the Town of Tonawanda.

So it's a measure that would sunset in three years. It's not mandatory, it's at the discretion of the town board.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, if Senator Rath would yield for a question.

ACTING PRESIDENT KUHL: Senator Rath, do you yield to a question?

SENATOR RATH: Sure.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Senator, how would you compare the difference between the resources that were generated by the taxes paid by the Huntley power plant and the PILOT payments that are made by the Town of Tonawanda?

SENATOR RATH: The PILOT payments that are made to the Town of Tonawanda by the new NRG owner? Through you, Mr. President. Is that what you're asking, Senator Paterson?

SENATOR PATERSON: Yes.

SENATOR RATH: The agreement -

or the Huntley plant is now entering into an agreement where they will be doing payments in lieu of taxes, consisting of a schedule that will put them in a position of paying $13 million in 2001-2002, 12 million the next year, 11.9 million the following year, and 11 million 2004 through 2008.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, if the Senator would continue to yield.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR PATERSON: Mr. President, perhaps I'd be a little less confused if the Senator would be so kind as to explain to the body how the exemption, the homestead exemption, works in the first place. Because it's inevitably going to lead to a question that I have about what happened when the IDA took over the power -- was vested in the power plant.

But how does the homestead exemption work in the first place?

SENATOR RATH: Mr. President, through you, at the discretion of a town, it can go into a homestead/nonhomestead circumstance, as have 30 jurisdictions around the state of New York, in order to benefit the homeowners, basically. And that was what the Town of Tonawanda did a number of years ago when it was first made available.

And what it has done is it has kept the property tax in Tonawanda at a reasonable level with some of the heavier costs laying off to the industrial sites in what is quite a very mixed-use town.

SENATOR PATERSON: Mr. President, if the Senator would continue to yield.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR PATERSON: When the IDA became involved in the first place, was there any discussion about what would happen; in

other words, the large tax bite that the power plant was generating when it was owned by Niagara Mohawk and how that would change inevitably? You know, is this something that was within the contemplation of the parties back when the Industrial Development Association became involved?

SENATOR RATH: Through you, Mr. President. Senator Paterson, the lengthy negotiation that was involved was consummated without having to go to a lawsuit just this past year. It was felt by all sides that many dollars were saved. And the lawsuit, although, even as I'm recollecting, it did start, but it was settled. And everyone felt that this was a very agreeable and certainly the very best way for this to be handled.

We're not the only place in New York State that will be going through this, as the generating stations that were owned by Niagara Mohawk are being sold to independent generators.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President,

if Senator Rath would continue to yield.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR PATERSON: Senator Rath, since there seems to be a problem with the homestead exemption or the nonhomestead exemption as it applies to the taxes in this case, why would the town not consider repealing the homestead exemption, just going on the regular tax-equalization basis and solving the problem that way?

SENATOR RATH: Because the tax - the homestead circumstance is one that really fits well for the Town of Tonawanda. It's a very old community. I would point out how old it is. It has a nuclear -- old nuclear waste cleanup that was left from the Manhattan Project in the 1940s, the nuclear bomb. So it's a very, very old community right on the banks of the Niagara River. And this circumstance fits and suits it well.

And what the town has characterized

this changeover as is a two-to-three-year soft landing, if you will, as an attempt to absorb this loss of revenue.

It's a very old town, but it's a very substantial town. I grew up in this town. It was the first suburb of Buffalo, Kenmore, was the very first recognized, incorporated village suburb outside of the city of Buffalo, as such, that was directly linked through buses and walking back and forth. But the whole town itself is a very old community, and it suits it well.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, I want to thank Senator Rath for that and ask if the Senator would be willing to yield for another question.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR PATERSON: Senator, maybe you might give me an idea of the percentage of

property that is listed under the homestead exemption and what, you know, your general idea is of the property that isn't.

SENATOR RATH: You're talking about the land space, the amount of space?

SENATOR PATERSON: The land space, exactly.

SENATOR RATH: I would say probably 60/40, residential to commercial.

SENATOR PATERSON: And what has been the effect on some of the other commercial properties of this whole situation with the homestead exemption and the nonhomestead exemption? I would tend to think that some of the other commercial properties would have felt that they were paying more taxes than perhaps they would prefer.

SENATOR RATH: Well, this has been a continual issue with this town, and they have managed to run a very tight ship, if you will, and keep their tax rates low. This is hitting their school tax as much if not more than anything.

But to answer your question, they're doing this in order to avoid undue

impact on the other commercial ventures that are in the town, some of them very large. Like Praxair, which was the grandchild, if you will, of Lindy Air, which was the Manhattan Project. And it had some very significant - played some very significant roles in early development. General Motors has a very large plant about to increase its size in the Town of Tonawanda.

Assemblyman Schimminger and I have worked hand in glove in an effort to ease the pain of the transition of our community from the kinds of industry that it's supported before the war, after the war, during the war. And this is just a measure of what happened as Huntley was sold by Niagara Mohawk.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Thank you, Mr. President. Senator Rath has been quite informative on this issue. And if she'd be willing to yield for another question.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR PATERSON: Senator, I just want to make sure I understand this. Are the PILOT payments equal, or what is the variance between those payments and the taxes that were generated when the Huntley plant was owned, you know, in its previous ownership by Niagara Mohawk?

SENATOR RATH: Through you, Mr. President, the Huntley plant had been paying $15 million a year. The first payment by NRG will be $13.5 million, and the schedule -- and then the following year it will be 12.7.

The schedule was worked out through lengthy negotiations and was -- through the agreement of all sides that this was the very best thing that could happen.

And, Senator, while I have your ear, let me -- I'm really enjoying this debate because it's giving me an opportunity to tell you a little bit about where I come from and how important the Huntley generating station is to the whole nature of electricity in New York State, in my opinion.

As you know, California yesterday voted to raise their electricity rates approximately 40 percent, an average of 40 percent. Under the able direction of the various chairs, Senator Wright presently and Senator Seward formerly, and the assistance of the Minority -- because none of us do this alone -- we have managed to get New York State into a position where that isn't going to happen here. We are going to have enough electricity for what is a bright future that all of us look forward to, not only in upstate but throughout the whole state of New York. And the broad demands that New York City will be making because of its needs and the electronic futures of the fast-paced computers, et cetera, that we all know. I don't have to belabor that point.

But I speak about Huntley as I would speak about the other generating stations around New York State, because they are going to add electricity into the grid. And the grid, we know where our electricity comes from, where it's bought and sold, it's bought and sold off the grid. We need more

power generation in New York State.

And let me just finish this little piece of this conversation, Senator, because I know in your mind's eye you'll remember this. Do you know how everyone around always kids Buffalo about our snow? I mean, you wouldn't do that, but most people would. Senator Brown knows exactly what I'm talking about.

ACTING PRESIDENT KUHL: Senator Rath, could we keep the conversation germane to the question.

SENATOR RATH: Oh, just let me finish this. Okay? Okay.

Because when we're talking about electricity, the cheapest electricity that we're going to get is going to be from hydropower. And that snow turns into -- that we move around and play with and have a good time with, turns into our water, it goes over the turbines at Niagara Falls, at Robert Moses power generating, and it's some of the cheapest and most dependable, best electricity anyone will get from anywhere.

We want to share that. We will share that as we relicense the Niagara

hydropower project. But just remember whose snow it was when it becomes your electricity in New York City. Okay?

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: I'm going to take that under advisement, Mr. President.

SENATOR RATH: I had to get to say that sometime in my lifetime on this floor.

SENATOR PATERSON: Well, I appreciate that.

And if the Senator would yield for another question.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR PATERSON: I actually read, Mr. President, that in California some of the rate increases are going to be as high as 46 percent, just approved yesterday. And it's interesting because in the newspaper this morning they're talking about a power plant

that's to be built on Long Island, there's already a public uprising against it. And although we certainly understand that, that was one of the problems in California that everybody understood they needed power, but they understood demand side, but they didn't understand supply side. Because we have to place those plants somewhere.

And what I would like to inquire of Senator Rath goes back a little more towards the genesis of the bill. And it has to do with how the residents in that area, people who you grew up with and people who have lived there for a long time, feel about the nonhomestead exemption issue. In this particular case, do the residents feel they may actually be put in the position of having to pay higher taxes?

SENATOR RATH: Senator Paterson -- and through you, Mr. Chairman - this is the reason that we're trying to do this, is so that the other industrial facilities in the Town of Tonawanda will not find themselves looking, because their taxes go up so dramatically because of this hole, if

you will, in the Town of Tonawanda and its revenue structure, so that they won't look for assessments and then be reassessed and then that fall back onto the homeowners.

So it's an attempt to keep things at an equitable level for the homeowners.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, if Senator Rath would yield.

ACTING PRESIDENT KUHL: Senator Rath, do you yield to another question?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR PATERSON: Senator, you have not indicated as such, but I was wondering if this is -- actually would be considered a local bill. And if not, why that would not be.

SENATOR RATH: It is. I believe, Mr. President, that I may have said that when I opened my conversation. But let me say again that this is a local bill. It's for the Town of Tonawanda. It's at the town

board's -- it'll be at a vote of the town board, and it sunsets in three years.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: This is really just a kind of technical question, but does this bill require -

ACTING PRESIDENT KUHL: Senator Paterson, are you asking Senator Rath to yield again?

SENATOR PATERSON: Yes, please, Mr. President.

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Is this a two-thirds vote for approval here in the house today?

SENATOR RATH: We aren't appropriating dollars, Senator, for this purpose. This -- all this is doing is authorizing the town to go forward so it can reallocate the way it allocates its taxes - or its -- yeah, its taxes, pardon me. Not its revenue, its taxes.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Then, Mr. President, am I to interpret -- if Senator Rath would continue to yield -

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR PATERSON: -- that we don't need a home rule message for this, do we?

SENATOR RATH: We do not need a home rule message from them, no.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Okay. Mr. President, I want to thank Senator Rath for her answers.

And it's really quite an education for myself, who is not from the area that Senator Rath and Senator Brown and others have represented. So I want to thank her for her answers. And I want her to know that the next

time I turn on my television and I see snow, that I'll know that the snow may have come from her region.

SENATOR RATH: Senator, if I may, it's powering your television. That electricity is what's powering your television. It's one of the things that made New York State so great is all this power that we have.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Well, I concur, Mr. President. Thank you.

ACTING PRESIDENT KUHL: Senator Lachman, why do you rise?

SENATOR LACHMAN: Mr. President, I'd like to have permission to ask Senator Rath a question.

ACTING PRESIDENT KUHL: Senator Rath, do you yield to a question from Senator Lachman?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR LACHMAN: Let me preface

my question by saying that as a student of American history, I'm more familiar with the Homestead Act, which stretched the American frontier to the west until Frederick Jackson turned and said it was closed in 1898.

And I would like to learn some things about this act, which, even though it has the same name, is completely different. For example, is school property involved in this? Is there a homestead tax option for school property as well as residential property?

SENATOR RATH: No. To our understanding, no, it is not subject, Senator.

ACTING PRESIDENT KUHL: Senator Lachman.

SENATOR LACHMAN: Will the Senator continue to yield.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Yes.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR LACHMAN: How does a municipality opt out of the homestead option

tax, if that is permissible?

SENATOR RATH: I believe they would have to -- they have to come back - they'd pass a local law and, if necessary, come back to us so that they could discontinue.

SENATOR LACHMAN: Okay, forgive me. Mr. President, will the Senator continue to yield.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR LACHMAN: I was at a Finance Committee meeting, and maybe this was asked. Do most municipalities in the state of New York participate in the homestead tax option, or is this limited to a very few?

SENATOR RATH: There are 30 municipalities in the state of New York that have homestead and nonhomestead setups.

SENATOR LACHMAN: All right. Why -

ACTING PRESIDENT KUHL: Senator

Lachman, are you asking Senator Rath to continue to yield?

SENATOR LACHMAN: Yes. You read my mind, Mr. President.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: I will yield.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR LACHMAN: Is there a reason why a small proportion of the municipalities in the state of New York have acted to opt within the homestead tax option, against the vast majority that have not?

SENATOR RATH: I believe, Senator, that it has to do with the relationship of the amount of industrial property, as the question Senator Paterson asked in relation to the number -- the amount of their area of jurisdiction that is actually homes and residential. And they need that flexibility.

SENATOR LACHMAN: Why is -

ACTING PRESIDENT KUHL: Senator Lachman, are you asking Senator Rath to

continue to yield?

SENATOR LACHMAN: Mr. President, would the Senator continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR LACHMAN: Why do you think, Senator, that New York City as a municipality has not opted to be part of the homestead tax option?

SENATOR RATH: New York City is, Senator.

SENATOR LACHMAN: New York City is part of the -

SENATOR RATH: Yeah, they're in a Class 4, 4 class.

SENATOR LACHMAN: The entire City of New York?

SENATOR RATH: We can help you on that sometime other than on the floor on this particular issue. We'd be glad to walk you through that.

SENATOR LACHMAN: Mr. President, through you, will the Senator continue to yield.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR LACHMAN: Are the 30 or 40 municipalities that you mentioned that have opted to become part of the homestead tax option, are these the largest urban areas in the state or are they a combination of urban, suburban, rural areas?

SENATOR RATH: I don't think we have many rural areas. For the most part, they are -- let me read the list for you, or part of the list. I'll skip around a little bit. City of Albany, City of Beacon, Town of Poughkeepsie, City of Buffalo, City of Lackawanna, Town of Tonawanda, old -- and then down the list, East Greenbush, Town of East Greenbush, Town of Waterford, City of Schenectady.

It's mixed. But I would think that it's -- it's again places that would have the older industrial facilities so that they need to have this flexibility so that their

homeowners aren't caught as so many of these were closing or leaving.

SENATOR LACHMAN: Mr. President.

ACTING PRESIDENT KUHL: Senator Lachman.

SENATOR LACHMAN: -- will the Senator continue to yield?

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR LACHMAN: Tell me if I'm incorrect or incorrect. I would interpret what you're saying in response to the question is that the older municipalities need this rather than the newer municipalities.

SENATOR RATH: Well, the newer municipalities can opt into it if they see a reason to do it. But there's such a very delicate balance as to how you tax as to whether you're going to be able to attract businesses, light industry to your community or whether you're going to drive them away, and how much traffic can the homeowner bear

when it's all on their shoulders.

So there's a very delicate balance. And people argue this point both ways. When that homestead provision first became available, I remember the long discussions in the county legislature in relation to this, whether it was valuable or not.

SENATOR LACHMAN: Mr. President, will the Senator continue to yield?

ACTING PRESIDENT KUHL: Senator Lachman, if you'll pardon an interruption, I see a note coming from Senator Bruno that he would like to be recognized.

Senator Bruno.

SENATOR BRUNO: Mr. President, can we at this time temporarily lay this bill aside.

And I believe, if we can return to the reports of standing committees, I believe there is a report of the Finance Committee at the desk, and I would ask that we take it up at this time.

ACTING PRESIDENT KUHL: The bill is laid aside temporarily.

We'll return to the reports of

standing committees. There is a report from the Senate Finance Committee at the desk.

I ask the Secretary to read.

THE SECRETARY: Senator Stafford, from the Committee on Finance, reports the following nominations:

As Commissioner of Labor, Linda Angello, of Islip.

ACTING PRESIDENT KUHL: Senator Bruno.

SENATOR BRUNO: Mr. President, it's with great pleasure that I welcome back Linda Angello to this Senate chamber for confirmation as Commissioner of Labor.

Now, Linda, as many of we know, worked here as chief of staff to Senator Trunzo. She has a great background in government, working with labor, working with the employers in the public sector. And in all the things that she has done, she has continually distinguished herself.

And the Governor, in his wisdom, is now presenting for confirmation before the Senate Linda Angello for Commissioner of Labor.

So I ask my colleagues to join me in the confirmation of Linda Angello, one of the most qualified people that we could have before us to serve as our Commissioner of Labor for the people of New York State.

Thank you, Mr. President.

ACTING PRESIDENT KUHL: The chair recognizes Mr. Spano on the nomination.

SENATOR SPANO: Thank you, Mr. President.

Just to follow up on the remarks of the Majority Leader, it's my pleasure to speak in favor of and enthusiastically support the nomination of Linda Angello as Commissioner of the Department of Labor. We all know -- I've known Linda for a long time, and I'll defer to Senator Trunzo certainly to talk about her role in the State Senate for a number of years.

But with the appointment of Linda Angello, she brings to the Department of Labor a sensitivity to the working men and women of this state; along with that, a unique understanding of the workings of this Senate chamber as well as the entire Legislature, and

also the works of the administration, having served as the director of the Office of Employee Relations, in a very challenging position in OER, handling contracts, implementing contracts with our public employee unions across the state.

She has done that in a way that has resulted in the support of practically every labor and public employee organization in this state, who have enthusiastically supported her nomination as New York's Labor Commissioner.

So it's my pleasure, as the chair of the Labor Committee, to report that she was enthusiastically and unanimously supported by that committee and to say on a personal basis that it is my pleasure to recommend and to vote in favor of Linda Angello's appointment, and certainly to defer to my colleague from Long Island, Senator Trunzo.

ACTING PRESIDENT KUHL: The chair recognizes Senator Trunzo, on the nomination.

SENATOR TRUNZO: Thank you very much, Mr. President.

It's a great pleasure for me - really, it's a great day for me to be able to

confirm what has already been said by Senator Bruno and Senator Spano regarding Linda Angello's abilities and capabilities.

But I can go a lot further into her whole history. I brought Linda to Albany in 1977. I'm not telling your age, though. In 1977, she came to work for me here in Albany. And at that time I was chairman of the Housing Committee. And shortly after her employment, she became the committee director of the Housing Community Relations Committee. Later on, when I had the Government Operations Committee, she became the director of that committee.

And then the big committee, which is the -- probably the background for what she is doing today, was the Civil Service and Pensions Committee. I used to chair that committee now for 14 years, and 12 of those years she was the director of the committee as well as my chief of staff.

She is a very well-qualified individual. She's far from being just an average person. She has tremendous administrative abilities, and she has always

been fair and square with all the labor people that she has worked with as director of my committee. And in that relation, she had gained the respect and admiration of many of the labor people in the state, both private and public.

She has been -- you know, at one point when Governor Pataki became Governor in 1995, after he appointed John Sweeney as Commissioner of Labor, John Sweeney was trying to get her to become a deputy commissioner of the Department of Labor. And after a few months of negotiations or meetings or what have you, evidently someone else was able to get that position. And that didn't make her unhappy, because she still liked working with me.

But at any rate, later on in that year, after a lot of conversation by many labor people, there was a gentleman -- many of you remember a guy named Jim Gill. James Gill was acting in the position of the director of the Employee Relations Commission just for the temporary period. And then when he decided that he wanted to go back to private practice

in the early part of -- I guess it may have been April or May of 1995, the whole thing started to come together. Her name began bouncing around as possibly becoming the director of the Employee Relations Board.

And so, with that, it came to a point where her name was being thrown around, talking about her and what have you, but nothing was coming definitely until George Pataki had her have an interview with James Gill. And Mr. Gill, who was in private business at the time, she went to meet with him. And once he gave the final word of approval, then the Governor appointed her as the director of Employee Relations. And really, that happened in September 1995. And -- which was a great day.

Now, as Nick Spano, Senator Spano has indicated, her work as the director of government relations, she had many positions with that. She was also appointed by the Governor as chairman of the Fair Compensation Board and also the chair of the National - well, the Governor didn't -- she was also chairman of the National Association of

Directors of Employee Relations. And the Governor did appoint her on the Task Force on Pension Reform, which has happened last year.

As you know, she did a report, which was a committee made up of labor and management put together. Many of the legislation, many of the things which are now law, items which were done when she and I were working together in civil service, such as the permanent COLA, the tier equities, the Tier 3 and 4 people that after ten years of service didn't have to contribute to the pension service and all of that. Which was something that -- and other items, the veterans' buy back. And these are items that we had been discussing for many, many years.

And they were all part of her report to the Governor, who accepted it completely. And then what happened, we passed all this legislation. Vinnie Leibell became the big guy on that one, as the new chairman of Civil Service and Pensions.

But at any rate, again, last October when Jim McGowan decided to resign as the Commissioner of the Department of Labor,

her name started to float around again. And there were members of labor -- both -- on both -- Dennis Hughes, president of the New York State AFL-CIO. Tom Hobart, the president of the teacher's union. Danny Donohue, from the Civil Service Employees Association. You go down the line: Ed Malloy, from the construction trade people, all started recommending her for this position.

And she didn't know whether she was going to get appointed or not get appointed. And then she was -- I was invited to the convention in Florida for the -- Ed Malloy's group, which is the New York State Construction and Building Trades Union, and she called me on the Saturday, I guess it was the 16th of February, to tell me that she just got the word that she has to come down to Florida to this convention with the Governor because the Governor was going to speak before this group at 11 o'clock on Tuesday the 20th of February, and at that time he was going to make the announcement that she is going to be his appointee for the Commissioner of Labor.

And really, I was so elated that

particular day. I was with her, Nick Spano was with her and with the Governor. And it was really a great day, not only for her but for me. And many of the labor people who were in that particular session that day, a lot of them knew her, some didn't know her. But by the time the meeting was over, they all knew her and knew her capabilities and what have you.

And believe me, I really commend the Governor for having picked Linda not only for his Director of Employee Relations but now as the Commissioner of Labor for the State of New York. And I know that she will do an outstanding job in that position.

And therefore, I second the nomination of Linda Angello for Commissioner of Labor.

Thank you.

ACTING PRESIDENT KUHL: Senator Stafford, on the nomination.

SENATOR STAFFORD: Mr. President, you're going to say here I go again, and you're exactly right.

The four nominees today that

appeared before the Finance Committee were as good as they could be. And I might add, their presentations before the committee were the best. And I can only, as has been done here earlier, commend the Governor and his staff for these nominations. And every time I stand up, I say these are the best nominations. Well, I'm going to really stretch today and say they were the best, the four of them.

And of course I want to join in all, but I want to join at this time in moving Linda Angello's nomination. And, again, her work that she's going to be doing and the work of the other three are going make this state that much better.

Thank you.

ACTING PRESIDENT KUHL: Senator Markowitz.

SENATOR MARKOWITZ: Thank you very, very much.

It's not often I try to commend the Governor, but this will be one of those times. Let me just say, truth be told, and I think Caesar Trunzo will tell you, there's no doubt that when I began in Albany back in 1979, that

the very first woman I had a crush on was Linda. I have to share that with you. I have to share, I have to tell you the truth. My wife is out of the room; right? Yes, okay.

(Laughter.)

SENATOR MARKOWITZ: Now, I have to tell you that of course she was married at the time as well. So I can assure you that that crush began and ended very quickly.

But actually, I've had a crush on Linda for many years, in marveling at her absolutely tremendous abilities. And she's done it that old-fashioned way. She's worked hard for this position.

Both -- all of us, working people and employers alike, unions, elected officials, Linda has been there. I think she will be one of the finest Labor Commissioners that the State of New York has ever had.

And all I can say is that I know Caesar is not just her former employer, but I know he considers Linda a part of the Trunzo family. Not only is Linda part of the Trunzo family, so am I. And so that makes Linda and I related as well.

But all I can say is that I look forward to working with her, and we all do. And so thank you for this appointment. And and I have a prediction that this vote, Senator Bruno, should be symbolic of the rest of the session where Democrats and Republicans alike work together, no acrimony, in peace and respect and dignity. That's what I want to see the rest of this session go, with the respect for all of us.

And let's hope that this appointment, Linda, sets the pace for the rest of the session.

Thank you very, very much.

ACTING PRESIDENT KUHL: Senator Onorato, on the nomination.

SENATOR ONORATO: Mr. President, I had planned on voting against this nomination, but Senator Stafford convinced me that she was one of the best of the rest to be nominated.

During our interview with her in the Labor Committee, she answered all of our questions put forward to her. But, you know, looking over her background -- and I know

Linda for the 18 years I've been here, and I know that Senator Trunzo is kind of devastated that he lost her. But we are all sharing in his very happiness at this moment that the Governor saw fit to recognize the talents that Caesar Trunzo recognized in her over the many, many years.

And when you look at her background, she's one of the more qualified people that we have to represent the labor management field. And I'm more than confident that she will render fair and honest decisions in her tenure as the Commissioner of Labor.

I wish you and your family good health, Godspeed, and the wisdom to produce Solomon-like decisions on all of your Labor decisions. Congratulations.

ACTING PRESIDENT KUHL: Senator Lack, on the nomination.

SENATOR LACK: Thank you, Mr. President. I too rise to second the nomination.

And I was so happy to see Senator Markowitz do that. For those of you who think he actually is using those crutches for

something that happened to him at his hotel, that's not exactly true.

(Laughter.)

SENATOR LACK: In any event, for the eight years that I chaired the Senate Labor Committee, and Caesar Trunzo, my good colleague who sits next to me, chaired the Civil Service and Pensions Committee at the same time. For those of you who don't know, our district offices are also located right next door to each other in the same building, and I sort of got free use of Linda's services for these eight years as she traveled back and forth with Caesar, since in effect we were running the respective labor committees.

She worked hand in hand with my then committee director, Connie Varcasia, who is now a Deputy Commissioner of Labor.

And I congratulate the Governor for his sterling choices all around, because the Department of Labor, in the 23 years I've been here, has never been so reinforced with people who have a true understanding of the legislative process in this state and the relationship between the Legislature and the

Executive. And in dealing with all facets of the labor movement, that's very important.

So the Governor has understood that, he has made an outstanding and wonderful appointment, one which I think, as we've seen from both sides of the aisle, everybody in this chamber certainly, certainly agrees with.

And I again look forward to now an increasingly long time of the free services of Linda Angello as Commissioner Angello at the Department of Labor. I offer my personal and professional congratulations and congratulate once again the Governor for a fine appointment.

ACTING PRESIDENT KUHL: Senator Stachowski, on the nomination.

SENATOR STACHOWSKI: Mr. President, I too rise to second the nomination of Linda Angello.

I also know her since I got here. She's always been helpful. She obviously did a good job in her last position, because when people were negotiating with her, they weren't all that praiseful of her. But after it was finished and when she was nominated for this

job, all of them came forward and said she would do a great job as commissioner. I don't think you can get a better compliment than that, because when you're negotiating, everybody's not supposed to like you, they're only supposed to respect you.

And I have to point out, since Caesar didn't do it here, that in her resume it says she worked for him for several years. And Marty Markowitz is here longer than I am, and I got here in '81, and Linda was here when Marty got here. So you do the math. It's a little more than several. So Caesar is more specific, but he can be, because he's a lot closer to her. And I don't want women mad at me. Because I know you don't ever want to say anything that would say that -- you know, ever imply that a lady is getting older. In Linda's case, she's just getting better, more experienced, and smarter.

And obviously the Governor is getting smarter, because he took her from where she was and made her Labor Commissioner. And I think it will be a great appointment. It will be a pleasure to have somebody in that

position that we can call upon and we know that we'll get a return call. And I just think -- I look forward to working with her as different situations come up.

And it's my great pleasure to also have risen and seconded her nomination.

ACTING PRESIDENT KUHL: Thank you, Senator Stachowski.

Just as a reminder from the chair, you all recall that under the new rules, we're limited to 15 minutes from each conference to talk on a confirmation. Certainly there are a number of people who want to speak to the accolades of this nominee. But I just remind you all to that effect.

The Majority has used 14 minutes at this point; the Minority, 5 minutes. So, Senator Nozzolio, keep that in mind.

SENATOR NOZZOLIO: Although my remarks will be brief, my admiration for the nominee is great. As is the admiration for the nominee and respect for Ms. Angello with the public employee labor unions.

As chairman of the Crime Victims, Crime and Corrections Committee, like I say,

those public unions -- Council 82, NYSCOBA, PEF, CSEA -- that work in corrections have an extraordinary high degree of respect for the professionalism exhibited by the nominee throughout her tenure in working with particularly COs. I know they, who are in a very tough job, respect Linda an extremely great deal.

In closing, though, I would like to say to Senator Trunzo that you do need to present among your family a little more discipline to Senator Markowitz. That as a member of your family I think that, Caesar, you need to exert some parental supervision with Senator Markowitz.

(Laughter.)

SENATOR NOZZOLIO: But again, with all due respect to our nominee, it's a great, great one. I congratulate the Governor and I congratulate Ms. Angello for this fine appointment.

ACTING PRESIDENT KUHL: Senator Duane, on the nomination.

SENATOR DUANE: Thank you very much.

I just have to say that even though I'm not personally acquainted with the new commissioner, her good work and integrity and smarts certainly preceded her here. Former Senator Leichter, who's a good friend of mine, told me that if I had any questions ever on anything having to do with civil service and labor, that Linda Angello was the person to go to speak with.

So from the past, present, and future points of view, I think that we can all be assured that the Governor has made a really terrific decision in appointing Linda Angello as the new Commissioner of Labor. And I wholeheartedly congratulate her on this appointment.

Thank you very much, Mr. President.

ACTING PRESIDENT KUHL: Senator Ada Smith, on the nomination.

SENATOR ADA SMITH: Thank you, Mr. President.

I rise to praise the first lady of the State of New York, Libby Pataki, for sensitizing our Governor, George Pataki, to the need of having more women in positions

that are important to the people of the State of New York. And also to praise the Governor for his wise decision to pick someone who is eminently capable and who will make him proud.

Having known Linda from her days working in the State Senate, I know that she will do an excellent job, she will be fair, and she will work with all of us to service the people of the State of New York.

I wish her the best in all that she does, and I once again wish to commend the Governor and the First Lady.

ACTING PRESIDENT KUHL: Senator Farley, in 20 seconds, to exhaust the time for the Majority.

SENATOR DOLLINGER: Mr. President. I just rise for a point of order, Mr. President. I'd move to just suspend the rules to give Senator Farley more than 20 seconds and not enforce the 15-minute limitation on the Majority. I think that's the way to do it in -

SENATOR FARLEY: Can we have a slow roll call on that one?

(Laughter.)

ACTING PRESIDENT KUHL: Senator Farley.

I appreciate the extension of your hospitality, Senator Dollinger, but -

SENATOR FARLEY: I'm grateful to the Minority for extending me this time to speak on behalf of Linda. Having been a neighbor of Ms. Angello for so many years on the seventh floor -- I spent a lot of time over there -- she is Senate-trained. And I applaud the Governor for making this appointment.

You know, she is the person that has made Caesar Trunzo look good for all of these years.

(Laughter.)

ACTING PRESIDENT KUHL: You're out of time, Senator Farley.

(Laughter.)

SENATOR FARLEY: But, you know, I think the interesting thing, whenever I had a question, Linda Angello always had the answer, on any kind of piece of information you needed to know in that area.

We're very proud of you. And I'll

tell you, this is an excellent appointment. And it's something that everybody in this chamber and everybody in the Legislature is fortunate to have somebody leading one of the largest and most complicated departments that there is, or agencies, rather, that there is in the State of New York.

And Linda, we wish you well. We're lucky to have you there.

ACTING PRESIDENT KUHL: Senator Oppenheimer, on the nomination.

SENATOR OPPENHEIMER: Well, I can say that I recognize and know no superior skill that's demonstrated in the labor management field. I am married to such a man, who demonstrates great skill in this field. And Linda also has demonstrated great skill in this field.

But beyond that, I think what I'm hearing here and what I feel is not only skill and intelligence and integrity, but also a warmth that we all feel for Linda. She has always been very open, very anxious to help all of us. And I know she will continue that as Commissioner, and I look forward to working

with her.

And if I could just say, there was something very thrilling about my looking up into the balcony here and seeing three very eminently qualified women who not only are qualified but have demonstrated their friendship and their caring for many of us. And it's really a great pleasure for me to see that.

I'm delighted to second the nomination of Linda.

ACTING PRESIDENT KUHL: Senator Stavisky, on the nomination.

SENATOR STAVISKY: Yes, Mr. President. I too want to rise because I think it's appropriate, since this is Women's History Month, that we recognize the contributions of women in New York State. And I commend the Governor for this appointment.

There is another aspect, though, that I think is important. It sends a message to staff that if you work hard, you do the job that is expected of you, if not more, you become well-known and well-versed in the issues, then you too can become a

commissioner. I think this sends a very important message to young people throughout the state, that appointment to high executive positions are truly open to everyone and that it becomes a meritocracy rather than anything else.

So again, I commend Senator Trunzo and Senator Lack for their ability to spot someone as capable and as proficient. And I commend the Governor for making use of these talents. But I do commend the Senate for acting as a training ground, as a sort of a farm system for future appointees.

And I too support the nomination.

Thank you.

ACTING PRESIDENT KUHL: Senator LaValle, to use the 10 seconds that Senator Farley didn't use on the nomination.

(Laughter.)

SENATOR LAVALLE: Thank you very much, Mr. President. I just wanted to rise to support this nomination and say that, very simply, it shows another Senate staff member making good, moving forward, another resident of Suffolk County being in a key position in

our government.

And I would say that Linda Angello demonstrated that she is very smart and has the skills to maneuver through very tacky issues as the Director of OER. And I think the Governor has made an outstanding appointment in moving Linda to the position of Commissioner of Labor.

Thank you, Mr. President.

ACTING PRESIDENT KUHL: Senator Mendez, on the nomination.

SENATOR MENDEZ: Mr. President, I also rise in support of the nomination of Linda Angello.

She comes to the position of Commissioner of Labor with a long history, about 20 years, of dedicated public service. And throughout the time that I have been here and known her, I have respected her intelligence, I have respected her diligence, I have respected her commitment. And I don't think that there is any other person in New York State that would make such a great Commissioner of Labor as she will be.

And in reaction to what Senator

Stavisky mentioned, that this is Women's History Month, again, I think that we have to congratulate the Governor for this appointment as well as for the appointment of those two other women that are brilliant, dedicated, capable, and that are really wonderful, and that will be rendering excellent service for the people of the State of New York.

Thank you.

ACTING PRESIDENT KUHL: Senator Dollinger, on the nomination.

SENATOR DOLLINGER: Thank you, Mr. President, just very briefly.

This is one of the jobs in the State of New York that requires someone who's got skills to get through the difficult and oftentimes challenging relationships between management and labor. And, Linda, my only comment to you would be to echo the comments of my colleagues and say that if you can earn praise from Democrats and Republicans in this house, you have mastered the ability to bring labor and management together. And my suggestion is, the job may not all that challenging.

And so my suggestion to you is use the skills that you learned here in bringing us together, and labor and management, as difficult as that may seem, it will be a piece of cake.

Godspeed.

ACTING PRESIDENT KUHL: And Senator Connor, to use the balance of time for the Minority.

SENATOR CONNOR: Thank you, Mr. President.

When I arrived here in early 1978, the first appointment I received was as the ranking Minority member on the Civil Service and Pensions Committee, which was chaired by Senator Trunzo. I actually continued as the ranking Minority member on Civil Service and Pensions for the next 16 years, until I became the Minority Leader. And for most of that time, although with the exception, I guess, of a year, Senator Trunzo was the chair. And actually, I guess in the beginning, it was Senator Schermerhorn, now that I think about it.

But anyway, I had occasion to meet

Linda right away as a staff member and then very shortly thereafter as the committee director. Those were interesting days. I think committees then were more collegial and more productive. We actually passed bills. I think I passed a bill in 1979, I recall, with assistance from Linda and the staff in refining it to guarantee to Sabbath observers the right to take civil service tests on alternate days, which arose out of a constituent problem I had, and it became legislation that applied statewide.

So throughout all those years, I had regular and frequent contact with Linda in a professional capacity. And she was always just that -- a hardworking, knowledgeable professional who cared about the legislative agenda, cared about the issues, and demonstrated the highest competence.

Since then, the Governor, shortly after I became Minority Leader, in his wisdom appointed Linda to the Office of Employee Relations. And now I must applaud him on a spectacular appointment of Linda as the Commissioner of Labor.

I know she will be successful in that position she has the skills, commitment, and character to do a phenomenal job. I know she will. My congratulations. I'm delighted to second this confirmation.

Thank you, Mr. President.

ACTING PRESIDENT KUHL: The question is on the nomination of Linda Angello, of Islip, to become the Commissioner of Labor. All those in favor of the nomination signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT KUHL: Opposed, nay.

(No response.)

ACTING PRESIDENT KUHL: The nominee is unanimously confirmed.

Linda, congratulations.

(Lengthy applause.)

ACTING PRESIDENT KUHL: The Secretary will read.

THE SECRETARY: As commissioner of Environmental Conservation, Erin M. Crotty, of Troy.

SENATOR STAFFORD: Mr. President.

ACTING PRESIDENT KUHL: Senator Stafford.

SENATOR STAFFORD: It's certainly an honor, for a fine nominee, to yield to Senator Bruno, the Senator from Rensselaer.

SENATOR BRUNO: And Troy.

Thank you, Mr. President.

ACTING PRESIDENT KUHL: Senator Bruno.

SENATOR BRUNO: Mr. President, I have never seen so much love and affection and togetherness in this chamber.

And I've noticed all the staff people are especially perky this afternoon as they recognize the confirmations that are taking place here.

And I can only say that there are certain Senators that are extremely pleased that Linda Angello never ran for the Senate.

(Laughter.)

SENATOR BRUNO: So we're happy to be here for her confirmation.

And I'm especially happy that the next nominee, for Commissioner of Environmental Conservation, is also a lady

that is very familiar in this chamber, very familiar in the halls of the Capitol, having started her career with Senator John Daly, and is really an environmentalist in the very finest sense of the word.

Her life has been dedicated to protecting the environment, helping people enjoy the world that surrounds us. She started as a policy analyst with Senator Daly, was recognized by the Governor's office and moved into the Executive branch, where she continually moved up over the years, and in 1997 was made the deputy commissioner at EnCon. And then moved into the private sector for a year and a half.

And then, in the Governor's good judgment and his everlasting dedication to the people of this state, he imposed on her to apparently give up the big bucks of the private sector and return to the public sector where she could do so many good things on behalf of all of the people in New York State.

And I applaud the Governor, and I also appreciate the fact that he overlooked that Erin Crotty is a neighbor of mine and

sent her confirmation anyway, based on the merits.

But here is another person who started on staff, based on all the good things that she could do in terms of her public service, now finds her way to the Senate for confirmation for one of the highest positions here in the state. And I'm proud that she's a neighbor, a friend, a colleague of all of ours, Mr. President.

ACTING PRESIDENT KUHL: Senator Marcellino, on the nomination.

SENATOR MARCELLINO: Thank you, Mr. President. I also would like to rise and commend the Governor for this marvelous appointment of Erin Crotty, the first woman to be given that honor to chair this important division of state government in New York State's history.

Erin has the qualities that will make an excellent commissioner. She has huge shoes to fill -- size 11 triple E, I think - from the previous commissioner, but I'm sure she's capable and up to the task. She has the temperament. She has, as Senator Bruno

rightly pointed out, the public and private sector experience, the knowledge, the capability, the educational background to understand what's going on in the important bills that pass through this committee and the ramifications that they have in the public sector.

So it is my pleasure to second the nomination of Erin Crotty to be Commissioner of DEC. She also had the distinction of passing unanimously through the EnCon committee on our referral to the Finance Committee. She did a marvelous job there.

And I look forward to many, many years of working together on the important issues in this state.

Congratulations, Erin.

ACTING PRESIDENT KUHL: Senator Farley, on the nomination.

SENATOR FARLEY: Thank you, Mr. President.

As a past chairman of the EnCon Committee, and one that is very, very interested in that agency, let me just say that Erin Crotty, this is a very exciting day

for this entire chamber. Because here is another woman who is Senate-trained and a member of our family. And actually, she worked for one of the most significant Senators that ever served here in John Daly, really a great guy who I think so many of us miss every day.

Erin is taking over an agency that is one of the toughest to try to run and keep everybody happy. And if there's anybody that can handle that, it's Erin Crotty, because she is a people person. And I know that she will represent not only the Governor and this state well in protecting our environment, but also trying to work with all of the sides that do attack in this area.

So, Erin, I know that you're going to be able to handle it, and I personally wish you well, and we're looking forward to a very successful tenure. I didn't realize that you're going to be the first woman to ever head EnCon, but maybe that's what we've needed for a long time.

Thank you.

ACTING PRESIDENT KUHL: Senator

Marchi, on the nomination.

SENATOR MARCHI: This is indeed felicitous for me, Senate-trained since my experience started that way, along with many of my colleagues. And it's exciting that, as Senator Ada Smith observed, that so much of this is now coming to public visibility and endorsement in the month that we're in.

And Erin Crotty is a marvelous presence, really. She worked with Senator Daly as you pointed out, a very good friend, personal friend. And it distressed us all, and we think of him often. And she has that same luminous quality about her. When you're heading almost any activity, no matter how demanding -- and she demands a great deal of herself in the service of whatever particular public service you're called upon to honor - the environment really spells out your relationship to nature, to people, to all of the circumstances that surround us.

And she exemplifies that in a way that is so admirable, so compelling that it transcends, it becomes a spiritual quality. And you need that. You need it very

especially in taking on this responsibility, that spiritual vista of what you're going to be doing. And she has it. It radiates immediately, and there's an emanation that you sense instinctively when the subject comes up in its specifics.

So I think it's a very, very wonderful event, all the splendid people that we have this morning. In all the years that I've been here, which is a long, long time as I was telling Clinton some time ago, that this is a very compelling event, and we're so joyous and happy that it's taking place.

ACTING PRESIDENT KUHL: Senator Oppenheimer, on the nomination.

SENATOR OPPENHEIMER: Well, I know I've sometimes been a pain to the EnCon chairman and Senator Stafford on environmental issues. But let me say, we are in a million -- a hundred percent agreement, if not a million percent agreement, on this nominee.

And I want to echo what Senator Farley said about John Daly, because I think all of us still miss him. And he was such a vibrant, live person. He was a people person,

much like Erin is. And we all think of him still.

I would say that when Erin Crotty worked with Senator Daly, it was a time when the environmental agenda was really being pushed by Senator Daly in this chamber, and it resulted in some very superior bills coming out of the Legislature, Superfund and hazardous waste management and environmental enforcement.

And then Erin Crotty went to work for two other people who I enormously admire and who I'm sure were very, very positive people in her life directing her into the spot that she now is, which is Michael Finnegan and John Cahill, two people who really did have a deep-seated love of the environment.

And her responsibilities working under Michael Finnegan, with the New York City Watershed negotiations and the 1996 Clean Water/Clean Air Bond Act -- and I don't have to tell you that those particular areas are particularly significant for me and Westchester County and some other suburban areas. Because the Watershed Agreement is

what has permitted us to move ahead somewhat with our economic development as well as at the same time preserving as much open space and land as we can, which is all part of the formulation of the Watershed Agreement. And also it brings in -- not the Watershed Agreement, but the environmental protection, the Clean Air/Clean Water brings in of course the Hudson River and the Long Island Sound, which are so extremely important to my county and the whole Hudson Valley and Long Island, because we have to have them remediated.

We are in the process of doing a great number of things, all of which I think will benefit all of us when we have a cleaner, PCB-free Hudson River and less nitrogen going into the Long Island Sound. And I know Erin will work hard on these issues, because she has.

And we rely on her intelligence and her natural honesty and her really friendly manner to get us through some of these major, major issues that will be facing us, are facing us now, and will be facing us in the future.

I am very delighted to second the nomination of Erin Crotty.

ACTING PRESIDENT KUHL: Senator Balboni, on the nomination.

SENATOR BALBONI: Thank you, Mr. President. This state has enjoyed a resurgence not only in our economy, but we've done so without it being at the expense of the environment. That is because Governor Pataki continues to provide national leadership on the environment, whether it be the Bond Act, Clean Water projects, open space acquisition, this Governor whose vision reflects the deepest commitments to the continuance and development of an environment that will be a legacy for all of our children, works every day to try and make this a system that will bring about resolution and not conflict.

The Governor continues this mission with this nominee. She is a woman who has developed an experience through coming up with the chairs. And that is so essential with the environmental community and the environmental policies. History plays such an important role in understanding a dynamic of trying to

regulate the environment.

She reflects an attitude of action, rather than defense, and she possesses the quality to hear all sides of the debate on any particular issue. She will build consensus.

The Governor is to be congratulated on this nominee's appointment, and we can help forward and further the Governor's mission when it comes to this environment by confirming this nominee.

Congratulations, Commissioner. I look forward to working with you.

ACTING PRESIDENT KUHL: Senator Seward, on the nomination.

SENATOR SEWARD: Yes, thank you, Mr. President. I too would like to join my colleagues in rising in support of Erin Crotty, our nominee for Commissioner of Environmental Conservation.

It's great, as many of my colleagues have indicated already, to see another Senate staffer move on to great things. And I know that John Daly is looking down on the proceedings here today and smiling broadly as only he could do.

You know, the position of Commissioner of Environmental Conservation is a very complex and difficult position to hold. Many competing interests, the stewardship of our environment, tremendous impact on our economic development initiatives and our economy around the state. And it's very complex, many competing interests and various aspects of the position.

But our nominee today, Erin Crotty, has proven throughout her distinguished record of service to the people of this state that she can handle the tough, complex issues. Obviously her involvement in the historic New York City Watershed Agreement, our upstate counties in the Catskills and New York City bringing that all together, a very complex matter, she was directly involved with that.

Her work involving the Clean Water/Clean Air Bond Act, once again, another complex issue that she was directly involved in.

And assisting our previous commissioner John Cahill as his deputy commissioner, helping to bring very innovative

strategies to the department to deal with difficult issues is very much a part of Erin Crotty's record as well.

So I rise in support of this nominee. I want to congratulate the Governor for this nomination. I think it's going to mean great things for the environment of this state and for the people of New York State.

Ms. Crotty, we congratulate you.

ACTING PRESIDENT KUHL: Senator Stachowski, on the nomination.

Just for your information, Senator, there's 11 minutes left of the Minority time, and four of your members have indicated a desire to speak also.

SENATOR STACHOWSKI: Well, based on my past history of speaking, I don't think they're in any danger of missing out on a chance to talk.

Mr. President, I also rise to support the nomination of Erin Crotty. I happen to be familiar with Erin since I was a member of the commission that Senator Daly had that Erin worked for. And actually, I have to say that in all the commissions that I've ever

been a part of, it was one of the best ones that I ever had anything to do with. We actually had lots of meetings, did a lot of work, came up with good reports. And Erin obviously had a major part in those things. And it was a real good time.

I think that she'll do a great job. I know that in committee when people asked her various questions, even some that she might not have had to answer, she answered them, or at least tried to, or said she'd get back to them if she didn't know. I think she'll make a great commissioner.

I was a little concerned when the past commissioner moved up, so to speak. And one of the things I'm kind of interestingly awaiting is to see if she can match the warm and fuzzy exchanges that former Commissioner Cahill had with Assemblyman Brodsky, when she meets with some of the environmental issues and meetings that we'll have to deal with.

(Laughter.)

SENATOR STACHOWSKI: And I think she's going to have to go a little bit to have that sense of togetherness that he had. But

I'm sure she'll be able to handle it.

It will also be interesting to see how he handles it. Because with a woman, I don't know that you can get as vocal. Which will be kind of interesting for me, and I'll rather enjoy watching that part of it.

But back to Ms. Crotty herself, I think that she's going to do a great job. Her background is terrific. I think her knowledge of the environment is terrific. And I think that her ability to be informative and open and responsive to questions will serve her well and I think make her a commissioner that we'll all enjoy working with.

I think that the Governor has done a great job in picking her out. I don't think anybody had any idea where he was going to reach to get the commissioner to replace Mr. Cahill, who I think did a pretty good job -- a real good job, as a matter of fact, also was very responsive.

So I look forward to working with Erin Crotty again. It's been a while. But I look forward to working with her, and I think that the Governor has made an excellent

choice.

ACTING PRESIDENT KUHL: Senator Leibell, in two minutes or less.

SENATOR LEIBELL: Thank you, Mr. President. Just to briefly echo the comments of so many of my colleagues.

Erin Crotty comes to this position with a great deal of experience. And without question, this is one of the most difficult and challenging assignments that we have in State government. And certainly a person we have here who comes to this position with a great deal of experience, a tremendous amount of background. She's following in the footsteps of a great commissioner, John Cahill, who's here with us today.

And we congratulate the Governor, as we did with Linda Angello, for sending us two absolutely superb names today.

Thank you, Mr. President.

ACTING PRESIDENT KUHL: Senator Smith.

SENATOR MALCOLM SMITH: She's saying you didn't say M. Smith as opposed to A. Smith.

Thank you, Mr. President. I rise also to support the nomination. I give kudos to the Governor for such a fine choice.

You know, I was sitting here listening to Senator Marchi, and he just always fascinates me as he hits the mark. One of the things he said about Ms. Crotty was that he kind of sensed her spirituality. And I can tell you when I met her, she came into my office, and I looked right into her heart, and I got a true sense of the kind of person she was and what she would represent as a commissioner in such a challenging area.

But, you know, in addition to that, we have immediately a couple of commonalities. One, we both now belong to the baby-faced group, as she looks so young, as I told her before. And also, on this same day, Commissioner, last year on this same day, my district voted me into the office of State senator. I had 96 percent of the vote, but you fortunately will probably get a 100 of the Senate conference today. So there is a commonality there.

But in addition to that, she is a

person that when I met I immediately realized that she is someone that we are going to get a great deal of positive action from. As I told her, as far as I'm concerned, there is no such thing as problems at all. All I believe it gives rise to is the possibility to create solutions. And I think she is one who will create a tremendous amount of solutions.

I will tell you that God will continue to bless you. I will keep you in my prayers, and I truly look forward to working with you.

ACTING PRESIDENT KUHL: Senator Gentile, on the nomination.

SENATOR GENTILE: Thank you, Mr. President. I too want to rise to second the nomination of Erin Crotty.

Ms. Crotty had the opportunity to be with us last week on Staten Island as she, the Governor, the Mayor of the City of New York, and other legislators were present for the last dumping of a trash barge on the Staten Island Fresh Kills Landfill. It was a momentous occasion, and it was good to have Erin Crotty there, along with the Governor and

the Mayor, to witness a new era, a new day dawning for Staten Island with the closure of the Fresh Kills Landfill. So it is my pleasure to second this nomination.

I must say, however, that it's good to hear my colleague Senator Balboni say that Ms. Crotty is one that helps to build consensus. Because if that's true, it will be needed, because not all is well in New York City, not all is well in Staten Island. Particularly with the electric generating plants that are being proposed around New York City, one of them being in the Rosebank section of Staten Island. Certainly we question the need for a generating plant in a residential community, as we have questioned the Rosebank facility. We will be there this weekend, Ms. Crotty, to have a rally questioning the need for such an electric generating facility. We hope to be able to work with you and speak to you about this in the coming months.

So with that, and certainly with an eye looking forward to working with Ms. Crotty, I second this nomination.

ACTING PRESIDENT KUHL: Senator Hevesi, on the nomination.

SENATOR HEVESI: Thank you, Mr. President. I too rise in support of the nominee, who is obviously very well qualified and very well suited for this position. And judging from her behavior in the days leading up to today's confirmation, she will be exceptionally accessible to all of us, which is very important, because there are some major issues that are going to be confronting the people of this state in the days and weeks and months to come, two of which are very important to my constituents.

One regarding the environmental impact of New York City's two airports, Kennedy and La Guardia, because my Senate district is situated directly in the middle of those two airports, and there is a tremendous amount of air and noise pollution that come out of the airports, not just from the planes, but from the trucks loading fuel and all of the other transportation vehicles, a whole series of things. And I've been trying for the past three years to have a bill that's

sponsored by a Republican in this house -- my esteemed colleague Senator Maltese -- trying to get that bill passed or even get it out of the committee. And it's the Bubble Bill, which would call upon the Department of Environmental Conservation to conduct an analysis, using a bubble concept, of all of the environmental emittants from both of the city's airports, and then come up with a assessments of what can be done to mitigate against the negative consequences coming out of those airports.

I haven't been able to get that bill out of committee, and I brought a motion to discharge on the bill my last two years. I don't think I can do a motion to discharge anymore on this bill. And the reason I raise this right now is because I believe that the legislation may not even be necessary, because DEC, I believe, can conduct such an analysis and study in-house, if the requisite funding was made available or funds were shifted within the agency to perform such a study.

So I hope we see that. I'll continue to discuss this issue with Senator

Maltese and the folks on the EnCon Committee. Hopefully we can see some movement.

The second issue, as Senator Gentile alluded to -- and Senator Onorato has been exceptionally vocal in his advocacy on this issue -- is making sure that when we have the siting of electric generating plants, 80 percent of which for New York City, 80 percent of New York City's generating capacity has to come from within the city, as a consequence of the blackout in 1977, and since we are pushing up against our maximum megawattage, we have had the need for temporary generating facilities, and there's going to be more of a need in the next few years. So siting becomes an exceptionally important issue.

And since there is a tremendous need to add new capacity, and I think we all recognize that, we have to be very careful that we don't push to the side the very important environmental concerns that come about as a consequence of siting these facilities, and the fairness, the fairness that you cannot saturate certain communities

with these facilities. And Senator Onorato can tell you that some areas, most notably in the westernmost areas of Queens, are saturated. We've got a tremendous amount of the generating capacity there, and it's necessary. But when we look to the future, how we're going to handle this situation, we cannot jeopardize and compromise the environmental integrity of our communities simply because we have a need for additional generating capacity. We have to meet that need for generating capacity, but to do it in a way that is an environmentally conscious way and that is done with equity.

So with that, I hope that the nominee, who I trust will soon be confirmed by this body, will take those issues to heart, and I look forward to having discussions with her in the days and weeks and months to come to address these important needs for my constituents, for the residents of the city of New York, and all the people in New York State. But I written her well on the auspicious occasion of her very early rise in her career to a very prestigious post, a

powerful post, and one in which I hope and trust and am fairly confident that she will have a profound and positive impact.

ACTING PRESIDENT KUHL: Senator Ada Smith, to be followed by Senator Onorato in the minute that's left for the Minority.

SENATOR ADA SMITH: Thank you, Mr. President.

As you read Ms. Crotty's resume, it reads as if she has been preparing for this day all of her life. Everything that she has done has brought her to this day. But when you meet her, you feel the warmth and you see her ability to bring people together and to be able to negotiate the thorny issues.

I commend the Governor for this appointment, but I commend most of all my former colleague, the late John Daly, whom I loved dearly, for bringing her into State government and making her talents available to the people and to the Senate and now as the Commissioner of DEC.

Because her background shows that she will be capable of performing all of the tasks at hand, and I know that she will do

them well. My congratulations.

ACTING PRESIDENT KUHL: Senator Onorato.

SENATOR ONORATO: Mr. President, I certainly intend to vote for the confirmation of Commissioner Crotty, but I would like to share with her some of my concerns with the current expansion of the energy in the state of New York; in particular, the siting of a couple of the generating plants by the New York Power Authority in my district.

I currently represent Western Queens, Astoria, Long Island City, which have Con Edison, the New York Power Authority, Brooklyn Union, which is now Keyspan. And all of the current projections are for additional plants to be built on those sites.

One site in particular lacked a great deal of input and sensitivity on the part of the New York Power Authority, because it is having a very, very serious impact on the economic development of the silver cup Studios, which currently produce many, many of the current TV shows, and "The Sopranos," and

they have an expansion plan on the books that would generate an additional 2,000 jobs for our community.

That particular site is located adjacent to one of the largest public housings in the City of New York, Queensbridge Housing.

Now, we are not telling the Power Authority we don't want additional power. We have offered them an alternative site approximately a mile and a half from the current location, with perhaps getting additional federal funding to offset any additional costs that would be entailed with it.

You know, we have the power plants that are currently operating under the grandfather clause of the Clean Air/Clean Water Act. So while the additional power plants are needed, we certainly must exercise caution and care by not overloading one of the highest-rated asthma and lung-related-disease communities in the entire state of New York.

So I ask you to please, for the sake of my constituents and their health, use some care and sensitivity before we grant the

locations in my community.

I vote for the confirmation of this nomination.

ACTING PRESIDENT KUHL: There is one minute left to the Majority. There are three members in the Majority who have indicated a desire to speak: Senator Larkin, Senator Hoffmann, and Senator Johnson.

Senator Johnson.

SENATOR JOHNSON: Thank you, Mr. President.

First, I'd like to commend the Governor in his wisdom for making this nomination of Erin Crotty. There's no doubt that she has an extensive background. I worked with her as a Senator, as the chairman of the Environmental Conservation Committee, and I know of the work that she's done.

She's tackled some of the toughest jobs that came down during her tenure working for the Senate and for the Governor and for the Department, and she's always demonstrated an exemplary talent and ability to resolve problems and go ahead and accomplish the objective which she sought.

So I don't have any concern at all that she'll be a great success. And I must commend her for agreeing to accept this nomination, since in my view it covers the most extensive range of concerns of the people of this state, with many different departments, divisions and sections.

And she has demonstrated a mastery of her position, and I'm sure she'll be the outstanding commissioner that we've had in New York State. And I commend her very much and second her endorsement as well.

ACTING PRESIDENT KUHL: Senator Larkin.

SENATOR LARKIN: Mr. President, in brevity, what I want to say is that I'm very proud that the Governor has taken the opportunity to nominate Erin. Those of us who have seen her progress up the ladder recognize that her demeanor, her talents and her expertise and her advice and guidance to those in this critical field make her an exceptional person with outstanding qualifications to do the job.

Congratulations.

ACTING PRESIDENT KUHL: Senator Hoffmann.

SENATOR CONNOR: Point of order, Mr. President. A minute and a half went by with those two Senators, Mr. President.

ACTING PRESIDENT KUHL: There is no question that you are correct, Senator Connor. And so that will conclude the debate.

Certainly members are entitled to explain their vote. So we'll certainly recognize the members who wish to explain their vote in a timely period.

The question is on the nomination. All those in favor signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT KUHL: Opposed, nay.

(No response.)

ACTING PRESIDENT KUHL: Senator Connor, to explain his vote. Senator Hoffmann, to follow.

SENATOR CONNOR: Thank you, Mr. President. Just briefly to explain my vote.

I'm delighted to have voted for now Commissioner Crotty's confirmation. I voted

for it because of her exceptional background, her commitment to the environment. I congratulate the Governor on this appointment.

And I note that Commissioner Crotty has reached out to members throughout the Legislature. She has, in her past roles, dealt very professionally with all of our colleagues. And certainly in the last in the time of the pendency of this nomination has extended the courtesies to all members to answer questions, to discuss her views and visions.

And I know she is going to do a splendid job as the Commissioner of Environmental Conservation.

ACTING PRESIDENT KUHL: Senator Hoffmann, to explain her vote.

SENATOR HOFFMANN: Thank you, Mr. President.

I'm delighted to show my support for Erin Crotty for this very important position. And while much of the attention focused on the pollution-patrol concept of Environmental Conservation, there are two other key areas where she will have inordinate

amounts of responsibility.

One is in managing our beautiful environment for the benefit of sportsmen, hunters and fishermen and fisherwomen, of whom Ms. Crotty is one herself, I'm pleased to say. And she shows a great sensitivity for that very important balance between providing sportsmen activities and protecting the environment in its tranquil, unspoiled state, welcoming out-of-staters, balancing the needs for in-state sportsmen and -women.

And I'm delighted to see that she has a real personal grasp of that area and has remarkable sensitivity towards the needs of New York's number-one industry, agriculture.

All too often the farmers of this state felt the Environmental Conservation Commissioner to be an adversary. That will not be the case with Erin Crotty at the helm, I am convinced of that. And to just further demonstrate her wonderful awareness and concern for farmers, she passed, I'm happy to say, my own little test with flying colors. On every single question that I administered to her about manure management, she passed

with flying colors.

I'm convinced that the farmers of this state are in good hands with Commissioner Erin Crotty at the helm of Environmental Conservation.

ACTING PRESIDENT KUHL: Senator Stavisky, to explain her vote.

SENATOR STAVISKY: Mr. President, to explain my vote.

I want to echo what Senator Onorato and Senator Hevesi have mentioned, and that is the need for vigilance in terms of the needs of the Silver Cup Studios and the power plant siting, which is just beyond the western part of my district.

There is another area that is of concern, and that's the water quality standards, both in Flushing Bay and the Flushing River. And I know that the Commissioner will keep in mind that waste transfer stations along the Flushing River, even though the permit has already been issued by her predecessor, nevertheless this too is an area where vigilance is essential.

And I would like to add my

congratulations to this nomination.

ACTING PRESIDENT KUHL: The nominee is confirmed.

(Applause.)

ACTING PRESIDENT KUHL: Commissioner, congratulations. We wish you well in your job. And we're very pleased that you brought along so many family members with you -- your mother and father, your father-in-law, your sister and brother, and your sister-in-law. We appreciate their being in the chamber today too.

Good luck.

The Secretary will continue to read.

THE SECRETARY: As Commissioner of General Services, Kenneth J. Ringler, Jr., of Glenmont.

ACTING PRESIDENT KUHL: Senator Stafford.

SENATOR STAFFORD: Once again, Mr. President, an excellent nominee.

And I yield again to the Senator from Brunswick.

SENATOR BRUNO: Thank you very

much, Senator Stafford, who chairs the distinguished Finance Committee.

ACTING PRESIDENT KUHL: Senator Bruno.

SENATOR BRUNO: We are really outdoing ourselves here today, as the Governor has outdone himself with the nominees that are appearing before us, each one distinguishing themselves in their careers that bring them before this Senate for confirmation.

And, Senator Connor, I appreciate you recognizing that we do have time limitations in this chamber. And they were put in place so that we could move on with efficiency in the work that we do.

And I also want to commend this chamber in recognition of those time frames, because there are so many good things that all of us would like to say about each and every nominee that we could literally go on for hours.

But I'm going to share with my colleagues that we are hopeful that we are going to do the first emergency bill for the budget today, if we have time. And if we

don't do it, then these new commissioners and all the others won't be paid. And that's of some serious consequence.

So speaking to Ken Ringler, who has over 30 years of public service and in each and every place that he has served, he has always done it to the best of his ability and been of great service to the public that he has served. Having served in the Labor Department for a number of years, Deputy Commissioner in Motor Vehicles for a lot of years, where there is so much activity. Most recently, as First Deputy Secretary of State, where the entire state is that constituency. And has also been in the private sector here in this Capital Region, where he was extremely successful.

So we're very, very pleased that he has been recognized by the constituency, receiving many awards for his public service. He was supervisor of the Town of Bethlehem, where people know him best, chairman of the Planning Board there, where he spent a lot of time in showing the interest on behalf of the community that he lived in and represented.

So we can all be proud as we vote for the confirmation to follow his predecessor, Joe Seymour, who did such an outstanding job at the Office of General Services, where all of us know it's busy, it's a huge responsibility. But I am sure, given the years of service, that Ken Ringler is up to the task.

So we urge your support.

ACTING PRESIDENT KUHL: Senator Farley, on the nomination.

SENATOR FARLEY: Thank you, Mr. President.

I also rise to support a terrific nominee, somebody that every job he's taken on, he's done well. Ken Ringler, I've known him for a lot of years.

You know, one of the things that is so important in serving government is that you have served in local government. That's where the action is. He has served in local government.

And OGS is terribly important to me personally because it represents so many of my constituents who work in government services.

And he is their landlord, and he is the guy that makes everything work for them. And it's a difficult job. And we're very, very grateful for competent people serving in that department.

But Ken Ringler has had a tremendous background in serving in state government. And he knows basically the concerns that each agency has, because he again will be working I think with almost every agency we have, not only here in this Capital District, but throughout the state.

And certainly the Governor has chosen somebody who is eminently qualified and, as I said before, someone that every job he's undertaken, he's done well. He's a distinguished counsel and lawyer and somebody that has really been an asset.

And we're grateful to have you in public service. And Ken, we wish you well in your new job, and I know that you're going to be a true asset to the State of New York. Thank you for serving.

ACTING PRESIDENT KUHL: Senator Breslin, on the nomination.

SENATOR BRESLIN: Thank you, Mr. President. I echo the remarks of Senator Bruno, Senator Farley. And I also add that Ken Ringler has been a friend of mine for 25 years. We're fellow residents of the town of Bethlehem. We don't share the same political allegiance, you might know that. But I have watched Ken as a Planning Board member, an IDA member, chairman of both, and as the supervisor of our town, the town of Bethlehem. And I've watched in each individual stage in the Town of Bethlehem how gifted he is interacting with people, how dedicated he is in being responsive to the needs of the citizens of Bethlehem. And then I've seen him go beyond, I've seen him go beyond, to the Department of Motor Vehicles and to the Secretary of State's office.

And in each, each part of his new responsibilities, he's continued to grow and has really exhibited the kind of leadership that's necessary at OGS.

Joe Seymour was a great choice at OGS by the Governor and did a wonderful job there. And Ken Ringler is a fitting successor

who will continue to do the same kind of a job.

And I congratulate the Governor for his nomination of my friend Ken Ringler.

ACTING PRESIDENT KUHL: Senator Spano, on the nomination.

SENATOR SPANO: Thank you, Mr. President.

You know, we often start off by saying thank you to the Governor. We should say congratulations to the Governor, not only for the four nominees that he's presented to us today but for what he didn't realize was going to happen in this chamber.

You can tell that the mood in this chamber has changed a little bit, especially today. And maybe it takes these four nominees who are here today who may have gone a long way to restore some of the dignity and camaraderie that those of us who have been here a long time have come to appreciate.

And I think that type of mood is certainly relevant when we talk to someone like Ken Ringler, someone who, as Senator Bruno has mentioned and other colleagues have

mentioned, that has an outstanding career in government, an outstanding career that has taken him through several different state agencies, and is someone who has been a professional, has been hardworking, and has got the experience to do his job.

And I will tell you that you would think that the qualifications for this position might be his position in the Department of Motor Vehicles or his role in the department or in the Secretary of State's office, but his real qualifications to become Commissioner of OGS is the fact that he served for a number of years as the Chairman of the Emergency Financial Control Board in the City of Yonkers. And if he deserved combat pay for anything, it was the role that he played as the chairman of that Emergency Financial Control Board and as a member of that board.

And I will tell you, the type of temperament that he's shown is the temperament that we need in someone who is going to lead an agency like OGS, where he is in charge of so much of the bricks and mortar and moving of what we do here in terms of the state

employees and making things happen all across the state.

So I just want to say congratulations to all four of the nominees, and especially to Ken Ringler, and to say that I offer you my best wishes. I know you follow in a great tradition in a job that has been completed so admirably by Joe Seymour, and I know that you'll be able to do as well if not better a job as our commissioner.

We're proud of you. Congratulations.

ACTING PRESIDENT KUHL: Senator Nozzolio, on the nomination.

SENATOR NOZZOLIO: Thank you, Mr. President.

I wish to commend Governor Pataki for this nomination and echo the comments of my colleagues in praise of Ken Ringler, the nominee.

That there is a great team at OGS. Many of them are here today. I want to thank, on behalf of the Senate, the responsiveness and cooperation we have seen with that agency, as well as the particular efforts of the

nominee throughout his career in state service. His responsiveness to those concerns of the legislators has been second to none. His efforts to help is really the best essence of government service.

And I want to thank the nominee and commend the Governor for this nomination.

ACTING PRESIDENT KUHL: Senator Duane, on the nomination.

SENATOR DUANE: Thank you very much, Mr. President.

If I'm not mistaken, I met Ken Ringler at the opening of one of the state-of-the-art motor vehicle facilities which opened in my district at Herald Square. And I was very, very impressed at the fine work, the spirit of the workers there and the professionalism of the executive staff of the Department of Motor Vehicles. It was truly a terrific experience and one which has really been very, very helpful to my district. It's convenient, it's well managed, it's really been outstanding.

And I can only think that Ken Ringler will bring that exact same spirit to

his new position. As you know, I'm the ranking member on the Investigations and Government Operations Committee, and I'm very much looking forward to working with the new Commissioner in his new position.

And again, I'm very pleased with the Governor's announcement of this appointment, and I'm very much looking forward to a terrific working partnership.

Thank you very much, Mr. President.

ACTING PRESIDENT KUHL: Any other member wishing to speak on the nomination?

Senator Stachowski.

SENATOR STACHOWSKI: Mr. President, I too would like to rise to second the nomination.

I think Mr. Ringler has a terrific background. He was very impressive in committee. I think that he brings an enthusiasm that will be welcome. He has big shoes to fill. The last commissioner did a very good job. And I have no reason to believe that this gentleman won't do equally as well, if not better.

I'm glad to hear that he's a friend

of Breslin's. That makes me a little more comfortable. But actually, I think he'll be terrific. I love his background. I'm glad to hear that he sets up bureaus as well as Senator Duane said.

And I too would just like to add my second to this nomination.

ACTING PRESIDENT KUHL: The question is on the nomination of Kenneth J. Ringler, Jr., of Glenmont, to become the Commissioner of General Services. All those in favor of the nomination signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT KUHL: Opposed, nay.

(No response.)

ACTING PRESIDENT KUHL: The nominee is unanimously confirmed.

We're very, very pleased to have the Commissioner with us.

Commissioner, congratulations.

(Applause.)

ACTING PRESIDENT KUHL: The Commissioner is joined by members of his

family, his wife, Marty, and daughter Amy, and his mother and father, Mary and Ken Ringler.

Welcome to the chamber.

The Secretary will continue to read.

THE SECRETARY: As a member of the Crime Victims Board, Christina Hernandez, of East Greenbush.

ACTING PRESIDENT KUHL: Senator Stafford.

SENATOR STAFFORD: Mr. President, I will again yield. But I'm reminded today when I was at a political gathering and I had my young daughter, and she listened throughout the evening, and she said, "You know, it's interesting, but everybody says the same thing."

Now, everyone has said the same thing here today about all four nominees who I mentioned at the outset. And now for the fourth nominee who was with us today, Christina Hernandez, it's a pleasure for me to again -- to again yield to the Senator from the rolling hills of Brunswick.

SENATOR BRUNO: Thank you very,

very much, Senator Stafford.

ACTING PRESIDENT KUHL: Senator Bruno.

SENATOR BRUNO: Again, the esteemed and dedicated and committed chair of Finance, one of the most powerful committees in the Senate.

And, Mr. President, again I rise, and I rise with great pleasure. And Senator Stafford is right, he has never been wrong when he talks about us saying the same kinds of things. Because when you have highly qualified people, each dedicated to public service, each outstanding in the work that they're doing, then, yes, it gets to sound similar.

And in this case, we're here now talking about Christina Hernandez that, yes, lives in Rensselaer County and has served for the last six years on the Crime Victims Board as a commissioner. And Christina has dedicated her life to helping people who are unfortunate enough to have been a victim of a crime.

And those of you that have exposure

and experience in that regard know how sensitive that is, how difficult that is. But Christina has done her job so well that the Governor sees fit to again send her here to the Senate, and rightly, for confirmation and continued service.

She also has a great interest in other areas, serving on the Center for Women in Government, I think serving on the Task Force, with the State Police, for Minority Recruitment, and serving on the Committee for Domestic Violence for Fatalities, which again is a very, very difficult task.

But all of these things she does in the spirit of just helping others who truly need help. Academically, she has her master's in her chosen field, presently studying for a Ph.D. in social work.

So she goes on and on in just improving her ability to continue to do the service to all of the people of this state that we so desperately need.

All of us have a responsibility to victims, crime victims. And by confirming Christina Hernandez's nomination here today,

we continue our responsibility to help those victims that so desperately need help.

Thank you, Mr. President.

ACTING PRESIDENT KUHL: Senator Nozzolio, on the nomination.

SENATOR NOZZOLIO: Thank you, Mr. President. It's an honor to serve as chairman, appointed by Senator Bruno, to the Crime Victims, Crime and Corrections Committee. And the committee works closely with the Crime Victims Board. And this board has made great progress in the last six years under Governor's Pataki's leadership in providing the right type of reimbursement to crime victims in a timely fashion. And I underscore the comment of timely fashion.

That the nominee, being renominated to serve on Crime Victims Board, has been part of the effort to bring to crime victims remuneration that would in some way mitigate the pain of the crime. And I wish to thank our nominee for her efforts in that endeavor. That this is an excellent Crime Victims Board, and the nominee has been a part, as a commissioner, has been very much a part of

that success with the Crime Victims Board.

And I wish to congratulate her and thank her for that effort, and to thank Governor Pataki for the nomination.

ACTING PRESIDENT KUHL: Senator Lachman, on the nomination.

SENATOR LACHMAN: I rise on this nominee to commend the Governor and also to commend the Rockefeller School of Social Work of the State University of New York.

I must say I've only known the nominee for two weeks. And I first met her on paper in black and white in terms of curriculum vitae, which is really outstanding. And then in committee, we questioned the nominee. And she is a very bright and very articulate individual. The Governor can be proud of his appointee. We can be proud of our being in favor of her.

But I would also like to add that the Rockefeller School of Social Work at SUNY can be proud of the fact that they have waived one regulation in order to allow her to complete her doctorate. Usually universities have a one-year residence requirement for

Ph.D. degree students. And in the case of Christina Hernandez, because of her outstanding work in government as well as her academic ability, this one year of residency has been waived.

And she is now working on her doctorate, as Senator Bruno said, in the area of her major interest, where she will be of maximum positive influence in the future.

So I commend the nominee, Christina Hernandez. I commend the Governor. And I also commend the Rockefeller College of Social Work of the State University of New York.

Thank you.

ACTING PRESIDENT KUHL: Any other member wishing to speak on the nomination?

Senator Stavisky.

SENATOR STAVISKY: Mr. President, I too want to commend the Governor as we celebrate, as I said before, Women's History Month.

This nomination I think is particularly significant, because it sends a very positive message concerning the role of Latina and Hispanic women in the State of

New York. We are a very diverse state, as the recent census figures have shown. And as an individual having a great many people with Hispanic and Latino surnames in my district, I'm very proud of this. I'm very proud because of the recognition that it provides.

I'm also proud because Ms. Hernandez is a graduate of the State University system, SUNY at Buffalo, SUNY Albany, and the Rockefeller School at SUNY Albany. And I think it sends a message that for all the criticisms that have been made of the State University system, we have many graduates of whom we can be very, very proud. And we are training the very best that have achieved great success in the State of New York.

So, Mr. President, I commend the Governor for this appointment, and particularly her interest as a social worker exploring issues of victims' rights and services to victims of crime, and I urge her nomination.

ACTING PRESIDENT KUHL: Senator Brown, on the nomination.

SENATOR BROWN: Thank you, Mr. President. I too also rise to congratulate the Governor on this renomination of Christina Hernandez to the Crime Victims Board and want to congratulate Ms. Hernandez and commend her on her service and her renomination.

As Senator Stavisky said, I was impressed in reading Ms. Hernandez's resume and noticed on her resume that she is a graduate of Buffalo State College, where I also had the opportunity to earn two degrees, having completed my second degree at Buffalo State College in 1983, when Ms. Hernandez started there at Buffalo State College. I don't know if our paths ever crossed, but I look forward to meeting Ms. Hernandez if we do not know each other and talking about Buffalo State College and the important work that she will be doing on the Crime Victims Board, and certainly offering any support that I can be to her in doing that important work.

I just again want to congratulate Ms. Hernandez, and I look forward to working with her.

ACTING PRESIDENT KUHL: Senator

Hoffmann, on the nomination.

SENATOR HOFFMANN: Thank you, Mr. President. I'm delighted to rise in support of the nomination of Christina Hernandez to this very important position on the Crime Victims Board.

And she has demonstrated in her first term that she has a remarkable degree of sensitivity to the issues of crime victims, but also to the very important aspect of change in our criminal justice system. Governor Pataki has made this very unique area a hallmark of his administration. This term he has announced a number of initiatives that he would like to see occur during his current term.

And it's not easy to change the way the criminal justice system operates and has operated. As indicated by the large number of demonstrators outside the Capitol yesterday, we are now besieged by varying requests from different groups urging rapid change, in some cases, or in other cases no change at all in the way we handle crime in New York State.

But what better way to assess how

we should make these changes than by soliciting the input of those who have been the victims of crime themselves. And Ms. Hernandez has demonstrated an ability to sort out that information and to work within our very complex criminal justice system to help put together sound policy initiatives.

So again, I applaud the Governor for his very sage choice in Christina Hernandez for the Crime Victims Board.

ACTING PRESIDENT KUHL: Senator Stachowski, on the nomination.

SENATOR STACHOWSKI: Yes, Mr. President, I also rise to second the nomination of Christina Hernandez. I can remember when she first came to Finance to the get the original appointment, and I think that in the interim period she has done a wonderful job in her position. I think she will continue to do a great job. That she's a fellow graduate with Byron, even though he's slightly older -- second degree when she first got there -- I think that the fact that she has some familiarity with different parts of the state, if for no other reason than she

went to school in various parts of the state, that that also serves her well.

And I think that the Governor has done a very good job in reappointing her, sending her name up quickly, and giving us the opportunity to confirm her so that she can continue with the good work that she's doing.

And the fact that she's a social worker in a position like this I think is also interesting and gives her a little bit of extra insight into maybe some of the problems that people that are crime victims face when put in the position that they're put in just through the fact that they are crime victims.

So I also second this nomination and am happy to do so.

ACTING PRESIDENT KUHL: Senator Montgomery, on the nomination.

SENATOR MONTGOMERY: Thank you, Mr. President.

I just want to briefly congratulate Christina Hernandez. I think that she has exhibited wha is the hope and ambition of every young woman, and that is to have access and to have the ability to work to your

greatest potential. And so she's done that against all odds, and I'm very, very pleased that she has been so successful and that we're able to vote for her today.

But I also would like to congratulate Governor Pataki, because he has celebrated Women's History Month in the best way that I can imagine. And that is three out of four of the appointments today are women, and they are -- they're being appointed to very important and strategic commissionerships and positions. That, to me, is the highest respect for equal opportunity for women, that we don't view women for just very specific kinds of things but that we also will accept the fact that they have the skills and the experience and the knowledge to offer in any number of areas, including those areas that we have appointed women to commissioner today.

So I applaud the Governor, I applaud our Majority Leader for listening to the Governor and accepting his wisdom and his appointments, and I applaud the women who are here today -- and the man. All of these appointments are very important. I don't want

to be totally sexist. But congratulations to all.

ACTING PRESIDENT KUHL: The Question is on the nomination of Christina Hernandez, of East Greenbush, to become a member again of the Crime Victims Board. All those in favor of the nomination signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT KUHL: Opposed, nay.

(No response.)

ACTING PRESIDENT KUHL: The nominee is unanimously confirmed.

(Applause.)

ACTING PRESIDENT KUHL: Congratu lations, Christina. Good luck.

The Secretary will continue to read.

THE SECRETARY: As a member of the State Board of Real Property Services, Michael Joseph, Jr., of Marathon.

As a member of the Advisory Council to the Commission on Quality of Care for the Mentally Disabled, Milo I. Tomanovich,

Esquire, of Rochester.

As a member of the Medical Advisory Committee, Tamton Mustapha, of Valatie.

As a member of the State Hospital Review and Planning Council, Michael A. Berman, M.D., of New York City, and Henry M. Sloma, of Lewiston.

As a member of the Board of Visitors of the Central New York Developmental Disabilities Services Office, James R. Iles, of Clay.

As a member of Board of Visitors of the Metro New York Developmental Disabilities Services Office, Rita J. Haahn, of the Bronx.

And as a member of the Board of Visitors of the Western New York Children's Psychiatric Center, Gloria Paine, of Batavia.

ACTING PRESIDENT KUHL: The question is on the nominations.

SENATOR SKELOS: Move the nominations.

ACTING PRESIDENT KUHL: All those in favor signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT KUHL: Opposed,

nay.

(No response.)

ACTING PRESIDENT KUHL: The nominees are confirmed.

The Secretary will continue to read.

THE SECRETARY: Senator Stafford, from the Committee on Finance, reports the following bill direct to third reading:

Senate Print 901A, Budget Bill, an act making appropriations for the legal requirements of state debt service.

ACTING PRESIDENT KUHL: The bill is reported directly to third reading.

Senator Skelos.

SENATOR SKELOS: Mr. President, there will be an immediate meeting of the Investigations, Taxation and Government Operations Committee in the Majority Conference Room.

ACTING PRESIDENT KUHL: Immediate meeting of the Investigations, Taxation and Governmental Operations Committee in the Majority Conference Room, Room 332.

Senator Skelos.

SENATOR SKELOS: Mr. President, if we could return to the controversial calendar and continue with Calendar Number 194.

ACTING PRESIDENT KUHL: The Secretary will read the title and put the bill back before the house.

THE SECRETARY: Calendar Number 194, by Senator Rath, Senate Print 1811, an act to amend the Real Property Tax Law.

ACTING PRESIDENT KUHL: Senator Lachman.

SENATOR LACHMAN: Mr. President, through you, I would like to continue to ask Senator Rath, with her permission, one or two questions.

ACTING PRESIDENT KUHL: Senator Rath, do you yield to a question from Senator Lachman?

SENATOR RATH: Yes.

SENATOR LACHMAN: Senator Rath, I want to thank you for your indulgence and patience in explaining this to someone who did not know about it beforehand.

Now, in answer to one of my

questions previously, you had said that New York City has a homestead tax option. Now I have in my hand a statement from the Office of Real Property Services, question and answer. Is the homestead tax option available everywhere in the state? Answer: It is available only to qualifying cities, towns, villages, counties and school districts. It is not available in New York City or in Nassau County, except for villages and, to certain purposes, the cities.

Now, can you explain that to me?

SENATOR RATH: I believe I can, Senator.

It's a different article of law that the City of New York and the County of Nassau function under. It gives them a 4 class system rather than the 2 class system, which is the classic homestead exemption.

ACTING PRESIDENT KUHL: Senator Lachman.

SENATOR LACHMAN: Mr. President, through you. Am I correct, then, in assuming that they are not part of the homestead tax option but something different that in some

aspects is similar, yes or no?

SENATOR RATH: Yeah. It's a look at a way to get the same kind of relief in a different kind of a jurisdiction that the homestead offers to the one that I'm talking about here in the Town of Tonawanda and 29 others around the state. It's Article 18 that deals with this.

SENATOR LACHMAN: Mr. President, through you, if the Senator would continue to yield.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR LACHMAN: In answer to a question that I had previously about school districts, I think you might have misinterpreted in terms of school property.

SENATOR RATH: I did, yeah.

SENATOR LACHMAN: Because the information on the same website here is that if school districts are wholly contained within the boundaries of the city or town that

has the homestead tax, they must use the homestead tax unless they opt out of the program by passing a resolution.

Can you explain that further, please?

SENATOR RATH: I did not understand your question, and I did answer it incorrectly, Senator Lachman. Your question, I believe, asked were they exempted. And that was how I thought -- or I thought you asked were they exempted. And they can be in or out at their own discretion.

ACTING PRESIDENT KUHL: Senator Lachman.

SENATOR LACHMAN: Mr. President, I just want to thank Senator Rath for her responses to the questions, her candor and her honesty and patience. And I will be voting for this bill.

SENATOR RATH: Thank you. I appreciate it.

ACTING PRESIDENT KUHL: Senator Brown, why do you rise?

SENATOR BROWN: Thank you, Mr. President. Through you, if I may ask Senator

Rath a few questions.

ACTING PRESIDENT KUHL: Senator Rath, do you yield to a question from Senator Brown?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR BROWN: Senator Rath, I'm certainly going to be supporting this, but I just have a question. When was Huntley Power Plant actually sold?

SENATOR RATH: It was sold last fall. The transaction was completed last fall.

SENATOR BROWN: And through you, Mr. President, if Senator Rath would continue to yield.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR BROWN: The plant was sold last fall, Senator Rath. Have the taxes now -- I'm looking at the bill memo, and it

says that the community stands to lose $5 million in property taxes. Has the community been losing money thus far?

SENATOR RATH: No. The issue is that when they sold the Huntley Plant to NRG, it would only be sold if there was a reduction, an assessment reduction as part of the consideration.

ACTING PRESIDENT KUHL: Senator Brown.

SENATOR BROWN: Through you, Mr. President, if Senator Rath would continue to yield.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR BROWN: Yes, I understand that there would be a PILOT. How many years is the PILOT going to be provided?

SENATOR RATH: It goes from 2001 to 2008.

SENATOR BROWN: Through you, Mr. President, if Senator Rath would continue to

yield.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR BROWN: What will happen after the PILOT expires in 2008, Senator Rath?

SENATOR RATH: They will go back and renegotiate.

SENATOR BROWN: Through you, Mr. President, if Senator Rath would continue to yield.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR BROWN: Senator Rath, what is impact on the residential homeowners of this agreement, this piece of legislation, if any?

SENATOR RATH: What it will do, it will ensure that the very least possible amount of increase for the residential rate

will occur. Because we know -- we know that the homeowners are the ones that are always hardest hit. But also if the businesses, the other businesses are hard-hit and move out of town or if they look for reassessments and get their assessments changed, then once again, it's all -- it's just a balancing act.

And so this is an effort to get a soft landing, if you will, from this huge hit that the Town of Tonawanda is taking.

SENATOR BROWN: Through you, Mr. President, if Senator Rath would continue to yield.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR BROWN: So, Senator, I know earlier on, before we moved from this item, you had explained that the PILOT would decrease every year. And what will be the difference in the taxes that would have been paid and what will be lost through the PILOT agreement?

SENATOR RATH: Basically, there's a sliding scale that goes from the $15 million that Huntley had been paying to the $13.5 that NRG is at in 2001-2002, and it slides down until 2005-2006 at $11 million, and stays there until 2008, at which time the renegotiation will click into place.

So if you want to total it all up, it's easy enough. But the point is is that this will just help them to get a soft landing so that the businesses and the homeowners won't be unduly impacted.

SENATOR BROWN: Through you, Mr. President, if Senator Rath would continue to yield.

ACTING PRESIDENT KUHL: Senator Rath, do you continue to yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The sponsor yields.

SENATOR BROWN: So through the assessment challenge, that actually removes the Huntley Plant from the tax rolls altogether?

SENATOR RATH: This was a result

of the assessment challenge. And so they're not off the tax rolls, but they're into a PILOT.

SENATOR BROWN: Okay. Thank you, Mr. President. On the bill.

ACTING PRESIDENT KUHL: Senator Brown, on the bill.

SENATOR BROWN: I just want to thank Senator Rath for being kind enough to answer those few questions for me. I certainly do support this.

As Senator Rath mentioned earlier, Tonawanda is a neighboring community, certainly a community in Erie County, and we are a county that is known for our regional cooperation. And certainly this would be a major hit to the Town of Tonawanda that would have an adverse impact on our entire community.

So I commend Senator Rath for her action in this matter and certainly will be voting in the affirmative.

ACTING PRESIDENT KUHL: Senator Oppenheimer, why do you rise?

SENATOR OPPENHEIMER: If the

sponsor would yield.

ACTING PRESIDENT KUHL: Senator Rath, do you yield to a question from Senator Oppenheimer?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR OPPENHEIMER: I've done a lot of PILOTs in my day, and I'm trying to figure out why this bill is before us. So let me phrase a question. Is it because you've done reclassification in your area and established two categories, that you have residential and nonresidential, and because you're applying the PILOT only to one part of your -- okay, I think I understand now.

SENATOR RATH: Yes. Yes.

SENATOR OPPENHEIMER: Thanks, Senator.

This is a good bill. Many of us in -- on the bill, Mr. President.

ACTING PRESIDENT KUHL: Senator Oppenheimer, on the bill.

SENATOR OPPENHEIMER: As I said, we've done a lot of PILOTs in our area, and

normally we just put it across the tax base because we haven't done classification, which is something we very much want to do in Westchester County, though we would probably do it more in line with the Nassau consideration, which is I think three or four -- four categories. Because there's a lot more variation, I think, in the areas where we are than upstate, where I think maybe two categories would have been more appropriate. But downstate, we really want to do a few categories.

But this is very interesting to me, because it's the first time I've seen something like this. And I sort of wonder if it's the first time something like this has occurred. And -- but I won't ask you a question -- oh, yes, okay, I'll ask the question. If the Senator would yield.

ACTING PRESIDENT KUHL: Senator Rath, do you yield a question?

SENATOR RATH: You raise a very good point, Senator Oppenheimer.

ACTING PRESIDENT KUHL: The answer is yes, she yields.

SENATOR RATH: Yes, thank you.

Senator Oppenheimer, I believe that sometimes difficult situations demand creative solutions. And that's what happened here. And I think if we are the first, we may not be the last to have to do this this way.

SENATOR OPPENHEIMER: No, I think it is creative. And I may even recommend this to friends of mine.

But, you know, the putting in the PILOTs is a way that we have been able to bring in peacefully things that otherwise I think -- developments that would have created a lot of noise and excitement and confusion and contention in our areas. And because this is a way of paying the government for properties would be otherwise exempt, it kind of mutes the aggravated noise that comes from the citizens every time you take a piece of property off their rolls.

And this apportionment is very interesting, and I applaud the government and Senator Rath for having created this. I'll be voting in favor.

ACTING PRESIDENT KUHL: Senator

Stachowski.

SENATOR STACHOWSKI: If the Senator would yield to a couple of questions, please.

ACTING PRESIDENT KUHL: Senator Rath, do you yield to a question from Senator Stachowski?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR STACHOWSKI: If we didn't do the PILOT, what would be the effect on the property tax of the homeowners in Tonawanda?

SENATOR RATH: Approximately a 23 percent increase immediately, Senator Stachowski.

SENATOR STACHOWSKI: And to the businesses?

SENATOR RATH: To the nonhomestead.

SENATOR STACHOWSKI: And what then would be a increase to the businesses? The homestead/nonhomestead is businesses and -

SENATOR RATH: Businesses or

homes, right, yeah.

The 23 percent increase, because it's a PILOT, would be going on to the nonhomestead. And what that would do would be to hit the businesses so dramatically that they'd either flee the town or they'd challenge their assessments, probably get it done, and then they'd be -- they'd have their assessments lowered. And the dramatic effect would be the same thing anyway, the homeowners would get hit.

ACTING PRESIDENT KUHL: Senator Stachowski.

SENATOR STACHOWSKI: Mr. President, if the Senator would continue to yield.

ACTING PRESIDENT KUHL: Senator Rath, do you yield?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR STACHOWSKI: Currently in Erie County the county executive has floated a proposal to eliminate or roll into one all the IDAs except Amherst. I mean, he would like

Amherst, but currently I guess the last thing he's talked about is if Amherst won't roll in, then he would do everybody else except.

If he did that, in fact, and they all became part of the Erie County IDA, what would be the effect of this legislation? Would this PILOT still stand because? There would no longer be that -- I don't -- I'm just -- this is for my own benefit, so I understand.

SENATOR RATH: By way of information, this is an ECIDA arrangement. It's not anything to do with the Town of Tonawanda IDA or any of the others. This is purely ECIDA.

ACTING PRESIDENT KUHL: Senator Stachowski.

SENATOR STACHOWSKI: One other question. What would -

ACTING PRESIDENT KUHL: Senator Rath, do you yield to another question?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR STACHOWSKI: Thank you,

Mr. President.

There's also a possibility, because of some other problems with the Huntley Plant, that it may or may not be functional for long. Something to do with the sale. Unless the sale would revert to somebody else and they would run it. But what would the effect of this if that were the case?

SENATOR RATH: My best recollection is that as the deal was being negotiated for the sale, one of the provisions was that NRG would upgrade the turbines that are there now producing electricity and that the time over the period up until 2008 would encompass not only the improvement of the generating capacity that they have there at Huntley right now with the present turbines, but also, as this went forward, that Huntley would be one of the eligible candidates, if you will, for some of the new turbines that are going to be going into the facilities all around the Northeast. And those new - those -- some of the NRG facilities around the Northeast, the new turbines. There will be X number of new turbines. There won't be enough

to go into all of the generating facilities.

We would like very much to have them in Western New York, because -- I don't know if you were here as I was expounding on our snow and the grid and the electricity. I got myself carried, Senator Stachowski. You would know me well enough to know that occasionally I do that.

But the point here being that I think that it's better for everything on the Niagara frontier, including the relicensing of Niagara Hydro, if we are pumping as much electricity into the grid as we can. So for us to be the recipients of some of the new turbines, if we are lucky enough to get them in Western New York, because we've got a facility that is showing -- it's doing well, for all the right reasons it would be important for us to have Huntley going along well in a community that is working well with them and agreeable to their needs. If the two new turbines come in there, it would expand Huntley's capacity dramatically. Dramatically. They would be gas-fired, by the way, not coal-fired.

SENATOR STACHOWSKI: On the bill.

Thank you.

ACTING PRESIDENT KUHL: Senator Stachowski, on the bill.

SENATOR STACHOWSKI: Thank you, Mr. President.

I think that although I'm not a big fan of IDAs and some of their things and I have some questions about the new IDA that Erie County is proposing -- having been there when they put together the original IDA and the governmental-based board, which is at least responsible to the people -- I think that we're stuck with this Huntley situation, that the people in that community would be very hard-pressed if something wasn't done. I know that there's been a lot of work put into obtaining some monies to help out with that situation. And this seems like another step trying to help that community. And I know that community's represented in a bipartisan nature, and so that this isn't partisan in any means.

So because of all those reasons, I will probably support this bill and hope that

we could get this done with.

Thank you.

ACTING PRESIDENT KUHL: Senator Onorato, why do you rise?

SENATOR ONORATO: Mr. President, will the sponsor yield to a question.

ACTING PRESIDENT KUHL: Senator Rath, do you yield to a question from Senator Onorato?

SENATOR RATH: Surely.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR ONORATO: The transferring of this place is going to be sold or transferred to another entity, a privately operated entity; is that true?

SENATOR RATH: The property actually is being transferred to the IDA, the industrial development agency.

SENATOR ONORATO: For the purpose of erecting another power plant on the site?

SENATOR RATH: No, no. They're renovating this very old one and hopefully going to continue to renovate it even more so that more electricity will be generated.

SENATOR ONORATO: Do you anticipate a rate savings to the taxpayers or the consumers by the -

ACTING PRESIDENT KUHL: The State of New York. I hope so. Of the State of New York, Senator. I hope so. I hope we can get enough generating capacity in New York State not only to economically address all of our needs but maybe even to be able to sell some electricity outside the state if our needs are met.

SENATOR ONORATO: Well, I certainly hope that that's the case. Because as you know, since deregulation -- and I can speak for myself as a consumer in New York City, my last utility bill was approximately 60 percent higher than my last bill for the - through this deregulation. So I have not been the recipient of any savings so far.

I hope that your particular bill will address that particular problem that we can get the additional power that we need but at a rate that we can all afford.

Thank you.

ACTING PRESIDENT KUHL: Any other

member wishing to speak on the bill?

The Secretary will read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 60.

ACTING PRESIDENT KUHL: The bill is passed.

Senator Morahan, continue in regular order?

SENATOR MORAHAN: Yes, Mr. President, will you please call up Calendar 254.

ACTING PRESIDENT KUHL: The Secretary will read the title of Calendar Number 254, Senate 1447, by Senator Meier.

THE SECRETARY: Calendar Number 254, by Senator Meier, Senate Print 1447, an act to amend the Domestic Relations Law, in relation to notification.

SENATOR OPPENHEIMER: Explanation, please.

ACTING PRESIDENT KUHL: Senator Meier, an explanation has been requested by Senator Oppenheimer, I believe.

SENATOR MEIER: Thank you, Mr. President.

This bill is actually quite simple. It amends subdivision 1 of Section 240 of the Domestic Relations Law to require that when the Supreme Court makes an order affecting the support of a child, that notification of that order be sent to the support collection unit in the involved jurisdiction, or, if the order modifies an existing order of Family Court, to also notify the Family Court.

Under the existing law, the Supreme Court is only required under the Domestic Relations Law to inform the support collection unit when it enters an order and directs that payment be made through the support collection unit.

What happens now is that when orders are modified, if there's a downward modification, the noncustodial parent making the payment, because it is in that parent's interest to do so, will normally notify the

support collection unit. When there's an upward modification, the notification is many times not made, and so we have a lag in the ability to collect the appropriate amount of child support.

That particularly impacts when we have a custodial parent who is a public assistance recipient, not just in terms of the ability of the local and state government to recoup on the child support, but also, if we delay the increased amount of child support, it makes it harder to put together that combination of work and support from the noncustodial parent that helps us transition people off.

So this is really something to fill a gap in the law to provide for better administration of child support.

ACTING PRESIDENT KUHL: Senator Montgomery, why do you rise?

SENATOR MONTGOMERY: Yes, Mr. President, I would like to ask a question of the sponsor, Senator Meier, if he will yield.

ACTING PRESIDENT KUHL: Senator Meier, do you yield to a question from Senator

Montgomery?

SENATOR MEIER: Certainly, Mr. President.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR MONTGOMERY: Senator Meier, currently if a person is a welfare recipient, what amount of the child support payment goes directly to the parent, the custodial parent?

SENATOR MEIER: Mr. President, the amount that currently goes to the custodial parent is $50, assuming that the noncustodial parent's obligations are current under the child support order.

I would note that the Senate has now I think for the second year in a row attempted to increase that amount to $100. We have not been able to get the other body to agree.

SENATOR MONTGOMERY: Okay. So the amount is -- $50 is actually passed on to the custodial parent.

Through you, Mr. President, if I could ask Senator Meier another question.

ACTING PRESIDENT KUHL: Senator Meier, do you yield to another question from Senator Montgomery?

SENATOR MEIER: Yes, Mr. President.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR MONTGOMERY: Senator Meier, in the existing law the Supreme Court provides a copy of the request for child support enforcement. So when and under what circumstances, what cases, do they not direct the payment to the collecting unit?

SENATOR MEIER: Well, Mr. President, under the existing law the Supreme Court is only obligated to inform the support collection unit when they enter an order directing that collection be made through the support collection unit. The law does not provide for notification when there's an upward or downward modification.

And what the bill before the house attempts to do is to require that that notification be made when the modification occurs.

SENATOR MONTGOMERY: Through you, Mr. President, I have a couple of other questions for Senator Meier.

ACTING PRESIDENT KUHL: Senator Meier, do you continue to yield to a question?

SENATOR MEIER: Yes, Mr. President.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR MONTGOMERY: Senator Meier, does the Supreme Court always know that the custodial parent is a welfare recipient, or do they have to investigate this? Is there any way of them knowing this without some additional steps that we need to take?

SENATOR MEIER: Well, Mr. President, under -- what would customarily happen would be the Supreme Court, if it were entertaining a child support application, would be aware. Because under other provisions of the Domestic Relations Law, the parties to that litigation would have to file financial statements indicating assets, sources of income. And that would then be indicated if someone was a public assistance

recipient in those verified statements.

The other thing that the bill does set forth is that the Supreme Court will provide notice at any time. It says if the applicant is in receipt of public assistance, they'd know that from the verified financial statements. Or if there is a statement that the applicant requests, has applied for, or is in receipt of such services.

SENATOR MONTGOMERY: All right. Will you continue to yield? Mr. President, will Senator Meier continue to yield.

ACTING PRESIDENT KUHL: Senator Meier, do you continue to yield for another question?

SENATOR MEIER: Yes, I will, Mr. President. Be glad to.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR MONTGOMERY: Senator Meier, the current -- the proposal from the chief justice, Chief Judge Judith Kaye to streamline the courts so that Family Court is in a part of Supreme Court, would that, in your opinion, address some of this

information-sharing gap, that there would be a more of a likelihood that we would have more knowledge about a particular case in that kind of a court system and therefore we wouldn't have these gaps in communication that your bill tries to address?

I know that's sort of asking you for a judgment, but I'm just -- I would like to hear if you thought that would make a difference.

SENATOR MEIER: Mr. President, I believe the question is whether Judge Kaye's court reform proposal or court merger proposal would civil in some of the gaps provided for in this legislation. And in a perfect world, maybe in part. Although that proposal calls for Family Court in effect becoming a Family Court part of Supreme Court. You might be dealing with different judges.

But that would only deal with the part of this bill where modifications of existing Family Court orders require notification. It would still not address direct notification to the support collection unit, which operates in conjunction with the

court systems but, you know, operates separately from them and with a different administrative setup.

So this bill would still be required even if that court merger bill were to become passed and law.

SENATOR MONTGOMERY: Thank you, Senator Meier, for your patience in answering my questions.

Just briefly on the bill. I think obviously this is a very important step that Senator Meier -- connection that Senator Meier is trying to make in terms of communication, which hopefully would improve the collection of child support by the unit that is supposed to collect.

I would, however, say also, Senator Meier, that there are a number of instances that I've been introduced to from -- by people in my district where there is this apparent glitch that they get -- they go to court, they have their -- a change in their child support decision, and it never shows up in terms of whichever way they're paying it, very often through their payroll checkoff.

So it is a problem on both ends. And certainly you're trying to address one part of it. I appreciate that. And hopefully we can continue to look at this issue, because it is a very serious one.

Thank you, Mr. President.

ACTING PRESIDENT KUHL: Any other Senator wishing to speak on the bill?

Senator Paterson, why do you rise?

SENATOR PATERSON: Mr. President, if Senator Meier would yield for a question.

ACTING PRESIDENT KUHL: Senator Meier, do you yield to a question from Senator Paterson?

SENATOR MEIER: Gladly, Mr. President.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Senator, I'm trying to get an idea of just how widespread this problem is in terms of cost. I understand that we're going to try to find out who is and who is not receiving public assistance in this fashion. Do you have any data about how many violations there have been

and exactly what the -- you know, what the cost is to the state because of this loophole that is often used?

SENATOR MEIER: Mr. President, I don't have any exact dollar numbers, but -- I don't have any exact dollar figures, Mr. President, but this is legislation that - where we've had requests from various counties as well as from the State Community Aid Association, which of course is an advocacy group involved in helping to transition people from welfare to work.

So this is a problem that we are hearing from from the people who work in the area. And I normally accept the word of those folks, who don't have a partisan stake in this, that something like this is needed.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, I apologize, I'm just looking at this bill. Which I'd seen before, but just didn't remember it well. And if the Senator would yield for one more question.

ACTING PRESIDENT KUHL: Senator

Meier?

SENATOR MEIER: Yes, Mr. President.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Senator, I don't see an Assembly companion bill here. Have you talked about it with the Assembly? Because it really is probably a good idea. I just wanted to know how you fared trying to get this passed in both houses.

SENATOR MEIER: Mr. President, that would be Assembly 6627, introduced by Assemblywoman Glick, the chair of the Social Services Committee in that body.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Thank you, Senator.

ACTING PRESIDENT KUHL: Senator Onorato, why do you rise?

SENATOR ONORATO: Mr. President, will the sponsor yield to a question.

ACTING PRESIDENT KUHL: Senator Onorato, I had Senator Hassell-Thompson on the

list. And for the benefit of the members, if you really do want to speak, I'd appreciate it if you'd make eye contact with me.

I don't want any confusion amongst the members. I know some people are talking to the desk members. But make sure you contact me, okay?

SENATOR HASSELL-THOMPSON: I will yield to Senator Onorato.

ACTING PRESIDENT KUHL: Senator Hassell-Thompson yields to Senator Onorato. Senator Onorato, you now are next on the list. Senator Dollinger, you will be placed on the list.

SENATOR DOLLINGER: Thank you.

ACTING PRESIDENT KUHL: Senator Onorato.

SENATOR ONORATO: Will the sponsor yield to a question?

ACTING PRESIDENT KUHL: Senator Meier, do you yield to a question from Senator Onorato?

SENATOR MEIER: Yes, Mr. President.

ACTING PRESIDENT KUHL: The

Senator yields.

SENATOR ONORATO: Senator Meier, when an individual goes before them and is receiving child support and they find out that they're also receiving public assistance, how much of the public assistance is reduced by the amount that the child is receiving from whosever paying the thing? Is it a dollar-for-dollar amount?

SENATOR MEIER: Well, Mr. President, it offsets the grant, but it doesn't reduce it. Then you get the $50 passthrough that we just talked about.

SENATOR ONORATO: In other words, if a -- just hypothetically, if the -- if she or he is receiving $300 a month for the child support and they find out now -- and they find out -- let me see if I can make it clearer.

If the recipient is currently receiving $300 a month from welfare for the support of the child and they now find out that the husband or wife is also providing, unbeknownst to the agency, $200 a month, is the support from the welfare agency reduced, the total $200 from the child support?

SENATOR MEIER: Mr. President, I believe I already answered that, but I probably didn't explain it properly.

The public assistance allowance is offset but not reduced. In other words, the welfare recipient or the public assistance recipient would still keep receiving the same amount of money.

Let's say that there's a $500-per-month allowance paid to the public assistance recipient. And let's say for the sake of argument that -- for the sake of discussion that there's a $300 child support payment. And if you assume that the child support payment is current, what happens is the sum of $250 is used to reimburse the local and state government for the cost of that child support payment, or the public assistance payment, and $50 passes through to the custodial parent.

SENATOR ONORATO: Thank you.

ACTING PRESIDENT KUHL: Senator Hassell-Thompson now.

SENATOR HASSELL-THOMPSON: Thank you, Mr. President. If the Senator would

yield to a question.

ACTING PRESIDENT KUHL: Senator Meier, do you yield to a question?

SENATOR MEIER: Certainly, Mr. President.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR HASSELL-THOMPSON: Thank you. Senator, the question I have touches on the last statement that you were just making.

In this bill, the assumption is that when the court is notified -- when the collection unit is notified, then the adjustments will in fact be made. But there's nothing that says that the award has been paid. Because awards -- the court will make an award, but all of us know that because an award is made, it does not mean automatically that that payment is made to the custodial parent.

Does there then -- using your numbers, the $300, if in fact this is an award that is supposed to be paid, does this bill also trigger the ability for the custodial parent to in fact receive -- to ensure that

the amount that is awarded is in fact paid?

SENATOR MEIER: Well, if I understand the question correctly, this deals primarily with people who are receiving public assistance.

SENATOR HASSELL-THOMPSON: I understand that.

SENATOR MEIER: So one way or the other, the custodial parent will receive support for that child. This is only a - this bill only deals with the subject or the issue of notification to the support collection unit or, in the case of an existing Family Court order, of modification of that order so that the appropriate administrative adjustments can be made.

And I guess, Senator, maybe you can help me. Maybe I'm not clear on what you're sag.

SENATOR HASSELL-THOMPSON: Okay. Stay right there, because that's where I'm going. You're making the assumption that once the award is made, that notification is made to the collection unit, and therefore the adjustment is then made to the welfare

recipient and the $50 passthrough goes to the custodial parent.

However, in those cases where the award is not paid, the custodial parent is only going to receive the $50 passthrough. What is it in the bill or what is it in the DSS law that is going to trigger to ensure that that $250 difference is in fact paid to the custodial parent.

SENATOR MEIER: Well, Mr. President, no one is assuming. The bill before the house does not assume that the payment is being made. The very purpose of the notification is to give the support collection unit, particularly in the case of an upward modification, a notice of that, so that they can pursue collection of that increased amount through the various means available to the support collection unit, which begins with voluntary payment and then proceeds on through the uses of various court processes, including the ability to execute on the noncustodial parent's wages, or what's more popularly known as a wage garnishment. But that's under the existing law in the

Domestic Relations Law.

SENATOR HASSELL-THOMPSON: Okay. Through you, Mr. President.

ACTING PRESIDENT KUHL: Senator Meier, do you wish to respond to another question?

SENATOR MEIER: Certainly. I'd be happy to yield to Senator Hassell-Thompson.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR HASSELL-THOMPSON: Thank you. Through you, Mr. President.

Senator, then what you're saying is that at the point that this bill would -- the legislation would trigger that action, the assumption is that that $300 award is in fact being paid to the Department of Social Services directly, it does not go to the custodial parent, and only the $50 passthrough difference would go to the custodial parent. I'm not clear.

SENATOR MEIER: Well, Mr. President, the bill is a simple bill dealing with a notification provision for modifications for current public assistance

recipients. It is of assistance to people, though, as they leave public assistance because you want the award current. And to the extent the award remains current and if the recipient finds employment and can, through the combination of the support order and employment, make adequate funds to start to leave welfare, perhaps with the help of transitional benefits, we put the support collection unit and the court in a position to fully enforce the higher amount.

But for so long as someone remains a public assistance recipient, the only thing -- what they lose out on is the passthrough amount, the $50 if the support order is not current. They do not lose out on whatever amount they're entitled to under public assistance.

So the goal really here is to put something together that assists us in enforcing the order. And as we get to that point, to try to get people, through a combination of resources, child support included, to be able to move off of the welfare rolls.

SENATOR HASSELL-THOMPSON: Final question.

ACTING PRESIDENT KUHL: Senator Meier, do you yield to a another question?

SENATOR MEIER: Yes, Mr. President.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR HASSELL-THOMPSON: Senator, based upon your most current explanation, then, the $250 is in fact evidence received by the custodial parent from DSS as part of the grant and only the $50 passthrough, which would make up the entire $300 that the person would in fact receive, would be received by the custodial parent.

SENATOR MEIER: Mr. President, under that example, yes, the Senator is correct.

SENATOR HASSELL-THOMPSON: Okay, thank you. Thank you, Mr. President.

ACTING PRESIDENT KUHL: Any other Senator wishing to speak on the bill?

Senator Dollinger, why do you rise?

SENATOR DOLLINGER: Thank you,

Mr. President. Would the sponsor yield to just one question?

ACTING PRESIDENT KUHL: Senator Meier, do you yield to one question?

SENATOR MEIER: Mr. President, is Senator Dollinger tantalizing me, or is it only one question? Well, I'll yield to one question.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR DOLLINGER: Thank you, Mr. President.

Senator Meier, this bill embodies an idea is that it seems to me that the Office of Court Administration could implement by rule or regulation. Why not just do it through rule or regulation? Why bring it to the Legislature, why have us -- it seems to have merit. I agree with the principle behind it. But why not just have OCA do it?

SENATOR MEIER: Mr. President, it's been my experience since my days in school that there are three separate branches. We're one. The Office of Court Administration has chosen not to do this so far. And this is

something, as I say, that some advocates in the area who I respect think would be useful, and so we're pursuing it as a legislative act.

SENATOR DOLLINGER: Through you, Mr. President, one follow-up, if I could. I'm violating my one-question rule, but Senator Meier said something that suggested a follow-up might be in order, if he would yield.

ACTING PRESIDENT KUHL: Senator Meier, do you yield?

SENATOR MEIER: Yes, Mr. President.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR DOLLINGER: Through you, Mr. President. Has OCA refused to do this at this point, Senator Meier? Is there an objection from OCA to doing this?

SENATOR MEIER: Mr. President, the extensive records that my office has on this bill indicates that my distinguished predecessor as chair of this committee, Senator Holland, who now serves as Social Services Commissioner in Rockland County,

wrote several times to the Office of Court Administration requesting that they implement this very change, and he was not honored with a response.

SENATOR DOLLINGER: Thank you, Mr. President. Just briefly on the bill.

ACTING PRESIDENT KUHL: Senator Dollinger, on the bill.

SENATOR DOLLINGER: I appreciate what Senator Meier is trying to do here, and I think I'm going to end up voting for this bill. But it seems to me that while I agree with him that there are three separate and distinct branches of government, a good idea ought to be recognized by the Executive branch as much as it warrants treatment by the legislative branch.

This seems to me to be a good idea. OCA could implement it very quickly. I'm astounded that OCA wouldn't have responded to Senator Holland or wouldn't have responded to an entreaty from a member of this house about the merits of a bill that will simply require transmitting information from one court to another entity, to a child support enforcement

office.

And, Mr. President, it seems to me that OCA's lack of comment may suggest that OCA has some difficulty with doing that or doesn't want to take the responsibility or isn't prepared to pay the additional cost in administrative fees to do it. If that's the case, then this bill will require them to do something, using that all-important word that we debated yesterday, which is "shall." Which we know, based on our experience yesterday with the Second Floor, means may or maybe or maybe not. I mean, we learned that yesterday when we looked at all those bills where we told the Health Department to do something, they shall something, they didn't do it, and we had to come back and do it again. We told the Executive branch to do something, the Governor to appoint people, he didn't do it.

I would suggest that what we may be doing here is we may, by using the word "shall," be giving another branch of the Executive Department license to consider the word "shall" to mean "may."

And I still believe that this is

the kind of thing, that merits of a good idea, that ought to be done through the Executive branch. It ought to be simply implemented as a policy, and we don't need to take the legislative time to do it.

I would assume that a leader like Judge Kaye, who runs the Office of Court Administration, or certainly the Executive branch, which has an involvement in child support enforcement, couldn't put this out as a simple rule and regulation and get the same beneficial result. I know that there are lots of governors in this nation who wouldn't allow this kind of intransigence in the bureaucracy of any department to occur. I would suggest that the man who resides on the second floor now ought to take the same posture, implement the rule and regulation, require the information to be transmitted, and it can be done quickly and easily.

I think -- again, I don't mean in any way to criticize Senator Meier. He is doing what his constituents want, which is taking a good idea and implementing it. But if it had been done by the Executive branch or

by OCA, it probably could have become law when Senator Holland had the bill years and years ago, and the very problem that Senator Meier is trying to rectify now would already be taken care of.

Given that, Mr. President, I'm going vote in favor of it, but I still think this is exactly the kind of thing that ought to be done through the Executive branch by either its rule-making authority or by simply a directive. And under those circumstances, the legislation appears to be somewhat superfluous if we had compliance by the Executive branch and OCA with the reasonable direction of this legislation.

ACTING PRESIDENT KUHL: Senator Breslin, why do you rise?

SENATOR BRESLIN: On the bill.

ACTING PRESIDENT KUHL: Senator Breslin, on the bill.

SENATOR BRESLIN: Briefly, I commend Senator Meier. I think it's a very simple, very direct, very good bill. It points out what we've known for years, which is that Family Court handles everything

dealing with children, lives, problems, except for one thing: divorce. And so many of those ancillary matters that should be brought in Family Court end up in Supreme Court, where support collection doesn't exist, and snafus happen. And when that happens, it hurts the counties, it hurts the individuals involved, because they get behind the 8 ball.

And I think court merger, which would bring the Family Court, give it jurisdiction over divorce, is the simplest solution. And accordingly, I'll be voting for this bill with the hopes that we'll continue to look for court reform during this session.

ACTING PRESIDENT KUHL: Senator Sampson, why do you rise?

SENATOR SAMPSON: Through you, Mr. President, would the sponsor yield for one question.

ACTING PRESIDENT KUHL: Senator Meier, do you yield to one question?

SENATOR MEIER: Certainly, Mr. President.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR SAMPSON: Mr. President, I just want to find out, the notice requirement, does it apply in those situations where the award is not actually received yet, although ordered but not actually received, since we're only dealing with the notice of requirement?

SENATOR MEIER: Yes, Mr. President, the bill states the court shall provide a copy of any direction of child support payments to the support collection unit.

SENATOR SAMPSON: An additional question through you, Mr. President.

ACTING PRESIDENT KUHL: Senator Meier, do you yield to another question?

SENATOR MEIER: Yes, Mr. President.

SENATOR SAMPSON: What I'm trying to find out is if in fact the court applies the notice to the child support collection unit, but if the award has not actually been received by the recipient and therefore the child support collection unit at some point in time notifies public assistance to reduce the

award, although the award has not actually been received.

SENATOR MEIER: No, Mr. President, this does -- this bill has nothing to do and does not operate to reduce public assistance awards.

SENATOR SAMPSON: No more.

ACTING PRESIDENT KUHL: Any other Senator wishing to speak on the bill?

Hearing none, the Secretary will read the last section.

THE SECRETARY: Section 2. This act shall take effect January 1.

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

THE SECRETARY: Ayes, 60.

ACTING PRESIDENT KUHL: The bill is passed.

Senator Skelos.

SENATOR SKELOS: Please call up Calendar 257.

ACTING PRESIDENT KUHL: The Secretary will read.

THE SECRETARY: Calendar Number

257, by Senator Balboni, Senate Print 849, an act to amend the Banking Law, in relation to the maintenance of assets.

SENATOR PATERSON: Explanation.

ACTING PRESIDENT KUHL: Senator Balboni, an explanation has been asked for by the Acting Minority Leader, Senator Paterson.

SENATOR BALBONI: Thank you, Mr. President. Under the statutory and regulatory scheme as established by this Legislature in Article 5 of the Banking Law, foreign banking organizations that do business in this state are required to meet certain criteria. One of the criteria found is what is known as a pledgeable asset. That is located in Section 202-B of the Banking Law.

This bill would amend that section so as to allow two other organizations that are federally guaranteed programs - specifically, the Student Loan Marketing Association and the Federal Home Loan Bank - to be among the list of banks that foreign banking organizations can list as a pledgeable asset.

In effect, Mr. President, what this

bill does, it allows foreign banks to take assets and put them in these programs so as to improve the liquidity and the marketability of these programs and therefore provide more mortgages for New Yorkers and more student loans for its students.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, if the Senator would yield.

ACTING PRESIDENT KUHL: Senator Balboni, do you yield to a question from Senator Paterson?

SENATOR BALBONI: Yes, I do.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Senator, what other entity's assets are used by the state-chartered foreign banks to fulfill the 5 percent requirement?

SENATOR BALBONI: Well, Senator, see, I think it's listed in the bill itself. But section 202-B, you have the Inter-American Development Bank, which was added by chapter in 1993, you have the African Development Bank

which was added by a chapter in 1983, and you have the International Finance Corporation, again as added by 1993.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, if Senator Balboni would yield for another question.

ACTING PRESIDENT KUHL: Senator Balboni, do you yield to another question.

SENATOR BALBONI: Yes, Mr. President, I yield.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Senator, I got the impression from reading this that the state-chartered foreign banks are at a disadvantage, in your opinion, when compared with the federally chartered foreign banks in terms of the entities and assets that they can use in these types of situations. Is that correct?

SENATOR BALBONI: Yes, that is my understanding.

SENATOR PATERSON: If the Senator

would continue to yield.

SENATOR BALBONI: Yes, Mr. President, I continue to yield.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Are the federally chartered banks entitled to use these same entities as we're setting forth to accommodate the state-chartered foreign banks in this legislation?

SENATOR BALBONI: Mr. President, through you, I'm not aware of the list of entities that the federally chartered banks are available to invest in. Or consider it pledgeable assets.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, if the Senator would yield for another question.

ACTING PRESIDENT KUHL: Senator Balboni, do you yield to another question from Senator Paterson?

SENATOR BALBONI: Yes, Mr. President.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Well, in a way, Senator, that's what I'm actually getting to, is that apparently the disadvantage is that there aren't enough institutional assets that could provide the resources for greater loans. And also they want to expand, I guess, all of their resources, because there are only a few assets that they can use to comply with the edict that 5 percent of their holdings be invested in -- be pledged to the Superintendent of Banks to cover their liabilities.

So what I'm trying to determine is what is it that the federally chartered banks have that the state chartered foreman banks don't have that puts them at the disadvantage that they're in. Is it size, or is it the actual types of assets that they can use?

SENATOR BALBONI: Mr. President, through you, the information that developed this particular proposal comes from both the industry, Prudential Bache Securities, who feels that this is a restriction on the

ability of foreign banks to have the proper pledging of assets, and also the Superintendent of the Banking Department of the State of New York, who agrees that this is in fact a detriment to foreign banks doing business in the State of New York.

However, that is only one aspect of the issue. The other aspect, which is frankly why I've sponsored this legislation, is the ability to drive more funds into programs such as the Student Loan Program and the Affordable Mortgage Program. And those two funds, as has been explained to me, require great amounts of liquidity, which will then provide greater access for those loans. And that is the main thrust behind this bill.

I understand the statement in my memo of support, but I would urge that you consider the beneficial use of the pledgeable assets as opposed to the freeing up or making the ability of foreign banks do business in the state a little easier.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President,

if Senator Balboni would continue to yield.

ACTING PRESIDENT KUHL: Senator Balboni, do you continue to yield?

SENATOR BALBONI: I continue to yield.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR PATERSON: Yes, Senator, I understand exactly where you're going with this. Because if they can use these other assets from the Federal Home Loan Bank and from Sallie Mae to fulfill this obligation, it frees up some of the assets that they're designating in that direction now. And although it's not a particularly high percentage, it's a large amount of money and it can be utilized very beneficially by residents of the state that you and I represent.

I'm just trying to make sure that I understand what the plight of these institutions may be, and to make sure that we're not providing something for some and not doing the rest for others.

For instance, let's take just our

state banks that are not foreign but are chartered right here in the state. Are they able to use these two entities to fulfill their obligations in the same way?

SENATOR BALBONI: I do not know.

SENATOR PATERSON: Mr. President, if the Senator would continue to yield.

SENATOR BALBONI: I continue to yield.

ACTING PRESIDENT KUHL: Senator Balboni, the Senator continues to yield.

SENATOR PATERSON: I'd just like the Senator to reflect on whether or not he agrees with my perception of it, which is that there really is not the onus on the state to make sure that liabilities are fulfilled. And therefore, I don't know that the Superintendent would need that same type of pledge from our state banks as it would with the foreign banks. Would you agree with that?

SENATOR BALBONI: It depends upon from what perspective you speak.

I mean, there are many aspects of the operation of a banking organization that are of concern to our state. There is the

concern about the availability to cover liabilities. There is the concern as to whether or not they are subject to in personam jurisdiction for the purposes of a lawsuit. There is concern as to what type of -- whether or not they are charging rates that are usurious.

There are several different aspects of a banking organization's operation that give concern, and therefore, that is why we have developed the regulatory structure that we have.

However, if you are particularly concerned with the ability of the Superintendent of Insurance to oversee or monitor these types of investment, then I draw your attention to page 2, line 12 of the particular bill before us that states: "Provided, however, that the Superintendent may determine, in his or her discretion, that any such bonds, notes, debentures, or other obligations of the particular issuer are not acceptable for purposes of meeting the requirements of the subdivision."

That, in consultation with the

Superintendent's office, has assured us and them of their continued ability to provide for the adequacy of these organizations in all regards.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Thank you, Mr. President. If Senator Balboni would yield for another question.

ACTING PRESIDENT KUHL: Senator Balboni, do you yield?

SENATOR BALBONI: I do so.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: I don't think my thought on the subject had covered the number of areas that Senator Balboni just covered.

I was thinking really more of the -- this being the situation where it applied to in personam jurisdiction and for purposes of a lawsuit. I didn't think it would be as difficult to accomplish in the case of the state-chartered banks.

My question now just relates to the

assets that are pledged to the Superintendent. I wanted to know if the Senator believes that those assets could be seized.

SENATOR BALBONI: Mr. President, let me correct a prior statement. I apologize. I stated the Superintendent of Insurance when I meant to say the Superintendent of Banks. Let me just correct that for the record.

As far as the seizure of assets, that is a regulatory matter that is best addressed by the Superintendent. I would kindly and respectfully refer you to that office as to their ability to seize any assets.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, maybe the Senator will come with me and we'll have a cup of coffee with the Superintendent.

SENATOR BALBONI: Mr. President, if the Senator has not met Elizabeth McCaul, then I believe he is missing the opportunity to meet one of the preeminent regulators in this nation. Once again, the Governor sent us

a wonderful nominee that we and yourself voted for. She runs a great department. And she has tremendous expertise in this particular area.

So that's a little commercial break in her behalf. But I think that she's got a lot of good experience that could help on this particular issue.

SENATOR PATERSON: Thank you, Mr. President. I did vote for Superintendent McCaul, have not had the opportunity to meet her personally, but I will take the Senator up on his advice.

And that concludes my questioning for Senator Balboni.

ACTING PRESIDENT KUHL: Senator Dollinger, why do you rise?

SENATOR DOLLINGER: Will Senator Balboni yield to a couple of questions, Mr. President.

ACTING PRESIDENT KUHL: Senator Balboni, do you yield to a question from Senator Dollinger.

SENATOR BALBONI: Yes, Mr. President.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR DOLLINGER: First of all, Senator Balboni, the almost decisive question I'll hit you with first. Do you know whether our former colleague Senator Franz Leichter endorses this bill? Senator Franz Leichter, I'll just point out to you, is member of the Federal Home Loan Bank Board. Have you consulted with him as to whether he would support the securities of the entity that he has governing authority over being used by foreign but state-chartered banks to be used? Do you know whether he would support this or not?

SENATOR BALBONI: Mr. President, by way of response, I would say that knowing of the vigilance of our former colleague, that if Senator Franz Leichter had a problem with this particular bill, that it would not have passed 61 to nothing last year, it would have in fact enjoyed some spirited debate last year -- which it did not -- and it would have found a troubled path before it.

No, I have not received a

memorandum in opposition against this particular measure. But I assume that, once again, if he had a problem, he would have let us know. So I assume he is in support of this.

SENATOR DOLLINGER: Thank you, Mr. President. Now I want to turn Senator Balboni's attention, if I can, just to the actual text of this bill.

ACTING PRESIDENT KUHL: Senator Balboni, do you yield to another question from Senator Dollinger?

SENATOR BALBONI: I do, Mr. President.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR DOLLINGER: This bill goes beyond just Sallie Mae and the Home Loan Bank Board, does it not?

SENATOR BALBONI: This bill goes beyond Sallie Mae and -- what did you say?

SENATOR DOLLINGER: And the Federal Home Loan Bank Board.

SENATOR BALBONI: -- and the Federal Home Loan, does it not?

SENATOR DOLLINGER: Does it not.

SENATOR BALBONI: Does it not.

SENATOR DOLLINGER: It includes other entities, other than Sallie Mae and the Federal Home Loan Bank Board, would be included -

SENATOR BALBONI: This particular amendment?

SENATOR DOLLINGER: Yes.

SENATOR BALBONI: If it includes things that they guarantee, that's absolutely correct.

SENATOR DOLLINGER: No, my question is, through you, Mr. President, I'd like to call Senator Balboni's -

ACTING PRESIDENT KUHL: Senator Balboni -- excuse me, Senator Dollinger.

Senator Balboni, do you continue to yield to another question from Senator Dollinger?

SENATOR BALBONI: Yes, Mr. President, I continue to yield.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR DOLLINGER: This includes

bonds, debentures, notes and other obligations of unaffiliated issuers, in addition to those of the Home Loan Bank Board and Sallie Mae. My question is, who are the unaffiliated issuers whose securities are going to be pledged as assets in New York?

I understand your bill with respect to Sallie Mae and the Federal Home Loan Bank Board. Those are federally guaranteed securities. We know when our banks, foreign but state-chartered banks, post those assets, we know those assets are good, solid assets that the depositors and the borrowers of New York can rely on.

My question is, your bill at line 3, page 2, says -- and there's again a drafting issue which I know is close to your heart. It says: "Or bonds, notes, debentures or other obligations of any unaffiliated issuer." My question is, who are the unaffiliated issuers? Is that a statutory term of art? Is there another definition of that in the banking bill? Or who are we talking about?

SENATOR BALBONI: I do not know

of specific entities. But again, what this bill is trying to do is to try to get money for these particular programs but also, in addition, to let foreign banks operate with greater flexibility.

I would also call your attention to the lines that follow that statement. And it says "provided that" -- this is line 4 -- "at the time of such investment the obligation has received the highest rating of an independent rating service designated by the Banking Board, or, if the obligation is rated by more than one such service, the highest rating of at least two such services."

And as I'm sure you know, the rating services are among Moody's, Standard & Poor's, and there's two others. Fitch and Duff, and the last one, which I just had in front of me -- well, I'll find it.

Anyway, so those rating agencies, as you know, provide the wherewithal by which any rating agency can determine whether or not a particular investment is suitable for a foreign banking investment.

SENATOR DOLLINGER: Through you,

Mr. President, if we could just return to the language -- if Senator Balboni would continue to yield.

ACTING PRESIDENT KUHL: Senator Balboni, do you yield to another question from Senator Dollinger?

SENATOR BALBONI: Yes, I do, Mr. President.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR DOLLINGER: I just want to go back. Is the term "unaffiliated issuer" defined anywhere in the Banking Law?

SENATOR BALBONI: I do not know.

SENATOR DOLLINGER: Okay. Through you, Mr. President, if Senator Balboni would continue to yield.

ACTING PRESIDENT KUHL: Senator Balboni, do you continue to yield?

SENATOR BALBONI: Yes, I do, Mr. President.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR DOLLINGER: Do you know whether the "unaffiliated issuer" language is

included in the current language that applies in the Banking Law to state-chartered banks, domestic state-chartered banks?

SENATOR BALBONI: No, I do not.

SENATOR DOLLINGER: Through you, Mr. President, if Senator Balboni would continue to yield.

ACTING PRESIDENT KUHL: Senator Balboni, do you continue do yield?

SENATOR BALBONI: Yes, Mr. President, I do yield.

And if I may also include other information, we do know that current regulations allow investments in commercial paper, provided that it has the highest rating of every designating entity which has rated it.

ACTING PRESIDENT KUHL: The Senator continues to yield, Senator Dollinger.

SENATOR DOLLINGER: Through you, Mr. President, I appreciate Senator Balboni's comment about the commercial paper. I'm simply trying to find out who unaffiliated issuers are. And the reason why I'm moving down this road, Senator Balboni, I'll tell you

where the end of the line is with my question.

There was a time when derivatives were considered enormously profitable, enormously profitable. Tremendous investments, they were highly rated by Moody's, they were highly rated by everyone. And as we all know, Orange County, California, put billions of dollars into them because they were such wonderfully highly rated investments. Two years later, after people been indicted and the county had gone bankrupt, they didn't appear to be the right kind of investment.

My question to you is, we're talking about unaffiliated issuers, which are not federally banked. And we're talking about at the time of such investment, they must be highly rated. My question to you, Senator Balboni, is what happens if after the time of the investment the rating goes down? What does the Banking Department do under your bill?

SENATOR BALBONI: Mr. President, through you. The same thing that the Department would do in any instance of any

agency that is used for pledgeable assets.

And might I remind you, Senator, that it was with your support last year of this particular measure that I found the wherewithal to move forward again this year, because I knew that you had read and reviewed the piece of legislation last year and that you had supported it after full and fair consideration.

SENATOR DOLLINGER: Through you, Mr. President, I did support it after full and fair consideration. And I wondered at the time -

ACTING PRESIDENT KUHL: Senator Dollinger, are you asking Senator Balboni to yield for another question?

SENATOR DOLLINGER: I will in a second, Mr. President. I'm just going to respond to -

ACTING PRESIDENT KUHL: Senator Dollinger, on the bill.

SENATOR DOLLINGER: No, I'll ask another question.

ACTING PRESIDENT KUHL: Senator Dollinger.

Senator Balboni, do you yield to a question from Senator Dollinger?

SENATOR BALBONI: Mr. President, I'd be happy to.

ACTING PRESIDENT KUHL: Okay. Senator Dollinger, the Senator yields.

SENATOR DOLLINGER: Senator, I'd like to call your attention to the bill again and look at line number 8 on the bill.

SENATOR BALBONI: What page, Senator?

SENATOR DOLLINGER: This is page 2. It says "provided at the time of investment the obligation has the highest rating." Is it your opinion that under current law the Banking Superintendent, after approving the assets that were pledged, if the investments deteriorate, he can then remove his approval for the pledge of those assets?

SENATOR BALBONI: Mr. President, talking in the present, as opposed to any other time, I would first of all say that she may decide to remove the assets. And I am not certain of her -- of the regulatory policies adopted by the Department. I would be

surprised if the Superintendent were not to take that posture so as to prevent the loss of capital for these pledgeable assets.

Having said that, you know that there's an ongoing regulatory scheme. These banks and agencies are audited once a year. That is the best that we can do. We've never had a problem, knock on wood, in this situation. And therefore, this particular language was again, once again, was supported last year by this chamber, and it has also been supported and developed in connection with the private sector, the people who do this as a living, that this is language that everybody feels comfortable with.

SENATOR DOLLINGER: Through you, Mr. President, if Senator Balboni would continue to yield.

ACTING PRESIDENT KUHL: Senator Balboni, do you continue do yield?

SENATOR BALBONI: Senator, I continue to yield.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR DOLLINGER: Through you,

Mr. President. Senator Balboni, are you aware that between the period of 1840 and 1932 there were no difficulties in the pledged assets of banks in this nation until we ran into a substantial depression, and then the question of what was pledged as securities for the banks suddenly became the biggest issue in the nation -- in fact, requiring the newly elected president of the United States to actually close the banks, every single bank in this country for four days?

SENATOR BALBONI: Mr. President, through you, I would respond by saying that your concern appears to be not so much with the language of my particular amendment but rather with the structure of Article 5 of the Banking Law as a whole.

And I would once again remind the Senator, through the President, that you have the ability to offer up any type of amendment you might deem appropriate so as to prevent this calamity at any time. However, I have not seen any coming from your office.

SENATOR DOLLINGER: Through you, Mr. President, if Senator Balboni will

continue to yield.

ACTING PRESIDENT MEIER: Senator Balboni, do you yield?

SENATOR BALBONI: Mr. President, I do continue to yield.

ACTING PRESIDENT MEIER: The sponsor yields.

SENATOR DOLLINGER: Senator Balboni, you concede that I couldn't bring up those amendments now even if I wanted to, isn't that correct, given the current rules of this body?

SENATOR BALBONI: Mr. President, I concede that Senator Dollinger has the same ability as anyone to propose an amendment in what we refer to as legislation, and that legislation can be brought before this body.

But I think that my answer was not meant to be flip, but more pointed, in that your concern again goes to the regulatory structure of the Department. And though we can always run around like Chicken Little and say, particularly given the recent political -- sorry, the economic climate, that we need to take greater strides to try to

provide the Department with oversight responsibilities that will prevent these calamities, nobody has come up with a better mousetrap. This is a good regulatory scheme. It has worked many, many years. The Department, as far as I know and as far as the private sector is concerned, is very vigilant. We as a state have invested millions and millions of dollars in this scheme. And frankly, this is a wonderful discussion. I'm sure everybody here who's not sleeping in the chamber is fascinated by it. But this does not really go to my particular amendment.

SENATOR DOLLINGER: Through you, Mr. President, if Senator Balboni will continue to yield.

ACTING PRESIDENT MEIER: Do you continue to yield, Senator Balboni?

SENATOR BALBONI: Mr. President, I continue to yield.

SENATOR DOLLINGER: I'd like to do one other little bit of legislative exegesis.

SENATOR BALBONI: God bless you.

SENATOR DOLLINGER: The section

of this bill between lines 3 and 7 talks about unaffiliated issuers. Then, on the beginning, of line 8 there's a big "or." And then it says "such other assets." I assume these assets are not those issued by unaffiliated issuers, because we've carved a separate group out of the statute.

And it says that with respect to those other assets, the Banking Superintendent is charged to figure out their aggregate amount and determine their value at a particular time and use that as the basis for coming to a conclusion as to what in essence is pledged for security.

My question, and it's a technical drafting question, is does the Superintendent have the same right of examining market value when it's applied to those bonds, debentures, and notes that are issued by an unaffiliated issuer?

SENATOR BALBONI: Mr. President, through you, the answer is yes.

SENATOR DOLLINGER: So it doesn't apply -- my concern, through you, Mr. President, if Senator Balboni will continue to

yield.

ACTING PRESIDENT MEIER: Senator Balboni, do you continue to yield?

SENATOR BALBONI: I continue to yield.

ACTING PRESIDENT MEIER: The sponsor yields.

SENATOR DOLLINGER: So does this bill say that -- there's Sallie Mae, which has no limitation; it has the Home Loan Bank Board, which has no limitation; it's got unaffiliated issuers' notes or obligations; and it's got other assets. And all of those put together are subject to the market value limitation that you describe's here.

SENATOR BALBONI: Mr. President, through you, could the gentleman repeat the question, please?

SENATOR DOLLINGER: I would usually, through you, Mr. President, ask the court reporter to read it back, but I'll try again.

I'm trying to figure out what assets are involved and what limitations are used by the Banking Department on the various

types of assets. My understanding of your bill is that if it's a Sallie Mae note, market value of it doesn't apply, because it's federally guaranteed. Those can be pledged. If it's a Home Loan Bank Board obligation, that is also pledged without limitation. We don't look.

If they're from a particular issuer, then the question is whether they are the highest -- they've received the highest rating. That's the limitation that the Banking Board can impose on them to decide whether they constitutes assets that may be pledged.

Then there are other assets. I assume it can include the gamut of everything from physical assets to real property, and that those assets are subject to a market value analysis by the Banking Superintendent. Is that correct, there are four categories of assets that the Banking Superintendent will be able to look at for purposes of pledging?

SENATOR BALBONI: Mr. President, through you, the difficulty of this particular debate -- and it's very technical in nature,

and many of my colleagues want me to simply say yes or no in response -- is that I disagree with much of the premise underlying your question, because you throw in ancillary language that I do not agree with. You assume that you can pledge these assets without limitation. Does that mean that there's no monitoring of those assets? In which case your assumption is wrong.

And the overall comment, Senator Dollinger, is that this is current law we are discussing. And I would object, Mr. President, to having a discussion on this floor of current law unless there is some connection to this particular measure that involves current law.

SENATOR DOLLINGER: Through you, Mr. President, just in response to Senator Balboni, this isn't current law. This isn't my bill. Everything that's underlined in here has been the subject of my questions.

I'm simply trying to establish, under current law there's a market value test required for all these assets. But however, what your bill does, Senator Balboni, is it

carves out three exceptions. One is for Sallie Mae, which I agree with. One is for the Home Loan Bank Board, which I also agree with, federally backed securities. They could clearly be pledged by foreign banks who are chartered in New York. I don't have a problem with that.

What I'm concerned about are these unaffiliated issuers. We don't know who they are, and I'm trying to figure out under what tests are we giving the banking board to decide whether they're assets of the same caliber as federally backed securities from the Home Loan Bank Board or Sallie Mae? Are they or aren't they? I'm willing to back the Home Loan Bank Board and Sallie Mae. I'm not willing to let anybody put derivatives as pledges for our banking.

And I want to find out, is this designed to lead to speculative investments? Even though they may be highly rated at the time they're pledged, but they can significantly decline in value, and then we lose the benefit of the current law and of your amendment.

Am I correct in that analysis?

SENATOR BALBONI: Ah, the question. I was waiting for that.

Mr. President, through you, I appreciate the gentleman trying to clarify his question for me. I would again point him to lines 4, 5, 6, and 7 of bill which talks about a separate rating by agencies for these unaffiliated investments. This is a separate requirement that does not follow the other assets.

And I would also, once again, point to the ability of the Superintendent to oversee and monitor all aspects of these investments through the additional language that we provide in lines 12 through 15.

SENATOR DOLLINGER: Thank you, Mr. President. On the bill, briefly.

ACTING PRESIDENT MEIER: Senator Dollinger, on the bill.

SENATOR DOLLINGER: I appreciate, as I always do, my sword fights with Senator Balboni about the meaning of these bills and what they are intending to accomplish. But I think the best thing we can do to understand

what this bill is really all about is that in my opinion, this is not really a Fannie Mae - or a Sallie Mae or a Home Loan Bank Board bill. This is really a bill about unaffiliated issuers.

And quite frankly, if you look at this section of the statute that Senator Balboni is amending, it's an amazing piece of work. Because what it says is here's what you can pledge as assets, the following: Notes, debentures, other obligations of the United States or any agent or instrumentality of it or guaranteed by the United States or of this state or city, county, town, village, school district, or instrumentality. We're going to allow them to pledge assets that are in essence backed by the full faith and credit of the biggest obligor in the world, the United States, or any one of our towns or cities, all of which we know.

Or, and it has a series of the - the Inter-American Development Bank, the Bank for Reconstruction and Development. These are all Grade A securities. These are the best we can get. But then Senator Balboni's bill

says, well, we want to add Sallie Mae, which again is a great thing to do. Federally banked. Put the money in the bank, we got it. Federal Home Loan Bank Board, put the money in the bank, bank it.

But then we have unaffiliated issuers. We don't know who they are. It's not a term of art used in the statute as defined. I don't know who they are. It says provided that at the time of such investment. All right. When they're Grade A investments, they're receiving the highest rating. It doesn't say what happens when the value of the investment goes down. It doesn't say what the history of the investment analysis is. Was it a Class C investment that goes up to an A? You can toss it in the account and pledge it. I'm not sure I want that to happen.

And then, as drafted, it suggests there's this other group of assets which in current statute that says the Superintendent is supposed to do a market analysis of those, quote, other assets. But he doesn't do the same market analysis of these, quote, unaffiliated issuers.

And then, even more confusing, we come down to the final paragraphs in lines 12 through 14, which Senator Balboni has referred to in response to my questions, in which he says, This is new. This says the Superintendent may determine, in his or her discretion, that such bonds, notes, debentures, or obligations of a particular issuer -- what does the phrase "particular issuer" mean? -- are not acceptable for purposes of meeting the requirements of this section. That's new law.

That in essence says, as a catchall the Superintendent can make some decision based on her own discretion.

I'm actually going to vote against this bill. I'm going do break with the - sometimes they've said that the hobgoblin of strong -- foolish consistency is the hobgoblin of strong minds. I'm going to break with my foolish consistency in the past when I voted for this bill without realizing that we were chartering unaffiliated issuers with questionable investment backgrounds with too much discretion.

I like the idea that we have required that only assets federally pledged or issued by entities in this state will constitute security for our banks. I think it's a mistake to invite unaffiliated issuers, whoever they may be, to be a part of it. I think that's a mistake, Mr. President.

I'll vote in the negative.

ACTING PRESIDENT MEIER: Senator Onorato.

SENATOR ONORATO: Mr. President, will the Senator yield to a question?

ACTING PRESIDENT MEIER: Senator Balboni, do you yield for a question from Senator Onorato?

SENATOR BALBONI: Yes, Mr. President.

ACTING PRESIDENT MEIER: The sponsor yields.

SENATOR ONORATO: Senator Balboni, without getting into the technicalities that you fellows have been involved in here, my concern is with the 5 percent that you're able to use these new assets for.

In the event -- you brought up a good question. In the event that the securities that are brought in go below the 5 percent, for whatever reason, what must they then do to bring that up to the 5 percent threshold?

SENATOR BALBONI: I do not know.

SENATOR ONORATO: There's nothing in the bill that requires further assets be turned over for security -

SENATOR BALBONI: No.

SENATOR ONORATO: -- if the current securities fall below the 5 percent?

SENATOR BALBONI: No, there is not, Senator.

ACTING PRESIDENT MEIER: Senator Schneiderman.

SENATOR SCHNEIDERMAN: Mr. President, if the sponsor would yield for -

ACTING PRESIDENT MEIER: Senator Balboni, do you yield?

SENATOR BALBONI: Yes, Mr. President.

ACTING PRESIDENT MEIER: The sponsor yields.

SENATOR SCHNEIDERMAN: Thank you.

I appreciate your discussion with Senator Dollinger, and it does focus us in on a disturbing issue related to the quality of securities that may be authorized under this bill to meet the 5 percent requirement. I must say, though, that I'm not sure I read this section the same way Senator Dollinger did. And I think that the question relates to whether or not the -

ACTING PRESIDENT MEIER: Senator Schneiderman, could I -- I apologize. Could I ask you to suspend, and Senator Balboni, for just a moment. The stenographer has a little problem with the equipment that we need to take care of. It'll take maybe two minutes.

SENATOR SCHNEIDERMAN: No problem.

ACTING PRESIDENT MEIER: Senator Schneiderman, I believe you asked for the floor. You wanted Senator Balboni to yield for a question.

SENATOR SCHNEIDERMAN: Thank you, Mr. President.

SENATOR BALBONI: I yield.

ACTING PRESIDENT MEIER: The sponsor yields.

SENATOR SCHNEIDERMAN: As I was saying, I'm not sure I agree -- with all due respect for my colleague from Monroe County's skills at exegesis, if not accurate recollection of famous quotations, because it's small minds, not strong minds. I'm not sure I read this the same way he does. And I was wondering, Senator Balboni, if you could help me clarify this.

It seems to me that the key issue he was focused in on is what is the regulatory framework for two categories of securities. One is the category referred to in lines 3 to 4: bonds, notes, debentures, or other obligations of any unaffiliated issuer. And the second is, down on lines 8 and 9, such other assets as the Superintendent shall, by rule or regulation, permit.

As far as I can tell, the sentence -- the phrases that follow that apply to all of these securities. It seems to me that the market test for an aggregate amount applies to the bonds, notes, debentures of

unaffiliated issuers as well as to other assets. Is that correct, Senator?

SENATOR BALBONI: Mr. President, through you. I agree with Senator Schneiderman. I disagree with Senator Dollinger. For the record.

ACTING PRESIDENT MEIER: Senator Schneiderman.

SENATOR SCHNEIDERMAN: Oh. Thank you. Through you, Mr. President, if the sponsor will continue to yield.

SENATOR BALBONI: I do.

ACTING PRESIDENT MEIER: Senator Balboni, do you continue to yield?

SENATOR SCHNEIDERMAN: And it seems to me, then, that the critical question here, if we are concerned about this issue of unaffiliated issuers, is what in fact has the Superintendent done with regard to this power bestowed under the statute to make this sort of determination? Have any rules or regulations been promulgated by the Superintendent under this statutory authority that exists now?

SENATOR BALBONI: Yes.

SENATOR SCHNEIDERMAN: And what do those rules and regulations provide?

SENATOR BALBONI: Don't know.

SENATOR SCHNEIDERMAN: Huh. So with regard to the issue of the issue or the problem of the unaffiliated issuer -- because, I mean, this is not a small problem, as Senator Dollinger, I think, has accurately raised. It is not clear to me from this that there's any limitation on the issuer being a foreign issuer. I mean, there's no limitation in the language of this bill. This could refer to high yield bonds. This could refer to a lot of different instruments that may - certainly do not rise to the level of the federally backed obligations and other obligations that are in the statute as it's currently drafted.

So the question, then, is shouldn't we try and at least determine what the regulatory framework is for these before passing such a statute? I'm not sure I understand how we can vote on authorizing these foreign banks to have their security in the form of obligations of unaffiliated

issuers without understanding what criterion, if any, is to be applied.

Can you give us anything to illuminate this issue? Because this covers a lot of territory.

SENATOR BALBONI: Mr. President, through you, the only illumination I have is your vote on this bill last year. You voted for it. And I'm sure that what comforted you in that vote, after having read it extensively, was the 120 days for the bill to become effective. And during that time that you would be very vigilant in making sure that the Superintendent's office exercised its full authority to monitor just who would be in the category of unaffiliated agencies, and therefore make sure that this law would work.

SENATOR SCHNEIDERMAN: Well, through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT KUHL: Senator Balboni, do you yield?

SENATOR BALBONI: Yes, I do.

SENATOR SCHNEIDERMAN: I appreciate the fact that you're illuminated by

my votes, and will do my best to -

SENATOR BALBONI: Just this vote. Just this vote.

SENATOR SCHNEIDERMAN: -- to light your way in the future.

Just this one vote?

SENATOR BALBONI: Just this one vote.

SENATOR SCHNEIDERMAN: All right. Then you live in a dark world, I guess.

The question, though, that I have here is, you know, as Senator Dollinger has pointed out, this is something where closer reading and more discussion may actually open up possibilities that we didn't realize when reviewing the bill last year. And I'm certainly wont to admit that I sometimes change my mind on issues or matters of this kind.

The difficulty, I think, is that it would be very easy -- and just hypothetically, if this bill passed again and is not enacted into a law, it doesn't seem to be that difficult, and it's something that I would suggest and wondered if you could look at, to

provide some language providing some sort of guidance or some sort of standard for these unaffiliated issuers.

Is that a possibility should this legislation return to us yet again?

SENATOR BALBONI: Mr. President, I will take that under advisement.

SENATOR SCHNEIDERMAN: Thank you. Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT MEIER: Senator Balboni, do you yield?

SENATOR BALBONI: Yes, Mr. President.

ACTING PRESIDENT MEIER: The sponsor yields.

SENATOR SCHNEIDERMAN: Senator, do you know how the 5 percent -- how the designation of 5 percent as the amount to be deposited was reached?

SENATOR BALBONI: No, I do not.

SENATOR SCHNEIDERMAN: Are there any other states -- it's my understanding that the assets of foreign banking corporations have expanded significantly over the last

decade. And I'm wondering about, as long as we're updating this bill, if the 5 percent rule still applies. Are you aware of any other states that have increased their requirement in recent years in response to the expansion of assets?

SENATOR BALBONI: Mr. President, through you. You and I, Senator Schneiderman, had a conversation prior to the discussion of this particular piece of legislation in reference -

SENATOR SCHNEIDERMAN: That was the one where you talked to me about your colleagues? Oh, no. Okay.

SENATOR BALBONI: -- with reference to Colorado. Not colleagues, Colorado, as being one of the states that has a greater percentage, I believe 10 percent. And it was your question to me at the time, shouldn't we adopt the same policy.

And my only response to that would be name the number of foreign banks that there are in Colorado versus the number of foreign banks that are there are in New York. As you know, our state enjoys the reputation and the

de facto crown of the financial empire of the world. Not just of the nation, of the world. And perhaps that is due in some part to our regulatory structure and our requirements as to the 5 percent. Who knows why foreign banks come here and not to Colorado? Maybe it's because the 5 percent, the 5 percent requirement for the pledgeable assets. I don't know.

But that certainly seems to be consistent with some of the other statutory enactments that we have provided for in the past.

SENATOR SCHNEIDERMAN: Thank you.

Through you, Mr. President, on the bill.

ACTING PRESIDENT MEIER: Senator Schneiderman, on the bill.

SENATOR SCHNEIDERMAN: It seems to me that this is an important change in our regulatory structure. And the bill is -- you know, I think it's actually a pretty good piece of legislation. I do have a concern that we could fairly easily set some sort of standards for these mysterious unaffiliated

issuers.

As we're standing here today, we don't know what the regulatory structure is, if any, that the Superintendent has put in place for making the assessments called for in this statute. There's a lot of discretion conferred on the Superintendent, as well there should be in a situation like this.

I do think that a little more guidance would be called for in this statute, but I think that overall it does seem to be a prudent scheme, and I am mindful of Senator Balboni's appeal to the world that we remain as the capital of finance, and so I am going to vote in favor of the bill. In spite of Senator Dollinger's persuasive if slightly off-center exegesis.

Thank you.

ACTING PRESIDENT MEIER: Senator Stachowski.

SENATOR STACHOWSKI: If the sponsor would yield for a question.

ACTING PRESIDENT MEIER: Senator Balboni, do you yield?

SENATOR BALBONI: Yes, I do.

ACTING PRESIDENT MEIER: The sponsor yields.

SENATOR STACHOWSKI: Senator, I listened to your explanation and it seemed to make a lot of sense to me. And I know that in the Banking Committee, Senator Farley tells us all the time how we have so many foreign banks located here. And since this legislation would seem to be helpful in making sure that we at least keep what we have or maybe even attract more, why won't the Assembly pass this?

SENATOR BALBONI: Well, Mr. President, through you, I very much appreciate your question. I have been trying to work - my staff and I have been trying to work with the Assembly Banking Committee. I have discussed with Assemblywoman Aurelia Greene, and I have tried to put this on her A list of bills. We are -- it's still early in the session, Senator, and I am hopeful that we can have this reach the light of day.

But I'll tell you this, Senator Stachowski, and I'm very sincere in my request. A letter from you or a phone call

from yourself with your expertise in this area would be very helpful to the chairwoman of the Assembly Banking Committee, and I would ask that you consider doing that.

SENATOR STACHOWSKI: Mr. President.

ACTING PRESIDENT MEIER: Senator Stachowski.

SENATOR STACHOWSKI: I appreciate that warm and fuzzy answer, but I was looking more in terms of did they give you any reasons why they wouldn't pass this last year. Because we passed it unanimously last year. And I was just wondering if, in the course of your conversations at the end of session when you were trying to get your legislation passed and this bill leaped out at you as being the wonderful piece of legislation that it is, what was their response to you as to why they weren't -- did it fall through the cracks, was there some part of the bill didn't like, et cetera, et cetera.

I don't mean to make it shorter, but I know that you've answered a lot of questions, and I just thought maybe they gave

you a reason or two why they wouldn't pass it.

SENATOR BALBONI: Mr. President, through you, the silence was deafening. Don't know why.

SENATOR STACHOWSKI: Thank you.

On the bill.

ACTING PRESIDENT MEIER: Senator Stachowski, on the bill.

SENATOR STACHOWSKI: Unlike Senator Dollinger, I voted for it last year, I plan to vote for this legislation again this year. I wish I knew why the Assembly didn't pass it, but I don't. I can't base all my opposition on an answer that I didn't get.

So with the fact that we do have the most foreign banks -- I don't know what they have in California, but I know that in New York we have a lot and that it's always being mentioned in Banking Committee. And since this doesn't seem to have any real downside that I can see, especially since the sponsor wasn't even told why they wouldn't pass it, I will continue to support this bill, and I see no reason why I shouldn't.

Thank you.

ACTING PRESIDENT MEIER: Any other Senator wish to be heard on the bill?

Senator Dollinger.

SENATOR DOLLINGER: Mr. President, I just rise to strongly disagree with my colleague Senator Schneiderman and to disagree with the sponsor as well.

Senator Schneiderman says we've got to do this to stay the capital of the financial world. I would suggest that just the opposite is true. The reason why we're the financial capital of the world is because everybody knows that our banks have to pledge assets that are the best assets in the world, those backed by the full faith and credit of the United States of America. And I would suggest to all those who think having unaffiliated issuers' assets be pledged to banks as part of their security, think of all the dotcoms that are were highly rated stocks a year ago. Would you like to have your bank pledging the assets of dotcoms?

I'll use an example quite close to home. I would suggest to Senator Balboni, it's unfortunate for Rochester, New York, but

last year at this time, Xerox Corporation was selling for $70 a share. In December, it was 4 and a quarter, $4.25 a share. Is that the kind of asset that we want pledged as security for our banks?

I think that opening the door to this free enterprise system will actually reach just the opposite goal that Senator Schneiderman suggests. It will make our banking system more subject to speculation rather than less, it will decrease the world's confidence in New York's banking system, and it will be a potential erosion of our preeminence. The reason why we're there is because you know, if you bank in New York, your money is sound.

If we allow unaffiliated issuers, even under the restrictions of the Banking Department, to enter into the pledging of assets, I think we step away from being the world's financial capital. Banking business, as Senator Farley knows, is built on dependability. The most dependable assets are those guaranteed by the taxpayers of this nation and of this state. And any retreat

from that, in my judgment, is a serious, serious policy departure and a potential serious mistake.

I would urge everybody to think about this more than once, more than twice. And even if you did vote in favor of it last year in the stampede of 61 votes presumably in the late-night hours or in the later part of June, I would ask everybody to reconsider and take another look at it.

ACTING PRESIDENT MEIER: Any other Senator wishing to speak on the bill?

Debate is closed.

Read the last section.

THE SECRETARY: Section 2. This act shall take effect 120 days.

ACTING PRESIDENT MEIER: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT MEIER: Senator Dollinger, to explain his vote. What a surprise.

SENATOR DOLLINGER: Just briefly, Mr. President.

I left one thing out. And that is,

I think that every fiscal conservative would stand up and say we don't want dotcom stocks pledged as security for our banks. We don't want derivatives, we don't want all these affiliated issuers. Even if some rating service someday says, God, they're a great investment, dotcoms were a great investment a year ago. I would suggest that a true fiscal conservative, someone really interested in the future of banks, rethink this legislation.

I vote no, Mr. President.

ACTING PRESIDENT MEIER: Senator Dollinger will be recorded in the negative.

Senator Stachowski, to explain his vote.

SENATOR STACHOWSKI: Well, I wasn't really going to explain my vote. But since I'm voting yes, and Senator Dollinger railed that they're going to use dotcom stock as collateral, I would think that the Banking Department in New York would be very selective of which items they would let them use as collateral. And I doubt very much that they would let them use items of the nature that Senator Dollinger mentioned that would have

questionable resources.

And I have trust in the regulatory ability of our Banking Commissioner and that Department, so that I will continue to vote yes in spite of the all of the histrionics of my good friend and colleague Senator Dollinger.

ACTING PRESIDENT MEIER: Senator Stachowski will be recorded in the affirmative.

Senator Stavisky.

SENATOR STAVISKY: Mr. President, to explain my vote.

There are many foreign banks in the 16th Senate district from all over the world. And we're very proud of the stability of these banks, and they represent a true United Nations of the banking world. And on their behalf, I'm delighted to support Senator Balboni's bill.

ACTING PRESIDENT MEIER: Senator Stavisky will be recorded in the affirmative.

Senator Balboni, to explain his vote.

SENATOR BALBONI: Mr. President,

just very briefly, to clean up the debate.

I am surprised at the inconsistency of one Senator's vote this year. But I am surprised by that same Senator's inconsistency on the issue of financial institution solvency. Because in this session there is a bill sponsored by that unnamed certain Senator who is changing his vote today that actually lowers the requirements for banks from $6 million to $2 million, but only in Rochester. So apparently it's okay for everybody else, but not for people in Rochester.

Now, I'm not going to say who the Senator is. But it's -- so as he excoriates us for our votes in favor of this bill, you might want to take a look at S970 and see just a little bit of inconsistency.

Thank you, Mr. President. I vote yea.

ACTING PRESIDENT MEIER: Senator Balboni will be recorded in the affirmative.

Senator Duane, to explain his vote.

SENATOR DUANE: Even though I'm not the aforementioned Senator, since I'm from

New York City, I do want to say that the reason that I am voting in the negative is I think that New York is in many ways -- I was going to say the only game in town. But I do believe that foreign banks are going to want to have a presence in New York. And I think fiscally the responsible thing to do is to not change this requirement.

And I had another point which I just -- which just went out of my head, but give me a moment and it will come back in.

I guess it's gone forever. But it was almost as good as the other reasons why I'm voting no on this legislation.

ACTING PRESIDENT MEIER: Senator Duane will be recorded in the negative.

The Secretary will announce the results.

THE SECRETARY: Ayes, 58. Nays, 2. Senators Dollinger and Duane recorded in the negative.

The bill is passed.

Senator Skelos.

SENATOR SKELOS: Mr. President, there will be an immediate conference of the

Majority in the Majority Conference Room, and the Senate will stand at ease.

ACTING PRESIDENT MEIER: Immediate conference of the Majority in the Majority Conference Room.

Senator Paterson.

SENATOR PATERSON: Mr. President, would you please recognize Senator Mendez.

ACTING PRESIDENT MEIER: Yes, I will, Senator.

Senator Mendez.

SENATOR MENDEZ: Thank you, Mr. President. There will be an immediate Democratic conference in Room 314.

ACTING PRESIDENT MEIER: Immediate meeting of the Minority Conference in the Minority Conference Room.

The Senate will stand at ease.

(Whereupon, the Senate stood at ease at 3:06 p.m.)

(Whereupon, the Senate reconvened at 4:10 p.m.)

ACTING PRESIDENT KUHL: The Senate will come to order.

I ask the members to find their

places, staff to find their places.

Senator Skelos.

SENATOR SKELOS: Mr. President, would you please call up Calendar 296, by Senator Marchi.

ACTING PRESIDENT KUHL: The Secretary will read.

THE SECRETARY: Calendar Number 296, by Member of the Assembly Vitaliano, Assembly Print Number 6816, an act to amend Chapter 395 of the Laws of 1978.

SENATOR PATERSON: Explanation, please.

ACTING PRESIDENT KUHL: Senator Marchi, an explanation of Calendar Number 296 has been requested by Senator Paterson.

SENATOR MARCHI: I invite your noticing that the -- this has been substituted for -- with the Eric Vitaliano bill, but on the same subject matter. And the bill extends the ban on the storage and transportation of liquid natural gas and liquefied natural or petroleum gas within the City of New York until the year 2003, April 1.

Back in 1973, there was a disaster

not attributable at that time to either one of those items, but the building that it was contained was supposed to receive liquid natural gas and petroleum. There were some solvents in there. But there were 40 people killed in an internal explosion within the tank. The tank just imploded, and 40 people were killed. There are still -- there were families throughout Staten Island that lost loved ones in that explosion. And with it, of course, the concept of having liquefied natural gas or petroleum became abhorrent.

And there were stories that if it ever exploded with that material in it, it would have killed people in the path going into Manhattan and over into Brooklyn, and the casualties would have been measured in terms of tens of thousands.

So this is whether it's storing it or whether it's the tracking plans for bringing in liquefied natural gas or petroleum has been subject to a moratorium. And you may answer why in 1973 -- we did pass legislation in 1978 because it was inconceivable that anybody would propose to bring it back in

again. But then talk began to be revived that it was not the fault of natural gas and that it would serve a useful public purpose in having this back. This struck a raw nerve in Staten Island, and as a result, of course, it became wholly unacceptable that it be used for that ultimate purpose.

So we have been passing bills on a two-year basis. And to pass it indefinitely, we don't know what technology may bring into play. And -- but it would seem that it's appropriate to do this. We have never had in any difficulty in passing this legislation in either house. As a matter of fact, the Assembly Bill is before us, having been substituted -- my own bill being substituted for Mr. Vitaliano's bill.

But we've passed it regularly, and I would hope that it meets with your approbation.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, I don't want to minimize the gravity of concern that we should all have, it being

nearly 30 years after the disaster that occurred that killed 40 people in this state. And similarly, just the issue of the transport and the housing of this type of substance would be something that we should always take very seriously in the shadow of that disaster.

So if my colleague and friend from Staten Island would yield for a question.

ACTING PRESIDENT KUHL: Senator Marchi, do you yield to a question?

The Senator yields.

SENATOR PATERSON: Senator, I'm a little surprised that if the event took place in 1973 -- I thought it had taken place in '71, but -

SENATOR MARCHI: No, we passed the first bill on this in 1978. Because talk had subsided and it didn't appear to be an issue anymore. Then when it burst into full force again on the assumption that that was being planned, the first of the bills went in.

And it's been -- I agree with you, it's a non sequitur. It wasn't caused by the evil that we're designating in the legislation. But its specter remains, and I

don't think anybody would dispute that, including my friend and my companion legislator in Brooklyn, Senator Gentile.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, if the Senator would continue to yield.

SENATOR MARCHI: Sure.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR PATERSON: Senator, in 1988 there was the study that showed that a lot of technological achievements had been reached in the area of housing this natural gas substance, such as it is, that it dissipates into the air with greater ease, it's actually safer than the gas that we use in our homes, and it's easier to transport than it was.

So there being a lifting of the moratorium in every other area of the state, do you think it's necessary to keep it in New York City and extend it for another two years?

SENATOR MARCHI: Well, you know, it's a perfectly legitimate argument that you

make. But it's a very chancy proposition. And we have never had any broad-scale legitimate auspices that have been supported by governmental agencies, regardless of politics. That they all shrink back in horror when they mention the availability of that substance.

And that probably explains why we are on a short stay of two years rather than extending it. There may be a technology that resolves this to the satisfaction and the accommodation of policymakers for the public. But so far, we haven't had it. And I assume that my colleague Senator Gentile has experienced the same phenomenon.

And whenever they start going not possibilities that go with the tracking and mapping of approaches, the same fears arise, and they rear their ugly head, and we have to acknowledge their presence. And it's a reassurance to the public.

How long this should go on, I don't know when we reach the point where we can safely assure the public in the City of New York. I hate to think what would happen if

you had an occasion of even minor, comparatively speaking, results within the city itself, where it's crowded. It's just not an acceptable -- we have not had a rationally acceptable reason for distancing ourselves from this policy.

And that's why we're doing it on a two-year basis. I admit that this is a difficulty. But we're not foreclosing it forever. And circumstances change. That gives us an adequate basis to change and adapt our policy to reflect that reality. And then, of course, I would not be against it. But we've had governors come and go and people come and go from both parties and no one has ever tried to disabuse us -- not that they should have. Maybe they couldn't.

But it was a frightful experience, and one that has not been forgotten in my home community, that's for sure.

ACTING PRESIDENT KUHL: Senator Paterson, please excuse an interruption.

Senator Skelos, why do you rise?

SENATOR SKELOS: There will be na immediate meeting of the Finance Committee in

the Majority Conference Room.

ACTING PRESIDENT KUHL: Immediate meeting of the Senate Finance Committee, immediate meeting of the Senate Finance Committee in the Majority Conference Room, Room 332.

Senator Paterson.

SENATOR PATERSON: Mr. President, I am most apt to take the word of my colleague from Staten Island who understands this issue far more comprehensively than I do.

But I wanted to suggest to him that this is a two-year period that could become very interesting in terms of the energy situation here in New York, with what's gone on in California, and we discussed that a little earlier today with Senator Rath. I wanted to suggest that the LNG fuel is a reasonable alternative when you have peak fuel demand, as opposed to what would have to be utilized if we don't use LNG fuel, which would be these diesel-powered situations which are very dangerous and also pollutants to a certain degree.

So that being the case, and when

you add to that that there are three plants in and around the New York City area -- one in Long Island, one in Astoria, and one in Greenpoint, Brooklyn, that are operating very safely with the LNG fuel, I wonder if this extender would not put us in a difficult situation should we start to have some of the peak demands for energy that have been the case in other areas of the country.

And if Senator Marchi would yield for another question.

SENATOR MARCHI: Yes, Senator.

SENATOR PATERSON: My question is, do you think that this particular two-year extender might become very critical if we begin to have those problems? In other words, this could be a real crucial two-year period if there's a peak demand for fuel and LNG is not an alternative we could turn to and the alternative that we do turn to may be already agreed to be more harmful.

SENATOR MARCHI: Well, my counsel reminded me of the fact that the Fire Department has this under active consideration, and they are studying

alternatives.

But you can understand the reluctance that we have, Senator Gentile and myself, to gamble on something like this unless we have definitive and dispositive provision for the use of those facilities. These facilities, it looks like an inverted melon that's been cut in half. Maybe it's the type of the construction. But the only thing that exploded in there, with 40 deaths, was some solvents that exploded because of some mystical interaction. It wasn't involved at all, at all.

So it's a very tenuous subject to raise. If the Fire Department -- pursuant to your suggestion, I will ask. But certainly we would require some very exacting -- because they're supposed to furnish us with rules and regulations for the safe operation of the facility. Certainly we don't want to risk it. I mean, I don't think anybody in this chamber would. It was a ghastly event, and we don't want to see its reoccurrence.

ACTING PRESIDENT KUHL: Senator Paterson, you still have the floor.

SENATOR PATERSON: Thank you, Mr. President.

I think Senator Marchi certainly satisfactorily addressed the questions. But I'm somewhat mystified by why we would be thinking in terms of depriving us of this alternative that we might need. We really don't know what will transpire in the next two years. Hopefully we'll pass a budget in that time.

And the inability to use that fuel, when Senator Marchi is pretty sure that it wasn't even really the catalyst for the disaster in 1973, and when the legislative commission in 1997 and 1998 pretty much directed us that we don't need this moratorium, we don't have it in any other part of the state, and where there were three exceptions, they've operated with a high degree of certainty that there will not be any harm, I just don't see what would not be prudent about extending -- I mean about not extending this time period. Particularly in this particular biennial period where who knows what energy needs our state would have.

So that's my thought on the issue, Mr. President.

SENATOR MARCHI: I have no reluctance to considering other alternatives. But if it includes the utilization of that facility, you perhaps might want to ask another Paterson how he felt about it at the time, you know.

But I know, I've gone through the same mental cogitation over it myself. But we certainly consider anything at this point that would jeopardize -- because we're talking about thousands of deaths. We're talking about an awesome -- you know, the only thing comparable is a nuclear explosion of a kiloton bomb, you know.

We're dealing with a chancy proposition, one I don't think anybody here is -- will seriously entertain and validate.

ACTING PRESIDENT KUHL: Senator Onorato, why do you rise?

SENATOR ONORATO: Mr. President, will the sponsor yield for a question?

ACTING PRESIDENT KUHL: Senator Marchi, do you yield to a question?

SENATOR MARCHI: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR ONORATO: Senator Marchi, one of the sitings of the liquid tanks is located directly in my district, in Astoria, adjacent on the Con Edison property. And there's contemplated now with the deregulation that Orion and another agency intend siting some more generating plants in a very, very close proximity to the current site of that liquid nitrogen storage tank.

And, I mean, I've passed it many, many times, and the tank appears to be submerged partially underground, and it has a large mound of dirt above it. And I notice that during -- since the explosion that took place with 40 lives, that they have required different types of materials to be utilized now.

Do you have any information that could satisfy me regarding did they do anything further of the existing plants that are in operation today to comply further with safety regulations to safeguard the current

plants that were built in a close proximity to that tank?

SENATOR MARCHI: In response for the Senator's request, I don't know what the mix is with yours. Is it petroleum or natural gas that you're on? I don't know where it originates from. Because this could -- this prohibits its inception or its way from 1973 or '78, whenever we passed the bill.

The Fire Department is examining, and they have not finalized, if I can use the term, the conditions under which we could consider such a proposition.

So -- but I'd be very concerned. And I'd certainly support you if you have something positive to impart to us on that problem.

ACTING PRESIDENT KUHL: Senator Onorato.

SENATOR ONORATO: If the Senator will continue to yield for another question.

ACTING PRESIDENT KUHL: Senator Marchi, do you yield?

The Senator yields.

SENATOR ONORATO: Basically what

I'm concerned about right now, is that I understand that most of these have had pretty safe records so far. But what we're dealing with now is a completely different set of circumstances. In view of the fact that there are two or possibly three additional generating plants being contemplated being built on the very site that this current liquid nitrogen tank is currently located, what my concern is, is will this have an additional safety factor now applied to that tank with the operation of three additional plants in very, very close proximity to this liquid nitrogen plant storage complex?

SENATOR MARCHI: Well, if the Senator can elicit an expression from the people who have validated this process. But I could suggest that they check with the Fire Department, because they are still working on that.

The state would have to approve on the question of the validation of the plant that you're speaking of, new plants coming on line. But the Fire Department has a responsibility which has not been addressed,

what are the conditions under which it would be safe.

So I'd rather be very careful until its validity has been established definitively disposed of. Because otherwise, you could have a terrible tragedy.

SENATOR ONORATO: Thank you, Senator.

ACTING PRESIDENT KUHL: Senator Gentile.

SENATOR GENTILE: Yes. Thank you, Mr. President. On the bill, Mr. President.

ACTING PRESIDENT KUHL: Senator Gentile, on the bill.

SENATOR GENTILE: In 1973, 1973, we had 40 people killed in Staten Island because of the explosion at the LNG tank located there on Staten Island. That was 1973, 40 people killed.

I agree with Senator Marchi, there's no sense in taking chances here. If we had 40 people killed in 1973, we in the last ten years in Staten Island have grown by 17 percent in the last ten years. In fact,

we're not only the fastest growing county in the City of New York, we are the fastest growing county in the State of New York. And maybe we shouldn't announce that publicly, Senator Marchi, but that is the fact, we are the fastest growing county in the State of New York.

And if in ten years we have grown by 17 percent, can you imagine the increased density we have had if you compare it to the population of Staten Island of 1973? And should an accident of this type ever happen again, should we not pass this bill, I can just imagine the multiplicity of deaths on Staten Island that would occur because of the increased density that we now have on this island. 443,000 people on Staten Island, in the latest census numbers.

So I believe -- unlike some other colleagues, I believe that this is a prudent measure for the people of Staten Island and certainly something that is worthy of passage.

Now, for example, Senator Marcellino had a bill earlier this year that removes some regulations and I believe a

moratorium on LNG tanks in his area of the state. And I supported that bill. I supported that bill because, in deference to Senator Marcellino, he knows more about his area than any one of us. And if he felt that that was the right thing to do for his area, then I supported him on that.

But I believe, Senator Marchi, you above anybody knows Staten Island more than anyone in this house, myself included. And I believe that you are correct in estimating that this is a prudent measure to take. This is a prudent measure for Staten Islanders, a prudent measure for anybody in the City of New York.

So I agree with you. I will vote in favor of this bill. And on behalf of the people of Staten Island, I want to thank you, Senator Marchi.

ACTING PRESIDENT KUHL: Senator Paterson, why do you rise?

SENATOR PATERSON: Mr. President, if I could just have a moment, would Senator Gentile yield for a question?

SENATOR GENTILE: Yes, I will,

Senator.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Thank you, Mr. President.

Senator Gentile, I'll explain it to you the same way I did to Senator Marchi, that it would be very insensitive of any of us to minimize the effects of that tragedy in 1973 and not to take all steps to try to eliminate that type of thing from happening again.

Senator Marchi indicated earlier that it really wasn't the LNG fuel that caused that horrible catastrophe. My understanding is that it was the mylar lining in the tanks. And when the workers were going in to clean the tanks, there was a horrific explosion, but it only killed individuals who were standing in and around the tank. It wasn't as if there was an explosion that injured people a longer way away from that, as in a kind of a nuclear power plant explosion.

And so my question to you is, does the technological improvements just in LNG fuel use, even since 1973, and also the

understanding of how to operate those tanks impress you at all that since this has been established around the state and there's a moratorium only in New York City and there are three exceptions to that in the New York City area -- one being in Long Island, one that Senator Onorato referred to in Astoria, Queens, and one in Greenpoint, Brooklyn - that, you know, perhaps it's time to lift the moratorium? Or does the haunting memory of what happened that day and what it did to that community still prohibit us from really taking any action to restore that plant to its prior operating status?

SENATOR GENTILE: Well, Senator Paterson, I don't believe that -- and I'm not saying that we will never, ever restore that plant to its usage. And I believe Senator Marchi indicated the same. And that's why he has made this a two-year extension every two years, so that we can take a look at this issue on a regular basis.

The fact remains, Senator Paterson, that there were certain dangers present at that site in 1973. I have not investigated

the site to see if those dangers are still present or not. Even with the improvements in the handling of liquefied natural gas, I still believe in deferring to Senator Marchi's judgment and the judgment of my colleagues in the Assembly -- Assemblyman Vitaliano, who is sponsoring this in the Assembly -- that this still poses a danger to the people living in and near that tank in Staten Island.

So will it ever be in use again? I'm not sure, Senator. I'd be willing to entertain that in the future with some hard evidence; that is, the safe operating plant. Because it may be different than the other plants that are still in operation today. I don't have the facts on that.

But I'm willing now at this point, because of the horrific accident that did occur there, to defer to the prudent side of this and say that we need to at least continue this moratorium for another two years and then examine that question once again at the end of that period or during that period.

So the answer is maybe in the future, but not now.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, would my distinguished colleague, who -- this is my second tour of being a colleague of Senator Gentile's. I hope that that weighs in his decision to yield for another question.

SENATOR GENTILE: Senator, if we were in the courtroom together, as we had been earlier on, I would defer to a question then, and I'll defer to a question now.

ACTING PRESIDENT KUHL: I think the answer was yes, Senator Paterson.

SENATOR GENTILE: Yes.

SENATOR PATERSON: Thank you, Mr. President. In the end, I think that it's the best cooperation to defer to Senator Marchi's judgment, which has always been impeccable in this chamber, and to that of Senator Gentile. I just want to feel assured that we're doing the right thing here.

And I want to take up the time element with Senator Gentile. As I said to Senator Marchi, there are a number of energy crises in different states, highlighted by

what's going on in California, in a 46 percent increase in the rates for power in that state implemented just yesterday. There's a lot of discussion as to whether or not New York could have that same problem. We've been assured by a lot of officials around the state that we won't have the problem. But it certainly was of a magnitude that it was discussed in the past couple of days.

And in the next two years, the LNG fuel would be considered by most experts in the area to be preferable than to the diesel-powered fuel, which is known to be a hazard, has been known to create waste, is harmful. And if we were to reach a point where we needed alternatives during peak energy periods, certainly the availability of LNG fuel in as many plants as possible in New York City would probably not be in dispute that it's a more apt alternative to the alternative of using diesel power.

So my question to you is, are you -- can you assure me that we can take that risk, that the greater risk is a repeat tragedy such as the one that was witnessed in

1973?

SENATOR GENTILE: Senator, I'm glad you asked me that question. Because it gives me the opportunity to let you know and let others know that Staten Island is contributing to the overall electric generating power in the City of New York. We are not saying -- we are not saying that we do not want to help in this energy crisis.

Certainly Staten Islanders have done their part, and they will do their part in the future. Indeed, we have one of those ten electric generator plants sited in Staten Island. The ten that are going around the city, one of them is sited in Staten Island. Now, the siting is the issue that we're fighting. But necessarily we are not arguing with the fact that electric generation or energy generation is needed in the City of New York.

So Staten Islanders are ready and prepared to do their part. We've done our part as Staten Islanders for the entire City of New York for 53 years in collecting the city's garbage and putting it in the Fresh

Kills Landfill, for 53 years. Now that we have finally closed the lid on that landfill, so to speak, after 53 years of promises, it would be certainly a burden to the people of Staten Island to then, a week after we closed the landfill, to say now we're going to reopen the liquefied natural gas tank on Staten Island. I think that is really dumping on Staten Island in a new sense, Senator.

So in many ways, we are willing to help as Staten Islanders. But in the same way, we ask that you do not put us in the position of either a health risk or a risk of serious injury.

And that's I think what Senator Marchi is proposing here today, that we take the prudent course.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, I have a final question for Senator Gentile, if he's willing to yield.

ACTING PRESIDENT KUHL: Senator Gentile, do you yield?

SENATOR GENTILE: Absolutely,

Senator. Go ahead.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Then, Senator, what do you think about the idea that perhaps we were to put in legislation that would continue the sunset for Staten Island and to continue the moratorium but leave the other four boroughs alone, since the other 57 counties in the state have abandoned the moratorium?

In other words, since there was this kind of tragedy on Staten Island -- and I agree with you, that sometimes it's the message that is bewildering and confusing to the constituents as much as the scientific evidence -- that perhaps we respect that in the area of the borough in which you and so many great New Yorkers live, but we discontinue the moratorium in the other four boroughs of New York City.

SENATOR GENTILE: Well, Senator, I'm not sure how the residents of the other four boroughs might feel about that, if the moratorium only continued in the borough of

Richmond.

Nevertheless, you give me an opportunity to now to say something on behalf of my Brooklyn constituents. And certainly I don't think my Brooklyn constituents would be that pleased if a moratorium were lifted everywhere but Staten Island.

So, Senator, again, I come down on the side of Senator Marchi and the prudent course, in a city of 8 million people -- now we're talking about the entire city of 8 million people -- to take the prudent course and follow Senator Marchi's lead in passing this moratorium for the entire city.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Thank you, Mr. President. On the bill.

ACTING PRESIDENT KUHL: Senator Paterson, on the bill.

SENATOR PATERSON: I can't wait until Senator Gentile becomes Governor. Because I want to see how he explains this when the other 75 counties in this state have abandoned this moratorium after exhaustive

research and thought, in 1997 and 1998. The commission actually started researching this in 1988.

And I think that the other residents -- because I want to speak on behalf of upstate New York, which I don't get a chance to do here often, Mr. President. And I think that certainly no one would allow for LNG fuel to be used in their regions unless they were comfortable and assured that there really was a high degree of safety. Even the incident that was the catalyst really for a lot of fear and anxiety through a major tragedy in the city's history in 1973 was promulgated as much by other factors than really the LNG fuel.

And I just want to suggest that with the potential of an energy crisis, that there are some greater risks that we'd be taking if we use other alternatives, such as I described from diesel power. And I just want to further suggest that we just be mindful of the fact that the overwhelming part of the state right now allows these facilities to be in place, and we're very assured that we can

do it without any type of incident or accident.

ACTING PRESIDENT KUHL: Senator Marchi.

SENATOR MARCHI: No, I just wanted to -- on the note that Senator Paterson concluded.

All we had in that chamber that exploded were solvents. It wasn't liquefied natural gas or petroleum. The speculation - and I should bring you some of the clips that we had from newspapers at that time. The citywide papers said that the effect, even missing Staten Island, but the thrust of the explosion, with a structure of that size, giving way to an explosion within liquefied natural gas and petroleum, could tear right up into Manhattan, not even hitting Staten Island, and go right up to where you live, and that there would be the loss of thousands of lives.

Now, maybe that was journalistic, you know -- I don't know. I'm not -- I may have no pretense to give you an analysis of the destructive power. But I can invite your

attention to what was published at that time, and it was the prediction for the entire city. In fact, you made a good point. Maybe it's something that the whole state should be alert to.

ACTING PRESIDENT KUHL: Senator Paterson, why do you rise?

SENATOR PATERSON: Mr. President, just a point of clarification. Senator Marchi, did you say Manhattan?

SENATOR MARCHI: Yes.

SENATOR PATERSON: Oh. Then let's vote for the bill.

Thank you.

SENATOR STACHOWSKI: If Senator Marchi would yield, I have a couple of questions.

ACTING PRESIDENT KUHL: Senator Marchi, do you yield to a question from Senator Stavisky -- excuse me, Stachowski?

SENATOR MARCHI: Yes, Mr. President.

ACTING PRESIDENT KUHL: It was the gray hair, the similarity that got me.

SENATOR STACHOWSKI: I'll let

that slide.

Anyway, I'm kind of confused. But then again, as in Finance, so correct -- you know, as I ask you this question, if you've already answered it, just let me know.

But I know that you have this moratorium, and we're fearful of the effect that this would have. And then I listened to Senator Gentile. But I know that there's - besides the storage space in Astoria there's also a storage space in Greenpoint, Brooklyn, and in Holtsville, Long Island, for LNG. And that these shaving plants serve as a storage spot for when the pipeline doesn't produce enough or doesn't have enough liquid natural gas to deal with the consumption.

And also, that liquid natural gas is used for clean-air vehicles, like the new buses that they want to put in New York City because of the air pollution because of the diesel. And I would think that with Staten Island growing so much, they must have a similar problem with diesel exhaust, et cetera. Maybe I'm wrong, you can correct me on that too.

So my question is, if these plants have been there, the three of them, for 20 or 30 years and there's never been a problem and there's only been eight problems in the world with LNG in the last 20 years -

SENATOR MARCHI: We had a big one in Russia, didn't we?

SENATOR STACHOWSKI: Yes, they did. They also had a nuclear power plant that caused all kinds of problems. And the interesting thing in that nuclear power plant was that if you were real close, just like with the bomb, you were very badly affected. If you were a little farther away, you had some damage. But if you were in another certain area, your health and exposure to cancer was less than anybody else in the rest of the country. Interesting little tidbit I thought I'd throw out in the middle of my question.

However, back to my question. If there's been no problems at these sites other than the emotional response, which I can understand -- and I'll accept that if that's the answer -- what other reason other than the

emotional effect to the people would we have for not doing away with this moratorium?

SENATOR MARCHI: Well, the moratorium would yield in the event that the Fire Department and others who are -- who go into this problem in depth recommend that there is safety in dispensing with it. Certainly it should be considered. I don't argue that. But we've had no -- I know that the Fire Department is against it now. And we're resting on their recommendation on the circumstances that we have.

All the -- nothing happened an inch away from the building. It all happened in this enclosed structure. And the bill explicitly provides for the transportation of this substance within -- on city streets.

So I think it has to be -- a determination has to be made on an informed basis. I don't profess to be -- perhaps I've done a lot of studying in my life, but that has not been my field of pursuit. But - well, let's see what they have to offer. I haven't seen it yet, and I certainly don't want to -- and neither does Senator Gentile,

who has a direct responsibility, or the Assembly, which voted unanimously on this matter.

SENATOR STACHOWSKI: Thank you, Senator. On the bill.

ACTING PRESIDENT KUHL: Senator Stachowski, on the bill.

SENATOR STACHOWSKI: Basically, even though the NYSERDA recommended that we do away with it, and the fact is that there are three existing storage areas that help provide LNG for clean-air vehicles, for example, and things that are needed in the city in that case, and for whatever other uses they use it for, and the fact is that the highway system is already available, specifically named highways are available for transit in and out when the pipeline can't bring enough in its job, the fact is that if the local legislators think that it's still a good idea and the local representative thinks that the emotional part overrides the -- I would imagine we would consider NYSERDA's report as the scientific data and the history of the other facilities as the scientific data, well, then I'll

support my colleagues Senator Gentile and Senator Marchi and vote along for this moratorium even though I have logical questions why I'm doing it.

ACTING PRESIDENT KUHL: Senator Schneiderman, why do you rise?

SENATOR SCHNEIDERMAN: Mr. President, on the bill.

ACTING PRESIDENT KUHL: Senator Schneiderman, on the bill.

SENATOR SCHNEIDERMAN: I also appreciate the insight and wisdom that Senator Marchi brings to this and all the other pieces of legislation he speaks on here. And Senator Gentile, who is mightily endeavoring to follow in his distinguished footprints.

However, it seems to me that we have a situation here where the state is suffering. We have serious environmental problems, in my district and a lot of places and a lot of poor communities in New York. And the need for clean-air vehicles powered by LNG is not insignificant. This is obviously a bill that requires us to balance risk and reward, and obviously it's -- this is always a

difficult thing.

I know that when I was a young lawyer, I worked on litigation relating to nuclear plant mishaps. And at that time there was a vigorous movement to shut down nuclear power plants in this country. And I remember one of the attorneys representing the manufacturer of the plant standing up one day with the New York Times headline that a 747 had crashed killed and 300 and some odd people had been killed, saying, "Listen, we're not going to ban air travel." There are some risks. There are some risks, and you have to make a decision as a society whether the benefits outweigh the risks.

And I must say, having looked at the report -- which I understand the Fire Department was a part of the study group that was represented in the making of this report -- it just seems to me this is a moratorium whose time has come. We've had a long time to evaluate this. We have other plants that have not had an incident. Obviously the remnants of the personal tragedy lingers on in the minds and hearts of people

on Staten Island. But with all deference to the well-stated and sincerely held views on this, I think that environmentally we really do have to move forward. And I think that it is hurting our state that we are using things like diesels that we really need to replace, particularly in poor communities in New York City and the surrounding areas. There's a tremendous problem. Our air pollution has gotten worse and worse. We have severe asthma problems, we have severe health problems all around the New York City metropolitan area. And LNG is not the solution to those problems, but it certainly is a part of the solution.

So I think I'm constrained by that to vote against this bill. Thank you, Mr. President.

ACTING PRESIDENT KUHL: Any other Senator wishing to speak on the bill?

The Secretary will read the last section.

THE SECRETARY: Section 2, this act shall take -

ACTING PRESIDENT KUHL: Senator Breslin.

SENATOR BRESLIN: Thank you, Mr. President.

ACTING PRESIDENT KUHL: I realize you don't have much gray hair, like Senator Stachowski, but -

SENATOR BRESLIN: I don't jump up quite as quickly, either.

In all deference, again, to the best Senators in the house, Senator Marchi and Senator Gentile, I appreciate their concerns for such a tragic occurrence 24 years ago. But so much has changed since then. And as someone who deals with the transportation of volatile substances, I can assure you there are other petroleum products that are much more serious and much more of a risk. And that the use of LNG in today's day and age is not a risk. And that's evidenced by the fact that New York State is the only state in the United States that's had any sort of a moratorium over it.

And for that and other reasons, I will be voting against this piece of legislation.

ACTING PRESIDENT KUHL: The

Secretary will read the last section.

THE SECRETARY: Section 2. This act shall take effect immediately.

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT KUHL: Record the negative votes.

Senator Paterson, why do you rise?

SENATOR PATERSON: Mr. President, I'm going to respect my two colleagues who represent Staten Island, because sometimes the real onus of a tragedy is the fear and anxiety that it creates. And I'm going to vote for the bill. It's not really my heartfelt feeling.

My feeling is that if you go back and examine the tragedy that was the catalyst for this moratorium, it was an accident in the tank when the tank had no LNG fuel in it. There was no fuel in the tank. It was a solvent that combined with the mylar lining, there was an explosion, and it killed 40 people in the tank. It was a horrible, horrible disaster.

But as Senator Schneiderman pointed out, we would never had gotten to the moon if we had heeded what happened after the Apollo X tragedy in 1967. What we as Americans did was we pulled together, we learned from our mistakes, we made sure there wasn't a possibility of another tragedy, and then by 1969 we had Apollo XI, and that went to the moon.

And all I'm saying -- and I'll vote for the bill, but all I'm saying is there are some tremendous needs that we have around the state that we're ignoring by continuing this moratorium in a couple of specific areas when the rest of the state doesn't require them.

I vote aye, Mr. President.

ACTING PRESIDENT KUHL: Senator Paterson will be recorded in the affirmative.

Senator Lachman, to explain his vote.

SENATOR LACHMAN: To explain my vote.

This is a very difficult bill for me. I had hoped it would be extended by Senator Marchi across the Verrazano Bridge

into Brooklyn. I would also hope that this bill is considered a first step and that eventually the transportation of hazardous materials would be incorporated in the bill that would include all five boroughs of New York City and all counties in the State of New York.

So at this point, I reluctantly will vote for the bill, but as only a first step to the elimination of the transportation of hazardous materials throughout the city and state of New York.

ACTING PRESIDENT KUHL: Senator Montgomery, to explain her vote.

SENATOR MONTGOMERY: Yes, Mr. President. I certainly always respect the opinion of my colleague from Staten Island, Senator Marchi. But on this I'm one of the people who lobbied the MTA specifically to use clean-air buses, because at least half or more of the bus lines in Brooklyn end in my district, which is downtown Brooklyn. And I've asked them to use clean-air buses because we have a tremendous problem with pollution, and the largest percent of that pollution

comes from automobile traffic in downtown Brooklyn. And buses contribute a lot to that.

So we really need to have clean-air vehicles. We need to utilize them much more in our city. And while I certainly understand Senator Marchi's fear and concern about the safety issue, I also have a very real problem with pollution.

So I'm going to vote no on this extension of the moratorium.

ACTING PRESIDENT KUHL: Senator Malcolm Smith, to explain his vote.

SENATOR MALCOLM SMITH: Thank you, Mr. President. On the bill.

I -- actually, I agree with Senator Lachman. I believe and I hope that -- Senator Marchi has introduced this bill and it would obviously serve a purpose to Staten Island, but I would hope that at some point, perhaps in another year or two, we'd do some amendment and have it expanded to the rest of the five boroughs.

In my particular area, we had some concern about the exporting of hazardous waste, strontium 90, which is a bone-seeking

agent. And it was sort of in the heat of the night, in the dark of the night that they came in and shipped this stuff out to Utah, and there was a great concern as it moved from through the neighborhood. And there was lack of input, lack of supervision.

So as Senator Lachman said, I also would hope that this is sort of a first step. I think it's the right step. And I just think perhaps next year or sooner we might be able to amend the bill and add the other five boroughs.

But I am voting aye.

ACTING PRESIDENT KUHL: Senator Smith will be recorded in the affirmative.

Announce the results.

THE SECRETARY: Those recorded in the negative on Calendar Number 296 are Senators Breslin, Montgomery, Schneiderman, and Stavisky. Ayes, 56. Nays, 4.

ACTING PRESIDENT KUHL: The bill is passed.

Senator Skelos.

SENATOR SKELOS: Mr. President, if we could return to reports of standing

committees, I believe there's a report of the Finance Committee at the desk. I ask that it be read.

ACTING PRESIDENT KUHL: We'll return to the order of reports of standing committees. There is a report of the Finance Committee at the desk.

The Secretary will read.

THE SECRETARY: Senator Stafford, from the Committee on Finance, reports:

Senate Print 3994, by the Senate Committee on Rules, an act making appropriations for the support of government.

And Senate Print 3995, by the Senate Committee on Rules, an act to amend the Military Law.

Both bills ordered direct to third reading.

ACTING PRESIDENT KUHL: All bills are ordered directly to third reading.

Senator Skelos.

SENATOR SKELOS: Mr. President, would you please call up Calendar 330.

ACTING PRESIDENT KUHL: The Secretary will read Calendar Number 330.

THE SECRETARY: Senator Stafford moves to discharge, from the Committee on Finance, Assembly Bill Number 8315 and substitute it for the identical Senate Bill Number 3994, Third Reading Calendar 330.

ACTING PRESIDENT KUHL: The substitution is ordered.

The Secretary will read.

THE SECRETARY: Calendar Number 330, by the Assembly Committee on Rules, Assembly Print Number 8315, an act making appropriations for the support of government.

ACTING PRESIDENT KUHL: Senator Skelos.

SENATOR SKELOS: Mr. President, is there is a message of appropriation and necessity at the desk?

ACTING PRESIDENT KUHL: There is.

SENATOR SKELOS: Move to accept.

ACTING PRESIDENT KUHL: The motion is to accept the message of necessity and appropriation at the desk.

All those in favor signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT KUHL: Opposed, nay.

(No response.)

ACTING PRESIDENT KUHL: The message is accepted. The bill is before the house.

SENATOR DOLLINGER: Explanation.

ACTING PRESIDENT KUHL: Senator Skelos, an explanation of Calendar Number 330 has been requested by Senator Dollinger. Senator Stafford, to explain.

SENATOR STAFFORD: Mr. President, I rise here at 5:05 p.m. in this month of - what month is it? -- March, March, to explain our first emergency appropriation bill. And this bill appropriates approximately $4.6 billion to meet scheduled state payments for the period April 1 through April 22, 2001.

The bill appropriates $368.9 million to fund state administrative and institutional payroll requirements and related Social Security costs for elected and nonelected state officers and employees of the Executive branch, the Legislature, and the judiciary, and to make payments to employees

and work-for-pay and sheltered workshop programs.

It appropriates $304.5 million for the state employees' fringe benefits and fixed state costs, $246.2, million for nonpersonnel service requirements of State agencies, the judiciary, and the Legislature and, finally. $570 million for payments on new and existing capital contracts.

Thank you.

ACTING PRESIDENT KUHL: Senator Stachowski, why do you rise?

SENATOR STACHOWSKI: I'd like to see if the Senator would yield for a few questions.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to a question from Senator Stachowski?

SENATOR STAFFORD: Certainly.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR STACHOWSKI: Senator, on the appropriations for payments, Social Security, on the institutional payroll, on one of them, April 5th, it's -- the appropriation

is $9,300,000 and on April 19th it's $10,600,000. Do you know why it's different?

SENATOR STAFFORD: I think you'll probably find there are more days involved.

ACTING PRESIDENT KUHL: Senator Stachowski.

SENATOR STACHOWSKI: If the Senator would further yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you continue to yield?

SENATOR STAFFORD: By all means.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR STACHOWSKI: In the area of TIAA-CREF, $19,000 is put in for benefits. Do we know why it's so low?

SENATOR STAFFORD: I apologize. This is the first time that I haven't listened to a question. And I assure you I will. Go ahead.

SENATOR STACHOWSKI: Okay, I can do that again. In the area of employees that are covered that are in the Teachers Insurance Annuity Association and College Retirement Equities Fund -- I figured I'd give you the

whole thing rather than the initials -- we have a payment of $19,000. Does that appropriation cover all the employees in there?

SENATOR STAFFORD: Yes.

SENATOR STACHOWSKI: Is it all the state employees, or does it include the SUNY and CUNY employees or just the state employees?

SENATOR STAFFORD: All state employees.

SENATOR STACHOWSKI: Thank you, Senator. I'm going to go to another area now, if you would continue to yield.

SENATOR STAFFORD: I was going to sit down.

SENATOR STACHOWSKI: Actually, I have a couple of areas I'd like to bounce around to, and then I'm going to take a break and let some other people ask questions that they have. But -

SENATOR STAFFORD: I can't believe it.

SENATOR STACHOWSKI: Well, we just figured that you were resting so long

this afternoon, that you're ready for this. Because your staff people had assured me of that in Finance. That's why I saved all my questions for when we came out to the floor.

SENATOR STAFFORD: Ask them, then.

(Laughter.)

SENATOR STACHOWSKI: Well, indirectly I think I am.

However, in transportation -- and I don't know about your region, but I know in my region they were expecting a number of projects to be let in April. And usually if a project's going to be let in April, there's some advertisements so the bids put out in March. And so far nothing has been put out. And I don't know if it's budget-related or if it's something else is going on with DOT, because DOT is a strange outfit, particularly in my region.

However, in the budget is there money for getting the construction season going; that is, is there money to start some of the construction projects that are on the schedule for this year?

SENATOR STAFFORD: I find again, as I mentioned earlier, I've got to stop talking to my counsel, because I get confused. But I have the same answer. There is over $250 million in this bill for projects. And I would only point out also that you might recall that we had a transportation bond issue, and that did not prevail. So I think we've had to really work through this.

And I would also point out that I deal with most of the DOT north of Albany, all the way to the Canadian border. And even when they work over in Quebec, I make sure I, you know, work with them. And they're not strange at all.

ACTING PRESIDENT KUHL: Senator Stachowski.

SENATOR STACHOWSKI: You must have a far better understanding and relationship with them than we do in our area. Because, see, we always have this problem. And maybe it's just because we're so close to Ohio. I'm not sure. But, see, in Region Five when we asked the director, Do you plan on putting some items out, and maybe we put it in

writing in a letter, and we get a letter back saying we're going to let out these projects, and then all the people in the construction industry start calling our office saying, You know, they not only aren't letting anything out yet, they haven't even put the advertisement in for bids.

See, I'm kind of a simple guy. When everybody tells me they're not being bid, and that's their business, that's how they make their money, all the construction people -- and there are various parties, so it's obviously not political, this exchange of ideas -- I say, well, let me try to find out why. And usually when you write a letter and they say they're going to put all these things out to bid, you would expect they would put them out to bid.

Now, probably in your area, because you have such a much better relationship, if they tell you they're going to put them out to bid, they probably do. But, unfortunately, we don't have that same kind of cooperation currently.

But as long as that money is in

here, I'll move on. And hopefully that will take care of that area. And hopefully they will start putting projects out to bid.

And I'm aware that the bond issue failed. I'm also aware that some people supported it strongly and other people sat on their hands. And I'm not going to say who sat on their hands, whether they're in this building or some other. But some people sat on their hands and other people raised money and went out big for it, but it wasn't enough.

Anyway, in the area of snowmobiles I see that we have $500,000 for the snowmobile fund. Is that a major part of that? Is that like the end of the payment? Do you know what that money is used for? Because the season is over, and that would be more of your specialty anyway. But we do have a lot of snowmobilers out my way.

SENATOR STAFFORD: Well, first, first, I have to point out that you and I should have the same result from the department, because I'm simple too.

Now, as far as snowmobiles, as far as snowmobiles, you have more snow than we do.

You get around 14 inches more than we do where I live. But the answer is it's really for trail maintenance and goes to the snowmobile clubs. The industry is quite an industry up in our area.

Don't you have snowmobiles?

SENATOR STACHOWSKI: I'll take that as a question, and I'll answer it. Yes, we do. As a matter of fact, we have a lot of snowmobilers. We have a lot of people that want to develop trails and slowly they're starting to. However, you have a much vaster trail development in your area and it's a major part of your tourism. And I know a lot of people from my area that go all the way out to yours to enjoy the wonderful snowmobiling opportunities you have there. And they're probably the second-best location, yours, for my constituents, only second to the Canadian trails, who put more money in and have even better trails than we have in New York State, believe it or not.

SENATOR STAFFORD: Well, I won't argue, Mr. President.

ACTING PRESIDENT KUHL: Senator

Stachowski has the floor. Would you like -

SENATOR STACHOWSKI: Yes. And I'd just like to touch on one other area. And I'm sure that this particular area, Senator Kuhl would rather be down here than the Acting President.

SENATOR STAFFORD: I'll bet he wouldn't.

SENATOR STACHOWSKI: Oh, for this particular question, I'll bet he would.

But anyway, there's some money in this appropriation for a partial funding of the New York State Wine and Grape Foundation. Now you see why I said he would want to be down here for that, because I think he has a particular interest in that and also had a particular hand in moving it along, so to speak.

Can you tell me how much and what they're using this three-week appropriation for? Is it to make sure that it continues? Is it to move on some major part of it? I'm not quite sure, and that's why I'm asking.

SENATOR STAFFORD: As you know, advertising is very, very important in our way

of life and in our economy, and this will provide funding for advertising and the like.

SENATOR STACHOWSKI: Thank you, Senator. I don't want to monopolize all your standing time right now. I will probably be back to you in a little bit, but I'm sure that a lot other of my colleagues have questions, so I don't want to tire you out before you get a chance to answer any of theirs.

ACTING PRESIDENT KUHL: Senator Lachman, why do you rise?

SENATOR LACHMAN: I'd like to hone in on one part of this, the Mass Transportation Operation Assistance Fund. I believe $60 million is allocated to commuter railroads and to the Transit Authority in New York City. Am I correct in that?

SENATOR STAFFORD: I will yield, Mr. President. I'm glad to.

ACTING PRESIDENT KUHL: Senator Lachman, I was just about to ask. You're asking Senator Stafford to yield to a question?

SENATOR LACHMAN: Yes.

ACTING PRESIDENT KUHL: The

Senator has indicated he will yield.

SENATOR LACHMAN: Okay, thank you.

SENATOR STAFFORD: We just want to stay with the program.

SENATOR LACHMAN: Sure.

SENATOR STAFFORD: As always - no, no, no, not always -- you're correct.

SENATOR LACHMAN: Mr. President, will the Senator continue to yield?

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR LACHMAN: Is it correct, Senator Stafford, that approximately $35 million of this aid is going to commuter railroads and $25 million is going to New York City transit?

SENATOR STAFFORD: That's correct.

SENATOR LACHMAN: Through you, Mr. President, if the distinguished Senator would continue to yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR LACHMAN: Senator Stafford, are you aware of the combined ridership and the separate ridership for the commuter railroads and for New York City transit?

SENATOR STAFFORD: Yes.

SENATOR LACHMAN: Mr. President, through you, can Senator Stafford give me the numbers?

SENATOR STAFFORD: I'll get you the numbers. I'm very aware of both the transit authority and also the commuter railroads. I ride both. And I can usually tell the difference.

SENATOR LACHMAN: Mr. President, through you, will the Senator continue to yield?

ACTING PRESIDENT KUHL: Senator Stafford, do you continue to yield?

SENATOR LACHMAN: I ride both

also.

SENATOR STAFFORD: Good for you.

SENATOR LACHMAN: I'd like you to check the numbers that I have, however. And the numbers that I have are a major discrepancy. Approximately 2 billion people ride the New York City transit facilities, whereas only 200 million ride the Long Island Railroad and Metro North. That's a tremendous discrepancy.

Now, I ride the Long Island railroad in the summer, because I have a summer apartment in Senator Skelos's district. But I think when you give the commuter railroads $10 million more in appropriation and they have a total ridership of 200 million people, and you give to the New York City Transit Authority only $25 million, which is $10 million less than the commuter railroads, and their ridership is 2 billion, would you agree that is somewhat unfair?

SENATOR STAFFORD: No.

SENATOR LACHMAN: You would not. Mr. President, through you, will the Senator yield again. Why do you not think it's

unfair?

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another -- excuse me, Senator Lachman. Excuse me just a minute.

SENATOR STAFFORD: That's what I was -

ACTING PRESIDENT KUHL: Senator Stafford -

SENATOR STAFFORD: I was hoping that the distinguished Senator who has a place out in the Hamptons -

ACTING PRESIDENT KUHL: Excuse me, gentlemen -

SENATOR LACHMAN: No, no, no, in Long Beach. As Senator Schedule is aware.

SENATOR STAFFORD: Oh, excuse me. I misspoke. I'm sorry.

ACTING PRESIDENT KUHL: Gentlemen, you're not listening. You're not listening, gentlemen. Let me just interrupt -- Senator Stafford, let me just interrupt so we understand each other.

The rules of the house are very specific: Do not interrupt the presiding officer of the chamber. So I would hope you

don't continue to interrupt when I ask a question, and that you will answer when I ask a question.

So, Senator Stafford, do you yield to another question from Senator Lachman?

SENATOR STAFFORD: I certainly would. And I certainly understand the interruption.

ACTING PRESIDENT KUHL: You may proceed with a question.

SENATOR LACHMAN: Through you, Mr. President. My question to Senator Stafford is, do you think equity is being served when New York City transit, which has two billion riders, receives only $25 million and the commuter railroads, which have 200 million riders, receives $35 million out of the $60 million package?

SENATOR STAFFORD: Well, what I -- Mr. President, I will continue my answer now, because I was going to give the answer. And I'm sure the Senator didn't mean to interrupt. But this is just a temporary cash-flow situation, why these funds are being made available to these various entities. And

it really has nothing to do with exactly how the funds are going to be disbursed. But let me -- final, how all of the funds will be disbursed.

But let me explain that we're all -- we all sometimes can be blinded, and we sort of become a bit provincial. I know I do. I know I do. But I certainly would urge you to take a look and realize how important it is for those commuters to go into New York to make New York what it is, the capital of the world, financial center of the world, the cultural center of the world. So I would just ask you to really do your best to keep the big picture.

ACTING PRESIDENT KUHL: Senator Lachman.

SENATOR LACHMAN: In an attempt to keep the big picture, and recognize the authority of the President of the Senate, would Senator Stafford continue to yield?

ACTING PRESIDENT KUHL: Senator Stafford, do you yield?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The

Senator yields.

SENATOR LACHMAN: Senator Stafford, do you know if the Nassau and Suffolk buses that are not part of the Long Island Railroad receive any aid from the $35 million or from the total package of $60 million?

SENATOR STAFFORD: There is in the overall budget, but not here.

SENATOR LACHMAN: So the Nassau and Suffolk buses aren't included in terms of receiving additional aid -

SENATOR STAFFORD: Not here.

SENATOR LACHMAN: -- if they're not part of the commuter services, but you say they're in the overall budget.

SENATOR STAFFORD: Right. Will be. Will be.

SENATOR LACHMAN: I know. We haven't gotten to that. I'm sorry, Mr. President.

SENATOR STAFFORD: I'm sorry, too. Excuse me.

ACTING PRESIDENT KUHL: There's been a lot of learning.

SENATOR STAFFORD: Lot of stress. Lot of stress.

SENATOR LACHMAN: On the bill, Mr. President.

ACTING PRESIDENT KUHL: Senator Lachman, on the bill.

SENATOR LACHMAN: I am going to reluctantly vote for the bill. But I think there is a major discrepancy here when you allocate $60 million total and the commuter railroads receive $35 million and New York City transit receives $25 million and there are buses in Nassau and Suffolk County that receive nothing. This is a major discrepancy.

And as I mentioned before, we have a summer apartment in Long Beach in Long Island, and I want the buses of that area to be aided by the state. I do see the big picture that Senator Stafford has asked me to look upon, and I see it's a picture that does not emphasize equity, but inequity.

But rather than voting against the entire Rules Committee recommendation, I will reluctantly vote for it. With the understanding that I hope in the future, the

aid coming to New York City transit will be commensurate with the ridership of that organization and agency. Thank you.

ACTING PRESIDENT KUHL: Senator Hassell-Thompson, why do you rise?

SENATOR HASSELL-THOMPSON: Thank you, Mr. President. If the Senator would yield to a question.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield a question from Senator Hassell-Thompson?

SENATOR STAFFORD: Certainly will.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR HASSELL-THOMPSON: Thank you, Senator. Through you, Mr. President, it is my understanding that the funding out of the Office for Prevention of Domestic Violence, Sections 41 and 42, which cover the batterers' intervention program and the domestic violence hotline, these two have never been included in the emergency appropriation bills in the past years. Can you explain why these programs have been

included this year?

SENATOR STAFFORD: Yeah, they were scheduled to receive a payment, so the payment is included in this budget. It must be they weren't scheduled to receive a payment before.

ACTING PRESIDENT KUHL: Senator Hassell-Thompson.

SENATOR HASSELL-THOMPSON: Thank you, Senator. Thank you, Mr. President.

ACTING PRESIDENT KUHL: Senator Malcolm Smith, why do you rise?

SENATOR MALCOLM SMITH: Thank you, Mr. President. Would the sponsor yield for a question.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to a question from Senator Smith?

SENATOR STAFFORD: By all means.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR MALCOLM SMITH: Always a pleasure.

With regard to the Lower Manhattan Commercial Revitalization Program, Mr.

President, through you -

SENATOR STAFFORD: Lower Manhattan what?

SENATOR MALCOLM SMITH: Lower Manhattan Commercial Revitalization Program.

SENATOR STAFFORD: That's not in this bill. That's in the next bill.

SENATOR MALCOLM SMITH: Oh, you're lucky, Mr. President. I'll be back. I was all set, too.

(Laughter.)

ACTING PRESIDENT KUHL: Senator Smith waives his time.

Any other Senator wishing to speak on the bill?

Senator Dollinger, why do you rise?

SENATOR STAFFORD: We'll see who's lucky.

(Laughter.)

SENATOR DOLLINGER: Mr. President, will the sponsor yield to a question, please?

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to Senator Dollinger?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR DOLLINGER: Through you, Mr. President. My understanding is that the earlier document, one of the drafts that had been circulated with respect to this, had talked about funds for the Investigations Commission. And my understanding is in the final appropriation there's no reference to it. Is the Investigations Commission still funded for the -- is there an extender in here of funds for them?

SENATOR STAFFORD: As I mentioned earlier, Mr. President, what this emergency appropriation bill does is any agency, entity in government that was scheduled to receive a payment, we have included this. This was included in the budget. This doesn't have any -- just because something isn't included, it doesn't mean that it's not functioning.

ACTING PRESIDENT KUHL: Senator Dollinger.

SENATOR DOLLINGER: Through you, Mr. President, will Senator Stafford continue to yield for another question?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: Senator Stafford continues to yield.

SENATOR DOLLINGER: Senator, I know that we're continuing to fund the Cattle Health Assurance Program at Cornell. And my question is, are there specific funds in here for -- to cover the possible outbreak, which could be, of course, catastrophic here in New York, a major dairy-producing state, if the European disease for hoof and mouth disease actually found its way to New York?

SENATOR STAFFORD: The answer, Mr. President, is yes, herd health is included.

I would only suggest this, Mr. President. And this is such a fine line. And of course I've been here long enough, sometimes I don't know what is right. You just do your best. But I would urge everyone not to overreact concerning the issue that you just raised. I don't mean it isn't serious, and I don't mean it isn't something we shouldn't watch very carefully. But an industry is involved here, and it's very, very

serious.

SENATOR DOLLINGER: Right. I share Senator Stafford's concern. And I think if you'll yield just to one more question, there's just one more -

SENATOR STAFFORD: Sure.

ACTING PRESIDENT KUHL: Senator Stafford yields to one more question, Senator Dollinger.

SENATOR DOLLINGER: In this bill, could you just briefly describe the continuing payments or whether there are any changes in the payments for health insurance programs or the Family Health Plus, the Child Health Plus programs, the whole gamut of programs, are there any alterations, budgetary alterations for any of those programs in this bill, in the appropriations bill?

SENATOR STAFFORD: Once again, no alterations in this bill, only -- it includes those payments for entities', agencies' programs that were due payments.

SENATOR DOLLINGER: Thank you. Through you, Mr. President, just on the bill briefly.

ACTING PRESIDENT KUHL: Senator Dollinger, on the bill.

SENATOR DOLLINGER: I've had a tradition in this house of voting against the extenders, and I'm going to continue that again this year. It seems to me that our budget process in this state, which has been described to be in various forms of illness itself, is one that calls for some solutions. And one of those is to say that this acknowledgment through an emergency appropriation bill for the next three weeks, that we can't get the job done, I would suggest, Mr. President, we haven't even started the job. We haven't even begun the conference committee process. We passed our one-house budget resolution, and that's all we've done.

I think the people of this state could easily look at this house and say that we've dropped the ball. The ball hasn't begun begin to roll, it hasn't even been dropped yet. And I would suggest while certainly extenders have become the norm in this state in the last 20 years, this year in particular

is a particularly egregious violation of our constitutional duties and our ability to get to a budget.

I would suggest that the best solution for that, Mr. President, lies in this house. I'll say it now and I'll say it again. Until the Majority of this house is willing to come to the Minority and put together a budget with the Minority and Majority in this house acting in unison and the Majority and Minority acting in unison in the other house, we can send a budget to the Second Floor, and I don't care if he line-item-vetoes every single appropriation, I will stand here with my Republican colleagues and stand up for the power of this Senate, working in conjunction with two-thirds of the Assembly, to overrule every single one of these vetoes, and we will have a budget that we can declare to be the best policy budget in this state, and we will take back from the Governor the power to control appropriations.

I would suggest that what stands in the way of the Legislature in fulfilling its constitutional duty and standing up to declare

the will of the people of this state, as we should, is the partisanship that prevents us from linking arms on budget matters. I would suggest that there are billions and billions and billions and billions of dollars in this budget that members of the Democratic conference would gladly join our Republican colleagues -- whether it's tax cuts, which whether it's emergency spending, whether it's spending for programs, I think you would find that we would welcome the opportunity to participate in that process and join you in sending a budget to the Governor that is veto-proof.

And the day we do that, the budget will be done on time and the Governor can veto anything he wants, whether it's this Governor or any other, and this Legislature, this house will stand up and we will take back the constitutional power given to us by the people. Until we do that, we will never get a budget done on time. We will never be able to resolve the impasse. And we will fail the people of this state.

I repeat something I've said often.

The greatest victim of late budgets is not the people in the state who work for it, not the vendors who sell us goods, it's the people who vote for us and the confidence that they have that we can do the job. The greatest victim here is our public credibility. I'm not going to participate in destroying or eroding that credibility any further. I regret that we're at this stage.

I really think it's a constitutional failing because of excessive partisanship. We can solve that problem right here in this house, and yet nobody seems to want to do it. Welcome the 25 of us into the fold, and we'll give the Governor a budget that he can't touch. And the minute he does, we'll overturn his veto and he'll never do it again.

I would suggest that this is the problem we have in this state. It ought to be rectified. It can be rectified. Let's join arms and do it. Until we do that, I'm not going to vote for these extenders again. I vote no.

ACTING PRESIDENT KUHL: Senator

Gentile.

SENATOR GENTILE: Thank you, Mr. President. Just briefly, on the bill.

ACTING PRESIDENT KUHL: Senator Gentile, on the bill.

SENATOR GENTILE: Certainly echoing the comments of my colleague Senator Dollinger are quite in order, and I think that probably goes for all members of this conference.

However, I do want to indicate an aspect of this appropriation bill which continues to fund the Elderly Pharmaceutical Insurance Coverage program, better known as EPIC in this state, in the amount of $15 million. Certainly that is a positive sign that this house and certainly the Governor are continuing to commit themselves to funding the pharmaceutical coverage plan for senior citizens. And so I'm pleased to see that that is in this appropriation bill, that seniors can continue to rely on the EPIC program as we have designed it, beginning this past January.

Now we need to take the next step

in the next budget, and that is to include the cap on out-of-pocket expenses. That's a debate to come. But at least now on this issue, I'm pleased to say that we have an EPIC extender in the appropriation bill.

ACTING PRESIDENT KUHL: Senator Breslin, why do you rise?

SENATOR BRESLIN: Would Senator Stafford yield -- through you, Mr. President -- for a couple of questions.

ACTING PRESIDENT KUHL: Senator Stafford, would you yield to a question from Senator Breslin?

The answer is yes, the Senator yields.

SENATOR STAFFORD: I yield, by all means.

SENATOR BRESLIN: I've been reviewing Section 46, which deals with the Municipal Assistance Corp., and I just had a couple of questions. The debt, what is the current outstanding balance of the New York City -- the MAC debt, if you know?

SENATOR STAFFORD: I'm sure that you really want to know that, because I can

really understand, you know, just how important that is and -

SENATOR BRESLIN: It's been bothering me.

SENATOR STAFFORD: No, no, I'm answering, Mr. President.

And I can -- you know, it just really impresses me, you know, that somebody from Albany, you know, would be -- see, I remember when we passed Big MAC. You know, Felix Rohatyn came up here with Judge - Judge -- he was -- as a matter of fact, he was Senator Wagner's administrative assistant, and after that he was appointed -- Judge -- what was his name, the judge that came up here? He was in the firm that Theodore Sorensen is in. Anyway, they came up and they did a tremendous job, and we passed the Big MAC legislation, and now -- Rifkind. Simon Rifkind. It was Judge Rifkind that came up and did such a good job.

And actually, New York now has done so well under Mayor Giuliani, the last eight years has been tremendous -- don't scowl, now. Come on, you've got to agree with some of

this.

So anyway, my answer is it's in the billions.

SENATOR BRESLIN: Again through you, Mr. President.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question from Senator Breslin?

SENATOR BRESLIN: I remember having lunch with Jay Feeney years ago, and he was telling me about your efforts.

When do you expect -- with New York City doing so well, when do you expect that New York City will finally pay off that debt?

SENATOR STAFFORD: Mr. President, I would hope that things would continue to go as well as they have gone, again, with the leadership that we've had the past eight years, with the Mayor and the Governor.

And I might add it's very interesting, I would emphasize that there were many of us who were not from New York City that voted for Big MAC. I mean, I supported that. I'm very proud of that. That was very important. So I'm so pleased you brought up

that point.

SENATOR BRESLIN: Again through you, Mr. President.

ACTING PRESIDENT KUHL: Senator Stafford, would you continue to yield?

SENATOR BRESLIN: I think that it belies the collegiality that exists between upstate and downstate, from Plattsburgh to Albany to New York, wouldn't you agree, Senator Stafford?

SENATOR STAFFORD: Collegiality, Mr. President, collegiality is important. And that's why some of us try to stand up -- oh, he's gone.

(Laughter.)

SENATOR BRESLIN: If Senator Stafford would continue to yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you continue to yield?

SENATOR STAFFORD: By all means.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR BRESLIN: In a different area, I notice there's a -- in Section 48 there's an appropriation for the State

Insurance Fund. And I was just -- apparently during some other administrations some monies were used, and I was just wondering whether there comes a time when we'll take care of that debt to the State Insurance Fund.

SENATOR STAFFORD: Actually, these aren't debts. These are actually backup funds for contingent guarantees as far as the Insurance Fund is concerned. And we hope they won't have to use these funds.

SENATOR BRESLIN: Well, again, one last question, through you.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to one last question from Senator Breslin?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR BRESLIN: Is that 1.6 really an appropriation? Is there money placed aside for that?

SENATOR STAFFORD: That's -- Mr. President, that's an excellent, excellent way to put it.

SENATOR BRESLIN: The answer is?

ACTING PRESIDENT KUHL: Are you asking Senator Stafford to yield to another question, Senator Breslin?

Senator Stafford, do you yield to another question from Senator Breslin?

SENATOR BRESLIN: I was waiting for the answer to the first one.

ACTING PRESIDENT KUHL: I think the answer is yes.

SENATOR BRESLIN: The answer is yes.

Just through you, Mr. President, I would just like to commend Senator Stafford for the straightforwardness and the clarity that you have expressed to your fellow upstater. Thank you very much.

SENATOR STAFFORD: Mr. President, the Senator certainly -- I want to just emphasize that I appreciate that and I'll continue to make sure that he's able to thank me.

(Laughter.)

ACTING PRESIDENT KUHL: Senator Onorato, why do you rise?

SENATOR ONORATO: Mr. President,

will the Senator yield to a few questions?

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to a question from Senator Onorato?

SENATOR STAFFORD: By all means.

ACTING PRESIDENT KUHL: The answer is yes.

SENATOR ONORATO: Mr. President, I'm very, very concerned regarding the intervenor funds that are part of this emergency funding. I see here that there's $40,000 is being provided for the electric generator intervenor account. Do you know what types of accounts are being funded? Right now, how many of them -- is this old money or is this new money?

SENATOR STAFFORD: This is -- as I mentioned earlier, this is funding for those obligations that have come due, are due during this period. And this provide funds for intervenors.

SENATOR ONORATO: Again through you, Mr. President. What I'm concerned is - right now we do have a case down in Queens County regarding this, this is why I'm really

concerned about it -- whether or not they will be eligible for this emergency appropriation, or will they have to wait for a new appropriation?

SENATOR STAFFORD: As I pointed out, I see your question, but it just -- the funds that are needed during this period will be there. The funds that are needed for a new appropriation will be there in that appropriation.

SENATOR ONORATO: And I have one more follow-up on another area.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

The Senator yields.

SENATOR ONORATO: This is again with regard to the -- as you know, I'm on the Labor Committee, and we have a program that's being funded to the tune of about $750,000. And it's called the -- taking it out of the Unemployment Insurance Fund, occupation fund, to be used to pay for occupational training.

Part of it is coming from the Federal Disaster Relief Fund. How much do we actually get from that Federal Disaster Relief

Fund for pay for some of these programs? Do you have that information available?

SENATOR STAFFORD: I'll have to get you that information.

SENATOR ONORATO: You don't have that, okay.

Okay. Also, do you -- through you, Mr. President, one more question?

SENATOR STAFFORD: I will.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR ONORATO: How many projects will be awarded as part of the $750,000 award?

SENATOR STAFFORD: We don't know the exact number. But these are for the projects that have already been awarded.

SENATOR ONORATO: These are already in the system?

SENATOR STAFFORD: You got it. In the pipeline.

SENATOR ONORATO: Thank you.

ACTING PRESIDENT KUHL: Senator Oppenheimer, why do you rise?

SENATOR OPPENHEIMER: I have a

couple of questions. Well, actually, on two different subjects. One will be on 4101 schools and the other will be just on general school aid.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to a question from Senator Oppenheimer?

SENATOR STAFFORD: I certainly will yield, Mr. President, but I can't hear.

SENATOR OPPENHEIMER: Okay, there. I'll talk louder.

Let's first look, if you will, at the general support for public schools, which we all call school aid. And as we all know, it's appropriated on a fiscal -- no, on a calendar-year basis. No, it's calculated on a school-year basis, but it is appropriated on a fiscal-year basis. And this presents certain confusions.

Now, the payments are done actually in two different State fiscal years. So we call the first payment, which is 70 percent of the payment, the body, and then the 30 percent of the payment we call the tail. And so we're now into the tail.

And so after these payments - after the tail payments are made to the school districts against this appropriation, how much school aid funding is still going to be outstanding for the 2000-2001 school year?

SENATOR STAFFORD: Around 30 percent. Three or 4 billion.

SENATOR OPPENHEIMER: Oh, so we'll still have the tail to pay in the next -

SENATOR STAFFORD: That's right. I've been here 36 years. It's almost impossible to keep it straight in your head how that goes. But you actually have explained it in what you say. I've never used that particular -

SENATOR OPPENHEIMER: The body and the tail?

SENATOR STAFFORD: That's right.

SENATOR OPPENHEIMER: I'm very environmentally sensitive to animals.

SENATOR STAFFORD: I am too.

(Laughter.)

SENATOR OPPENHEIMER: Well, I think you agree with Judge DeGrasse's

decision, it's very complex and it doesn't work.

ACTING PRESIDENT KUHL: Senator -- Senator -

SENATOR OPPENHEIMER: If I may ask you another question.

ACTING PRESIDENT KUHL: This is very entertaining, but the rules call for you to go through the chair.

SENATOR OPPENHEIMER: I know.

ACTING PRESIDENT KUHL: Appreciate that.

SENATOR OPPENHEIMER: I know.

ACTING PRESIDENT KUHL: Are you asking Senator Stafford to yield to another question?

SENATOR OPPENHEIMER: If Senator Stafford would yield to another question.

ACTING PRESIDENT KUHL: Senator Stafford, would you yield to another question?

SENATOR STAFFORD: By all means, Mr. President.

SENATOR OPPENHEIMER: Now, there are school aids that are payable out of the State Ed now, the school ed, but there are

others for which no payments are made from this appropriation. Am I correct?

SENATOR STAFFORD: Let me go back again, please. Mr. President, let me go back again. I always like to keep things simple. And that's easy for me. And one of my colleagues here said it was for him too.

This is monies appropriated for the payments that are due or obligated during this period. If the funds aren't due, aren't obligated, aren't planned, then it isn't included here.

SENATOR OPPENHEIMER: Okay. Then when will the next payment of state aid be due? Is it in July? That is my question, if he will yield.

SENATOR STAFFORD: I yield.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR STAFFORD: There will be a payment in April, Mr. President, I understand.

SENATOR OPPENHEIMER: If the Senator will yield, through you, Mr. President, isn't this the April payment that

we are making?

SENATOR STAFFORD: Exactly right. And see, Mr. President, I'm able to again emphasize, you seem puzzled. Now I can really clear it up for you, I think. Look at all these people here. You got to have the answer?

(Laughter.)

SENATOR STAFFORD: But once again, once again, this is from April -- what does this cover, from April 22nd? You see, there will be a period from the 22nd on. Now, possibly we'll pass a budget. And then, of course, the payment would be in the budget. But there still will be another payment, it appears, in April. This is only for the three-week period, if I've got it right.

Someone mentioned the other day, too, and I want to apologize whenever I made a mistake. I said we want to change the fiscal year from April until May, and that gives us two months. And I guess I didn't quite figure it right. I wanted to make sure that I cleared that up.

SENATOR OPPENHEIMER: We are

merely human.

If the Senator would yield for another question.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield again?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR OPPENHEIMER: Then the question is, when will we begin to make the payments for the 2001-2002 school year?

SENATOR STAFFORD: That will be -- now, I don't want anyone to smile, because I'm dead serious. But that will be when we pass a budget.

SENATOR OPPENHEIMER: If the Senator will yield again.

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR OPPENHEIMER: I know that's the answer, Senator. Therefore, my question is, how are school districts supposed to put out budgets without the knowledge of what their state aid for education will be?

SENATOR STAFFORD: Senator, I have pointed that out so many times. And I would like to go to your district and be in the back of the room when you explain it, because maybe you can explain it better than I can. And if you can, I certainly will take your explanation.

I have my own, and I don't think yours would be the same as mine.

ACTING PRESIDENT KUHL: Senator Oppenheimer.

SENATOR OPPENHEIMER: Well, I'll speak on the budget in a minute on that. But let me just turn, if I may, to the 4201 schools for just a minute. As many of you know, this concerns me. A third of my family is deaf and have gone through the 4201 schools.

After the payments are made from the 4201 school appropriations, what percentage of total payments will have been made for the current year? Is that similar to the payment schedule of the regular school aid? If the Senator would answer.

SENATOR STAFFORD: Mr. President,

this does not cover all of the payments, and we expect there will be another payment.

SENATOR OPPENHEIMER: In this budget year.

If the Senator would yield for another question, then.

ACTING PRESIDENT KUHL: Senator Stafford -

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR OPPENHEIMER: Does the money that is going to the 4201s, does that reflect the $7.3 million increase that the Governor has written into his coming budget?

SENATOR STAFFORD: No, because - now, Mr. President, this allows me to again explain what we're doing here. See, this isn't what the Governor has proposed for his budget. This is just monies that are owed or obligated at this time to keep government viable.

SENATOR OPPENHEIMER: Okay. A couple of more small, small questions.

ACTING PRESIDENT KUHL: Senator

Stafford, do you continue to yield?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR OPPENHEIMER: If the 4201s are not on the same schedule as our general school aid, when will their next appropriation, emergency appropriation come up?

SENATOR STAFFORD: I was wrong. The very first time I've ever been wrong.

This one, it would be May or June.

SENATOR OPPENHEIMER: Okay, thanks. And my last question is when will we need to make the payments for the 853s and the 4201s and the special acs? Are they going to be made in this emergency -

SENATOR STAFFORD: Mr. President, we don't make payments to them. They are paid by the school district.

SENATOR OPPENHEIMER: Okay. On the bill.

ACTING PRESIDENT KUHL: Senator Oppenheimer, on the bill.

SENATOR OPPENHEIMER: Well, I

think we've explored what the problem is here. Aside from the general statement which we have been talking about about late budgets and how we really could avoid late budgets.

But the late budgets really do wreak havoc on a lot of our school districts. And they go out to a vote in many of our school districts without the knowledge of what will be available to them from the state aid. And it is really a deplorable situation. The school boards make guesstimates and the superintendents of schools make guesstimates.

And it's really unfortunate, I mean, that we are unable to reach a conclusion in a reasonable amount of time. I personally feel there is nothing that delays us from reaching a conclusion on this budget except that none of us seem to have the will to move ahead and do it in a prompt fashion.

I certainly have the will. I'd love to join with other people who did. Because I truly believe this is something that doesn't have to be, these delayed budgets. I'll be voting for this, because I think the alternative is not acceptable to me. But I'm

really unhappy about it.

ACTING PRESIDENT KUHL: Senator Brown, why do you rise?

SENATOR BROWN: If I may, Mr. President, I'd like to yield to Senator Smith.

ACTING PRESIDENT KUHL: Senator Smith.

SENATOR MALCOLM SMITH: Thank you very much, Senator Brown.

Mr. President, through you, if the sponsor would yield for a question.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to a question from Senator Smith?

SENATOR STAFFORD: By all means.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR MALCOLM SMITH: Thank you very much, Mr. President.

Just a couple of questions, through you, Mr. President, with regard to Section 47, veterans' affairs. We're talking about a appropriation of $285,000. And the question simply, is this particular amount sufficient enough for the blind annuity for the veterans

program?

SENATOR STAFFORD: See, once again, Mr. President, I point out that -- this is veterans' affairs? I point out that this is the funds that are due at this time or obligated that were planned to be paid. So I would say yes, because that's in the plans.

SENATOR MALCOLM SMITH: That's fine. And one other question through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you continue to yield?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR MALCOLM SMITH: Do we know, Mr. President, when these payments will be made or is there a set schedule of some kind?

SENATOR STAFFORD: This is just like any other situation. When you pass a budget that appropriates the money, the money is available to be spent. It is then up to the Executive branch of government to spend

the money. And the Comptroller cuts the check.

SENATOR MALCOLM SMITH: If the sponsor would yield for one more question.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield for another question?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR MALCOLM SMITH: Hypothetically, Mr. President, if in fact this appropriation is adopted -- and I'm sure it will be -- if we get to a point where this 285 is not expended, or perhaps there's a need for additional money beyond what we're talking about appropriating before the extended date comes, how would we then handle that?

SENATOR STAFFORD: Was the question about -

SENATOR MALCOLM SMITH: If you made a mistake in calculations.

SENATOR STAFFORD: The question is if the money isn't spent then how will we handle that?

SENATOR MALCOLM SMITH: Basically

if you made a mistake in calculations -- Mr. President, through you -- what would we do? Would we have an emergency extender or would we do deficiency -

SENATOR STAFFORD: Well, of course whenever you have mistakes, they of course have to be corrected, there have to be revisions. There are mistakes every day, there are mistakes in the main budget. I think about the only place they've never made any mistakes is my office.

(Laughter.)

SENATOR MALCOLM SMITH: Mr. President, through you, if the sponsor would continue to yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR STAFFORD: Yes.

SENATOR MALCOLM SMITH: It's not that I want to continue to ask the sponsor the same question, but I'm just trying to get to the end of my road here. And I'm still not clear, Mr. President. If there is a point where we need to -- if this 285 is not adequate come the extended period, what is the

program and what is our plan on making sure we fill that gap?

SENATOR STAFFORD: I'm always very, very disappointed, Mr. President, when I have -- it appears that it's the opinion of some that I might not be responsive. Because if there's anyone who wants to be responsive, it's me.

And I guess I'll try again. I'll try again. All you can do is do your best. You know.

Now, if there is a situation where there was a mistake, well, we'd have to revise that. And I guess the way to revise it would be send up a revised bill, send up another bill. Or it would be in the next appropriation bill.

SENATOR MALCOLM SMITH: Mr. President, I'm going to try one more time, through you, if the sponsor would continue to yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question from Senator Smith?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR MALCOLM SMITH: Let me - if I may, Mr. President, allow me to paint a real picture. The question simply is if on, let's say, June -- no, let's say May 25th the 285 is expended, there is no more for the blind annuity for veterans, who we all know deserve this annuity more than anybody in this state, the question becomes, for my own edification, for the benefit of the veterans, what in fact do we do if we are not at the extended period and we have expended the 285, how do we fill that gap, whatever amount that may be calculated?

SENATOR STAFFORD: Mr. President, people are always -- sometimes you notice I'm not looking at the people, but I'm talking to my microphone. And people are constantly correcting me about that. Would you please try to do that? Because I can't hear.

Now I'm going to have to do something about that, I think. Maybe it might not be your fault.

SENATOR MALCOLM SMITH: It might

be my mike.

SENATOR STAFFORD: There you go.

SENATOR MALCOLM SMITH: It might be the mike. Mike is -- you know, Mike treats me one way, Frank treats me another.

But allow me -- I will -

SENATOR STAFFORD: We expect the Governor will fully fund the payments for the blind veterans.

ACTING PRESIDENT KUHL: Senator Smith.

SENATOR MALCOLM SMITH: Thank you, Senator.

On the bill, Mr. President.

ACTING PRESIDENT KUHL: Senator Smith, on the bill.

SENATOR MALCOLM SMITH: There's no doubt in my mind, Mr. President, that as it relates to especially Section 47 for the Blind Veteran Annuity Assistance Program, there's clearly a need for this $285,000. I don't think anybody would debate that. My only concern is, and I think it extends to every single area in which this bill is looking to appropriate some gap financing, which is what

we're talking about hear -- and that is simply just as we stand before you today talking about we need an extender, the bottom line is just like we did our deficiency bill a few weeks ago, or maybe it was last week, you cannot always estimate what you think the amount -- or the appropriation amount that you might need.

The question becomes then what do you do when you have made a calculation that is -- has not reached a goal or has reached a goal before your deadline? And I'm only saying I think it is prudent on behalf of the State, it's prudent just fiscal planning, that we should go through the process and, when we do these calculations, have a process or procedure in place -- not an ad hoc process where we think we'll call the Governor, perhaps, or talk to the Comptroller or perhaps we'll have a special session for the purpose thereof. The bottom line is there should be something in place so that we don't have to expend any time, which of course costs. That costs as well.

And I think if we begin to go

through this process year after year, there are some things that we can do to streamline this process, to make some calculations such that down the road we don't find ourselves having to do certain things over and over again, and there will be a streamlined process and perhaps the budget in its allocations will be a lot more expedient and also hit the mark more accurately.

Thank you very much.

ACTING PRESIDENT KUHL: Senator Schneiderman, why do you rise?

SENATOR SCHNEIDERMAN: I would defer to Senator Brown, since he has deferred to Senator Smith.

ACTING PRESIDENT KUHL: Well, the chair usually decides who is recognized, Senator Schneiderman. And I'm recognizing you at this moment. Would you care to proceed? Or you can waive your time at this point too.

SENATOR SCHNEIDERMAN: No, I just wanted to extend the courtesy to Senator Brown. But I will abide, as always, by the ruling of the chair.

If the sponsoring gentleman would

yield for a few questions.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to a question from Senator Schneiderman?

SENATOR STAFFORD: I'll be very glad to, as long as we're serious.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR SCHNEIDERMAN: Thank you very much. Through you, Mr. President, I will keep my side of that if you will, sir.

The first question I have concerns something that seems to me to be notably absent from this bill. I just want to make sure my understanding is correct. New York State's Superfund program will expire, will run out of funds, as far as I'm aware, at the end of this month. Is that your understanding as well?

SENATOR STAFFORD: Mr. President, the Senator is correct to a degree. There will be cash, but there will be -- need an appropriation.

ACTING PRESIDENT KUHL: Senator Schneiderman.

SENATOR SCHNEIDERMAN: Through you, Mr. President, I'm not sure I understand. There is no appropriation, as I see it, in this bill for the Superfund, is there?

SENATOR STAFFORD: No, there is not, Mr. President.

SENATOR SCHNEIDERMAN: And that seems to me to be a notable gap. What, if anything, are -

ACTING PRESIDENT KUHL: Senator Schneiderman, are you asking Senator Stafford to yield again?

SENATOR SCHNEIDERMAN: Yes, I'm asking the Senator to continue to yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: Senator Stafford yields.

SENATOR SCHNEIDERMAN: Where is the money for the Superfund program going to come from if we don't include it in this legislation?

SENATOR STAFFORD: Mr. President, once again it gives me an opportunity to

explain, once again, exactly what we have here. We have a bill that provides funding for money that is planned to be spent or that is obligated.

What the Senator is talking about will be part of the budget negotiations and will be a new commitment and appropriated in the budget. Therefore, I don't see the gap.

SENATOR SCHNEIDERMAN: Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR SCHNEIDERMAN: The difficulty I have with that response is that in other areas what we're attempting to do is keep critical state programs running until we are able to pass a budget. In the Superfund program there are sites, as I understand it, that are in the middle of cleanup that will run out of money, according to the Department of Environmental Conservation, at the end of

this month.

And I frankly don't understand why that is not as significant as the other fine programs provided for here -- the golden nematode program and others. We can't afford to lapse the Superfund program. I think it's is a very critical program to the state. And I don't understand how -- what we're telling to people in the middle of a cleanup who are going to run out of funds, to communities that are trying to start a cleanup that are going to run out of funds.

So it does seem to me to be an omission and a gap. And I'm afraid I don't understand -- and if you could enlighten me as to why there is no gap when we run out of the money in the middle of cleanups as of the end of this week. I just really don't quite understand that.

SENATOR STAFFORD: Is that a question, Mr. President?

ACTING PRESIDENT KUHL: If you didn't hear a question, sir, I'm sure that Senator Schneiderman will be happy to rephrase it.

SENATOR STAFFORD: Yeah, please.

SENATOR SCHNEIDERMAN: Thank you. Through you, Mr. President. This legislation that you've been discussing for some time now, we've been discussing for sometime now, is, as I understand it, an effort to make sure that critical state programs receive funding until we can pass the full budget. Why is it not - why is the Superfund program treated differently than these other programs, such as the golden nematode program, when there are communities in the middle of cleanups who are going to run out of funds, communities about to try and start cleanups?

SENATOR STAFFORD: Mr. President, I'd respond, first, any that are in the middle or, if it's an ongoing project, there is available funds without this bill.

As far as new funds, new commitments, this will come from the new budget that we pass.

SENATOR SCHNEIDERMAN: Through you, Mr. President, if the sponsor will continue to yield.

ACTING PRESIDENT KUHL: Senator

Stafford, do you yield to another question from Senator Schneiderman?

SENATOR STAFFORD: By all means.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR SCHNEIDERMAN: Where are those funds? Where are the funds? You said there are funds for cleanups that are underway.

SENATOR STAFFORD: Mr. President, you know, someone, you know, asked me that type of question the other day, where are the funds? I'm sure there's all sorts of general funds, there's all sorts of bank accounts, there's all sorts of bond funds. And if the Senator wants to sit down and go over that with us, we will show him exactly where it is.

And that's the answer.

ACTING PRESIDENT KUHL: Senator Schneiderman.

SENATOR SCHNEIDERMAN: Thank you. Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR SCHNEIDERMAN: I hope that we will be able to discuss this, because as far as I'm aware, this is an omission in this piece of legislation I hope that we can address.

On another issue, the Hudson River Valley Greenway Communities Council, $50,000 is being allocated, which is 25 percent of the entire annual budget. And I'm curious as to why it's necessary for us to appropriate $50,000 as a part of this emergency bill for three weeks.

SENATOR STAFFORD: Mr. President, I am no authority on budgeting and expenditures. But I've learned a bit from osmosis. And that's about the only way some of us can learn, those of us who are simple.

But I would explain to you that, you know, when there are appropriations and there's a budget, that is entirely up to those who have the responsibility of expending the funds. Some funds for certain reasons or purposes possibly are spent in -- wait a minute, now. Well, right after the budget. Others may be each month sort of an equal

amount. Other times, there's a large amount spent. Other times, funds are withheld until there's a reason.

Possibly there was a reason the Greenway for right now to have those funds expended, because there was -- it was necessary.

So I hope that explains. And that -- I realize that's kind of, once again, a broad stroke with a conceptual brush.

SENATOR SCHNEIDERMAN: Thank you. Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield for another question?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR SCHNEIDERMAN: And I had a related question, a similar question, in connection with the DHCR federal weatherization program, where the Executive recommended $12,350,000 for the whole fiscal year, and we are appropriating here $11,200,000, so almost all of the money. How

was the inquiry conducted, what was the process of inquiry so that we could ascertain what program gets what in this bill?

SENATOR STAFFORD: What's the agency? I'm sorry, I couldn't hear. Weatherization? Sure, that would be -- that's something that's very important up in my area. Mr. President, excuse me. That would be enter into contract.

SENATOR SCHNEIDERMAN: Excuse me, I couldn't -

SENATOR STAFFORD: Enter into contract.

SENATOR SCHNEIDERMAN: Through you, Mr. President, my question, though, is how was the inquiry conducted -

ACTING PRESIDENT KUHL: Senator Schneiderman, just a minute.

Senator Stafford, do you yield to another question?

SENATOR STAFFORD: Well, once again, we'd have to go to those who are responsible and talk with them. It's administering the funds. Every agency I believe that's in the -- where is it? It's in

the Division of Housing and Community Renewal. That's administered very, very well, and has a very good staff. They really do the job. I know they do the job in my area. And of course they, I'm sure, made professional decisions why this money was included in the bill.

ACTING PRESIDENT KUHL: Senator Schneiderman.

SENATOR SCHNEIDERMAN: Through you, Mr. President, if the sponsor would yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR SCHNEIDERMAN: Was there -- were there written submissions to the various agencies to advise your distinguished finance staff as to what was necessary for the next three weeks, or was this done through conversations? I just want to understand the process by which these numbers, which vary all over the place -- some programs get a very

small amount for this three-week period, some get a very large portion of their fiscal year. How was this information gathered? Were there written submissions?

SENATOR STAFFORD: Well, I would answer the distinguished Senator, and also your distinguished staff, that what this is all about is administering a department. Now, when bills are sent up, there certainly are memoranda and there are materials. This is always done. It was done in the routine course of business.

And I do want you to know that our distinguished staff is always very, very well advised by the distinguished Executive staff.

ACTING PRESIDENT KUHL: Senator Schneiderman.

SENATOR SCHNEIDERMAN: Through you, Mr. President, if the distinguished sponsor would yield to another -

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR SCHNEIDERMAN: Coming back to the issue of school aid, was there any discussion that you're aware of in the process of coming up with the numbers in this bill of the need to provide more funds for high-need districts around New York State than were in last year's school aid formula?

SENATOR STAFFORD: Once again, Mr. President, I go back to what I said earlier. And this is why no matter how old we are, sometimes we have to go over things and go over things and go over things. And over things. But this budget provides funding for those obligations that are presently there and for funds that were planned for this period. Nothing different as far as -- there isn't any change as far as a new budget is concerned. Policy does not -- a change in policy - that's what I'm trying to say. A change in policy is not entered in when we have these bills.

SENATOR SCHNEIDERMAN: Well, through you, Mr. President, if the sponsor would yield for another question.

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR SCHNEIDERMAN: So I thought that in some cases funds were made available for this three-week period based on the projections, going forward, of what the agencies needed. And what I gather you are saying now is that this -- that we're sticking to the appropriations that have been previously made.

I'm a little bit confused. Does this extend in every case the budget that was in place as -- that's still in place, the fiscal-year budget that's still in place, or does this look to the proposed new budget in some cases, in some cases not?

SENATOR STAFFORD: Mr. President, this does get complicated. And the first thing you know, we're moving into academia. But let me explain it this way, please. You have to also understand that this is, in effect, a minibudget, if you think about it. And if we didn't pass this minibudget, then government would not go on and would not be supported.

But it's done with no new policy, and it's on the basis of what is needed as far as the last budget is concerned.

ACTING PRESIDENT KUHL: Senator Schneiderman.

SENATOR SCHNEIDERMAN: Through you, Mr. President, if the sponsor would yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR STAFFORD: Sure.

ACTING PRESIDENT KUHL: The sponsor yields.

SENATOR SCHNEIDERMAN: However, my understanding is that in some cases there is policy being made in the sense that we're looking to the current needs, projecting forward -- if contracts are to be let, what the needs are for this fiscal year. And we I assume take from that the analysis the Governor has done for the proposed budget that's upcoming.

Or correct me if I'm wrong, my understanding from your answer is that in some cases we're continuing the funding from last

year and in some cases we're providing a different level of funding based on the analysis for the fiscal year that's about to start.

SENATOR STAFFORD: Mr. President, this is what's required to keep government running for three weeks.

ACTING PRESIDENT KUHL: Senator Schneiderman.

SENATOR SCHNEIDERMAN: Thank you, Mr. President. Thank the sponsor for his stand-up answers.

SENATOR STAFFORD: I'll always stand up.

ACTING PRESIDENT KUHL: Senator Stavisky, why do you rise?

SENATOR STAVISKY: Will the sponsor yield for a couple of questions? I'm sorry.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to a question from Senator Stavisky?

SENATOR STAFFORD: Yes. Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR STAVISKY: The independent living centers, there are 35 or 36 of them throughout the state. Does the appropriation that we're about to approve this evening assume any changes in the number or the programs in these independent living centers?

SENATOR STAFFORD: Once again, Mr. President -- but I'll make my answer very brief -- as I mentioned, this is only -- not only, but this is making available funds for government as it exists to continue.

SENATOR STAVISKY: Without cuts.

SENATOR STAFFORD: No, there would not be cuts.

SENATOR STAVISKY: Mr. President, a couple of other -- one other question about the independent living center.

ACTING PRESIDENT KUHL: Senator Stafford, would you yield to another question from Senator Stavisky?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR STAVISKY: I've been

listening to Senator Stafford's repeated explanations, and I think we can assume then that the payrolls will be met, including the cost of living adjustments for the staff of these independent living centers?

SENATOR STAFFORD: No, there would be no new COLA as far as that funding goes.

SENATOR STAVISKY: So there would no COLA increases for the employees.

SENATOR STAFFORD: Not in an emergency bill. That would be something in the main bill.

SENATOR STAVISKY: Mr. President, if Senator Stafford would yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR STAVISKY: The Consortium for Worker Education is an important program in the City of New York. Does the Consortium for Worker Education appropriation assume a continuation at the 2000-2001 level, or does

it reflect the Governor's proposed cut in his -- that was announced in his Executive budget?

SENATOR STAFFORD: Mr. President, I would again point out -- and as I've answered so many times, I'll just say it's at the current level. Thank you.

SENATOR STAVISKY: I didn't hear the answer.

SENATOR STAFFORD: Current level.

SENATOR STAVISKY: The current level, not the Governor's Executive budget.

Okay, I thank the -

SENATOR STAFFORD: Thank you.

ACTING PRESIDENT KUHL: Senator Montgomery, do you wish to speak? I have a list going. Senator Paterson is next, Senator Duane is after him. And then you'll be next. Okay?

Senator Paterson, why do you rise?

SENATOR PATERSON: Thank you, Mr. President. I'd like to inquire of the distinguished chair of the Finance Committee if he would be willing to pause in his deliberations and answer a few questions.

SENATOR STAFFORD: I certainly would. And I didn't realize that you were going to be distinguished. But you always are.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Mr. President, we've appropriated annually about $75 million in Court of Claims insurance. And in this particular situation and this extender, we've probably appropriated a quarter of it in one shot, over $18 million -- actually, over - nearly $19 million. And my question is, why would we be putting forth 25 percent of the resources for really this extender which covers a three-week period?

SENATOR STAFFORD: Mr. President, I have the highest regard for Senator Paterson. And I'm sure that the reason you didn't hear the answer to that question at least three times here this evening is because you were tied up. And I understand that completely.

The reason being, in my opinion - remember, I said I learned the budget process

by osmosis. And that's why the two of us who work in Finance, that's the way we learn, your Senator and myself. And very often, a budget passes and then maybe the funding is all expended the first couple of months. It may be divided over the next twelve months. It may be all spent in the middle. It just depends on when the funds are needed.

And of course it's up to the Executive branch and the Comptroller branch - the Department of Audit and Control, they make these decisions. So really, that's the answer. And I don't think anyone should be concerned if, you know, the numbers are not, you know, in a way that looks like it would be spread out during a certain period.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, if the chair would be willing to suffer another question.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR STAFFORD: By all means.

ACTING PRESIDENT KUHL: The

Senator yields.

SENATOR PATERSON: I was wondering, since there was a huge recovery in a case brought against the State for $13 million -- I believe it was the Guido case -- if we had legislated to accommodate that payment right away or whether this was just our standard procedure.

SENATOR STAFFORD: The funding is there for the obligations that we have. And I couldn't give you the exact cases here. I'm trying to be specific and clear and responsive.

SENATOR PATERSON: Right. All right, Mr. President, if the Senator would yield for another question.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: See, I just raised that because I wanted to know if our initial funding was based on anything that was current or if that's the just the way we chose

to do it.

And another example of this is the workers' compensation insurance. It averages out to be about $191 million. And we are going to pay $115 million, which is about 61 percent of that amount, and we're going to do that in the first period. It's 60.5 percent, to be more specific.

And since we have a 12-month period, of which this is not even a month, I wondered if that was our standard procedure or whether or not that's economically sovereign for us to do that at this particular time, to put that particular amount of money into workers' compensation.

SENATOR STAFFORD: Well, once again, I believe we make two payments into workmen's compensation a year, and this is one.

And, you know, let me also explain -- because the more I stand here, the more I find I have to clarify my answers. And I think that's healthy. That's healthy. But as I would point out now, it doesn't necessarily -- every agency is different,

every obligation is different. And also, just because we make the appropriation, that doesn't necessarily mean that it will be spent. But it's there for when we need it.

SENATOR PATERSON: Thank you, Mr. President. Senator Stafford is right, we make two payments. I guess one is in April, one is in September. So if we made 60 percent on the front end, actually that would average out pretty much to be pretty equal.

If the Senator would yield for another question.

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Senator, because we have a cross-cultural interest in this body, and earlier Senator Breslin from Albany asked a question about the Municipal Assistance Corporation, which existed in New York City, then I thought that, being from New York City, I would ask you a question about Fort Drum, which I understand is about 20 miles southeast of Watertown, near Carthage, New York.

And because we had such a military presence at Fort Drum many years ago, we have a special school aid grant to that particular area. And now that there are far fewer military personnel in that area, I was wondering why we're still funding that - using that same formula for the funding of the Fort Drum school grant.

SENATOR STAFFORD: Mr. President, first I have to mention this, and this is the last time I'll digress. I was stationed at Fort Drum once.

SENATOR PATERSON: Really?

SENATOR STAFFORD: You know, I thought you'd want to know that.

SENATOR PATERSON: I do want to know that, Mr. President.

SENATOR STAFFORD: This actually is, Mr. President -- the bill is passed on the basis of last year's budget, and this is the tail that we talked about earlier.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, if I could digress for a moment, is Fort Drum

really 20 miles southeast of Watertown?

SENATOR STAFFORD: I don't think it's southeast. It's about -- it's Senator Wright's district. But I think it's about three or four miles, five miles from Watertown. Seems close. It's bordered by the Black River, the Indian River, and one other. But it's a nice area.

SENATOR PATERSON: Thank you. Mr. President, if the Senator would continue to yield.

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: So then there is a good reason to continue the funding at Fort Drum as it's been?

SENATOR STAFFORD: Yes, Mr. President. The budget passed last year, and it's being continued.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, if the Senator would continue to yield.

ACTING PRESIDENT KUHL: Senator

Stafford, do you yield to another question from Senator Paterson?

SENATOR PATERSON: The preceding question from Senator Oppenheimer on the 4201 schools, they mean a lot to Senator Oppenheimer, they mean a lot to me. And my question is, we've continued the funding there pretty much the same as it is in spite of the fact that one of the problems that the 4201 schools, particularly the ones around New York City, have is that in spite of the fact that teachers in New York City are underpaid, they're paid more money than they are at the 4201 schools.

And it's our point of view that many of the teachers -- and it's a specialized training that they receive, but then they leave for better jobs -- maybe not better jobs, but jobs that pay better. And I wondered if it wouldn't be a bad idea, when we talk about the real budget, to talk about increasing the funding to pass along some of these resources to some of the employees who really could benefit from it. And the children would benefit from it also if they

have teachers that stay for longer durations, who are more aptly compensated for their efforts.

SENATOR STAFFORD: Mr. President, the Senator's point is well taken. It's something very, very important, and it would be an issue that would be considered in the budget when it is taken up.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, I'd like to move along to the small cities grant, if Senator Stafford is willing to yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield?

SENATOR STAFFORD: I am certainly willing to yield.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: And I'm willing to ask.

SENATOR STAFFORD: Good for you.

SENATOR PATERSON: I'm not clear in the legislation what is the designation and

the size that meets the threshold for small cities as opposed to larger cities. Give me some examples. Who are we actually talking about?

SENATOR STAFFORD: Mr. President, these would be cities with less than 125,000. Now, I can name one for you. Do you want me to name one?

SENATOR PATERSON: Please.

SENATOR STAFFORD: Plattsburgh.

SENATOR PATERSON: Thank you. And that was a direct answer.

I understand that was the scene of the Battle of Plattsburgh, Senator.

SENATOR STAFFORD: That's right, 1814 and the Revolutionary War. In fact, Plattsburgh saved the nation.

(Laughter.)

SENATOR PATERSON: It did in 1980 as well, Senator, when the U.S. hockey team beat the Russians there, if I remember correctly. Oh, sorry, that was Lake Placid.

Mr. President, if the Senator is continuing to yield.

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator continues to yield, Senator Paterson.

SENATOR PATERSON: Senator, at what point will it become necessary for the school districts who are planning out exactly what personnel they're going to need and what resources that they would require, and also for them to set their budgets for the 2001-2002 period, at what point in the year do you think it will be absolutely necessary that they have the information they will need based on what resources they will receive from this process that we're starting tonight?

SENATOR STAFFORD: Mr. President, being here 36 years, this is a very sensitive question. And you may recall my answer to Senator Oppenheimer. And I would say the same as to Senator Oppenheimer, I am as concerned as anyone. I would like to be in Senator Paterson's district when he explains. But of course you don't have exactly the same situation, although you have a serious situation. Now, I know what I'm going to say. But I don't think you'll say what I'll say.

ACTING PRESIDENT KUHL: Senator

Paterson.

SENATOR PATERSON: No, I don't think I will, Mr. President.

(Laughter.)

SENATOR PATERSON: Mr. President, if the Senator would be willing to yield for another question.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR PATERSON: I saw eight designations of programs that we will be funding in the areas that we would define as housing. I saw one I really hadn't seen very much before, and it related to the urban homeowners counseling and the rural homeowners counseling to the Neighborhood Homeowners Fund and also the Rural Homeowners Fund. And I wanted to know a little bit about what those programs accomplish. I believe that they provide services to people would want to purchase property, but I wanted to know what else they entail.

SENATOR STAFFORD: Mr. President, I -- people are going to think that I planted this question with Senator Paterson. Because

if there's one department -- and there are many others, but if there's one department that really does the job under a Commissioner from Buffalo, Joe Lynch and his able staff, it's the Department of Housing and Community Renewal.

And I assure you that they are doing an excellent job. And if you want to sit down with me sometime and get some exact detail on who is assigned to what and who is doing what and who is doing the weatherization and who is helping those who need assistance in rental, I'm sure that we can get that for you.

SENATOR PATERSON: Mr. President, if the Senator is willing to yield for another planted question.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question from Senator Paterson?

SENATOR STAFFORD: By all means.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Senator, the new regulations that we passed in 1997,

particularly to rental and major capital improvements, and at which point apartments move to market rate, would that be part of the type of information that individuals would be receiving from these types of programs?

SENATOR STAFFORD: The answer is in the affirmative, Mr. President.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, if Senator Stafford would yield for another question.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Senator, I was interested in your discourse with Senator Breslin a little while ago, and talking about the Municipal Assistance Corporation and also the money that comes back to the city in sales tax before it transfers through the MAT fund.

And my question is, the original projections for when the MAC debt would be

paid were to 2005. Now, in 1987 it was at $8 billion. And now we have it down to about $2.5 billion. Are we still on course to pay the MAC debt by 2005?

SENATOR STAFFORD: Mr. President, I first didn't say a thing about sales tax. I want to make that very clear. I said that it was in the billions and I said that yes, we are on course.

And then the final question Senator Breslin asked me was when it would be, you know -- what was the final question? When it would be paid. And I said yes, the -- I didn't say yes, but the answer is yes. I said that he put it better than I could put it. And I voted for that.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, if Senator Stafford would continue to yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR PATERSON: Then, Senator, if we're on course, then do we really need to hold the money in the MAT funds before the sales taxes go back to New York City? Or is that a good collateral for if there were a nonpayment toward the MAC fund?

SENATOR STAFFORD: I was just very pleased here, because the answer is what I thought the answer was. Or is. And that is, it's required by law, by the bond.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: My next question, if the Senator would yield, again, in your conversation with Senator Breslin, the two of you discussed the contingency guarantees. And you said at that time -- I believe this is what you said -- that that really was not a debt. And my understanding was that it was a debt to the Insurance Fund because of our arrears in the late 1980s. Could you clear that up for me, Senator? Through you, Mr. President.

SENATOR STAFFORD: Mr. President, I said that it's a guarantee and we hope that

the funds will not have to be expended.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, if the Senator would continue to yield.

ACTING PRESIDENT KUHL: Senator?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR PATERSON: Because of the fact that we probably would not have to pay it, is that the reason that it appears late in the government operations part of the budget for, I believe, $700 million? And at that point it is not really backed by any cash, but I guess it would be if we ever had to call on it; is that correct, Senator?

SENATOR STAFFORD: Yes, Mr. President.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: Mr. President, on the bill.

I want to thank Senator Stafford for his answers.

ACTING PRESIDENT KUHL: Senator Paterson, on the bill.

SENATOR PATERSON: And that's it, Mr. President.

ACTING PRESIDENT KUHL: Senator Duane, why do you rise?

SENATOR DUANE: Thank you, Mr. President. If the sponsor would yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to a question from Senator Duane?

SENATOR STAFFORD: By all means.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR DUANE: Thank you. Through you, Mr. President, I wanted to focus at first on the Crime Victims Board. I know that there's $3.5 million in the appropriation. I'm wondering if any of that money had to be put in because of our enactment of hate crimes legislation last year.

SENATOR STAFFORD: Well, actually, Mr. President, this item would of course obviously go to the Crime Victims

Board. And there's no additional funding because of the legislation we passed, and there would be nothing specific. But if there are claims, of course they will be handled by the board.

SENATOR DUANE: Through you, Mr. President, if the sponsor would continue to yield.

SENATOR STAFFORD: Yes.

SENATOR DUANE: I know that this is money to take care of expenses, payments already incurred. Is there any way that the board has kept track of, though, what categories the payments have been, whether, you know, some are for robbery or some are for hate crimes? Do they actually delineate it that way?

SENATOR STAFFORD: That might be available. I don't have that right here.

SENATOR DUANE: Okay, thank you.

Through you, Mr. President, I wanted to continue with the Crime Victims Board.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to a question?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR DUANE: I'm curious as to whether or not -- the only thing that I see in the budget is the $3.5 million in this emergency appropriation. Is there a formula which the board uses that determines how much money goes to New York City or how much goes downstate and how much of it will be used upstate? Is there a breakdown like that in the request made by the board?

SENATOR STAFFORD: It's interesting -- Mr. President, it's interesting the Senator asked that, because I was thinking about that today. I was wondering how really determinations are made.

And it would appear to me that they just take case for case and make it on the basis of each case.

SENATOR DUANE: Through you, Mr. President, just to follow up on that. But does the board itself keep statistics on where the money goes or -

SENATOR STAFFORD: Mr. President,

I would again suggest possibly this is available. I don't have it here.

SENATOR DUANE: And just - finally, just so I can tell -- on the crime board. I have a couple of other questions, but on this, through you, Mr. President -

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question from Senator Duane?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR DUANE: If the sponsor just could tell me what he believes the lag is; in other words, the money that's being put in for these incurred reimbursements or payments, from what period of time were those cases adjudicated that the payments come due now?

SENATOR STAFFORD: A six-month lag, Mr. President.

SENATOR DUANE: Thank you.

I'd like to ask just a few questions about the AIDS Institute emergency allotment. Is there any one program or -

well, probably it would be more than one program since there's a $7.6 million request. Is that across the board, or are there specific programs which the emergency funds are needed to fund? And if you have that information, if you could maybe give me an idea of how much is for each program.

SENATOR STAFFORD: What it is here, Mr. President, the various contracts that they've entered into that are due, that's really how the money is being paid. As far as any detail, I'd be glad to get any additional information you'd like to have.

But as far as that -- as far as any detail on exactly -- these are contracts entered into -- and these are the contracts with the community service providers.

SENATOR DUANE: Through you, Mr. President, just to clarify it.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR DUANE: I know that the list may not be available. But there would be a set of contracts worth $7.6 million as opposed to a certain percentage of payouts on

contracts sort of across the board?

SENATOR STAFFORD: Yes, Mr. President.

SENATOR DUANE: Thank you. I am a little concerned because -- through you, Mr. President, if the Senator would continue to yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you continue to yield?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR DUANE: I am concerned in that we're doing an emergency appropriation on this. Is it prudent for us to only cover three weeks, or has actually an appropriation which would cover contracts going beyond three weeks been included in here as sort of a safety net?

SENATOR STAFFORD: Mr. President, as I mentioned earlier, these are obligations or contracts, but there's no question that we can have upon here that can go beyond this period. It's not just locked in just for this period.

SENATOR DUANE: And just a final question through you, Mr. President, on the AIDS part of the allocation.

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR DUANE: Is any of this money for ADAP?

SENATOR STAFFORD: Mr. President, that funding does not have to be appropriated, and it's not in here.

SENATOR DUANE: Thank you. Through you, Mr. President, if the sponsor would continue to yield specifically on -

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to another question?

The Senator yields.

SENATOR DUANE: -- specifically on Child Health Plus, if we could just shift gears a little bit.

I was trying to figure out on the information that I had what the annual insurance-premium cost per child is for Child

Health Plus. And maybe I just can't do it from the detail provided to me about this. But do you know what the annual cost is, premium per child?

SENATOR STAFFORD: Mr. President, it varies because of the various areas of the state and the various insurance carriers.

SENATOR DUANE: And through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT KUHL: Senator Stafford, you continue to yield?

The Senator continues to yield.

SENATOR DUANE: I was going to ask then if this is sort of a minimum, but I'm assuming that the $21.2 million is again something that would cover for a longer period of time no matter what insurance coverage each of the children had. So we're talking about a ballpark rather than a specific figure for these three weeks; is that correct?

SENATOR STAFFORD: Mr. President, this would be for whatever premiums are due for the three-week period.

SENATOR DUANE: Thank you. I

want to just go to one final area that I'm very interested in, if the sponsor would continue to yield, Mr. President.

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator yields.

SENATOR DUANE: And this has to do with the Section 8 area. And I don't -- I actually, I'm going to sort of have an open-ended question on this for the sponsor. How is it possible that we would need to appropriate money for a three-week period on the Section 8 program since it's sort of tied up also with applications made to HUD for funding and the actual contracts that were entered into? How could we have a three-week shortfall on that?

SENATOR STAFFORD: Well, Mr. President, it's not a shortfall, it's what's needed for that three-week period.

SENATOR DUANE: Well, through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you continue to yield?

SENATOR DUANE: It just strikes me as weird that we need money for these three weeks. I mean, how could we not have anticipated that earlier than today?

SENATOR STAFFORD: Mr. President, what this is is to allow government, support government to continue as usual. These will be -- these are obligations during that three-week period just as if we were going on as usual, if we were like in a fairyland and had a budget.

SENATOR DUANE: That's for sure.

Thank you, Mr. President. On the bill, if I may.

You know, I very much appreciate the Senator's information on, while it's only for a three-week period, you know, a very complicated emergency request. And there's, you know, a great deal of detail that needs to be, you know, kept together on it.

However, I think that begs the more important question of how it's possible that just today -- and some people got information about this earlier today, and some people just had information with the actual legislation

put on their desks just a short time ago - how it is that we did not anticipate this shortfall that we would need an emergency -- I mean, I'll accept that it's not a shortfall. But in order for me to understand what it is, I have to think of it as a shortfall -- but this emergency appropriation to let government keep running, how it is that we didn't anticipate that this was going to happen before today. That just seems very imprudent.

And I can't help but to think that if the financial watchdogs, the bond people were looking at this, they would say, Gee, those New Yorkers really do not have their act together if they need, you know, to ask for emergency funds for the Legislature for three weeks. I mean, I could see -- if we had at the beginning of this quarter been able to predict, and I don't know why we couldn't, that we were going to run out of money and have to do this, well, I think the prudent thing to have done would have been to do that months ago in the beginning of the quarter. Even if we'd done that as one of the first things we did in January. If the budget

people had been looking at this through the early winter, through November and December, I can't imagine that they didn't see this coming.

I came from a place where we would often do budget mods, but we didn't do them on an emergency, crisis basis. We actually anticipated them. Oftentimes we would have to take money -- though I was never happy about this, but we would have to take money from other programs to pay for programs that we were going to have the shortfall on. But we did it a quarter before, so that we had time to negotiate out exactly how it would be. And there would be some give and take between the executive branch and those of us who were on the council. It was actually a good way to really look at programs and how they were being funded. And it was always used as an educational tool as we looked to the next year's budget.

But it was never that it was an emergency appropriation where we only had, you know, a day or, in the case of some of us, just, you know, a few moments to look at it.

I mean, while I was sitting here while other people were asking about areas that they were very interested in, I had to pore through some of it to see what was going on. And I just don't think that's an appropriate way to do a budget.

I hope that this is the last time we ever have to do something like this. I think we should learn our lesson. Because frankly, I don't think it makes us look too good. I think it makes us look like we don't have our act together. And I think that's something that the bonding agencies care about very deeply, is whether or not we have our financial house in order. And to have to make emergency appropriations for three weeks on a day's notice just doesn't seem like a very good way to do business, frankly.

So I'm going to think about it, but I think I'm going to vote no on this, because I don't think this is the way it should be done. And I don't think that my no vote is going to make this emergency appropriation go down the drain. But if it is, it might be worth it. It would teach us a lesson that we

shouldn't ever let things get to this point where we had to do an emergency appropriation for three weeks. It just doesn't seem like the right way to do business.

And I think we should really take a hard look at what the problem is. Maybe it's the Executive branch, maybe it's us. I don't know. But it just doesn't seem right to have to do this on an emergency for three weeks on a one day or less notice.

Thank you, Mr. President.

ACTING PRESIDENT KUHL: Senator Montgomery, you're next on the list.

Just for the benefit of the members, I would remind you that this debate started at 5:06, so you may want to -

SENATOR MONTGOMERY: Keep it very short?

ACTING PRESIDENT KUHL: Well, it's -- you can take six minutes if you want to. But you may just want to organize your thoughts accordingly.

SENATOR MONTGOMERY: Yes, all right. I'll try to be as brief as possible.

Mr. President, if the chair

would -- the Finance chair would yield for a couple of questions, please.

SENATOR STAFFORD: Sure.

SENATOR MONTGOMERY: Thank you.

Senator Stafford, I note that the children and family block grant, there's funding in our continuation budget. However, there's no language to accompany the appropriation. So I'm just curious as to what that means. Does that mean that we are not funding the exact programs that -- i.e., the block grant, or are we funding those programs in a different way? Because there is -- you don't have language to accompany the appropriation for the block grant.

SENATOR STAFFORD: Mr. President, the reason that there is not language in the appropriation bill is because the language is in this bill.

ACTING PRESIDENT KUHL: Senator Stafford, excuse the interruption. We have a lot of noise in the chamber, a lot of members having conversations. So if we could have staff take their seats. And, Senator Larkin, if you'd take your seat, please. Senator

Fuschillo, if you just would like to -- there are discussions at a rather lengthy distance here taking place, and it's very, very difficult to hear everybody, so -- thank you.

SENATOR STAFFORD: And, Mr. President, I would note that the program will continue as it has been continuing.

SENATOR MONTGOMERY: All right. Mr. President, through you.

ACTING PRESIDENT KUHL: Senator Stafford, do you continue to yield?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR MONTGOMERY: So, Senator Stafford, even though the block grant expires on the 31st, you're continuing appropriations beyond that -- i.e., this bill -- without language to accompany it. So is there any problem in terms of the funding of the programs that are within the block grant based on there being essentially no block grant at that point, at the end of the 31st?

SENATOR STAFFORD: Mr. President, the language in the bill allows us to continue

the programs as they have been conducted.

SENATOR MONTGOMERY: All right. Mr. President, if Senator Stafford would continue to yield.

ACTING PRESIDENT KUHL: Senator Stafford, do you continue to yield?

SENATOR STAFFORD: Yes.

ACTING PRESIDENT KUHL: The Senator continues to yield.

SENATOR MONTGOMERY: All right. Senator Stafford, in the section of the bill for the Office of Mental Retardation and Development, as you know, a number of the community service providers in my district - and I would imagine throughout all of our districts -- often there is a delay in billing which causes a delay in their funding, and so they often run out of money before it's - before they are reimbursed, and run into trouble.

So I'm just wondering if this budget covers an event where a program may actually run out of money and have to get, you know, additional funding on an emergency basis.

SENATOR STAFFORD: That's a good point, Mr. President. Any provider that submits funding or submits requests for funding during this period will be covered by this legislation.

SENATOR MONTGOMERY: All right. Mr. President, just one more point that I would like to raise with Senator Stafford.

In the event, Senator Stafford - Mr. President, through you -- in the event that a program needs some emergency funding and they're not covered beyond the -- this budget, what do they do? Is there some sort of a circuit breaker for them?

SENATOR STAFFORD: It's a very good point, Mr. President. This includes contingency funding.

SENATOR MONTGOMERY: It does include contingency funding in this bill?

SENATOR STAFFORD: Yes. Yes.

SENATOR MONTGOMERY: Mr. President, for how much, if Senator Stafford will -- can you -

ACTING PRESIDENT KUHL: Senator Stafford, do you yield to a question?

SENATOR STAFFORD: Mr. President, each contingency would be different. As far as setting forth any actual contingencies specific, it's not in there. But it's programmed in there for the need.

SENATOR MONTGOMERY: Okay. And one last question that I have is regarding the youth opportunity centers and the -- there's a funding for the reimbursement to Indian tribes, and that's very important. I'm very happy that that's in. But usually it's not part of our extension bill. However, youth opportunity centers, I'm just wondering how did you calculate how much they actually will need and if that will cover those centers that are under -- which ones of the projects are covered? You have here -- it says it's a local funding, it covers local programs. But I want to make sure because I think there's one, a program in Brooklyn, and I don't know how much -- where there goes, this money.

ACTING PRESIDENT KUHL: Senator Stafford, excuse me.

Senator Skelos.

SENATOR STAFFORD: The specific

projects, we don't have here. But we'll be glad to try to get them.

SENATOR MONTGOMERY: Okay. I appreciate that.

ACTING PRESIDENT KUHL: Excuse me, Senator Montgomery. Senator Skelos, why do you rise?

SENATOR SKELOS: Mr. President, I know that two hours has elapsed. And pursuant to Rule IX, Section 3(d), I'd like to move to close debate at this time.

ACTING PRESIDENT KUHL: The Deputy Majority Leader has essentially called the question, so the Secretary will call the roll.

Senator Connor, why do you rise?

SENATOR CONNOR: Mr. President, we'd like to cast a party vote in the negative against the motion to close debate.

ACTING PRESIDENT KUHL: Party vote in the affirmative? Okay, the -

SENATOR CONNOR: And if I may recognized to explain my vote.

ACTING PRESIDENT KUHL: Senator, there's no explanation, no debate on the issue

at this point. Party vote in the affirmative, that's a majority. Essentially the debate is closed.

SENATOR CONNOR: Okay, thank you.

ACTING PRESIDENT KUHL: You want to explain your vote on the bill?

SENATOR CONNOR: No, to close for the Minority. The rules say that after the question is called, the Minority gets to close and the Majority Leader gets to close.

SENATOR SKELOS: Mr. President, if I could perhaps correct the distinguished Minority Leader, I think that relates to Section C if we are still within the two-hour limit.

SENATOR CONNOR: Section C of Rule IX?

SENATOR SKELOS: Yup.

SENATOR CONNOR: No, if no Senator shall -- the president shall declare the debate closed, except that thereafter the Minority Leader may speak once or may yield the floor to any Senator and may be followed by the Temporary President, who make speak once. The main question shall put thereafter

immediately.

ACTING PRESIDENT KUHL: Let me find the right section, Senator, and I will explain it to you.

Senator, what you have to do is skip down to paragraph -- on page 24 of the Senate Rules, if you look down under subdivision (d), you will find that when -- it talks about when any bill or concurrent resolution shall have been under consideration for two hours, including all amendments thereto, shall be put in the order for any Senator to move debate.

That is where. We have received an affirmative vote of the Senators. And so debate is closed. There is no provision for any additional debate beyond the two hours under that particular motion.

Now, you can explain your vote. And when we take -

SENATOR CONNOR: Mr. President, I can explain my vote?

ACTING PRESIDENT KUHL: Yes, on the bill. Not on the motion. Okay? That's the ruling of the chair under that motion.

So we will move to the Secretary will call the roll on the bill.

SENATOR CONNOR: I appeal the ruling of the chair, Mr. President.

ACTING PRESIDENT KUHL: That you have the right to do.

The Secretary will call the roll on the -

SENATOR CONNOR: Slow roll call, please, Mr. President.

SENATOR SKELOS: Point of order.

ACTING PRESIDENT KUHL: Yes, Senator Skelos.

SENATOR SKELOS: Mr. President, I don't believe the rules apply to a slow roll call on appealing the ruling of the chair.

ACTING PRESIDENT KUHL: Give me just a minute.

Senator Connor. Under the new rules -- and there has been a change. That would have been appropriate under the old rules, but it is no longer appropriate under the new rules -- a slow roll call is not available. So it's not a ruling of the chair, it just is not available.

So it specifically sets that forth on page 22 in Rule VIII-6(b). It only provides for slow roll calls in certain kinds of situations. In a procedural motion like this, it is not available.

So with that, there is -- we need to read the last section of the bill.

THE SECRETARY: Section 53 -

SENATOR CONNOR: No, Mr. President, we haven't voted on the motion to appeal the ruling of the chair.

ACTING PRESIDENT KUHL: Correct. You're correct. So the Secretary will call the roll on the appeal of the ruling of the chair. A vote in the affirmative is a vote to overturn the ruling of the chair. A vote in the negative is a vote to uphold the ruling of the chair relative to a closure of debate and slow roll call.

So all those in favor of voting to overturn the ruling of the chair, signify by saying aye.

(Response of "Aye.")

SENATOR CONNOR: Mr. President, to explain my vote.

ACTING PRESIDENT KUHL: Senator Connor, to explain his vote.

SENATOR CONNOR: Thank you, Mr. President.

The reason I appealed the ruling of the chair was not to subsequently request for a slow roll call, which I recognize, as the chair has pointed out under the new rules, does not apply. But as I read the rules, in voting on a motion a member may explain his vote, his or her vote. And my attempt to explain my vote was on the vote on the motion to close debate. Whereupon, I was casting a party vote in which to explain why.

It's my understanding of the rules -- and that's why I appealed, respectfully appealed the ruling of the chair -- that a member is entitled to explain his or her vote on a motion. Even as I do now, Mr. President.

And in view of that, I will be voting to overrule the chair.

ACTING PRESIDENT KUHL: Senator Paterson, why do you rise?

SENATOR PATERSON: Mr. President,

to explain my vote.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: I'm voting to overrule the ruling of the chair and also, in explaining my vote, to point out that at the point that the chair ruled to appeal the ruling of the chair, other than to put it on the record, I wanted to attempt to convince the chair that the rules were not being adhered to properly, that there was just an error that the chair made.

But I didn't get a chance to actually do that, even though our rules do allow for time to explain to the chair why we thought the chair would have been in error.

And I thought that the chair was in error because the "thereafter" that's mentioned in Section E really related to what would happen after the two-hour time had elapsed. There was no way it could have been before the two-hour time had elapsed, because there would have had to have been a time at which it was mutually agreed upon that the Minority Leader and the Majority Leader would

have closed debate.

And all I'm saying, Mr. Chair, is that the reason the two hours was established as a time to call the question was to create the opportunity at that point for the Temporary President and the Minority Leader, for the two leaders to in a sense sum up what had been the relevant points made on both sides in the two-hour period.

ACTING PRESIDENT KUHL: Senator Skelos.

SENATOR SKELOS: I respectfully disagree with the Deputy Minority Leader. I believe our rules provide that once two hours of debate have expired, it's appropriate for any member to move to close debate at that time.

ACTING PRESIDENT KUHL: All those in favor of -

SENATOR PATERSON: Mr. President, point of order.

ACTING PRESIDENT KUHL: Senator Paterson.

SENATOR PATERSON: I'm just not clear. Was Senator Skelos casting his vote,

or explaining his vote?

ACTING PRESIDENT KUHL: We're just about to take the vote, Senator. And so you are out of order, it's not a proper point of order.

So all those in favor of overturning -

SENATOR PATERSON: Point of order, Mr. President.

ACTING PRESIDENT KUHL: State your point of order.

SENATOR PATERSON: Senator Connor explained his vote. I therefore want to explain my vote.

I'm just asking if Senator Skelos was explaining his vote, because he never voted.

SENATOR SKELOS: You didn't hear me say I'm explaining my vote?

SENATOR PATERSON: No.

SENATOR SKELOS: I apologize.

ACTING PRESIDENT KUHL: All those in favor of overturning the ruling of the chair signify by saying aye.

(Response of "Aye.")

SENATOR CONNOR: Party in the affirmative.

ACTING PRESIDENT KUHL: Party vote in the affirmative.

SENATOR SKELOS: Party vote in the negative.

ACTING PRESIDENT KUHL: Party vote in the negative.

The ruling of the chair is upheld.

The Secretary will read the last section.

THE SECRETARY: Section 53. This act shall take effect immediately.

ACTING PRESIDENT KUHL: Call the roll.

(The Secretary called the roll.)

SENATOR CONNOR: Slow roll call.

ACTING PRESIDENT KUHL: Are there five members who are requesting, agreeing to a slow roll call? There are five standing, thank you.

The Secretary will call the roll slowly.

THE SECRETARY: Senator Alesi.

SENATOR ALESI: Yes.

THE SECRETARY: Senator Balboni.

SENATOR BALBONI: Yes.

THE SECRETARY: Senator Bonacic.

SENATOR BONACIC: Yes.

THE SECRETARY: Senator Breslin.

(No response.)

THE SECRETARY: Senator Brown.

SENATOR BROWN: To explain my vote, Mr. President.

ACTING PRESIDENT KUHL: Senator Brown, to explain his vote.

SENATOR BROWN: I'm going to be voting no on the emergency appropriation bill that -

SENATOR DOLLINGER: Mr. President, point of order. I'm just having some difficulty hearing Senator Brown, if we could just have -

ACTING PRESIDENT KUHL: It's not a proper point of order, but your point is taken, Senator Dollinger.

It is very noisy in here. So if the members would please quiet down and listen to Senator Brown. Thank you.

Senator Brown.

SENATOR BROWN: Thank you, Mr. President.

I'm going to be voting no on the emergency appropriations bill that we just discussed. Similar to Senator Dollinger's feelings and comments when he asked some questions and to spoke to the bill earlier, I lament the process.

I, like Senator Oppenheimer, would like to see a budget passed on time. I believe, like Senator Dollinger, that both houses of this Senate should work together to pass the budget on time.

I have enjoyed working with my colleagues, both Democrats and Republicans, and feel strongly that this process of passing late budgets year after year, and these extenders that we do, is flawed. And like Senator Dollinger said, one of the reasons why it is allowed to happen year after year is because of the partisanship that exists in both houses of this Legislature. I think in working on an important item like the budget, both houses of this body should -- both parties in this body should come together,

should work on a budget that we could present to the Governor, and have that budget negotiated with the Assembly.

Because of the process, I will be voting in the negative, Mr. President.

ACTING PRESIDENT KUHL: Senator Brown will be recorded in the negative.

Continue to call the roll.

THE SECRETARY: Senator Bruno.

(Senator Bruno was indicated as voting in the affirmative.)

THE SECRETARY: Senator Connor.

ACTING PRESIDENT KUHL: Senator Connor, to explain his vote.

SENATOR CONNOR: Yes, Mr. President. I guess one way or the other I'm going to sum up on this bill. And I guess this two minutes is the way to do it. I suspect that the other way would have been quicker, but I guess if that's the way we're reading the rules, that's the way we're reading the rules.

I'm going to reluctantly vote for this, because I don't want to be accused of wanting to shut down government. But the fact

that we're doing this, is it progress in the budget process? I guess three-week extenders are progress over the two-week extenders we did a couple of years ago when the budget didn't pass until August.

The real fact of the matter, Mr. President, is this Legislature has got to stop waiting for the Governor and do the job of a Legislature and negotiate between the two houses a budget. That's why we had conference committees set up in past years. Pass a budget. And if the Governor vetoes things, let's get together. If we have negotiated a budget, let's enact that budget. And there are obviously ways, if the Legislature has a consensus budget between the two houses, it really doesn't matter what the Governor does.

And I heard earlier in today's debate reference to the fact, but we appropriate the money and the Executive decides how to spent it. Well, that's not the way it works. There was a case, I believe it was Anderson against Carey, when the late, great Majority Leader of this house, Warren Anderson -- I don't mean that he's late. He's

still with us, thank God. But he's not the Majority Leader anymore. But the great Majority Leader Warren Anderson in fact sued the Governor about impoundment. And we know the Governor cannot impound funds that the Legislature determines are appropriated and ought to be spent.

That's the way we ought to do it. We shouldn't keep the people of this state waiting month after month after month. We shouldn't leave our school districts guessing. We shouldn't be the laughingstock of the nation because our budget's going to be months and months late. And we shouldn't have to go through this kind of debate every two or three weeks, making extensions.

We ought to do our job, do a budget. If the Governor doesn't want engage now, then he can do what he has to do and we can do what we ought to do later. That's the only way out of this. We have to demonstrate to the public we're serious about this. And we can handle it. And if what is holding us all back, my colleagues, 200 and some legislators, is that we have absolutely bought

in to only three men in a room can do it, then we're not doing our job.

I submit respectfully that all 211 legislators putting their minds together have the capability and capacity to do a fine budget for the people of the State of New York.

Therefore, Mr. President, reluctantly I vote aye.

ACTING PRESIDENT KUHL: Senator Connor will be recorded in the affirmative.

Continue to call the roll.

THE SECRETARY: Senator DeFrancisco.

SENATOR DeFRANCISCO: Yes.

THE SECRETARY: Senator Dollinger.

SENATOR DOLLINGER: Mr. President, to explain my vote.

ACTING PRESIDENT KUHL: Senator Dollinger, to explain his vote.

SENATOR DOLLINGER: I spoke on the floor about this bill and said that this bill was a part of the continuing shame in New York. And I guess I've learned something in

the last two days. Yesterday we debated a whole bunch of bills, remember, where they used the term "shall." And we concluded that it didn't really "shall," it meant "may." And what really meant was it may, at its own discretion, do it.

Well, the Constitution and the laws of this state say that we shall pass a budget by April 1st. And we now know for sure that the word "shall" doesn't mean "shall." And I would suggest, as I have suggested a number of times, Mr. President, there's an easy solution to this. Lock arms as Democrats and Republicans in this chamber, pass a veto-proof budget. We'll give you the votes so that Senator Bruno or anyone on that side can go down and negotiate with this Governor or any other Governor and tell him if he doesn't like our spending, he can get out his little pen and he can line-item veto anything he wants, because there are 41 votes in this chamber to put it back in.

And the day we do that, we'll restore the balance of power between the Governor and the Legislature, and we'll stand

up and say that Democrats and Republicans in this chamber can decide what the right thing is for the people of the State of New York.

I'm discouraged the lights have gone out behind the symbol of the state right behind the President. I would suggest public confidence is waning just as fast. I vote no.

ACTING PRESIDENT KUHL: Senator Dollinger will be recorded in the negative.

Continue to call the roll.

THE SECRETARY: Senator Duane.

ACTING PRESIDENT KUHL: Senator Duane, to explain his vote.

SENATOR DUANE: To explain my vote, Mr. President.

ACTING PRESIDENT KUHL: The floor is yours, Senator Duane.

SENATOR DUANE: Oh, I didn't hear you say that.

I just think it's odd that yesterday we had a bill for a law which had previously been passed and there was an extension and we didn't know whether the study had been done and whether the program had started, and nobody knew about it. But it was

all based on law, which the Health Department had just completely ignored.

I -- I find myself just shocked that we just blithely do late budgets. We're voting, you know, on a day's notice on a budget shortfall for three weeks. It's -- I was going to say it's comical, but I think that the stakes are too high for us to call this comical.

I can't believe that we are unable to get our act together in order to have more than a day or an hour's notice for an emergency appropriation to last for three weeks right on the verge of what everybody knows, that we're not passing a budget on time. It's really, I think, a sad day here in the Legislature once again. Laws that we pass that are ignored, emergency appropriations on a moment's notice for three weeks, and a budget which everybody is already acknowledging, even though we're not at the deadline yet, that's going to be late.

I mean, what else can we do wrong, what else can we do that's embarrassing. No wonder we don't get the respect from the

people of the State of New York.

ACTING PRESIDENT KUHL: How do you vote, Senator Duane?

SENATOR DUANE: No.

ACTING PRESIDENT KUHL: Senator Duane will be recorded in the negative.

Continue to call the roll.

THE SECRETARY: Senator Espada.

ACTING PRESIDENT KUHL: Senator Espada, to explain his vote.

SENATOR ESPADA: Mr. President, to explain my vote.

We often hear the virtues of efficiency and what is prudent sung out loud here in these chambers. And of course my colleagues have indicated through their explanations the shame that we all feel in this house. But the fact is that it's worse than what has been said. Because there seems to be no regard for timetables, no regard for the needs of the institutions that serve the people that put us here, in terms of their cash-flow needs, in terms of how they conduct their business.

And so here today we're not only

practicing bad business for the people that provide the vital services out there -- this extender, these sweeps, these transfers don't accomplish that. They simply are conveying the message that already is out there, is that we no longer live by any rules here. We don't even listen to the people that sent us here.

Therefore, I have to vote no on this extender.

Thank you.

ACTING PRESIDENT KUHL: Senator Espada will be recorded in the negative.

Continue to call the roll.

THE SECRETARY: Senator Farley.

SENATOR FARLEY: To explain my vote.

ACTING PRESIDENT KUHL: Senator Farley, to explain his vote.

SENATOR FARLEY: You know, I think it's totally irresponsible to vote against this. Nobody likes a late budget. Nobody likes the fact that we have to do this. But, you know, there's thousands upon thousands of state workers who won't get paid, there's all kinds of people that will be hurt

if this emergency appropriation is not passed.

I think it's absolutely essential. And I applaud Senator Connor for voting for this, because it really is irresponsible to not vote for this.

I vote aye.

ACTING PRESIDENT KUHL: Senator Farley, in the affirmative.

Continue to call the roll.

THE SECRETARY: Senator Fuschillo.

SENATOR FUSCHILLO: Aye.

THE SECRETARY: Senator Gentile.

ACTING PRESIDENT KUHL: Senator Gentile, to explain his vote.

SENATOR GENTILE: To explain my vote, Mr. President.

I agree with Senator Connor, our leader, in that I will reluctantly vote in the affirmative so as not to shut down government. But I also agree with my colleagues that the system is flawed. We should have had the budget conference committees already underway. I agree with Senator Dollinger that we in this state, in this Legislature, should take the

lead. We should take the lead with the other house, have the budget conference committees, come up with an agreed-upon, veto-proof budget, present that to the Governor.

And I guarantee you, the media in this state would sit up and take notice. You'd see that in every editorial in every newspaper in the state of New York, that the Legislature has taken the lead on the budget. And frankly, I think the people of the state of New York would sit up and take notice.

And by doing that, by having a veto-proof budget where this house and the other house, in budget conference committees, together come up with that budget I believe will revolutionize the way we do government in this state and will restore the dignity and reputation that we so sorely lack in this chamber with this process.

I vote reluctantly aye.

ACTING PRESIDENT KUHL: Senator Gentile will be recorded in the affirmative.

Continue to call the roll.

THE SECRETARY: Senator Gonzalez.

ACTING PRESIDENT KUHL: Senator

Gonzalez, to explain his vote.

SENATOR GONZALEZ: To explain my vote, Mr. President.

Well, here we go again to make it that the budget is not on time. It's something that is sad because we continue to fall into that pit. We should be able to do a budget on time if we all got together to do it. And I think that we need to do this.

I am going to vote in favor of the extension. But I really would like to see that we all get together, do our budget on time, and do what we have to do in this body no matter what the Governor does, and vote for the people of the State of New York.

Thank you, Mr. President.

ACTING PRESIDENT KUHL: Senator Gonzalez, in the affirmative.

Continue to call the roll.

THE SECRETARY: Senator Goodman.

(No response.)

THE SECRETARY: Senator Hannon.

SENATOR HANNON: Yes.

THE SECRETARY: Senator Hassell-Thompson.

ACTING PRESIDENT KUHL: Senator Hassell-Thompson, to explain her vote.

SENATOR HASSELL-THOMPSON: Thank you, Mr. President. I'm very new here, and that's very obvious to everyone in the room. But what is not as obvious is that I'm embarrassed. I'm embarrassed because I'm a part of a body that somehow -- not because we don't pass this budget on time, because I have been in this city -- I was in city government, and we didn't always pass the budget on time. But there was not the attitude of comfortableness that there seems to generate in this room that whenever we pass the budget, that's okay.

Now, this resolution I have to support. I have to support it because somewhere in here, all of the programs and the people that I care the most about are going to be affected. That wasn't accidental, I'm sure. But my discomfort in supporting this is that I have the strong feeling that in June, we're going to be back here doing this again. Because I don't get a sense that from a mind-set we are any closer to where we need to

be than we will be in June or in July.

So it's going to be very embarrassing for me when I go back to the district this week, and they will ask me, how did we do on the budget, and I will have to say to them, We didn't pass it, and we're no closer to passing it than we were in January. And that is very unfortunate, and it's truly embarrassing. And I have to accept that, because I have accepted to be a part of this body.

But I will hope that somewhere between now and June that some of this attitude of comfortableness will begin to disturb some of the people on both sides of this aisle and that we will come closer to making a decision about a budget that affects millions of people in the state of New York, and we won't feel so comfortable and so blase about it because we threw a few coins at a few of the programs to make us all feel good for the next three to six weeks.

Thank you.

ACTING PRESIDENT KUHL: Senator Hassell-Thompson, how do you vote?

SENATOR HASSELL-THOMPSON: I'm voting in the affirmative.

ACTING PRESIDENT KUHL: Senator Hassell-Thompson, in the affirmative.

The Secretary will continue to call the roll.

THE SECRETARY: Senator Hevesi.

ACTING PRESIDENT KUHL: Senator Hevesi, to explain his vote.

SENATOR HEVESI: Thank you, Mr. President. I'd just like to say to my colleagues, listening to this whole debate, I think I may have a solution to this entire problem, though it may be politically untenable.

A few years ago, on the way back from Yitzhak Rabin's funeral on Air Force One, so the story goes, Newt Gingrich was forced to sit on the back of the plane. And as a result of his disenfranchisement and the problem he felt associated with that, he decided to shut down the government. And it happened. And there was a tremendous, tremendous political fallout. So much so that I daresay it will never happen again. Because that the public

was completely intolerant of.

And so I would suggest to all my colleagues here -- and this is very dangerous politically, but I think it would work -- that if we had some kind of constitutional change in New York State and banned the legislation that is before us right now -- you can no longer do emergency extenders, can't do it. And I understand what Senator Farley was referring to in terms of state employees not getting paid and how it's unfair to them because they don't have a role in this process. I understand that.

But I suggest to you that that remedy is so extreme that no one would dare not negotiate, no one would dare -- as was the case before a certain point in time when we started having this institutional inertia that drove us to late budgets year after year. There were never late budgets, it's my understanding. And so if we can get ourselves back to a situation like that by making it absolutely politically impossible not to have an on-time budget, then we won't find ourselves in this position.

In the meantime, voting no on a bill like this is a dangerous thing to do, and it's not the right thing to do, because these individuals need to get paid and government does need to keep functioning. But something radical has to happen here. And that something radical may be the solution that I just outlined.

In the meantime, I'm going to again call on everybody to have a seat at the table, as Senator Dollinger referred to -

ACTING PRESIDENT KUHL: Senator Hevesi, how do you vote?

SENATOR HEVESI: Just to sum up, Mr. President -

ACTING PRESIDENT KUHL: Your two minutes is up, Senator. Yes or no?

SENATOR HEVESI: Mr. President, for the reasons I articulated previously, I'm going to vote with great reluctance but in favor of the bill before us.

ACTING PRESIDENT KUHL: Senator Hevesi, in the affirmative.

Continue to call the roll.

THE SECRETARY: Senator Hoffmann.

SENATOR HOFFMANN: Aye.

THE SECRETARY: Senator Johnson.

SENATOR JOHNSON: Aye.

THE SECRETARY: Senator Kruger.

SENATOR KRUGER: Yes.

THE SECRETARY: Senator Kuhl.

SENATOR KUHL: Aye.

THE SECRETARY: Senator Lachman.

ACTING PRESIDENT KUHL: Senator Lachman, to explain his vote.

SENATOR LACHMAN: Briefly to explain my vote, Mr. President.

As I noted before when I spoke on the transportation parts of this resolution, there is a great deal of imperfection. The imperfection exists in the process and the time for this budget as well.

But I also realize that more people will be hurt if this resolution goes down in defeat than will gain anything, so I also have to vote reluctantly for this resolution.

ACTING PRESIDENT KUHL: Senator Lachman will be recorded in the affirmative.

Continue to call the roll.

THE SECRETARY: Senator Lack.

SENATOR LACK: Aye.

THE SECRETARY: Senator Larkin.

SENATOR LARKIN: Aye.

THE SECRETARY: Senator LaValle.

SENATOR LAVALLE: Aye.

THE SECRETARY: Senator Leibell.

SENATOR LEIBELL: Aye.

THE SECRETARY: Senator Libous.

SENATOR LIBOUS: Aye.

THE SECRETARY: Senator Maltese.

SENATOR MALTESE: Aye.

THE SECRETARY: Senator Marcellino.

SENATOR MARCELLINO: Aye.

THE SECRETARY: Senator Marchi.

SENATOR MARCHI: Aye.

THE SECRETARY: Senator Markowitz.

(No response.)

THE SECRETARY: Senator Maziarz.

SENATOR MAZIARZ: Aye.

ACTING PRESIDENT KUHL: Senator McGee.

SENATOR McGEE: Yes.

THE SECRETARY: Senator Meier.

SENATOR MEIER: Aye.

THE SECRETARY: Senator Mendez.

(No response.)

THE SECRETARY: Senator Montgomery.

SENATOR MONTGOMERY: Yes.

THE SECRETARY: Senator Morahan.

SENATOR MORAHAN: Aye.

THE SECRETARY: Senator Nozzolio.

(No response.)

THE SECRETARY: Senator Onorato.

SENATOR ONORATO: To explain my vote, Mr. President.

ACTING PRESIDENT KUHL: Senator Onorato, to explain his vote.

SENATOR ONORATO: I'm going to vote for this bill because I don't believe in punishing people who have absolutely nothing to do with the budget process that we're all involved in, and that includes approximately 249 legislators who have no or very little input into the actual budget process.

We're going to find out today was the last day that they are going to be paid. They are going to be penalized for not being

included in the process of the budget. And I think it's high time that we were all included. If we're going to be penalized for not passing a budget, I think everybody, including the Governor and those people who put the budget together, should be penalized.

And if they're looking for assistance, I hereby volunteer my services to lock myself in a room with them and cook for them to make sure that they don't go hungry while they're debating on how to get this budget done.

Ladies and gentlemen, I vote yes on this budget.

ACTING PRESIDENT KUHL: Senator Onorato will be recorded in the affirmative.

Continue to call the roll.

THE SECRETARY: Senator Oppenheimer.

ACTING PRESIDENT KUHL: Senator Oppenheimer, to explain her vote.

SENATOR OPPENHEIMER: To explain my vote.

If Senator Onorato is doing the cooking, I will also volunteer for that room.

What to say. I want to echo what Senator Thompson said, in that it's embarrassing to be in this position. I find it very embarrassing being the president of - past president of a good government group and participating, being a part of this. And it's hard to explain. As I said earlier, I really think it's just that we don't have the will to get it done. And maybe it's because our constituents aren't complaining like they once did, because we moved the timing of the education money coming into our districts. But I remember years ago there was quite an outcry, and we tried harder.

I don't know what the answer is. I think we need some kind of arbitration or mediation to move us to do what we all think we ought to be doing, because we all have to go back and we all have to face our residents who all are saying, Why the devil haven't you passed a budget? And we're all embarrassed, it's not just this side of the aisle.

So I think we have to think of a way to force ourselves to do the right thing. I'll be voting aye, because we certainly have

no option but to vote aye.

ACTING PRESIDENT KUHL: Senator Oppenheimer will be recorded in the affirmative.

Continue to call the roll.

THE SECRETARY: Senator Padavan.

SENATOR PADAVAN: Yes.

THE SECRETARY: Senator Paterson.

ACTING PRESIDENT KUHL: Senator Paterson, to explain his vote.

SENATOR PATERSON: Mr. President, to explain my vote.

I think that the best vote for me to take is to vote in the affirmative. I don't want to be responsible, as Senator Onorato said, that people who are not involved in the budget process and don't take any responsibility for it get punished under the system.

But I think it's important to point out that they are getting punished under the system. Not as directly. They don't know the real pain that is being accrued to them from this budget not passing on time. And we can go through a number of different ways, and I

don't have enough time to enumerate all the ways that the residents of this state are punished because this budget doesn't get passed on time.

And we in the Legislature know it, and we used to respect it. We used to be very afraid to see a budget not passed on time. They would stop the clock sometimes to make sure it was technically passed on time. If the budget were two or three days late, people were worried about being reelected. But that's not the situation now.

We argue back and forth, is it the Governor's fault, is it the Legislature's fault. I've decided it's the fault of the devil. That is the reason that the budget is not passing on time.

And it's the small compromises, it's passing extenders just like this that allow us to go home thinking that we've actually done something. But the reality is that we're perpetuating a system where we have lost respect for government. And we as legislators, as Senator Connor pointed out, are not taking our roles seriously and we're

not defining our roles. There always have to be people among us who lead, people among us who make decisions, because we all can't do - negotiate in a room with 211 people. But we are drowning in an orgy of self-compromise. We've given away too much authority to others, and it's about time we started taking it back, because it gets progressively worse.

So I'll vote for this with the understanding that at some point, as others have said, the Legislature is going to have to step up and take responsibility for our actions.

ACTING PRESIDENT KUHL: Senator Paterson, how do you vote?

SENATOR PATERSON: I vote in the affirmative, Mr. President.

ACTING PRESIDENT KUHL: Senator Paterson will be recorded in the affirmative.

THE SECRETARY: Senator Rath.

SENATOR RATH: Aye.

THE SECRETARY: Senator Saland.

SENATOR SALAND: Aye.

THE SECRETARY: Senator Sampson.

ACTING PRESIDENT KUHL: Senator

Sampson, to explain his vote.

SENATOR SAMPSON: To explain my vote, Mr. President.

I like to be a realist. And every year for the last five years, since I've been coming to this chamber, I know we're not going do pass the budget on time. And, you know, we have to be real about that. And until we have an opportunity to really join in the process -- it won't happen in my lifetime, it may not even be in my child's lifetime. But we have to realize this is the process that we have to go through and we have to deal with it. And until we get involved in the process, you know, we just have to grin and bear it.

Thank you, Mr. President. I vote aye.

ACTING PRESIDENT KUHL: Senator Sampson will be recorded in the affirmative.

Continue to call the roll.

THE SECRETARY: Senator Santiago.

(No response.)

THE SECRETARY: Senator Schneiderman.

ACTING PRESIDENT KUHL: Senator

Schneiderman, to explain his vote.

SENATOR SCHNEIDERMAN: Thank you, Mr. President. I agree with the sentiments expressed that it would in some respects be irresponsible to vote against this budget. However, I think it's also irresponsible for us to have gotten to this point. I don't think that we should believe our own press.

And what strikes me dramatically, being relatively new to the Legislature, is what appears to almost be this mutual sort of self-deception that we practice here. We are not doing that good a job for our constituents and for the people of the State of New York in this Legislature. We have a great spin mechanism. Maybe we're spinning better. But we're doing worse.

The notion of the casual attitude towards the late budget is just astonishing. I mean, if we were -- and I know that many of my colleagues on the other side of the aisle spend a lot of time praising the private sector and the discipline of the private sector, but we certainly don't have it here.

And what is the substance of what's

going on in this state? We have very serious economic difficulties. Central and Western New York have lost a million people in the last decade. We have extremely high taxes without necessarily getting corresponding high levels of services, and we have the greatest gap between rich and poor in the entire industrial world in the State of New York.

We are not doing that good a job on the substance. And I think that the budget process is a very big part of the reason why. We accept failure too easily. We talk about standards for our schools and for our students. I don't want -- my daughter, in the second grade, has a much higher level of standards presented to her by her teachers than we seem to have in the New York State Legislature.

I'm going to vote for the bill, but I think we really have to take a serious look at the problem with this process. I do not know what exactly has to be done, but certainly unless the public outcry becomes a little greater, I'm afraid we're not going to take the action we need to take.

ACTING PRESIDENT KUHL: Senator Schneiderman, how do you vote?

SENATOR SCHNEIDERMAN: I vote in the affirmative.

ACTING PRESIDENT KUHL: Senator Schneiderman will be recorded in the affirmative.

Continue to call the roll.

THE SECRETARY: Senator Seward.

SENATOR SEWARD: Aye.

THE SECRETARY: Senator Skelos.

SENATOR SKELOS: Aye.

THE SECRETARY: Senator A. Smith.

ACTING PRESIDENT KUHL: Senator Ada Smith, to explain her vote.

SENATOR ADA SMITH: Thank you, Mr. President.

Hope springs eternal. Every year I return to Albany with the hope and expectation that maybe this year we will do a budget on time. Thirteen years, and I've been disappointed every year. But I'm not giving up hope, because I believe we have it with within our power to make that change.

Reluctantly, I vote in the

affirmative for this extension. And hopefully next year we will be able to meet that April 1st deadline.

ACTING PRESIDENT KUHL: Senator Smith will be recorded in the affirmative.

Continue to call the roll.

THE SECRETARY: Senator M. Smith.

ACTING PRESIDENT KUHL: Senator Malcolm Smith, to explain his vote.

SENATOR MALCOLM SMITH: Thank you very much, Mr. President.

Mr. President, if this was a corporation called the State of New York and we were the 61 board of directors and we knew that our quarterly dividends was tied to what performance and fiscal measures that we would put in place, all of us would not be doing what we're doing today.

Anybody who follows budgets, anyone who is involved in that process understands that extenders will do nothing other than run up your budget and your budget will actually run away from you. Which will happen inevitably based on what we are doing here today.

I'm going to be voting in the affirmative, but I am more concerned with the model in which we are managing the fiscal affairs of this state, how we are coming to our budgetary numbers, the actual equations and estimations that we are using to get to that point.

And I believe that it is going to be very important, as the 61 board of directors, members, of the corporation of the State of New York, which is what basically we are, we need to do a little bit better in terms of our management of our fiscal affairs and how we come about determining what our numbers should be.

Thank you very much.

ACTING PRESIDENT KUHL: Senator Smith, how are you voting?

SENATOR MALCOLM SMITH: I'm voting yes.

ACTING PRESIDENT KUHL: Senator Smith will be recorded in the affirmative.

Continue to call the roll.

THE SECRETARY: Senator Spano.

SENATOR SPANO: Aye.

THE SECRETARY: Senator Stachowski.

ACTING PRESIDENT KUHL: Senator Stachowski, to explain his vote.

SENATOR STACHOWSKI: Mr. President, to explain my vote.

First of all, I'd like to thank Senator Stafford and the Majority staff people that took part in the debate. They were very courteous and got us the answers that we were looking for. Whether they were entirely what we were looking for or not, everybody was cordial and forthcoming with answers, and I thank them for that courtesy.

I think it's another sad year for us. The fact is, you know, we had our economic forecast meeting a week ago when we did our look at a one-house resolution, budget resolution. Part of the debate was that, you know, we're late, we're supposed to have an avail number, we're breaking the law. But it wasn't we're breaking the law, it's they're breaking the law.

And the fact is there's three parties involved, the Senate, the Assembly and

the Governor. And nobody out of the three is moving forward to get this thing facilitated. The truth is, we have to get somebody to facilitate this process a little bit better or we're not going anyplace. We have the option of doing conference committees. Both one-house budgets are passed.

That we don't have an avail number wouldn't be the first time we started down that road without an exact number. I believe the first time we did conference committees we started the conference committees out without an agreement on the avails number. And that was agreed upon at a big conference before we started, and then we proceeded with the process.

Hopefully in the very near future we may embark on that process again and name members to the conference committees, have the -- I think we usually refer to it as the mother ship, have their meeting and agree on an avail number, and then assign a number to each conference committee and let's get going.

I don't want to see us keep coming back here, in this case in three weeks, or

after the three weeks are over, and have to do another emergency appropriation bill to fund a lot of these things. And although school districts don't have to borrow anymore, pretty soon we'll be into their budget process and they won't know what they're putting out for a school budget because they'll be up against it and it will be hard-pressed for them to pass it in some areas.

ACTING PRESIDENT KUHL: How do you vote, Senator Stachowski?

SENATOR STACHOWSKI: My vote will be in the affirmative, because it's the responsible thing to do.

ACTING PRESIDENT KUHL: Senator Stachowski will be recorded in the affirmative.

Continue to call the roll.

THE SECRETARY: Senator Stafford.

SENATOR STAFFORD: Aye.

ACTING PRESIDENT KUHL: Senator Stavisky.

SENATOR STAVISKY: To explain my vote, Mr. President.

ACTING PRESIDENT KUHL: Senator

Stavisky, to explain her vote.

SENATOR STAVISKY: Continuing with what Senator Malcolm Smith said, if we were a board of directors of a large corporation, the shareholders would be suing us for malpractice, it seems to me.

We have a court decision that has to be implemented concerning school aid. There are many other important issues: Transportation, aid for those people who have not had the same kinds of opportunities that others have had. And yet we continue year after year along this sad path.

As Senator Paterson said, he blamed it on the devil. I blame it on the phrase "the devil is in the details." And it's the details that we have to work out.

And, Mr. President I vote yes.

ACTING PRESIDENT KUHL: Senator Stavisky will be recorded in the affirmative.

SENATOR STAVISKY: A very reluctant yes.

ACTING PRESIDENT KUHL: Continue to call the roll.

THE SECRETARY: Senator Trunzo.

SENATOR TRUNZO: Yes.

THE SECRETARY: Senator Velella.

SENATOR VELELLA: Aye.

THE SECRETARY: Senator Volker, excused.

Senator Wright.

(No response.)

ACTING PRESIDENT KUHL: The Secretary will call the absentees.

THE SECRETARY: Senator Breslin.

ACTING PRESIDENT KUHL: Senator Breslin, to explain his vote.

SENATOR BRESLIN: Thank you, Mr. President.

Senator Stafford, when asked, referred to we have on-time budgets as fairyland and we certainly don't have a fairyland here. It's my fifth year here, and I'd refer to it more as being dysfunctional, the 61 members of this house, the 150 members of the other house. And an inability to act as statesmen, an inability to compromise, an inability to negotiate, an inability to get together, and an inability to serve the people of the State of New York.

But to not vote for this would penalize many, many people who are not responsible for our actions and in fact disagree with our actions. So we have to make changes. We have to have that ability to take a step forward, deal with people on the opposite side of aisles, deal with people in the other houses, deal with the Executive branch. And until that happens in a very collegial way, nothing will be accomplished.

I vote in the affirmative.

THE SECRETARY: Senator Bruno.

ACTING PRESIDENT KUHL: Senator Bruno, to explain his vote.

SENATOR BRUNO: Mr. President, I've been listening -- with your permission. I've been listening to many of the recommendations and the suggestions on how we might better handle ourselves.

And many of you have great observations, and you're absolutely right. We can do it better. And we in the Senate have shown the way to do it better. We did a budget reform package I believe last week for the fourth year in a row. The Assembly

refuses to take up any budget reform that would get us an on-time budget.

I've heard suggestions that let's just do it. We're prepared to just do it. The Assembly isn't. The Speaker passed a resolution that from my recollection, if you priced it out, increases spending $8.2 billion more than the Governor's proposed budget.

The Governor says -- and he's absolutely right -- that that will return us to the losing ways of the previous administration. And I have to apologize to my colleagues in the Minority that it was a member of your party that created a $5 billion deficit that we inherited, this Governor inherited and we inherited. How did that happen? That happened because, Mr. President, people had no conscience that related to control. Spend, spend, spend.

This state gets in trouble by overspending. If we followed the lead of the Assembly resolution, we would be headed for a huge deficit back to the losing ways of the '80s and early '90s. We're not going to do that. We will be here for as long as we have

to be here to do it right.

And we passed a budget resolution. It was $1.2 billion over the Governor's recommended budget. Pricing that out over the years, it was $2.3 billion. We think that's realistic and reasonable.

Mr. President, it's time for us to be realistic, it's time for us to be prudent, it's time for us to do the people's business. And it is not up to us to just shut down government. It's up to us, the elected representative of the people, to govern. And that is what we are doing, Mr. President.

And the debate and the discussion has been extremely enlightening and I think we are all better for the last several hours that we've spent together. And be prepared tomorrow to spend a lot more very pleasant hours exchanging thoughts and ideas, because we will continue that discussion with the other two bills that are part of what we're contemplating for the people of this state over the next several weeks.

Thank you, Mr. President.

ACTING PRESIDENT KUHL: Senator

Bruno will be recorded in the affirmative.

Continue to call the absentees.

THE SECRETARY: Senator Goodman.

(No response.)

THE SECRETARY: Senator Markowitz.

(No response.)

THE SECRETARY: Senator Mendez.

(No response.)

THE SECRETARY: Senator Nozzolio.

SENATOR NOZZOLIO: Mr. President, to explain my vote.

ACTING PRESIDENT KUHL: Senator Nozzolio, to explain his vote.

SENATOR NOZZOLIO: Mr. President, I agree a thousand percent with Senator Bruno. I vote aye.

(Laughter.)

ACTING PRESIDENT KUHL: Continue to call the absentees.

THE SECRETARY: Senator Santiago.

(No response.)

THE SECRETARY: Senator Wright.

(No response.)

ACTING PRESIDENT KUHL: Announce

the results.

SENATOR BROWN: Mr. President.

ACTING PRESIDENT KUHL: Senator Brown, why do you rise?

SENATOR BROWN: After listening to the leaders and my colleagues explain their vote, I request unanimous consent to be recorded in the affirmative.

ACTING PRESIDENT KUHL: Senator Brown will be recorded in the affirmative.

SENATOR BROWN: Thank you, Mr. President.

ACTING PRESIDENT KUHL: Announce the results.

THE SECRETARY: Ayes, 52. Nays, 3.

ACTING PRESIDENT KUHL: The bill is passed.

Senator Bruno.

SENATOR DUANE: Mr. President, if I may request unanimous -

ACTING PRESIDENT KUHL: Just a minute, Senator.

Senator Bruno.

SENATOR BRUNO: Mr. President,

can we at this time call up Calendar Number 331.

ACTING PRESIDENT KUHL: The Secretary will read.

THE SECRETARY: Senator Stafford moves to discharge, from the Committee on Finance, Assembly Bill Number 8316 and substitute it for the identical Senate Bill Number 3995, Third Reading Calendar 331.

ACTING PRESIDENT KUHL: The substitution is ordered.

The Secretary will read.

THE SECRETARY: Calendar Number 331, by the Assembly Committee on Rules, Assembly Print Number 8316, an act to amend the Military Law.

SENATOR BRUNO: Lay it aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

Senator Duane, why did you rise?

SENATOR DUANE: With unanimous consent, I would like to be recorded in the negative on Calendar Number 296, Bill 3156.

ACTING PRESIDENT KUHL: Without objection, hearing no objection, Senator Duane

will be recorded in the negative on Calendar Number 296.

Senator Bruno.

SENATOR BRUNO: Mr. President, can we at this time call up Calendar Number 328.

ACTING PRESIDENT KUHL: The Secretary will read.

THE SECRETARY: Senator Stafford moves to discharge, from the Committee on Finance, Assembly Bill Number 1301A and substitute it for the identical Senate Bill Number 901A, Third Reading Calendar 328.

ACTING PRESIDENT KUHL: The substitution is ordered.

The Secretary will read.

THE SECRETARY: Calendar Number 328, Assembly Budget Bill, Assembly Print Number 1301A, an act making appropriations for the legal requirements.

SENATOR BRUNO: Lay the bill aside.

ACTING PRESIDENT KUHL: Lay the bill aside.

Senator Bruno.

SENATOR BRUNO: Mr. President, is there any housekeeping at the desk?

ACTING PRESIDENT KUHL: Yes, there is.

Return to motions and resolutions.

The chair recognizes Senator Seward.

SENATOR SEWARD: Yes. On behalf of Senator Saland, please place a sponsor's star on Calendar Number 253.

ACTING PRESIDENT KUHL: At the request of sponsor, Senator Saland, Calendar Number 253 is starred.

Senator Seward.

SENATOR SEWARD: Yes, Mr. President. On behalf of Senator Johnson, please place a sponsor's star on Calendar Number 237.

ACTING PRESIDENT KUHL: Calendar Number 237 is starred at the request of the sponsor.

Senator Seward.

SENATOR SEWARD: Yes, on behalf of Senator Marchi, I would request that on page number 21, I offer the following

amendments to Calendar Number 270, Senate Print Number 3326, and ask that said bill retain its place on the Third Reading Calendar.

ACTING PRESIDENT KUHL: The amendments to Calendar Number 270 are received and accepted, and the bill will retain its place on the Third Reading Calendar.

Senator Bruno.

SENATOR BRUNO: Mr. President, there being no further business to come before the Senate, I would move that we stand adjourned until tomorrow at 10:00 a.m.

ACTING PRESIDENT KUHL: Without objection, Senate stands adjourned until tomorrow at 10:00 a.m.

(Whereupon, at 8:03 p.m., the Senate adjourned.)