NEW YORK STATE SENATE

THE STENOGRAPHIC RECORD

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11:27 a.m.

REGULAR SESSION

SENATOR DAVID J. VALESKY, Acting President

ANGELO J. APONTE, Secretary

P R O C E E D I N G S

ACTING PRESIDENT VALESKY: The Senate will please come to order.

I ask everyone present to please rise and recite with me the Pledge of Allegiance.

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

ACTING PRESIDENT VALESKY: 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 VALESKY: The reading of the Journal.

The Secretary will read.

THE SECRETARY: In Senate, Monday, March 30, the Senate met pursuant to adjournment. The Journal of Sunday, March 29, was read and approved. On motion, Senate adjourned.

ACTING PRESIDENT VALESKY: Without 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 Klein.

SENATOR KLEIN: Mr. President, Senator Foley has a resolution at the desk. I ask that the title of the resolution be read, move for its immediate adoption, and allow Senator Foley to speak on the resolution.

ACTING PRESIDENT VALESKY: The Secretary will read.

THE SECRETARY: By Senator Foley, Resolution Number 973, memorializing Governor David A. Paterson to declare April 2009 as Financial Literacy Month in the State of New York.

ACTING PRESIDENT VALESKY: Senator Foley, on the resolution.

SENATOR FOLEY: Thank you,

Mr. President.

This resolution designates April 2009 as Financial Literacy Month and highlights the important of financial literacy and encourages all New Yorkers to increase their understanding of saving, investing, and credit choices.

Financial literacy empowers New Yorkers to make wise financial decisions. New York State consumers face many choices which affect their financial future. Every day, consumers conduct some type of financial transaction that requires well-informed and educated decision-making, whether it has to do with reconciling credit card statements, securing affordable financing for a new or used car, saving for their children's college education and retirement, or starting a family business.

As a statewide public awareness effort, Financial Literacy Month is a perfect opportunity for businesses and organizations to show their current financial literacy efforts and to become involved in this

important effort to make financial literacy education a priority throughout our state.

Businesses and organizations can partner together or individually to offer free workshops, classes and other types of community events. They can also contribute resources to facilitate and promote events to help consumers learn to manage their personal finances.

And just take this statistic alone, Mr. President. Last year the U.S. consumer debt totaled $2.57 trillion, and credit card debt alone exceeded $976 billion. And during the third quarter of 2008, over 14 percent of disposable personal income went towards paying the interest on personal debt.

I believe, Mr. President, that many of the problems that have been brought to my committee, as chair of the Banking Committee, could be avoided if people had a more sound financial education. Improved financial literacy across New York State not only would help people create a more solid financial situation for themselves and for their

families, it will also reduce the number of issues that necessitate legislative or regulatory solutions.

I would say, in closing, that this particular memorializing resolution declaring April Financial Literacy Month has been a long-held tradition as to whomever the chair of Banking is. In the past 20 years, ranking member and former chair Senator Hugh Farley has sponsored this resolution. He cosponsors the resolution with me today, signifying a bipartisan approach to something that's very, very important to our state and to our country, the absolute imperative and need to improve our financial literacy throughout our state to help our citizens with their finances.

And this is one way that we can help, by highlighting the fact that April is Financial Literacy Month, and to help, working with those in the private sector, along with us in the public sector, to empower our New York State residents through helping them with such issues as how to, for instance,

better prepare their own personal finances.

So it's a very important issue, Mr. Chairman, and I look forward to working in a bipartisan fashion in these remaining months to help our New York State citizens with their finances.

Thank you very much.

ACTING PRESIDENT VALESKY: Thank you, Senator Foley.

Senator Klein, on the resolution.

SENATOR KLEIN: Thank you, Mr. President.

I want to praise my colleague, the chairman of the Banking Committee, Senator Brian Foley, for bringing up this resolution today on Financial Literacy Month. Clearly everyone knows the problems we've seen because of the subprime lending crisis. And unfortunately, I'm always bothered when I watch some of the talking heads on some of the business channels or read some of the financial journals blaming the poor homeowner who got into a mortgage they couldn't afford.

I think a lot of that could have

been prevented if we had education requirements. I know my colleague Senator Sampson has a piece of legislation which hopefully we're going to pass quickly, because one of the things I think we need to do is be very clear. The subprime lending crisis was not caused by the small first-time homeowner; it was caused by people who really should have known better than the mortgage that people were entering into was over their head and very, very complicated.

I think one of the things that I learned, in having hearings all over the state on this issue, is time and time again you had people who didn't really know the intricacies of the mortgage process. Most lawyers, when they go to a closing, don't always know the intricacies of the mortgage process.

So I think we have to do a lot more to make sure that when someone goes to purchase a home they know the specifics of the deal they're getting into.

It's also very interesting, one of the things that we saw last year is that

53 percent of the people who lost their homes due to foreclosure had absolutely no contact with their lending institution. So there was certainly no way that the individual could modify their mortgage or really learn how to improve the terms they got into.

So again, I want to praise Senator Foley. Besides actually recognizing Financial Literacy Month, I know we have to do a lot more to make sure it becomes statute and protect homeowners and really protect anyone to make sure they know what they bargained for.

Again, I thank Senator Foley.

ACTING PRESIDENT VALESKY: Thank you, Senator Klein.

Are there any other Senators who wish to be heard on the resolution?

Seeing none, the question is on the resolution. All in favor signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT VALESKY: Opposed, nay.

(No response.)

ACTING PRESIDENT VALESKY: The resolution is adopted.

Senator Foley has requested that the resolution be open for cosponsorship. Any member wishing not to cosponsor the resolution should so inform the desk.

Senator Klein.

SENATOR KLEIN: Mr. President, Senator Squadron has a resolution at the desk. I ask that the title be read and move for its immediate adoption and give Senator Squadron the opportunity to speak on the said resolution.

ACTING PRESIDENT VALESKY: The Secretary will read.

THE SECRETARY: By Senator Squadron, Legislative Resolution Number 1131, mourning the death of Robert S. Guskind, talented, journalist, author, photographer editor and devoted member of his community.

ACTING PRESIDENT VALESKY: Senator Squadron, on the resolution.

SENATOR SQUADRON: Thank you,

Mr. President.

I rise to honor the life and the work of Robert S. Guskind, who died just a couple of weeks ago, tragically, at the age of 50. Bob Guskind was a member of the Carroll Gardens community and a leader in the entire Brooklyn community. He was a journalist who worked at the Washington Post, at the National Journal, wrote a book, and also, in recent years, was a blogger. He took this new form of communication and really took it to a new level.

Blogs in parts of Brooklyn are about as active and there are about as many of them as anywhere in the country. And Bob Guskind's blog, Gowanus Lounge, was as good as any blog certainly in the Borough of Brooklyn and I would say anywhere in our nation.

What he did through this blog was he was able to take community activism, take community concerns and describe them, distill them, and distribute them in ways that never could have happened without him. He did it with incredible wit, he did it with

incisiveness. And on any issue, whether it was the building development across the street from my own home or the rezoning of the entire Gowanus neighborhood or the broader question of what's happening as Brooklyn changes so quickly, he was able to bring to light and bring images and words that brought the community together even when we disagreed with him.

He often wasn't gentle in his writing; he was often brutal. He was always interesting and brought incredible value to the issues that matter throughout Brooklyn. In fact, his blog was so impressive that he was hired by Curbed of New York City, one of the biggest blogs in the entire City of New York, to write on neighborhood issues, to write on questions of development and growth.

I didn't always agree with Bob Guskind, and he didn't always agree with me. But the fact that Gowanus Lounge existed, the fact that he was able to bring his perspective to Curbed, is something that has made me a better public servant, has made my community

stronger, has made the entire Brooklyn community more educated and more empowered.

And his loss is a great loss for all of us in Brooklyn. I think it's a great loss also for the expanding and significant blogosphere. You know, he mastered this, he mastered this form early on. And whether it was releasing plans that we never would have seen or writing an essay that moved all of us, we're going to miss him sorely.

So I wanted to take a moment for this body to pause and honor the life and the work of Bob Guskind, what he brought to all of us, and the gap that we're now going to have to fill as a community and as blogosphere overall.

Thank you very much.

ACTING PRESIDENT VALESKY: Thank you, Senator Squadron.

Are there any other Senators who wish to be heard?

Seeing none, the question is on the resolution. All in favor signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT VALESKY: Opposed, nay.

(No response.)

ACTING PRESIDENT VALESKY: The resolution is adopted.

And the Senate, in passing the resolution, mourns the death of Robert S. Guskind.

Senator Squadron has also asked that this resolution be open for cosponsorship. Any member not willing to cosponsor the resolution should inform the desk.

Senator Klein.

SENATOR KLEIN: Mr. President, Senator McDonald has a resolution at the desk. I ask that the resolution be read in its entirety and move for its immediate adoption.

I would ask Senator McDonald to speak on the resolution, but as you can see, Senator McDonald is not here.

ACTING PRESIDENT VALESKY: The Secretary will read.

THE SECRETARY: By Senator McDonald, Legislative Resolution Number 870, commemorating the 32nd Annual South Glens Falls High School Marathon Dance.

"WHEREAS, It is the sense of this Legislative Body to recognize and pay tribute to those young people within the great Empire State who have made strong contributions to their communities and who serve as role models for their peers; and

"WHEREAS, Attendant to such concern, and in full accord with its longstanding traditions, this Legislative Body is justly proud to commemorate the 32nd Annual South Glens Falls High School Marathon Dance; and

"WHEREAS, A tradition in the community, the South Glens Falls High School Marathon Dance began in 1978, when about 40 dancers raised money for the Moreau Emergency Squad. This year, there were 701 dancers and over 200 community volunteers who supplied food, prizes and services; and

"WHEREAS, The four student cochairs

of the 32nd Annual South Glens Falls High School Marathon Dance were seniors Taylor Bulman, Brycen Waters and Nicole Valastro, and sophomore Kelly McFarlane. They were advised by faculty members Jody Sheldon and Tom Myott and supported by Superintendent Dr. James McCarthy; and

"WHEREAS, The theme of the 32nd South Glens Falls High School Marathon Dance was 'Marathon is out of this world,' and a new record of over $260,000 was raised for 22 recipients, including the MD Anderson Cancer Center in Houston, Texas, where retired teacher Mike Nolan is being treated, pushing the total raised by the event to over $2 million; and

"WHEREAS, It is the sense of this Legislative Body that when young people of such noble aims and accomplishments are brought to our attention, they should be celebrated and recognized by all the citizens of the great State of New York; and

"WHEREAS, In light of their commitment, dedication, and successful

efforts, it is the sense of this Legislative Body to extend its highest commendation to South Glens Falls High School and all of the participants at its 32nd Annual Marathon Dance; now, therefore, be it

"RESOLVED, That this Legislative Body pause in its deliberations to commemorate the 32nd Annual South Glens Falls High School Marathon Dance; and be it further

"RESOLVED, That a copy of this resolution, suitably engrossed, be transmitted to South Glens Falls High School."

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

(Response of "Aye.")

ACTING PRESIDENT VALESKY: Opposed, nay.

(No response.)

ACTING PRESIDENT VALESKY: The resolution is adopted.

Senator Klein.

SENATOR KLEIN: Mr. President, as you know, we're going to pass our budget

today, an on-time budget. We are waiting for our colleagues on the other side of the aisle. So until then, can we please stand at ease.

ACTING PRESIDENT VALESKY: The Senate will stand at ease.

(Whereupon, the Senate stood at ease at 11:42 a.m.)

(Whereupon, the Senate reconvened at 1:38 p.m.)

ACTING PRESIDENT VALESKY: Senator Klein.

SENATOR KLEIN: Mr. President, can we stand at ease until 6:00 p.m. this evening, please.

ACTING PRESIDENT VALESKY: The Senate will stand at ease until 6:00 p.m.

SENATOR KLEIN: Excuse me, Mr. President.

ACTING PRESIDENT VALESKY: Senator Klein.

SENATOR KLEIN: Can we stand at ease until 3 o'clock.

ACTING PRESIDENT VALESKY: The Senate will stand at ease until 3:00 p.m.

(Whereupon, the Senate stood at ease at 1:39 p.m.)

(Whereupon, the Senate reconvened at 3:15 p.m.)

ACTING PRESIDENT VALESKY: The Senate will now return to the order of motions and resolutions.

Senator Klein.

SENATOR KLEIN: Mr. President, may we at this time take up Senator Montgomery's resolution. I ask that the title be read and move for its immediate adoption, and give Senator Montgomery the opportunity to speak on the said resolution.

ACTING PRESIDENT VALESKY: The Secretary will read.

Could we have some quiet in the chamber, please, so that we can hear the Secretary read the resolution.

The Secretary will read.

THE SECRETARY: By Senator Montgomery, Legislative Resolution Number 1132, honoring Lynn Nottage for her outstanding play Ruined, which just completed

a successful run at the Manhattan Theatre Club.

"WHEREAS, The arts, in whatever form depicted, are central to human expression. They are truly a universal language, and their contribution to the development of friendship and understanding among all peoples cannot be overestimated; and

"WHEREAS, The history, the heritage, and the lives of the people of all countries and all cultures are portrayed in their music, dance and literature. The art and the act of sharing them enriches us altogether; and

"WHEREAS, It is the sense of this Legislative Body to commend those individuals of historic and artistic significance whose creative talents have contributed to the cultural enrichment of our communities and our nation; and

"WHEREAS, Attendant to such concern, and in full accord with its longstanding traditions, this Legislative Body is justly proud to honor Lynn Nottage for her

outstanding play Ruined, which just completed a successful run at the Manhattan Theatre Club; and

"WHEREAS, A world premiere coproduction with the Goodman Theater, Ruined began previews at the Manhattan Theatre Club on January 21, 2009, and ran through March 29, 2009; and

"WHEREAS, Set in a small town in the Democratic Republic of Congo, Ruined follows a shrewd businesswoman, Mama Nadi, and the women she protects and profits from in a land torn apart by civil war; and

"WHEREAS, Lynn Nottage is a playwright from Brooklyn, New York, whose other work includes 'Intimate Apparel,' 'Fabulation, or the Re-Education of Undine,' 'Crumbs from the Table of Joy,' and 'Las Meninas,' which have been produced and developed at theaters both nationally and internationally; and

"WHEREAS, The quintessential artist, Lynn Nottage has been the recipient of a multitude of awards, including the 2007

MacArthur Genius Award, an Obie Award for playwriting in 2005, the New York Drama Critics' Circle Award for Best Play, the John Gassner Award for Best Playwright, the Outer Critic Circle Award for Best Play, and the American Theatre Critics/Steinberg New Play Award in 2004; and

"WHEREAS, In addition, Lynn Nottage was awarded a 2007 Lucille Lortel Foundation Fellowship, a 2005 Guggenheim Fellowship, the National Black Theatre Festival August Wilson Playwriting Award and the 2004 PEN/Laura Pels Award for Drama; and

"WHEREAS, A recent graduate of New Dramatists, Lynn Nottage is also a graduate of Brown University and the Yale School of Drama, where she is currently a visiting lecturer. Among her most recent publications are Intimate Apparel and Fabulation and an anthology of her plays, Crumbs from the Table of Joy and Other Plays; and

"WHEREAS, This Legislative Body recognizes the importance of the performing arts, which act to inspire, enlighten, and

unify people from all cultural backgrounds through the transcendent power of human expression; and

"WHEREAS, It is most fitting that we take time to celebrate the arts of our nation, to honor our artists, and to express our appreciation to everyone who patronizes the arts. As we celebrate the arts, we celebrate and give thanks to our American freedom, the only atmosphere in which artists can truly create and in which art is truly the expression of the soul; now, therefore, be it

"RESOLVED, That this Legislative Body pause in its deliberations to honor Lynn Nottage for her outstanding play Ruined, which just completed a successful recent at the Manhattan Theatre Club, and wish her continued success in all her future endeavors; and be it further

"RESOLVED, That a copy of this resolution, suitably engrossed, be transmitted to Lynn Nottage."

ACTING PRESIDENT VALESKY: Senator Montgomery, on the resolution.

SENATOR MONTGOMERY: Yes, thank you, Mr. President.

We are really honored, I feel honored today. This is the last day of Women's History Month, and this is the last woman that we are going to be honoring today. And I'm very happy that she is here.

She is a constituent of mine, she's a friend of mine, the daughter of a very good friend and sister of mine. But more than that, she now belongs to the whole State of New York. She is a playwright of note and has received many honors, including her designation as one of the famous MacArthur awardees for her genius in the arts in the year 2007.

Her plays have been produced throughout the U.S. and Europe at such venues as the Second Stage Theater in New York, the Tricycle Theater in London, and the Steppenwolf Theater in Chicago.

Currently her play, the latest play, Ruined, is now playing at the Manhattan Center, and is one that has received any

number of rave reviews, including in the New York Times, the Daily News, and other papers.

I want to just take a moment to say that this is a young woman who has already, even though she's not -- I don't even consider her yet in her prime -- she has been so recognized as -- for an example, one of her plays, which was called Intimate Apparel, it had won so many awards, including the New York Drama Critics Circle Award, Best Play; Outer Critics Circle Award, Best Play; the PEN/Laura Pels Foundation Award; the American Theatre Critics Association Francesca Primus Award, Best Play; Steinberg New York Play Award; AUDELCO Dramatic Production of the Year.

All of these noted awards were -- she was recipient of these awards because of her play Intimate Apparel. And she is on her way to receiving any number of accolades and awards, including ours here today, for her latest play, Ruined.

Now, Ruined is a play which also acknowledges the pain and suffering that women

receive at the hands of war. It takes place in the Congo, and it is a dramatic representation of what happens in particular to women who have nothing to do with a war, who are not involved in it, who were not the cause of it but merely the victims of it. And it's beautifully done, but it's extremely significant. It's historical.

And I think, for those of us who enjoy theater -- it's my understanding that this particular theater happens to be in Senator Liz Krueger's district, but here is someone from Buffalo wanting her to come. She will undoubtedly be moving around the country with this play, as she has done in the past with other plays.

So we're really, really honored. She's a treasure, Lynn Nottage is a New York treasure. And moreover, Mr. President, she is a Brooklyn treasure. And moreover, she is an 18th Senate District Brooklyn treasure and a friend of mine.

So I really applaud her, and I am honored to be able to stand here and say to

Lynn Nottage: We love you, we think that you are wonderful, you've made such contributions to the arts in our city and others, and we look forward to seeing much more of your work in the very near future.

Thank you, Mr. President.

ACTING PRESIDENT VALESKY: Thank you, Senator Montgomery.

Senator Serrano, on the resolution.

SENATOR SERRANO: Thank you, Mr. President.

And I want to commend Senator Montgomery for bringing this wonderful resolution to the floor of the Senate. And I would also like to congratulate Lynn for the wonderful work that she is doing in theater.

And as chair of the Committee on Cultural Affairs, and having had the good fortune of working in nonprofit theater long before I became an elected official, I know full well the importance of artists in our community and artists in our society.

Artists in so many ways are the conscience of our society. They are the

storytellers. They are the ones who let us understand the history in a way that is meaningful and purposeful in our society.

And, as Senator Montgomery, I join her and many other colleagues here in the Senate in a full understanding that the arts are more than something that is aesthetic, more than something that is nice if you can have it -- but more importantly, the arts are a pillar in our society, just as important as any other major infrastructure. And without the arts, without a cultural sector, we cease to be a full, civilized society.

And I think it's fitting, Senator Montgomery, that we have this wonderful resolution during budget time. Because as we look over the numbers and as we grapple with the fiscal deficit that we have here in the State of New York, it is so important that we fortify and maintain the arts and culture in the great State of New York. Because without it, not only do we not have the wonderful educational component for our families and for our society, but we also lose a major economic

engine that can help spur the economy at a time of fiscal downturn.

So for that and so many reasons, I congratulate Lynn and I congratulate Senator Montgomery for bringing this resolution to the floor.

Thank you.

ACTING PRESIDENT VALESKY: Thank you, Senator Serrano.

Senator Squadron, on the resolution.

SENATOR SQUADRON: I thank the chair.

I first want to acknowledge Senator Montgomery for acknowledging Lynn Nottage today. It's so important, as Senator Serrano said, especially on a day when our minds are so much on the budget, to focus on the arts and on these higher goals. I think it is a reminder for all of us as to why a good budget and why a functional state is so important.

Especially at the end of Women's History Month -- it's not just the end of the budget time, but it's a time when we

acknowledge the role and the expansion of women in the arts and the great accomplishment that Ruined is, in taking, as I understand it, a Brecht play and modifying it -- "Mother Courage," as I understand it -- and updating it and bringing it into a modern context that says so much about our world, about the role of women and of men.

So I have not yet seen the show, as you can tell from my description of it, because I've been up here. But I also appreciate Lynn Nottage coming up today and reminding us of the great things that we can home for.

I have not seen nearly enough theater and focused nearly enough on art since I've been in politics; I think many of us don't. And so I'm glad to spend a moment today to do it.

And I am particularly honored that your show was at Manhattan Theatre Club. My father was chair of the board of the City Center Theater for a quarter of a century, helped build it, helped bring Manhattan

Theatre Club there. And I know that it was with plays like yours and creations like yours and people like you that he had in mind when he fought to save and expand City Center Theater. So it's a great honor that you come and joined us and that you have honored that place with this show.

So I urge you to stay in Brooklyn, stay in New York, keep working, and please also welcome other new and young artists in New York and keep them in the arts. Don't let them fall into politics or anything else. Because such a big part of who we are is having young artists develop and stay and grow here.

So I congratulate you today, and I congratulate you on your great accomplishment.

ACTING PRESIDENT VALESKY: Thank you, Senator Squadron.

Are there any other Senators who wish to be heard on the resolution?

Seeing none, the question is on the resolution. All in favor signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT VALESKY: Opposed, nay.

(No response.)

ACTING PRESIDENT VALESKY: The resolution is adopted.

Ms. Nottage, on behalf of Senator Montgomery, Senator Serrano, Senator Squadron, and all the members of the Senate, we thank you for the contributions you have made and continue to make to the people of the state. We hope you enjoy your visit here to the Senate chamber and to Albany, and all best wishes in the future.

(Applause.)

ACTING PRESIDENT VALESKY: Senator Klein.

SENATOR KLEIN: Mr. President, I believe Senator Perkins has a resolution at the desk. I ask that the resolution be read in its entirety, move for its immediate adoption, and allow Senator Perkins to speak on his resolution.

ACTING PRESIDENT VALESKY: The

Secretary will read.

THE SECRETARY: By Senator Perkins, Legislative Resolution Number 1133, celebrating the life and accomplishments of abolitionist, women's rights activist, and humanitarian Sojourner Truth, 1797-1883.

"WHEREAS, March is Women's History Month, a time to honor, reflect on, and pay tribute to the women of our nation for their significant contributions and dedication to fighting equality for all women; and

"WHEREAS, The efforts and accomplishments of African-American women are all too often overlooked, and the need to recognize their commitment is worthwhile, meaningful, and long overdue; and

"WHEREAS, Attendant to such concern, and in full accord with its longstanding traditions, this Legislative Body is justly proud to celebrate the life and accomplishments of abolitionist, women's rights activist, and humanitarian Sojourner Truth, 1797-1889; and

"WHEREAS, Born Isabella Baumfree in

1797, on the Johannes Hardenbergh estate in the Swartekill neighborhood in what was then the Town of Hurley, New York, but is now in Esopus, Sojourner Truth is considered to be one of the two most famous black women of the 19th century; and

"WHEREAS, Sojourner Truth was a 19th-century Ulster County former slave and forerunner of the women's and civil rights movements. She, like many other slaves, had watched her brothers and sisters be sold into slavery and taken away from their families; and

"WHEREAS, Sojourner Truth grew up speaking Dutch and had at least five children (two daughters were sold away from her). She fled her owners' household in 1827, found refuge in the home of the Van Wageners, and took their name; and

"WHEREAS, In 1843, she was inspired to change her name from Isabella Van Wagener to Sojourner Truth, and to set out to become a preacher. She ended up in Northampton, Massachusetts, with a utopian community, and

stayed there until 1850, when she settled in Battle Creek, Michigan. By that time, she had given lectures on abolition and women's rights in many public appearances; and

"WHEREAS, 'Ain't I A Woman?' is persuasive, motivational, inspirational and the most recognized speech by Sojourner Truth. She delivered it at a women's rights convention in Akron, Ohio, in 1851; and

"WHEREAS, The celebrated Sojourner Truth had excellent powers of oration which are highlighted forever in her famous speech. This remarkable lady's unwavering dedication to the women's suffrage movement stands as a beacon of inspiration for all women, both then and now, who have struggled and continue to struggle for their rights; and

"WHEREAS, Sojourner Truth was received by President Abraham Lincoln at the White House in 1864. After the war, she advocated a 'Negro State' and promoted the emigration of African-Americans to the West. She continued to travel throughout much of the Northeast, lecturing on a variety of

inspirational and social reform topics, before retiring to Battle Creek, Michigan, in her later years; and

"WHEREAS, It is the sense of this Legislative Body that Women's History Month is a highly felicitous time to recognize and honor women of greatness; now, therefore, be it

"RESOLVED, That this Legislative Body pause in its deliberations to celebrate the life and accomplishments of abolitionist, women's rights activist and humanitarian Sojourner Truth, 1797-1883."

ACTING PRESIDENT VALESKY: Senator Perkins, on the resolution.

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

Sojourner Truth often said that "Truth is powerful, and it prevails." The message of Sojourner Truth is indeed powerful, and her message will prevail.

Sojourner Truth devoted her life to the women's suffrage movement. She was an accomplished abolitionist, women's rights

activist and humanitarian. As a forerunner in the movement for women's rights, she was often faced with naysayers and pessimists who told her to quit or to give up. However, she never quit or gave up. Her steadfast commitment to the cause of women's rights is an enduring reminder for those of us who continue to fight for what she so boldly stood for.

As a society, we are infinitely fortunate to have individuals like Sojourner Truth who are willing to devote their lives to the cause of civil and human rights. It's my honor to introduce this resolution and give tribute to such an amazing woman, Sojourner Truth.

Thank you.

ACTING PRESIDENT VALESKY: Thank you, Senator Perkins.

Are there any other Senators who wish to be heard on the resolution?

Seeing none, the question is on the resolution. All in favor signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT VALESKY: Opposed, nay.

(No response.)

ACTING PRESIDENT VALESKY: The resolution is adopted.

Both this resolution and Senator Montgomery's resolution are open for multisponsorship. Any member of the Senate wishing not to sign on as a cosponsor should notify the desk.

Senator Klein.

SENATOR KLEIN: Mr. President, at this time can we stand at ease until the call of the Majority Leader.

ACTING PRESIDENT VALESKY: The Senate will stand at ease until the call of the Majority Leader.

(Whereupon, the Senate stood at ease at 3:34 p.m.)

ACTING PRESIDENT VALESKY: Senator Klein.

SENATOR KLEIN: Mr. President, I'm happy to report that the Senate will convene at 5:30.

ACTING PRESIDENT VALESKY: The Senate will continue to stand at ease and will reconvene at 5:30.

(Whereupon, the Senate reconvened at 5:43 p.m.)

ACTING PRESIDENT VALESKY: The Senate will return at this time to the order of motions and resolutions.

Senator Klein.

SENATOR KLEIN: Mr. President, there will be an immediate meeting of the Rules Committee in the Majority Conference Room.

Pending the conclusion of the Rules Committee, may we please stand at ease.

ACTING PRESIDENT VALESKY: There will be an immediate meeting of the Committee on Rules in the Majority Conference Room, Room 332.

The Senate will stand at ease pending the report of the Rules Committee.

(Whereupon, the Senate stood at ease at 5:44 p.m.)

(Whereupon, the Senate reconvened

at 6:01 p.m.)

ACTING PRESIDENT VALESKY: Senator Klein.

SENATOR KLEIN: Mr. President, I believe there's a report of the Rules Committee at the desk. I move that we accept the report of the Rules Committee.

ACTING PRESIDENT VALESKY: Senator Klein, there is a report of the Rules Committee at the desk, and the Secretary will read.

THE SECRETARY: Senator Smith, from the Committee on Rules, reports the following bills:

Senate Print 50C, Senate Budget Bill, an act making appropriations for the support of government: Public Protection and General Government Budget;

51A, Senate Budget Bill, an act making appropriations for the support of government: Legislature and Judiciary Budget;

53C, Senate Budget Bill, an act making appropriations for the support of government: Education, Labor and Family

Assistance Budget;

54C, Senate Budget Bill, an act making appropriations for the support of government: Health and Mental Hygiene Budget;

55C, Senate Budget Bill, an act making appropriations for the support of government: Transportation, Economic Development and Environmental Conservation Budget;

56B, Senate Budget Bill, an act to amend the State Finance Law;

57B, Senate Budget Bill, an act to amend the Education Law;

58B, Senate Budget Bill, an act to amend the Public Health Law and the Elder Law;

And Senate Print 59B, Senate Budget Bill, an act to amend Chapter 279 of the Laws of 1998 amending the Transportation Law.

All bills ordered direct to third reading.

ACTING PRESIDENT VALESKY: Senator Klein.

SENATOR KLEIN: Mr. President, at this time can we take up Supplemental Calendar

29A.

ACTING PRESIDENT VALESKY: Senator Klein, if we could have a motion to adopt the report of the Rules Committee.

SENATOR KLEIN: I make a motion to adopt the report of the Rules Committee.

ACTING PRESIDENT VALESKY: All those in favor of adopting the report of the Rules Committee please signify by saying aye.

(Response of "Aye.")

ACTING PRESIDENT VALESKY: Opposed, nay.

(Response of "Nay.")

ACTING PRESIDENT VALESKY: The report of the Rules Committee is adopted.

Senator Klein.

SENATOR KLEIN: Could we now take up Supplemental Calendar 29A.

ACTING PRESIDENT VALESKY: The Secretary will read Senate Supplemental Calendar 29A.

THE SECRETARY: In relation to Calendar Number --

ACTING PRESIDENT VALESKY: Excuse

me.

Senator Skelos, why do you rise?

SENATOR SKELOS: This is on the consent calendar or the debate calendar? Oh, the debate calendar, thank you.

ACTING PRESIDENT VALESKY: This will be the noncontroversial reading of the supplemental calendar, Senator Skelos.

The Secretary will read.

THE SECRETARY: In relation to Calendar Number 134, Senator C. Kruger moves to discharge, from the Committee on Finance, Assembly Bill Number 155C and substitute it for the identical Senate Bill Number 55C, Third Reading Calendar 134.

SENATOR LIBOUS: Lay it aside, please.

ACTING PRESIDENT VALESKY: Substitution ordered.

The Secretary will read.

THE SECRETARY: Calendar Number 134, Assembly Budget Bill, Assembly Print 155C, an act making appropriations for the support of government.

ACTING PRESIDENT VALESKY: The bill is laid aside.

THE SECRETARY: Calendar Number 138, Senate Budget Bill, Senate Print 59B, an act to amend Chapter 279 of the Laws of 1998.

SENATOR LIBOUS: Lay it aside, please.

ACTING PRESIDENT VALESKY: The bill is laid aside.

THE SECRETARY: In relation to Calendar Number 133, Senator C. Kruger moves to discharge, from the Committee on Finance, Assembly Bill Number 154C and substitute it for the identical Senate Bill Number 54C, Third Reading Calendar 133.

ACTING PRESIDENT VALESKY: Substitution ordered.

The Secretary will read.

THE SECRETARY: Calendar Number 133, Assembly Budget Bill, Assembly Print Number 154C, an act making appropriations for the support of government.

SENATOR LIBOUS: Lay it aside.

ACTING PRESIDENT VALESKY: The

bill is laid aside.

THE SECRETARY: In relation to Calendar Number 137, Senator C. Kruger moves to discharge, from the Committee on Finance, Assembly Bill Number 158B and substitute it for the identical Senate Bill Number 58B, Third Reading Calendar 137.

ACTING PRESIDENT VALESKY: The substitution is ordered, and the Secretary will read.

THE SECRETARY: Calendar Number 137, Assembly Budget Bill, Assembly Print Number 158B, an act to amend the Public Health Law and the Elder Law.

SENATOR LIBOUS: Lay the bill aside.

ACTING PRESIDENT VALESKY: The bill is laid aside.

THE SECRETARY: In relation to Calendar Number 132, Senator C. Kruger moves to discharge, from the Committee on Finance, Assembly Bill Number 153C and substitute it for the identical Senate Bill Number 53C, Third Reading Calendar 132.

ACTING PRESIDENT VALESKY: The substitution is ordered, and the Secretary will read.

THE SECRETARY: Calendar Number 132, Assembly Budget Bill, Assembly Print Number 153C, an act making appropriations for the support of government: Education, Labor and Family Assistance Budget.

SENATOR LIBOUS: Lay it aside, please.

ACTING PRESIDENT VALESKY: The bill is laid aside.

THE SECRETARY: Calendar Number 136, Senate Budget Bill, Senate Print 57B, an act to amend the Education Law.

SENATOR LIBOUS: Lay the bill aside, please.

ACTING PRESIDENT VALESKY: The bill is laid aside.

THE SECRETARY: Calendar Number 131, Senate Budget Bill, Senate Print 51A, an act making appropriations for the support of government: Legislature and Judiciary Budget.

SENATOR LIBOUS: Lay the bill

aside, please.

ACTING PRESIDENT VALESKY: The bill is laid aside.

Senator Klein, that completes the noncontroversial reading of Senate Supplemental Calendar 29A.

SENATOR KLEIN: Mr. President, at this time can we please have a reading of the controversial Supplemental Calendar 29A, and begin with Calendar Number 134.

ACTING PRESIDENT VALESKY: The Secretary will ring the bells.

I ask all members to come to the chamber to be prepared to consider the first of the nine budget bills.

We will begin on the controversial calendar with Calendar Number 134, and the Secretary will read.

THE SECRETARY: Calendar Number 134, substituted earlier, Assembly Budget Bill, Assembly Print Number 155C, an act making appropriations for the support of government: Transportation, Economic Development and Environmental Conservation

Budget.

SENATOR LIBOUS: Explanation.

ACTING PRESIDENT VALESKY: Senator Kruger, an explanation of the bill has been requested.

SENATOR CARL KRUGER: Thank you, Mr. President.

Today is March 31, 2009, a historic moment in the life of every New Yorker and a historic moment in the life of this chamber. For the first time -- actually, for the sixth time in 33 years we're in this house presenting a budget on time and on balance.

This budget is the representation of 13 public hearings on a budget that was presented by the Governor on December 16th of last year. The hearings began on January 13th of this year; 428 individual groups testified before those 13 public hearings. Over 5,000 letters were received on that budget, 23,000 hits on the Senate Majority website. Thousands of pages of testimony were received and documented.

Out of that budget came the

deliberations which we face this evening. Hugh Carey in 1975, in his State of the State message, said that the days of wine and roses were over. Well, little did he know that 44 years later this house would face a budget with a $17 billion deficit -- at the time, interestingly enough, a deficit that was equal to almost the size of his budget.

However, we've approached this knowing full well that New York is not an island, that our communities face the issues of those communities across this great state and around this nation. Today we live in a global society with a global economic picture. There is a meltdown taking place right before us. Every day, the loss becomes greater and greater. Every day that we considered the budget, our deficit grew larger and larger. Tens of thousands of people lost their jobs while we continued these deliberations.

The phrase was coined that this was sort of a moving target. Well, it was a target that you could never really find the bull's-eye. And because of that, this became

a difficult process, a process that many of us -- in fact, all of us -- should not be happy with, a process that needed tuning and refining. And it's a process that is a product in motion.

Today's budget is a reflection of those shared values. The cuts that we have placed on our programs have been huge: $6 billion worth of cuts from last year's programs and last year's budget have become the cornerstone of this year's budget. It's a sad comment, but it's a comment that we have to deal with.

We as elected officials, we as the upper house in this Legislature, had a keen and unique responsibility. We had to recognize our common needs and the basic concerns of the people that we come here for -- the sick, the poor, the developmentally disabled, the aged. At the same time, we had to create jobs, we had to foster new development, we had to recognize that we must advance technology, we must protect education, provide for our universities, and keep in mind

that the budget had to be balanced and the budget ultimately had to be approved.

And we've done that. We've done that succinctly, we've done it on target, and we've done it on time.

Many people will feel that this budget doesn't reflect the spending patterns that they would like to see. And members will debate that today, tonight, and tomorrow. And in many instances their arguments will ring a positive note, because none of us should be happy with this budget. None of us should feel that the cuts were done as cuts should have been done.

But they had to be done. The restorations that were made, the revenue that was generated was to fill a huge spending gap. The stimulus money that came down from Washington, I said during the hearing everyone was getting stimulated over the stimulus money. Well, they were getting overstimulated. Because at the end of the day, when Washington was finished with the rules and regulations and when we had to

actually look at the money that we got, we saw full well that the money that we got was not the money that could be used in the places that we really wanted to use them in the fullest context of a stimulus package.

So we were left with using those funds, with making severe cuts, and at the same time having to generate new revenue. We've done all three of those components. That's why we're here tonight with a balanced, on-time budget.

As this drama unfolds and as the chairpeople of our committees present this budget and as we all share in the debate that surrounds it, we have to recognize full well that this committee did not operate in a vacuum. We reached out to the other side. We tried to bring all of the partisan politics out of this process and make it truly a representative sampling of what this Legislature is all about.

Many may disagree with that. And I don't need a show of hands. But at the same time, at the same time, the facts are that

that attempt was made.

And could we have done a better job? Perhaps. And will we do a better job in the future? For sure. But at the same time, the vision that we had, the complexities of the issues in front of us, the need to develop a strategy that would extricate us from what has become the greatest economic downturn of modern times, put us on a reform path.

We tried to retool the way we deliver healthcare in this state, to understand the obligations that we have towards the State University system, to try to lasso in the cost of home care and nursing care, to understand that economic development and job creation will be the true prescription for long-time success.

We are on a road, the road that we have charted today begins. New York is at a precipice. But at the same time, as Yogi Berra said: When you see a fork in the road, take it. Well, we've taken it. We've taken the road that brings us to fiscal strength, to understand that we have to reshape the way we

govern and the way we deliver services, that we can't continue to expect to spend more and get less in. As Hugh Carey said, truly the days of wine and roses are over.

Thank you.

ACTING PRESIDENT VALESKY: Thank you, Senator Kruger.

Senator Skelos.

SENATOR SKELOS: Thank you, Mr. President.

And Senator Kruger, I agree with you on one point. Today is March 31st.

And this is the first time we've had an open public debate of this budget. And I think that this is unfortunate for the people of the State of New York, who because of what you're going to do, and your Democrat friends and the Democrat Governor, they're going to pay for this budget in so many ways -- through higher taxes, and possibly with the loss of their jobs.

Senator Kruger, you mentioned the day of wine and roses is over. That's because you're going to tax wine. You're going to tax

beer. And we should take a sip of water, because you're going to be taxing water before this session is over. And that's important, that's unfortunate, because that impacts the quality of life that so many people in New York State desire. And they're losing it because of what your side of the aisle is doing.

As you know, in the past we broke the cycle of late budgets by reforming the process, to bring about more openness and transparency than at any time in the state's history. Both houses passed their own budgets, their budget plans or resolutions. And the press knew where we stood, everyone knew -- the public in particular -- what budget alternatives we were supporting and opposing. We submitted them to joint conference committees; we all participated in that. We had discussions, and we worked out a resolution in public.

Despite so much talk of reform and change, the only change we have seen is that an effective public budget process was

ignored. This budget was negotiated in secret, crafted behind closed doors, subject to press blackouts and special rules to keep it under wraps as long as possible.

Democrat Governor Paterson, Democrat Speaker Silver, and Democrat Majority Leader Senator Smith succeeded -- and all of you, by allowing it to happen -- in turning back the clock to the days of three men in a room. And the result is a disastrous budget that taxes too much, spends too much, and will cost thousands and thousands of jobs.

This lack of transparency is unprecedented in all the years that I've had the privilege to serve in this chamber. You can talk all you want about having "One New York," but the fact is that half of the people in this state that we represent have been shut out of the budget process.

Well, today the people that we represent are going to have their say, and they will have their say tomorrow when we continue to debate bills. And let me tell you, they're going to express their feelings

and their reaction to the budget you're going to pass in the days to come.

The members of the Senate Republican conference have a lot of questions we want to ask today and tomorrow, because we've only had a short time to review this budget. As the only conference that publicly proposed its own budget -- some plan, something -- we want to offer alternatives to this budget. I expect we'll have a lively, informative debate and a respectful one.

Passing the budget is the single most important action the Legislature undertakes, and it has the largest impact on every person, every family, and every business in this state. Governor Paterson, Speaker Silver, and Senator Smith said this budget couldn't be discussed in public because we are in crisis. That's shocking, and that's disgraceful.

Let me say that so many families across this state are facing a real crisis. They are worried about their jobs and their future, they are struggling to make ends meet,

people are worried about losing their homes or their businesses. They deserve to know how much of their hard-earned money the state is going to take away and how it will be spent. And they deserve that in advance of passage of this legislation.

Today and tomorrow, Senate Republicans are going to speak up for the New Yorkers who don't want to pay higher taxes. We're going to fight for homeowners who want help paying their property taxes. And quite frankly, they want their STAR rebate checks returned, because they depend upon it. We are going to try to stop measures, and we urge any one of you, we just need one of you of courage and conviction to join us in stopping this disastrous plan.

The budget process has been conducted solely by three Democrats from New York City. People in Buffalo, Syracuse, Watertown, and Mineola, they didn't have their voices heard, because everything was done behind closed doors. They deserve a full, open and public debate, not a rubber stamp on

a bad budget that increases taxes, takes away property tax relief, and causes more jobs to be lost.

So thank you, Mr. President, for the courtesy of allowing me to speak as we enter this budget process. Thank you, Mr. President.

ACTING PRESIDENT VALESKY: Thank you, Senator Skelos.

Senator Young, why do you rise?

SENATOR YOUNG: I rise because I have an amendment.

ACTING PRESIDENT VALESKY: Senator Young, your amendment is here at the desk. Without objection, the reading of the amendment is waived and you may speak on the amendment.

SENATOR YOUNG: Thank you, Mr. President.

Agriculture is the top industry in New York State, and it pumps billions of dollars into our economy. Despite this fact, the budget bill that is being considered today has severe and deep cuts to our agricultural

programs that we've had in New York State, and it will cripple many of these sectors that are so important to our economy.

Today we have an amendment that restores funding to these vital programs, things like the Quality Milk Program at Cornell, the Center for Dairy Excellence, the Farm Viability Institute, the New York State Apple Association, the wine and grape marketing, the phytophthora research that benefits vegetable growers in Senator Stachowski's district. And the list goes on. We even restore the Tractor Rollover Program that saves lives that unfortunately is being cut in this budget bill.

So we are investing $10 million in our farmers, into our agriculture, and into our economy here in New York State. That's the first part of the amendment.

The second part of the amendment helps our dairy farmers that are in a severe crisis right now. Milk prices are at an historic low. In fact, they're 40 percent lower than they were at this time last year.

The recessionary economy has slowed demand for dairy foods both at home and abroad, causing a surplus that further undercuts dairy prices.

Now, all of this is going on while there are spikes in costs to farmers for things like feed, fuel, fertilizer, energy costs. And this is a perfect storm that is going to drive many of our dairy farmers out of business this year. I would hazard a guess that hundreds if not thousands of our dairy farms will go under. And that will have a severe economic impact to New York State.

Right now New York is the nation's third largest dairy state, generating over $2 billion in milk sales annually. When you factor in the fact that these farms also contribute to small businesses and rural life in upstate New York -- places like feed dealers, equipment suppliers, other small businesses -- the loss will be huge to New York State.

Now, in 2006 we had a similar crisis. And at that time the Senate stepped up, took action, got results, and did

something to save our dairy farmers. It was the Dairy Assistance Program that invested $30 million directly into our dairy farms. This amendment today reconstitutes the Dairy Assistance Program so that we can save these family farms, and many of the people in this room voted to support that.

Now, it's interesting to note that on the federal level there have been deep cuts proposed to agriculture. But Congressman Eric Massa says that the funds have been restored. Last night President Obama told Congressman Massa he would drop the provision in his budget proposal that would have cut assistance for farms that generate more than $500,000 in gross sales revenue.

I bring that up because if the federal government can fight to save our family farms, then we should be doing the same thing in this chamber.

I would urge all of you to do the right thing and vote yes on this amendment. It's important to our economic future in New York State.

ACTING PRESIDENT VALESKY: 0Thank you, Senator Young.

Senator Libous.

SENATOR LIBOUS: Could I request a roll call on the amendment, please. A fast roll call, I mean.

ACTING PRESIDENT VALESKY: Before we do that, Senator Libous, are there any other Senators who wish to be heard on the amendment?

Seeing none, the question is on the nonsponsor motion to amend Calendar Number 134. Those Senators voting in support of the nonsponsor amendment please raise your hands.

The Secretary will announce the results.

THE SECRETARY: Ayes, 30. Nays, 32.

ACTING PRESIDENT VALESKY: The motion fails.

Senator Stachowski, on the bill.

SENATOR STACHOWSKI: On the bill, on the economic development portion of this bill. I thought I'd take the time to explain

what we have done in this part of the budget bill.

In this bill we dealt with Empire Zones by rejecting the Governor's immediate changes and limited the lookback to 1 to 1 and a certain number of shirt-changers for any kind of decertification. We also changed the sunset date to allow for an earlier imposition of the new replacement program that is currently being negotiated between the Business Council, economic development people from across the state, the New York City partnership, and the Governor's people. Hopefully they'll come up with a program that isn't limited to location.

But as told to many of us during the course of this budget process, after the Governor's budget came out on Empire Zones and the changes, that certain companies -- for example, biotechs -- will never hit 20 to 1. Manufacturing companies will never hit 20 to 1. And certain other successful new companies will never hit 20 to 1.

However, they are successful, they

create jobs, and they add to our state. So the object of this group is to put together a new program that will recognizes different industries and different categories need different kind of qualifications. And that's the end goal of this negotiation, and that's why the date has been moved up to expire sooner.

Also in this part, the economic development portion of this package, we have restorations in research and technology. The Centers for Advanced Technology have all been restored. The Centers for Advanced Technology have all been funded. That's a very important part, because they play a great role in research and development and working with small companies throughout the state in various areas.

Also important in this is there's been a restoration for the Focus Centers, $2 million. The Legislature also maintains $1.2 million of operating funds for the six Centers of Excellence across the state that play a major role.

Also in this section, the Legislature denies the combining of DED, NYSTAR, and ESDC and puts back the budgets for NYSTAR and DED with a 10 percent reduction in their budget, of 10.5 percent, to match up with other departments that have been cut.

We think these things are important, we think they play a major role in making us still able to grow economic development. At a time when we're trying to cut a deficit, fill a deficit, we can't cut our way to prosperity. So we think that these and other parts of this package will help the economy to grow, continue to attract businesses, and continue to help the companies that have taken advantage of these programs and grow jobs and retain jobs in New York to help make this state better.

Thank you, Mr. President.

ACTING PRESIDENT VALESKY: Thank you, Senator Stachowski.

Just one moment. To set the transcript straight, the vote on Senator Young's nonsponsor amendment was 30 ayes,

31 nays.

Senator Aubertine, on the bill.

SENATOR AUBERTINE: Thank you, Mr. President. On the bill.

As chairman of the Senate Agriculture Committee, and one of the only if not the only active farmer in the New York State Legislature, I do feel compelled to speak on the bill but from the point not only of a farmer but that of a legislator as well.

We proposed to increase the funding in many different programs from the initial Governor's recommendation. We've increased funding on many programs, to the extent of over 43 percent of what the Governor initially proposed: over $7 million of restorations, or nearly $7 million of restorations.

I've reached out to my colleagues on both sides of the aisle, to my counterpart, the ranker on the Ag Committee. In fact, I've got a response, a written response, items that were identified by my counterpart. Johne's disease, the Farm Family Assistance, Migrant Worker Program, all completely restored. In

fact, the Migrant Worker Program was restored beyond the request of my ranker colleague.

But it's more than just that. I mean, we have to live in the reality of the budget and the monies that are available to us.

ACTING PRESIDENT VALESKY: Senator Young, why do you rise?

SENATOR YOUNG: Mr. President, will Senator Aubertine yield for a question?

ACTING PRESIDENT VALESKY: Senator Aubertine, do you yield?

SENATOR AUBERTINE: As soon as I'm finished, I most certainly will.

What's been proposed is a tremendous increase over what the Governor has proposed. In fact, it's a 40 percent increase over last year's budget in agriculture, a 75 percent increase over what the Governor proposed.

There are things that we can, should, and need to do for agriculture in this state in every sector. But there are things that we can, should, and need to do for dairy

in this time of dairy crisis that we haven't done yet. We need to support a resolution, we need to support legislation that would deal with the Class 3 debacle for monies that are owed to dairy farmers in this state on Class 3 production. These are not taxpayer dollars; this is money that's owed to our agricultural community not only in New York State but all across the United States.

There are things we can do here such as dealing with the casine issue and helping to make sure that the market is not eroded, as it's been eroded for decades in this state for dairy. There are things we can do here to deal with bloc voting, which prevent dairy co-ops from usurping the rights of dairy farmers and taking away their right to vote on issues that concern them, their families, and their paychecks.

There are things we can do here in this state that other states here in the Northeast have already done and stand ready to work with us -- on hauling -- and yet we haven't done it. But we need to. Vermont,

New Hampshire, and other Northeast states have already done it, and we need to work with them.

So I'd be happy to work with anybody, anybody in this chamber and the other house, to make sure that these issues are dealt with the way they should be, properly, and make sure that the taxpayer dollars are spent wisely in the process.

There are things that we can do and should do and things that we shouldn't do. One of the issues that we have with the last proposal that's been put before us, that some in this chamber have supported, in their zeal to put it together, they've misstated -- in paragraph 4, I'm reading Section 19H of the UDC law. I couldn't find Section 19H in the UDC law. I think it was meant to be Section 16H. But even at that, Section 16H expired in 2007. And the reason I know that is because I was one of the people in the people's house, in the Assembly, that helped craft this.

So again, I am more than willing to

work with anyone on any issue concerning agriculture in this state.

Thank you, Mr. President.

ACTING PRESIDENT VALESKY: Thank you, Senator Aubertine. Do you at this time yield to Senator Young's request?

SENATOR AUBERTINE: Yes.

SENATOR YOUNG: Thank you, Mr. President.

Senator Aubertine, I listened very intently to what you said, and you mentioned a written letter that I did send to you giving you our priorities for the agriculture budget. And you talked about how you restored much of my request.

So I just have a question. Was the Quality Milk Program under your budget restored to $1.3 million? Which is last year's level, by the way.

SENATOR AUBERTINE: I'm looking for it here. No.

SENATOR YOUNG: Okay. Was the Future Farmers of America --

ACTING PRESIDENT VALESKY:

Senator Young, are you asking Senator Aubertine to continue to yield?

SENATOR YOUNG: Yes. Would Senator Aubertine still yield for a question?

ACTING PRESIDENT VALESKY: Senator Aubertine, do you yield?

SENATOR AUBERTINE: Yes.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR YOUNG: Was the Future Farmers of America, were they restored to $230,500?

SENATOR AUBERTINE: No.

SENATOR YOUNG: Will the Senator still yield?

ACTING PRESIDENT VALESKY: Senator Aubertine, do you yield?

SENATOR AUBERTINE: Yes.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR YOUNG: Was the Onion Research Program restored to $100,000?

SENATOR AUBERTINE: No.

SENATOR YOUNG: Thank you,

Senator Aubertine.

Will the Senator still yield?

ACTING PRESIDENT VALESKY: Senator Aubertine, do you yield?

SENATOR AUBERTINE: Yes.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR YOUNG: Was the Cornell Phytophthora Research Program restored to $200,000?

SENATOR AUBERTINE: No.

SENATOR YOUNG: Thank you.

Will the Senator still yield?

ACTING PRESIDENT VALESKY: Senator Aubertine, do you yield?

SENATOR AUBERTINE: Yes.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR YOUNG: Was the New York State Apple Growers Association restored to $750,000?

SENATOR AUBERTINE: No.

SENATOR YOUNG: Thank you.

Will the Senator still yield?

ACTING PRESIDENT VALESKY: Senator Aubertine, do you yield?

SENATOR AUBERTINE: Yes.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR YOUNG: Was the Turf Grass Environmental Stewardship Fund restored to $175,000?

SENATOR AUBERTINE: No.

SENATOR YOUNG: Thank you.

Will the Senator still yield?

ACTING PRESIDENT VALESKY: Senator Aubertine, do you yield?

SENATOR AUBERTINE: Yes.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR YOUNG: Tractor Rollover Protection Program, was that restored to $100,000?

SENATOR AUBERTINE: No.

SENATOR YOUNG: Thank you.

Will the Senator still yield?

ACTING PRESIDENT VALESKY: Senator Aubertine, do you continue to yield?

SENATOR AUBERTINE: Yes.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR YOUNG: I'll just ask two more. Plum Pox Virus Eradication Program, was that restored to $500,000?

SENATOR AUBERTINE: No.

SENATOR YOUNG: Thank you.

So overall, the restorations -- if the Senator would still yield. One more question.

ACTING PRESIDENT VALESKY: Senator Aubertine, do you continue to yield?

SENATOR AUBERTINE: Yes.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR YOUNG: So overall, the restorations that the Senate Republicans asked for for agriculture were $31,169,000. Was that what you restored in your budget?

SENATOR AUBERTINE: No.

SENATOR YOUNG: Thank you.

SENATOR AUBERTINE: Would Senator Young yield for a question?

ACTING PRESIDENT VALESKY: Senator Young, do you yield?

SENATOR YOUNG: Sure.

SENATOR AUBERTINE: Well, I guess my primary question, Senator, would be how would you propose to pay for this?

SENATOR YOUNG: That is a very easy question, Senator Aubertine, and I'm glad that you asked it. There's a $1 billion federal stimulus slush fund that the Senate Democrats have included in your budget proposal. And I would propose that there's no greater stimulus in this state than agriculture. And I believe that we should take $31 million of that $1 billion slush fund and apply it to agriculture. One billion dollar slush fund.

SENATOR AUBERTINE: For clarity, could you help me better understand this --

ACTING PRESIDENT VALESKY: Senator Aubertine, are you asking Senator Young to continue to yield?

SENATOR AUBERTINE: Yes. Senator, would you continue to yield?

SENATOR YOUNG: Yes, I will.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR AUBERTINE: Senator, for clarity, could you help me better understand where this slush fund is?

SENATOR YOUNG: Certainly, Senator Aubertine. I can repeat what I just told you. In your budget proposal there is a $1 billion undesignated slush fund of federal stimulus money that they have not -- that you have not allocated toward any specific purpose. We should be investing in agriculture programs in this state, and there it is, the $31 million out of a $1 billion slush fund.

SENATOR AUBERTINE: Would the Senator continue to yield?

ACTING PRESIDENT VALESKY: Senator Young, do you continue to yield?

SENATOR YOUNG: Yes.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR AUBERTINE: Senator, are

you sure that agriculture is eligible for that money?

SENATOR YOUNG: I'm sorry, Senator, I didn't hear you.

SENATOR AUBERTINE: Senator, are you sure that agriculture is eligible for that money?

SENATOR YOUNG: Yes, Senator Aubertine, I am sure, because it's a discretionary fund. And I can tell you exactly where that fund is. It's under the Public Protection Budget bill, on page 319.

SENATOR AUBERTINE: Well, Senator -- would the Senator continue to yield?

ACTING PRESIDENT VALESKY: Senator Young, do you yield?

SENATOR YOUNG: Certainly.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR AUBERTINE: Senator, I guess in working with you on this -- I certainly look forward to that. And I hope that in the future meetings that we have set

up -- I hope you're able to make, unlike the last one. And I certainly would look forward to working with you on this in the cleanup language of this budget.

SENATOR YOUNG: I look forward to doing the right thing for agriculture in the state. Thank you, Senator.

SENATOR AUBERTINE: Thank you.

ACTING PRESIDENT VALESKY: Thank you, Senator.

Senator Saland.

SENATOR SALAND: Mr. President, would Senator Kruger yield, please.

ACTING PRESIDENT VALESKY: Senator Kruger, do you yield?

SENATOR CARL KRUGER: Yes, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR SALAND: Senator Kruger, in your opening remarks you raised a number of points, one of which was the fact that there was some $6 billion in cuts -- excuse me, I'll be very happy to yield to Senator DeFrancisco

if Senator DeFrancisco would like.

SENATOR DeFRANCISCO: No, go ahead.

SENATOR SALAND: There was some $6 billion in cuts contained in this budget. First, could you started off by telling me what is your base from which you make those cuts?

SENATOR CARL KRUGER: Through you, Mr. President, I don't fully understand Senator Saland's question.

SENATOR SALAND: Well, if you're making cuts, you're starting off at a certain level. Are you using last year's budget as your base, are you using the Governor's budget as your base? What is your base for arriving at those $6 billion in cuts?

SENATOR CARL KRUGER: Through you, Mr. President, the cuts were from last year's budget.

SENATOR SALAND: And if Senator Kruger would continue to yield.

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The sponsor yields.

SENATOR SALAND: And how much was the gross amount of last year's budget, Senator Kruger?

SENATOR CARL KRUGER: Last year's budget was approximately $121.3 billion.

SENATOR SALAND: $121.3 billion?

SENATOR CARL KRUGER: Yes.

SENATOR SALAND: If Senator Kruger will continue to yield.

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR SALAND: And what is the amount of the budget that you are proposing here currently today?

SENATOR CARL KRUGER: The budget as proposed is approximately $131.9 billion.

SENATOR SALAND: So if last year's budget was 121 -- and I'll take the

liberty of rounding up -- and this year's budget is 139, there's a difference of approximately $18 billion?

SENATOR CARL KRUGER: Through you, Mr. President, in fact that's not the case. We increased -- through you, Mr. President, All Funds spending was increased by about $10 billion.

SENATOR SALAND: Well, help me with the math, please. If Senator Kruger will yield.

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

SENATOR SALAND: If you can help me with the math -- I'm sorry, 132. I apologize. So it's a difference of approximately $12 billion -- $11 billion, I take that back.

SENATOR CARL KRUGER: About. Approximately, yes.

SENATOR SALAND: And from that we subtract 6 billion that represent cuts that

were taken from last year's base?

SENATOR CARL KRUGER: Through you, Mr. President, 6 billion is General Fund cuts. While yet at the same time, as I pointed out, our budget a relatively flat under General Funds.

SENATOR SALAND: Senator Kruger, if you'll continue to yield.

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR SALAND: And excuse me for rounding off numbers. This year's budget is $132 billion, All Funds. Last year's budget -- and stop me if I'm wrong -- last year's budget was 121, from which you cut some $6 billion. You announced to us here today that there are $6 billion in cuts, and you said the base for that was last year's budget.

SENATOR CARL KRUGER: Through you, Mr. President. General Fund versus

All Funds. And again, through you, Mr. President, taking into account federal stimulus money.

SENATOR SALAND: I haven't even approached the subject of federal stimulus monies. I'm not interested so much in the source of our revenues; I'm interested in the nature of our spending.

Senator Kruger, so we have approximately $11 billion more in spending, All Funds, in this year's budget. We cut $6 billion from last year's spending. So basically our base from last year would be something in the nature of $115 billion. If you wipe out the cuts, you're now talking in terms of 132. So there's $17 billion in spending in this year's budget that was not in last year's budget; is that correct?

SENATOR CARL KRUGER: Through you, Mr. President. First of all, Senator Saland, I don't know exactly what your question is. But I do know that we're comparing apples and oranges. We're talking about All Funds, and then we're talking about

General Funds at the same time.

So through you, Mr. President, for the purposes of clarity, can we define exactly what we're talking about?

SENATOR SALAND: I think, through you, Mr. President, all of my comments have been to the All Funds budget. I know there are not $132 billion in the General Fund. I know there wasn't $121 billion in last year's General Fund. I know that there are federal dollars, and they're off -- what we used to call off-budget dollars that helped comprise that All Funds budget. So we're only talking in terms of All Funds for our purposes now.

We know we have 132 billion in All Funds, up 11 billion from last year. And in your remarks, again, you said we cut 6 billion from last year. So how have we spent the difference between 115 billion that we spent last year and 132 billion that we're spending this year? That's a $17 billion swing.

SENATOR CARL KRUGER: Through you, Mr. President. The All Funds does not

include, once again, the general stimulus funds. So consequently, our spending is virtually flat on General Funds.

SENATOR SALAND: Through you, Mr. President.

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR SALAND: I think we're talking past each other. I'm not asking you to tell me the differences between the General Fund and All Funds, I'm asking if you can identify -- we both agree, I think, that we have gone from last year's $115 billion All Funds budget, after you've taken 6 billion in cuts, and we've gone to $132 billion All Funds budget this year. That includes the General Fund, it includes offline items, and it includes federal money.

Can you, as the Finance chair, tell me, where's the 17 billion? How are we spending it? I'm not asking why are we

spending it, I'm asking how are we spending it.

SENATOR CARL KRUGER: Again, through you, Mr. President, I want to just once again reiterate that we're comparing two different piles of money and we're comparing two different funding sources. Our spending is flat. The dollars speak for themselves. And it's included in the budget, and it is the way it is.

SENATOR SALAND: On the bill.

Thank you. Thank you, Senator Kruger.

SENATOR CARL KRUGER: Thank you, Senator.

ACTING PRESIDENT VALESKY: Senator Saland, on the bill.

SENATOR SALAND: Quite honestly, sir, I am totally baffled that the Finance chair doesn't quite understand that All Funds are all funds, All Funds comprise a number of different funds, and cannot tell me how we arrived at $17 billion in additional spending.

I'm not asking to identify which

pot it came from. But you must be able to paint in broad strokes. You must be able to tell me how you got from the 115 after you, by your own lips, told me you cut 6 to the 132.

I mean, give me a break. You talk about drivel. There's absolutely nothing there. The only thing historic about this moment, if I can refer back to something that Senator Kruger had to say, is depending upon your vantage point, it represents high or low for chutzpah. It's either the most extraordinarily bold, in-your-face grab, or it is the cesspool of all budgets.

The fact of the matter is when we talk about a reform path -- and again, I'm specifically picking words that the Finance chair used. If this emulates reform or this is what we think of as reform, then we truly, truly are seeing the gulag at its best. Because there's no reform here.

As Senator Skelos said in his opening remarks, this is the first opportunity we've had to discuss the budget. And when you try and discuss the budget, there's no answers

for basic questions. The most basic question you could possibly ask can't be answered.

Reform? Pick up a newspaper, any newspaper, from one tip of the state to another, and try and tell them this represents reform. Look at the editorial comment.

There was some reference to a precipice, we're at a precipice. Yes, we truly are at a precipice. We have taken, apparently, the stimulus money, built up spending to a level that is totally unsustainable, and we are going to drop off that precipice once we exhaust that stimulus money and don't have the resources to sustain the spending.

When jobs flee, when people flee, I don't know -- I understand the politics of it, I don't understand the logic of it. We're going to run out of sweeps. We're going to run out of businesses. We're going to run out of taxpayers. And the last member of the Working Families Party can close the door on the way out.

Thank you.

ACTING PRESIDENT VALESKY: Thank you, Senator Saland.

Senator DeFrancisco.

SENATOR DeFRANCISCO: Yes, I'd request that Senator Kruger answer a few questions.

ACTING PRESIDENT VALESKY: Senator Kruger, do you yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR CARL KRUGER: Through you, Mr. President. Prior to answering Senator DeFrancesco's questions, I just want the record to reflect that I forgive Senator Saland for calling our chamber a gulag.

Senator DeFrancesco.

SENATOR DeFRANCISCO: Before I ask the question, I will forgive Senator Kruger for calling me "Senator DeFrancesco" for the 55th time.

(Laughter.)

SENATOR CARL KRUGER: Touche. Touche. I'll just call you Senator, okay?

SENATOR DeFRANCISCO: Would Senator Kruger yield to a question?

ACTING PRESIDENT VALESKY: Senator Kruger, do you yield to Senator DeFrancisco?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

SENATOR DeFRANCISCO: Senator Kruger, you mentioned in your opening remarks how you reached out in a bipartisan way, as did your other members, to us in the hopes of working out a bipartisan budget.

And I acknowledge that on March 19th of this year, after many -- many, many weeks after those many budget hearings we sat through, you did send me a letter indicating that you wanted my concepts or my ideas about the budget.

And do you acknowledge, Senator Kruger, that I did respond to you the very following day and hand-delivered you a letter on March 20th giving you some suggestions as far as how the budget should look?

SENATOR CARL KRUGER: Yes,

Mr. President. Yes, through you.

SENATOR DeFRANCISCO: And I'm going to just ask you generally if you would respond to another question.

ACTING PRESIDENT VALESKY: Senator Kruger, do you yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR DeFRANCISCO: That letter included, that I sent, really a summary of the Senate Republican budget proposal that we unveiled several weeks earlier, including cutting 1 percent from agency contracts, consolidation of state agencies, a 5 percent cut in state agency nonpersonnel service, collecting cigarette tax, enhanced Medicaid fraud acceleration, fraud coordination, eliminate Executive unspent lump sum balances, and the like. And I won't read all of them.

Did this budget include any of the suggestions that the Republican conference made with respect to the budget that should be

in place this year?

SENATOR CARL KRUGER: Yes, through you, Mr. President. Senator -- I'll call you Senator now. Senator, without actually going point by point, item for item within the budget, it would be difficult for me to make those comparisons.

I will point out that we had significant dialogue during the hearing process. You and I spoke on many occasions. We were sympathetic to many of the advocates that came in front of us. And in many instances the issues that were raised by the advocates, although they might have not been incorporated in the Executive Budget, reflect the restorations that were made by this house in the final budget, the agreed-upon budget.

SENATOR DeFRANCISCO: Would Senator Kruger continue to yield?

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The

Senator yields.

SENATOR DeFRANCISCO: Senator Kruger, many of the proposals that -- we're going to give you another chance here, because many of the proposals that we made we're going to have amendments to the budget during the course of this process.

But my next question is, did you respond in any way to my letter that I sent back to you on the 20th, some 11 days ago, to continue the dialogue in a bipartisan fashion that you indicated that you wanted to have in your opening remarks?

SENATOR CARL KRUGER: Through you, Mr. President. The leadership on the Democratic side of this chamber has and continues and will continue to have dialogue and to reach out to our colleagues on the other side of the aisle.

And whether that was condensed to writing, whether it was verbal, the facts are the facts, that meetings were held, discussions took place, and this budget, although, as I pointed out in my original

remarks, it is not reflective of everything that we would have liked to see in terms of a shared process, nevertheless is a process that went forward in a shared environment.

SENATOR DeFRANCISCO: Would Senator Kruger continue to yield?

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, for one more question, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR DeFRANCISCO: Well, I have several more questions. I don't know which one to choose from. Are we in a hurry tonight, is my next question. Can we get these questions answered by the chairman of Finance in an open, public budget meeting? That's my next question.

SENATOR CARL KRUGER: Through you, Mr. President, I believe that I've attempted and will continue to answer your questions to the best of my ability.

SENATOR DeFRANCISCO: Thank you.

Would Senator Kruger yield to another question?

ACTING PRESIDENT VALESKY: Senator Kruger, do you yield?

SENATOR CARL KRUGER: Yes. Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR DeFRANCISCO: Senator Kruger, you said the facts are the facts. Isn't it a fact that you never responded to me in writing, verbally or in any other way, in Sanskrit or any other method of communication, to my letter of March 20th of 2009?

SENATOR CARL KRUGER: Through you, Mr. President. To the best of my recollection, certainly not in writing. But I can't say that we didn't speak.

SENATOR DeFRANCISCO: Well, I can. On the bill. I can.

ACTING PRESIDENT VALESKY: Senator DeFrancisco, on the bill.

SENATOR DeFRANCISCO: Well, let me -- I have a couple of more questions.

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR DeFRANCISCO: Now, Senator Kruger, we were provided on our desks and were provided earlier this morning with a New York State Senate Finance Committee Budget Fact Sheets, that I think you have one of these on your desk. Everyone had one on his desk. And on it is Senator Malcolm Smith -- I'd ask him, but he's not in the chambers. But you're on this book as the Senate Finance chair; correct?

SENATOR CARL KRUGER: That's what it says.

SENATOR DeFRANCISCO: Okay. And my question is this. If you'd turn to page 2 in this book concerning the 2009-2010 financial plan summary -- and I'll give you an opportunity. Do you see that? Do you have page 2?

SENATOR CARL KRUGER: Yes, I do.

SENATOR DeFRANCISCO: Now, Senator Kruger, you answered several questions of Senator Saland, including the difference between last year budget and this year's budget. This year's budget being about 132 billion, with a B, and last year's budget being about 121 billion.

Is that what you have on this sheet of paper here, page 2?

SENATOR CARL KRUGER: Yes, I do.

SENATOR DeFRANCISCO: All right. And that's how you determined how much additional all-purpose spending was done this year; fair enough? Is that correct?

SENATOR CARL KRUGER: Yes.

SENATOR DeFRANCISCO: Now, would Senator Kruger yield to another question?

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR DeFRANCISCO: Isn't it

true, Senator Kruger, that the $121 billion that you've got listed there is the amount in the Executive Budget? And in fact, last year's budget, according to the Budget Office, was $119.6 billion. So about 2 billion less than you've got represented here.

SENATOR CARL KRUGER: Through you, Mr. President, the Executive Budget says 121.3. Yes, it does say that.

SENATOR DeFRANCISCO: Would he yield to another question?

ACTING PRESIDENT VALESKY: Senator Kruger, will you yield?

SENATOR CARL KRUGER: Yes, I will, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR DeFRANCISCO: I understand this says the Executive Budget is $121 billion. Isn't it true that that number is not what was spent in last year's budget, this is the budget that our Executive proposed for this year? And that last year's budget actually spent around $119 billion?

And I've got the budget -- I've got something from the DOB if you want to take a look at it.

SENATOR CARL KRUGER: Through you, Mr. President, yes, it does say $121.3 billion, as proposed in the Executive Budget. Yes, it does.

SENATOR DeFRANCISCO: All right. Would the Senator yield again?

ACTING PRESIDENT VALESKY: Senator, do you yield?

SENATOR CARL KRUGER: Yes, I will, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR DeFRANCISCO: Isn't it true that actually the increase in what we spent from last year to what we're spending this year isn't what the Executive Budget started out with being proposed this year, but it's what we actually spent last year, which was $119.6 billion? Isn't that true?

SENATOR CARL KRUGER: Through you, Mr. President, I don't have that number

in front of me. But yes, Senator, I guess it is if that's what you say it is.

SENATOR DeFRANCISCO: All right. Well, I'm only the ranker. And that's what I -- I'm looking from the Department of Budget here, the DOB, that they say $119.7 billion.

One more question on this topic.

ACTING PRESIDENT VALESKY: Senator Kruger, do you yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

And for the purposes of clarity, we do not have last year's numbers on the sheet, page 2, as the Senator indicated. We do have this year's, which I once again point out is 121.3. The numbers are so huge they're staggering.

SENATOR DeFRANCISCO: Senator Kruger, if you accept my point that $119 billion was actually spent last year and what we're spending is $132 billion this year, isn't that a $13 billion increase in spending, actual increase in spending? As opposed to what you just said was around $11 billion.

Because you're using the proposed Executive Budget for your base.

SENATOR CARL KRUGER: Through you, Mr. President. Senator, yes, we are. Because if we want to look at the totality of it, we have to also look at $860 million was an increase due to a Medicaid caseload, and $700 million was due to local share of the Medicaid that passes through All Funds.

SENATOR DeFRANCISCO: Would the Senator continue to yield.

ACTING PRESIDENT VALESKY: Senator Kruger, do you yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR DeFRANCISCO: So you agree with me that the actual increase in spending is 13 billion over last year, as opposed to 11 billion?

SENATOR CARL KRUGER: Yeah, in fact -- and through you, Mr. President. Yes, in fact, that -- those numbers may bear out.

But I do want to point out that we didn't do last year's budget.

SENATOR DeFRANCISCO: Well, on the bill. I'll ask other questions as we go along.

ACTING PRESIDENT VALESKY: Senator DeFrancisco, on the bill.

SENATOR CARL KRUGER: Thank you, Mr. President.

SENATOR DeFRANCISCO: Senator Kruger had asked Senator Young how are we going to pay for these few millions of dollars of agricultural programs. We just figured out that the Senate Majority, who did this budget in what was supposed to be a bipartisan way, just missed $2 billion in an analysis of how much we spent this year over last year.

That $2 billion on page 2, if everyone wants to read along, would make a difference. They just said the percentage change, an increase in what we're spending, is 8.65 percent. It's really closer to 10 percent of increased spending.

And it would seem to me that if

there -- we'll get into the stimulus money at a later questioning area. But it would seem to me that if you don't even know how much your increasing spending -- I imagine if I asked a series of questions -- oh, actually Senator Saland asked them. What are you spending it for, how do you determine what is the priorities of spending, whether it's agriculture or whether it's something like -- and I don't know even what it is, the -- let's see. Grants to community-based organizations for asthma studies. Or specific lined-out community-based health centers. Or health promotion initiatives, lump sum, about $4.5 million.

I mean, how do you make the determination as to what the priorities are if you don't even know how much you're spending and what you're responding it on?

So I guess what I'm saying is that this is just a microcosm of some of the problems that could have been alleviated had there been a process where this could have been hashed out among all of us like we've

done in the past so these types of things would not occur.

And once again, Senator Kruger will have another opportunity to consider the series of proposed changes in their budget or considerations for their budget during the course of our amendments as we go through the process, because that's what we're really going to present as we continue on with this debate.

Thank you.

ACTING PRESIDENT VALESKY: Thank you, Senator DeFrancisco.

Senator Fuschillo.

SENATOR FUSCHILLO: Thank you very much, Mr. President. Will the sponsor yield for a few questions with respect to transportation issues?

ACTING PRESIDENT VALESKY: Senator Kruger, do you yield?

SENATOR CARL KRUGER: Yes, I would, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR CARL KRUGER: But perhaps I should give an overview of the transportation portion of the budget first, if that's okay.

SENATOR FUSCHILLO: That would be fine, sure.

SENATOR CARL KRUGER: Thank you, Mr. President.

If we move to the transportation portion of the budget, we have added $3.7 billion, of which $3.6 billion is representative from stimulus money. That money is for highways and bridges and capital infrastructure. Additionally, $20 million has been added to transit aid, which does reflect a 2 percent cut. $112 million was added for local roads and bridges, and $100 million fully restored multimodal portion of the budget.

Now I would be prepared to take a question.

ACTING PRESIDENT VALESKY: Senator Fuschillo.

SENATOR FUSCHILLO: Thank you

very much, Senator Kruger. I appreciate that.

There's about 200 pages of Department of Transportation funding here. What's the total amount?

SENATOR CARL KRUGER: I believe it's $10.7 billion, if my memory serves me correctly.

SENATOR FUSCHILLO: Thank you.

Would the Senator yield for another question?

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

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

Senator Kruger, of that amount, what is debt, what is bonded out, what is cash of that 10 -- you had said $10 billion?

SENATOR CARL KRUGER: Right. Just one moment, Mr. President.

Senator, in answer to your

question, the dollars that we're talking about is basically appropriation authority and not necessarily reflective of actual cash. It's in the debt service bill, which we will be doing a little later.

SENATOR FUSCHILLO: Okay. Will Senator Kruger please yield for a question?

ACTING PRESIDENT VALESKY: Senator, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: Thank you, Senator.

So of the 10 billion, what is being bonded out?

SENATOR CARL KRUGER: Your indulgence, Mr. President. One moment while we put together our . . .

Through you, Mr. President.

ACTING PRESIDENT VALESKY: Yes, Senator Kruger.

SENATOR CARL KRUGER: Without exact numbers -- which I certainly, as we go

forward with the debate, I'll be able to supply. But it's approximately $7 billion.

SENATOR FUSCHILLO: Thank you, Senator.

Mr. President, will Senator Kruger continue to yield?

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: Thank you, Mr. President. Thank you, Senator Kruger.

So we're adding $7 billion of debt to the State of New York?

SENATOR CARL KRUGER: Through you, Mr. President. No, in fact, not all of that is bonded.

SENATOR FUSCHILLO: Okay. Well, Mr. President, will Senator Kruger please yield?

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: Thank you, Mr. President. Senator Kruger, thank you.

I had asked the question of the $10 billion that you had mentioned is in this 200 pages of the bill that's on our desk. Am I correct that you came back to me with an answer that you said $7 billion will be bonded out, out of the 10 billion? And then I had a question for you, is that what we're adding to the state debt, another $7 billion?

SENATOR CARL KRUGER: Through you, Mr. President. Firstly, it's not in one year, it's spread out over a number of years. And not all of it is reflected in that $7 billion number.

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

ACTING PRESIDENT VALESKY: Senator, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: Senator Kruger, debt is debt. Whether it's today, tomorrow, next year or five years from now, it's still debt.

I just want to -- before we move on to a few other questions, I'll ask the question again. You had said that -- through your counsel -- that these 200 pages add up to $10 billion in this budget bill that we're being considered right now. And I had asked the question how much of the 10 billion is debt. And you had said $7 billion, but you said not all of that, because it's the outyears.

So I'll just simplify my question. Of the $10 billion, how much is that of debt to the State of New York?

SENATOR CARL KRUGER: Through you, Mr. President. Again, Senator, when we're talking about the $7 billion worth of debt --

SENATOR FUSCHILLO: Debt.

SENATOR CARL KRUGER: -- capital, I'm sorry, this is something that's spread out over a number of years. It's not something that we're totally expending in 2009-2010.

SENATOR FUSCHILLO: Okay. So, Mr. President, so debt is debt. So it's $7 billion. I'll take that as an answer.

Would Senator Kruger continue to yield for a question?

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: Thank you, Mr. President. Thank you, Senator.

You had mentioned in your opening statement when you gave the chambers a brief on the transportation package that $112 million is for local roads. Is that correct?

SENATOR CARL KRUGER: Roads and bridges, yes.

SENATOR FUSCHILLO: Would the Senator continue to yield?

ACTING PRESIDENT VALESKY: Senator, will you yield?

SENATOR CARL KRUGER: Yes, I do.

SENATOR FUSCHILLO: Is that $112 million broken out into regions in the budget? And if so, could you tell us what regions are getting what?

SENATOR CARL KRUGER: Through you, Mr. President. The package that we're talking about is approximately $361 or $362 million overall. $112 million is what was restoration from the Executive, cuts from the Executive.

SENATOR FUSCHILLO: Mr. President, through you, would Senator Kruger continue to yield?

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: Thank you,

Mr. President. Thank you, Senator Kruger.

No, I understand that, and that's how I started my question off, with what you stated when you briefed the chamber, is that $112 million is for roads and bridges.

My question, and I'll ask you again, is that $112 million broken down in the budget that you're asking us to vote on by regions throughout the state? And if so, what is each region receiving of the $112 million for roads, highways, and bridges?

SENATOR CARL KRUGER: Through you, Mr. President. Senator, those runs are being calculated by DOT, and they will be available.

SENATOR FUSCHILLO: Okay. Mr. President, through you, would Senator Kruger continue to yield?

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

SENATOR FUSCHILLO: Thank you. Thank you, Senator Kruger.

So in the document we're looking at now, that $112 million is not broken down into regions; is that correct?

SENATOR CARL KRUGER: Through you, Mr. President. Once again, DOT, under their own rules and regulations and law, will be breaking this down by region and it will be part of those runs.

SENATOR FUSCHILLO: Okay. So I'll take that as an answer that it's not.

SENATOR CARL KRUGER: That's your prerogative.

SENATOR FUSCHILLO: Mr. President, through you, would Senator Kruger continue to yield?

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: Thank you very much, Mr. President. Senator Kruger, thank you.

You had mentioned in your briefing

to this chamber that $100 million of that pot is for multimodal projects. Is that being broken down and lined out in the document before us in regions throughout the State of New York?

SENATOR CARL KRUGER: Okay. Through you, Mr. President. Firstly, that's not part of the $112 million. That is the 100 million restored out of the multimodal. And that would be part of a grant formula that would be submitted by the localities to DOT.

SENATOR FUSCHILLO: Thank you very much. Would the Senator continue to yield?

ACTING PRESIDENT VALESKY: Senator, do you yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: Senator, could you talk about what happened to CHIPS funding in this budget?

SENATOR CARL KRUGER: Yes.

Through you, Mr. President. The CHIPS, I believe, Senator, you're talking about the $112 million for local roads and bridges?

SENATOR FUSCHILLO: No.

SENATOR CARL KRUGER: Yes, that -- through you, Mr. President.

SENATOR FUSCHILLO: If that's your answer. Is that your answer?

SENATOR CARL KRUGER: That's my answer.

SENATOR FUSCHILLO: Okay. Through you, Mr. President.

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: I'm not talking about the $112 million, I'm talking about over $300 million in CHIPS funding that I believe was restored. My question to you is, how much of that is bonding indebtedness to the State of New York?

SENATOR CARL KRUGER: Through

you, Mr. President, $3.6 million.

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

ACTING PRESIDENT VALESKY: Senator, do you yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: Senator, $3.6 million of $363 million is what's bonded out? Is that correct? Is that your answer, 1 percent?

SENATOR CARL KRUGER: Through you, Mr. President. It's all bonded. My mistake. 3.6 represents cash out.

SENATOR FUSCHILLO: Thank you very much. I appreciate that.

Let's talk about the MTA, Senator Kruger. Does this package include any new funding to the MTA?

SENATOR CARL KRUGER: Through you, Mr. President. No, it does not.

SENATOR FUSCHILLO: Okay. Mr. President, would the Senator continue to

yield?

ACTING PRESIDENT VALESKY: Senator, do you yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: Thank you very much.

Does this package on our desks contain an MTA bailout program that's been talked about so much?

SENATOR CARL KRUGER: Through you, Mr. President. No, it does not.

SENATOR FUSCHILLO: Okay. Would the Senator continue to yield? And thank you.

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: Thank you, Senator Kruger.

Let's talk about the Dedicated Highway, Bridge and Trust Fund collected in this budget. What are the dollar amounts that

would be collected?

SENATOR CARL KRUGER: For clarification, through you, Mr. President. Collected or disbursed?

SENATOR FUSCHILLO: Both. You can take part one. Collected. Collected.

SENATOR CARL KRUGER: Back to the chorus. Collected? Through you, Mr. President. Again, approximate numbers. Approximate collected, $5 billion. Disbursed, $5 billion. Cash in, cash out.

SENATOR FUSCHILLO: Thank you very much, Senator.

Would the Senator continue to yield, Mr. President?

ACTING PRESIDENT VALESKY: Senator, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: Thank you, Senator Kruger. Of that amount, how much will actually be used for construction purposes?

SENATOR CARL KRUGER: Through you, Mr. President, approximately $1.8 billion.

SENATOR FUSCHILLO: Thank you very much, Senator.

Mr. President, would the Senator continue to yield?

ACTING PRESIDENT VALESKY: Senator, do you yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: Senator Kruger, thank you. Final question. Are there any tax credits for any aviation programs or initiatives throughout the state in this package here?

SENATOR CARL KRUGER: Through you, Mr. President. No, not in this bill, Senator.

SENATOR FUSCHILLO: Final question, Mr. President. Will he continue to yield?

ACTING PRESIDENT VALESKY:

Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Cross your heart?

SENATOR FUSCHILLO: Are you asking me a question?

(Laughter.)

SENATOR FUSCHILLO: Senator Kruger, last night Senator Smith, your Majority Leader, stated that this budget will create --

SENATOR LIBOUS: Mr. President.

ACTING PRESIDENT VALESKY:

Senator Libous, why do you rise?

SENATOR LIBOUS: I apologize, but for some reason I cannot hear Senator Fuschillo. If Senator Fuschillo could speak a little louder, please.

SENATOR FUSCHILLO: I'll be happy to, Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President.

SENATOR FUSCHILLO: Senator Kruger, last night I was watching a program

where Senator Smith, your Majority Leader, was on TV and talked about how this budget will create 50,000 new construction jobs in the transportation field.

SENATOR CARL KRUGER: Excuse me. Can you repeat that, Senator? I'm sorry.

SENATOR FUSCHILLO: Sure. Majority Leader Smith stated last night that 50,000 new transportation jobs will be created. Can you tell me how we will find 50,000 new transportation jobs?

SENATOR CARL KRUGER: Through you, Mr. President. Firstly, I did not see that TV program, so I can't comment.

SENATOR FUSCHILLO: Okay. Thank you very much, Senator Krueger.

SENATOR CARL KRUGER: Thank you, Senator.

SENATOR FUSCHILLO: On the bill.

ACTING PRESIDENT VALESKY: Senator Fuschillo, on the bill.

SENATOR FUSCHILLO: It concerns me greatly that there are so many individuals out in my region on Long Island, and other

regions throughout this state, that work on our highways, roads and bridges that are out of work and have been out of work for a long time because the Governor essentially has frozen all projections.

And I appreciate the response from the chair of the Finance Committee, but it's a great concern to me that this budget does not spell out where the money for roads and bridges is going and for multimodal projects. And it looks like it's just a pot of money that's out there at the whim of this Governor to present to where he thinks it is deemed fit.

Now, on Long Island the Governor has talked about filling -- bringing down $154 million in transportation projects. But last year, we still have $154 million in projects that haven't been funded that are shovel-ready and ready to go and put people back to work.

This year on Long Island, according to the DOT regional director, there's another $250 and $300 million in projects that are

necessary to maintain the infrastructure, and they're not being addressed in this budget. They're not being addressed in these 200 pages of a $10 billion document that's going to cost the state more than $7 billion in indebtedness. Whether it's today or tomorrow, a year from now or two years from now, debt is debt.

So we're voting on a package that's going to increase the state's debt by $7 billion out of $10 billion, and the other part of the money is just being passed through from the federal government. So the state is not putting up anything. We're saying to our children and grandchildren and everybody in this room and the 19 million people in the State of New York: Sure, we're going to give you money for roads and bridges, but you're going to be paying for it for the rest of your life because we're not putting any cash in this budget, it's all bonded out to the tune of $7 billion.

Thank you very much, Mr. President.

ACTING PRESIDENT VALESKY: Thank

you, Senator Fuschillo.

Senator Winner.

SENATOR WINNER: Thank you, Mr. President.

You know, the title of this bill that we're dealing with is Transportation, Economic Development, and Environmental Conservation. And I'd like to speak a little bit on this bill with regard to the economic development or lack thereof that really is contained in this year's budget.

I heard Senator Stachowski attempt to gloss over the devastation that is being done in this proposal as it relates to the Empire Zone program. And I just would like to follow up by indicating that, you know, not too long ago in this state we listened to a campaign in 2006, fall, for the Governor's race, where the upstate economy was the clarion call of then-Candidate Spitzer. And certainly that clarion call was one of the reasons why a lot of people in upstate New York rallied around his candidacy and suggested that we have economic development

and upstate efforts improved to a significant degree.

And, you know, we listened for a whole year with an upstate development revitalization fund proposal. We listened to all kinds of calls for assisting the upstate economy and mandate relief and other types of efforts -- Power for Jobs, these other incentives that we were trying to offer here to try to get what was characterized as a moribund upstate economy moving again.

And we thought that we were going to make some progress, only to hit the wall, not only with Governor Spitzer not being able to deliver on many of those promises but in fact now, with this budget and with the proposals that Governor Paterson and the Majority has put together, we have a non-economic development package here that is obviously going wreak havoc with any types of efforts to revitalize our upstate economy as well as the economy of the whole State of New York.

You know, in the first State of the

State address from the Governor we heard that, and I quote: "Most importantly, we must lower the cost of doing business in New York. Property taxes are too high. We should cap them. State mandates are too burdensome. We should relief them. Local government is too costly. We should help it become more efficient. And we must also reaffirm to our commitment to specific programs and projects targeted at revitalizing upstate."

Now, those were nice words. And when his budget proposal came out, he actually made some specific proposals. He specifically included a new $50 million New York Growth, Achievement and Investment Strategy, a GAINS fund; a new research and development tax credit; and an expansion of the existing research and development tax credit.

You know, then all of a sudden, on March 29, when this agreement was announced and the legislative leaders or the three New York City Democrats came out of the room and announced that they had a budget, what was in there with regard to those items? Not a

single one. Not only wasn't a single one of them in there, but many of the proposals that he had advanced with regard to his so-called reform of the Empire Zones were in fact in there. And those reforms are going to do nothing other than devastate the ability to try to be competitive in New York State for economic development.

Let's go back for a minute. Why do we have an Empire Zone program? Why did we have one in the early '80s when we developed this in order to create an economic development fund, a zones program? We did so because New York State was uncompetitive when it came to attracting business and industry.

And why were we uncompetitive? And what are the major factors that we have to deal with when it comes to economic development and to try to develop new businesses in this state? We have -- the major costs are what? Health insurance, personal income tax costs, energy costs, real property tax payments? Those are the major costs that businesses experience in trying to

determine where they're going to go.

And what does this state do? This state has the highest energy costs practically in the country, in the continental United States. And what are we going to do in this budget? We're going to increase them even more.

We're now going to have a personal income tax increase that will be noncompetitive, particularly along our border states. We have health insurance costs that now we're going to increase by taxing the premiums and the so-called covered lives assessments. And on and on and on.

Our real property tax levies are uncompetitive, as we all know, the highest state and local combined tax burden in the country.

So that's why we have to have a competitive program, incentive program, with which to try to entice whoever is foolish enough to consider New York as a site to do business, we have to entice them with the ability to mitigate against those costs. And

that's why we had an Empire Zone program which was designed to deal with those elements of the cost of doing business in New York State.

It's unfortunate we have to have an Empire Zone program. But we certainly have to if we're going to be at all competitive and attract anybody in here.

So what did we do this year? We did the so-called reform of the Empire Zone program. The only economic development tool that we have upstate to try to mitigate against those high costs, what did we do? We have effectively gutted it and put it out of business. We have expedited the sunset date by one year. We have minimized the real property benefit that it will produce, one of the major noncompetitive items we have. We have eliminated the ability of new Empire Zone designees to be able to take full benefit of the sales-tax exemptions, another noncompetitive item.

And we have certainly, now, with the 20-to-1 ratio proposal, eliminated almost all of the Empire Zone-eligible businesses

that had previously received benefits in most of the upstate Empire Zone boundaries.

So for anybody to get on this floor and suggest that these are reasonable reforms -- these are measures that are designed to eliminate the Empire Zone program and eliminate its effectiveness and make our state back in the dark ages of noncompetitiveness, as we were in the past and we were in the early '80s.

This is a disaster, this proposal. And it is the most anti-upstate New York proposal that I have seen in my 31 years of elected office in New York State.

And I think that this measure should certainly go back to the drawing board. And in a later bill, where there is specific language with regard to the Empire Zone program, we will be offering an amendment to so do so.

ACTING PRESIDENT VALESKY: Thank you, Senator Winner.

Senator Nozzolio.

SENATOR NOZZOLIO: Thank you,

Mr. President. Mr. President, will Senator Kruger yield?

ACTING PRESIDENT VALESKY: Senator Kruger, do you yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR NOZZOLIO: Thank you very much, Senator Kruger, for yielding.

My question gets back to Senator Fuschillo's question to you about Senator Malcolm Smith's comments last evening. I had the particular program TiVo'd so I could play it back. And I had to play it back two or three times because I could not believe what I heard. Senator Smith indicated that the transportation portion of this budget would create 50,000 jobs.

Now, Senator Kruger, I respect certainly the fact that you said you did not see the program and you deferred comment on that program. But let me ask you this through the chair. Would Senator Kruger advise this

house how many jobs will be created by the transportation budget?

SENATOR CARL KRUGER: Through you, Mr. President, let me try to expand on that question if that's okay with you, Senator.

For every million dollars that we put into transit and ground passenger transportation, we create, by industry standards, approximately 31 jobs in all industries throughout the state. Likewise, for every million dollars that we put into construction, 15 jobs are created in industries throughout the state. Thus, the $1.4 billion in mass transit stimulus money would create approximately 44,000 new jobs -- or, rather, 44,000 jobs in all the industrial sectors throughout the state.

The $1.1 billion in stimulus money for roads and bridges, which are entirely for construction -- which we don't have the means, by the way, of breaking down what would be for engineering, concrete, steel, and the other components -- would create over 16,000 jobs in

all industries.

Thus, we have a total job creation of over 60,000 jobs for the $2.5 billion in stimulus money that is guaranteed by this state upon the passage of this budget.

SENATOR NOZZOLIO: Thank you, Senator Kruger.

Mr. President, on the bill.

ACTING PRESIDENT VALESKY: Senator Nozzolio, on the bill.

SENATOR CARL KRUGER: Thank you.

SENATOR NOZZOLIO: I believe part of the equation missing from the discussion of transportation jobs should be an analysis of how the moving van companies of this state will benefit by the budget that we're passing over the next 48 hours. Because there will be more people moving out of this state as a result of the higher taxes, of the higher spending, of the lack of economic development, of the trashing of the Empire Zone program.

Senator Winner indicated his concerns for economic development, particularly for upstate manufacturers. The

largest number of manufacturing jobs to come into New York State over the last two and a half decades, over the last 25 years came to the Central Finger Lakes, in Geneva, New York, in the late 1990s, in large part because of the Empire Zone program as it existed, as it exists prior to the trashing of the program that this budget will create.

That company is Guardian Glass, and they're located in Geneva. But their headquarters is in Michigan. And they are now looking at whether or not to expand their plant and invest $17 million into that plant that's in the Geneva Empire Zone. They are going to be thinking two and three times because of this budget that is before us this evening.

There's another factory that's on the border of my district in Cayuga County that's in Senator Valesky's district, owned by Owens Illinois, an Ohio company. Again, a glass manufacturer that is considering whether or not to invest an additional $25 million into new technology and to retrofit some of

their manufacturing facility in Cayuga County. As a result of this Empire Zone trashing that is now before us, they may make a decision to the contrary and not invest in New York State.

And there are countless other projects across this state that are in jeopardy because of what is put forward and what we are voting on today.

Senator Young had brought up the issue of agriculture, and I'd like to present some of my remarks on that portion of the debate this evening. And it's a question of priority. Senator DeFrancisco mentioned other elements of the state budget that were increased as a result of the proposal before us today.

The question of priority is this. There is one number-one industry in New York State. Only one can be number one. And most New Yorkers don't know that agriculture is our number-one industry. Most people outside of New York are surprised to learn that agriculture is the number-one job producer in New York. We have developed the science to

develop the agriculture, the value added that puts us ahead of not only agriculture enterprise in other states but all the agricultural enterprise in the world.

America no longer makes the best or most competitive automobiles. We no longer compete as successfully on the world and global marketplace as we used to with manufacturing and other products. But our agricultural commodities are still extremely competitive. And yet what happened in this budget is that the priority for the number-one job-producing industry has basically been cast aside. We're spending $5 million in this budget for community-based organizations for eviction-prevention services. Now, eviction prevention means we can send out a note today: You won't be evicted if you pay your rent. That's great eviction-prevention services.

Frankly, though, that $5 million that goes to community-based organizations -- and where have we heard those words before -- those community-based organizations may want to focus on the farmers of this state because

our farmers are going to be evicted and foreclosed because of the crisis that they're now being confronted with.

The Majority could have easily taken part of that eviction community-based services and support agriculture. Or, as Senator Young said, that $1 billion from the federal government to say that we want to keep our New York State agriculture more competitive than any other agriculture in the world.

I find it ironic, and sadly so, when Senator Kruger said the days of wine and roses in New York State are over. Well, the days of growing roses is challenged. And the days of wine in New York State I guess are still there, but we're going to be taxing wine at a higher rate, almost a 30 percent increase in the tax of wine, because of this legislation, this bill that we're going to be having before us.

So the answer is, from the other side of the aisle -- an answer that we really didn't know about until fewer than 36 hours

ago -- that the answer on their side of the aisle, more taxes. The answer on the other side of the aisle is spending in areas that don't produce jobs but, rather, take jobs away, that don't support our agriculture, the number-one industry of our state --

ACTING PRESIDENT VALESKY: Excuse me, Senator Nozzolio. Excuse me, Senator Nozzolio.

Senator Krueger, why do you rise?

SENATOR LIZ KRUEGER: Will Senator Nozzolio please yield for a question?

ACTING PRESIDENT VALESKY: Senator Nozzolio, do you yield?

SENATOR NOZZOLIO: Mr. President, I've been waiting to say this for so long. I would be happy to yield to Senator Krueger when I'm finished with my remarks.

SENATOR LIZ KRUEGER: Thank you.

SENATOR NOZZOLIO: Mr. President and my colleagues, agriculture is the number-one industry, it's the number-one industry because we support its science, we support the fact that it is a job developer

because in fact we compete on a global marketplace.

And whether it's apples that are grown in Wayne County or Madison County, whether it's the protection and marketing of our beef producers' products, whether it's science developed at the Cornell College of Agriculture or the Experiment Station in Geneva, it needs to be supported as a priority. And the priority is missing. It's absent by what's being presented to us today.

In spite of the fact that Senator DeFrancisco pointed out there is a horrendous growth in spending, way over $10 billion of additional spending over last year. And that that spending, in effect, seems to be missing when it comes to the number-one industry of our state.

Thank you, Mr. President.

ACTING PRESIDENT VALESKY: Thank you, Senator Nozzolio.

Do you now yield to Senator Liz Krueger?

SENATOR NOZZOLIO: Thank you,

Mr. President. Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR LIZ KRUEGER: Thank you, Senator Nozzolio.

My understanding was we were discussing the TEDE bill, and you were discussing agriculture. So where in the bill is the $5 million for eviction-prevention services?

SENATOR NOZZOLIO: Senator Krueger, where is it?

SENATOR LIZ KRUEGER: Yes, sir.

SENATOR NOZZOLIO: As we understand it, it is under some select discretionary American Recovery and Reinvestment Act spending. That I'm not certain exactly what section of the budget that is in, but it is one of the enumerated projects listed in that portion of the budget.

SENATOR LIZ KRUEGER: Senator Nozzolio, it's possible that in fact we're talking about the ELFA bill, where there is in fact social services funding for eviction

prevention. And it's possible that we're talking about the federal stimulus money which has some, quote, homelessness prevention monies that gets passed through the state.

Would you agree that might be where it is?

SENATOR NOZZOLIO: There certainly are a lot of possibilities, Senator Krueger.

My issue, though, is not where that money is or even the criteria for its particular spending. My issue is a question of priority. And of all this money coming to the State of New York from the federal government, it seems as though the stimulation of our number-one industry, which produces the most amount of jobs in our state, certainly should not be absent.

And that whether our Congressional delegation should have gotten a clearer signal that we wanted more support for agriculture, or whether this budget, which was debated by your conference in the most egregious of ways -- there was absolutely no transparency

in any of the discussions -- there were no discussions. There was no debate. There was no presentation of positions until the latest of times.

Because of that, we at this 12th hour are being displayed here a budget that shows misplaced priorities. It's up to you, the proponents of this budget, to tell us why you decided to place the priorities away from the number-one industry of our state.

SENATOR LIZ KRUEGER: Thank you.

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

ACTING PRESIDENT VALESKY: Senator Nozzolio, do you continue to yield?

SENATOR NOZZOLIO: Thank you, Mr. President. I'd be happy to yield.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR LIZ KRUEGER: Thank you.

Again, the reason I rose was my belief that in fact there was an incorrect assumption on the floor that somehow agriculture, environment or transportation

money was, quote unquote, being taken for eviction prevention, because I don't believe we are taking any money of this bill for eviction prevention.

But my question to you, Senator, is do you really believe that in a horrendous economic crisis where we are seeing people lose their homes daily, where we are seeing families at risk of having their children taken away from them because they are evicted from their homes, and where we have, at least in my district, a disproportionately large number of elderly people who are at risk of losing that their homes, that it is actually a bad use of $5 million of government money -- not even within the bill we're discussing tonight -- being used to help assure that families with children and elderly people can stay in their homes?

SENATOR NOZZOLIO: Mr. President, through you. That it would be wonderful if Senator Krueger would explain to this body where that money is coming from, what that money is going to be used for, where is that

money going to be spent, how much of that money is going to be spent in Yates County, Seneca County, Schuyler County, Cayuga County, Wayne County, even Monroe County. How much of those funds are going to be going north of the Tappan Zee Bridge? How much of those funds are going to be distributed to Buffalo and Albany and the upstate region?

If Senator Krueger pro-offers this as an expenditure that should be made instead of agricultural support, then Senator Krueger is obligated to delineate the exact source and distribution of those funds.

SENATOR LIZ KRUEGER: Mr. President, may I answer the question? I believe I'm asked a question. So I'm not sure if I should ask the Senator to yield or I should be happy to answer his question.

ACTING PRESIDENT VALESKY: Well, he actually was answering your question. So if you would like him to continue to yield, that would be appropriate.

SENATOR LIZ KRUEGER: Senator, will you yield so I may answer your question?

ACTING PRESIDENT VALESKY: Senator Nozzolio, do you continue to yield?

SENATOR NOZZOLIO: I'll be happy to yield.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR LIZ KRUEGER: Thank you very much, Mr. President.

Yes, I would be delighted to talk about the monies. Primarily there's two pots of funds -- again, not in this bill, so it's not in an either/or. We are not taking money from agriculture or the environment or transportation to shift to social services.

There is federal money for homelessness prevention, approximately $142 million, in the stimulus package. There is a formula. Each and every county of the State of New York will get a share of that money, primarily through their social services departments, although they may contract it out, again, to not-for-profit organizations.

And in fact through the TANF, Temporary Assistance to Needy Families funds,

both the emergency and contingency funds through federal stimulus and ongoing TANF money that's a federal mandated program, we have funded for a significant number of years approximately $5 to $10 million in eviction-prevention contracts that also is distributed. Again, some of them are specifically to the City of New York, and other monies are distributed through county social services.

I would hazard to guess there is no county in the state that doesn't provide some kind of eviction-prevention services through some kind of government monies, because what they have learned is it is much more cost-effective to prevent a family from losing their home and ending up homeless, it is much more cost-effective to prevent a senior citizen from losing their home. And in fact, too often senior citizens may end up in hospitals or nursing homes if they lose their homes.

I can speak at length, if you like, about the eviction-prevention services in

New York City because in fact, before the year 2000, when I left my job to run for the New York State Senate, I actually had a contract to run eviction-prevention services in the City of New York under contract with the government.

And I can tell you that we saw thousands of families per year who had children -- under our contract, it was serving families with children -- who were at risk of losing their home and losing their children to the child welfare system and ending up in the shelter system. And we had at that time -- and again, it's quite a few years ago -- but a minimum of a 20-to-1 ratio of cost savings to government by preventing people from losing their homes.

Obviously in your district there would be different issues with eviction prevention than perhaps in Senator Lanza's district or in some other Senator's district. But unfortunately in every county of New York State, and every Senate district, there are some number of people who find themselves at

risk of eviction for some reason. And if they lose that home, pretty much guarantee it will cost the government far more than it spends.

And again, I'd be happy to debate the issue further when we get to the ELFA budget, where in fact those dollars and cents are. But again, I just for the record want to make clear there is no proposal to take money out of the TEDE bill to use it for social services.

ACTING PRESIDENT VALESKY: Senator Krueger, did you have a question for Senator Nozzolio?

SENATOR LIZ KRUEGER: No, my question was to agree to answer his question.

ACTING PRESIDENT VALESKY: Senator Nozzolio, you still have the floor.

SENATOR NOZZOLIO: Thank you, Mr. President. Continuing on the bill.

Thank you, Senator Krueger, for your elaboration of those services. Frankly, Senator Krueger's expertise in eviction prevention is going to be sorely needed in the upstate region because of those who haven't

found the appropriate moving van to move out of New York State as a result of higher taxes, greater regulation, and lack of support for agriculture.

There are going to be farmers who are still here who will be evicted -- foreclosed may be a more appropriate comment -- because there is not sufficient support for them in a massive federal stimulus package that in effect the other side of the aisle --

ACTING PRESIDENT VALESKY: Excuse me, Senator Nozzolio. Excuse me for one just one moment.

Senator Stachowski, why do you rise?

SENATOR STACHOWSKI: I was wondering if Senator Nozzolio would yield for a question.

ACTING PRESIDENT VALESKY: Senator Nozzolio, do you yield?

SENATOR NOZZOLIO: I'd be happy to yield to Senator Stachowski.

ACTING PRESIDENT VALESKY: The

Senator yields.

SENATOR STACHOWSKI: Senator Nozzolio, I listened with great interest as you talked about a couple of manufacturing companies that will now be hurt because of changes made in this budget to the Empire Zones. And my question would be is the changes made would now make the goal they have to reach 1 to 1. The average manufacturing company hits 7 to 1, 6 to 1, 8 to 1, 14 to 1, but they don't hit 20 to 1 that the Governor had in his budget on a lookback.

And so that that change is made to try to make it better for manufacturing companies. And the change on the date moves it up a year or actually maybe a few more months than that, it might be 18 months. So that a new program that recognizes that manufacturing companies have certain difficulties hitting numbers like 20 to 1 and that other industries like biotechs have trouble hitting 20 to 1 no matter how successful they are.

So the reason for that move-up of

the date, rather than to decimate the program, was to put in a new program that's currently being worked on by all the economic development groups from across the state, from Buffalo to Rochester to Syracuse to New York City to Albany. They're all involved, along with the Business Council, working with the Governor's people, trying to come together with a multipronged system that doesn't just base it on location and on a 20-to-1 lookback, which the Governor's proposal did. And this proposal in this budget doesn't.

So the reality is that your manufacturing company should have no trouble meeting 1 to 1. The question is, are you aware of that, that the alternative was to let the Governor's plan stand with a 20-to-1 lookback?

SENATOR NOZZOLIO: In response, through you, Mr. President, that Senator Stachowski, who himself was an athlete well into the college years, knows very well that to play a game, that if the rules are changed in the middle of the game it creates havoc for

the teams that are on the field.

Imagine a company that decided to invest multimillions of dollars in New York State. And then to have the zone program dramatically altered in the middle of their operations here creates a great amount of confusion and does not inspire investment into New York State.

And that is the problem here, Senator, that the lack of continuity and consistency creates confusion. And that confusion tells the corporate headquarters, whether they be in Michigan or Ohio or someplace else, that New York is not a reliable state to be able to invest in the future.

And yes, this may be a more favorable result than what the Governor or others had originally proposed, but it still creates a great deal of uncertainty. There's uncertainty, as Senator Winner said, in the program itself, which in terms of its existence is -- in terms of its length of duration is changed by this legislation, as

well as the amount of ability to have certainty in recertification.

A company that may be in a zone today, already invested hundreds of millions of dollars, will now have in terms of reinvestment, in growing new jobs in New York State, in making additional commitment to the state, will have question about whether the state is going to be consistent in their commitment back.

So that's the problem that this legislation has failed to address.

SENATOR STACHOWSKI: Would the Senator continue to yield?

ACTING PRESIDENT VALESKY: Senator Nozzolio, do you continue to yield?

SENATOR NOZZOLIO: Be happy to yield to the Senator.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR STACHOWSKI: Senator, I understand the point that the program is going to change slightly. But the proposal as it stood in the budget was for a 20-to-1 lookback

by the Governor's new proposal, which all of us in this room know was not going to work. That all the biotechs that were in Empire Zones were going to be put out, that all the manufacturing, just about, in the zones would be put out, that a lot of the significant projects or projects of significance, as they refer to them, may very well have been put out, because the proposal as done by the administration was a 20-to-1 lookback, based on the new numbers to qualify for Empire Zones.

Now, granted, some people that are almost finished came in with no lookback, no need to create jobs, just bring jobs. But the reality is to make this continue and to make this successful, and in dealing with all the businesspeople, from the Business Council to all the locals, the recognition was that the program is going to expire anyways, we should be putting together a new program -- quite well, one might be just for distressed areas, which this was originally supposed to be. And then expanded to other areas, and then added

projects of significance, where you could take the benefits from one area and move them to another area that had no Empire Zone or any depressed areas in it.

But the reality is that this proposal is livable. The shirt-changer part even has a due process part in it where they can show that they really aren't a shirt-changer, they really have a development of jobs and they earned their benefits. And actually, every company has in the Empire Zone has to go to Taxation every year with their papers in order to get their benefits renewed year to year.

So the reality, at least from where I'm standing, is that on a temporary basis this is a much-improved situation than what the Governor proposed.

Secondly, it's not much different from what currently exists. The reason for the move-up in the date is to get the better programs in place sooner than to just have this drag out and the possibility that next year we'll be here trying to solve the same

situation if the administration decides they want a 20-to-1 clawback.

We would have preferred to have no lookback at all, but in the negotiation we agreed that this was the best situation for the companies involved, considering that we know that everybody who was watching from the day the Governor put his budget out. Everybody from outside the state was getting ready to send all our businesses that are in those areas literature on why shouldn't they move to another state.

So with all that in mind, and knowing that your manufacturing companies are doing well and they're hopefully going to expand, as you pointed out in your speeches, wouldn't you think that this is a better idea than just leave the Governor's plan stand?

SENATOR NOZZOLIO: Mr. President, a lengthy question.

But let me share, in responding to Senator Stachowski, that no, I don't believe a company that has benefits taken away, has a program that may be terminated in a very short

period of time, that in this economy, as that company and the companies I mentioned and thousands of other companies across this state have to make investment decisions today to affect their operations three to five years out, the sign is clear in New York State: Don't do business here. We can't give you any type of certainty. We can't give you any regularity.

So what if you'd like to invest 10, 20, 30 million dollars into expanding your plant? Tell your board of directors that you may get certified, even if you're in a zone today, or you may not get certified if you're in a zone today. Tell your board of directors that yes, you may have an Empire Zone program in 18 months, or then again, you may not have an Empire Zone program in New York State in 18 months.

Those board of directors are going to say to the executive who's bringing this before them: In good conscience, we could not use our investors' money in New York State. We don't believe that New York State is

reliable. We don't believe New York State is going to live by its commitments from one day to the next.

We had before a tremendous upheaval in discussion on the zone program. And this measure may be an improvement, may be a small improvement on what was discussed earlier. But the fact remains, Senator Stachowski and my colleagues, that the uncertainty created by this Legislature will drive investment to other states.

And I believe that's the concern we have. That's the concern that Senator Winner mentioned in his remarks earlier on this issue. And it's a concern that is real. It's genuine. Particularly in these challenging economic times, if there's an unreliable program in New York State, let's go to the Keystone Program in Pennsylvania, which is a much more reliable program. Or let's go to Ohio, that has a program that's reliable, where we can make an investment and understand that there will be certainty in that investment.

SENATOR STACHOWSKI: Will the Senator continue to yield?

ACTING PRESIDENT VALESKY: Senator Nozzolio, do you continue to yield?

SENATOR STACHOWSKI: And this will be probably the last question from me.

But I know where you keep going with this, but my problem is that you keep saying it's unreliable, but the reality is had it gone through, the Governor was going to look back at it 20 to 1. The last -- I don't know what year we changed it, but we changed it back a few years ago to 20 to 1. I think it was four years ago that it became 20 to 1.

It's now codified -- if we do this bill, it's codified at 1 to 1 till the program expires or shirt-changers have a problem.

Other than that, the reality is that any board that knows all the business representatives in this state are putting together a new program recognizing the limitations involved in being in the manufacturing business or being in the biotech business or being in some of the many

companies that are attractive.

In my area, there's a printing company that has grown and is expanding and it's considering purchasing two more companies. They were scared to death about 20 to 1. They hit 14 to 1, and they're doing great. So for them, this is terrific.

The fear that the program is going to go out of existence I don't think is real, because everyone knows that from the businesspeople, all they have to do is call the Business Council -- which if they're businesspeople, they would -- to know that they're involved in negotiations trying to set up a program that works much better than this one and doesn't necessarily have a 20 to 1, has a recognition of the limitations based on how their investment has to go, the wages that their people get, and what the numbers would fit, overall the whole state, in certain areas.

So I don't think they have a worry about whether there will be a continuation or not. And I think it's a real reach to say

that they'll be panicked there won't be a program when they know that we have a commitment to them by just what we're doing to the Governor's suggestion in this budget, making sure that those companies that are doing pretty well, that are hitting 7 to 1, 14 to 1, 16 to 1, won't get clawed back and thrown out because they're not hitting 20 to 1 when they absolutely had no chance to hit 20 to 1 in the first place but they were in the program before we went to a 20-to-1 limit for the companies that are in now.

So the reality is they're getting a strong message that we're pro-business. So the reality is we're saving a lot of companies from the Governor's original idea. And even the Governor is receptive, and that's why he has his people negotiating with the various business representatives on putting together a new program, because he understands from hearing from all the companies and being beat up literally by different businesspeople when he did all his town meetings, that his 20-to-1 lookback program originally wasn't a good idea

and that something else has to happen and that we should be thankful that the businesspeople are moving forward and trying to negotiate this for us.

And we told them, and I'm sure you'll join along, that we will work with them. And Senator Alesi will be invited to -- anytime I'm invited, he'll be invited to come along and participate in any kind of role that we'll play in this part of this.

So my question is don't you agree that this might be a much better situation and that questions about the longevity of the program should be answered just by the fact that we did recognize the mistake of the Governor's program, we corrected it to a much better situation -- maybe not exactly where we wanted to go, but much better than any alternative we had -- and that we got the business community negotiating on moving forward with even a better program? So that's my question, is don't you think they'd see that as a positive message?

SENATOR NOZZOLIO: Senator

Stachowski, through the chair, in response to Senator Stachowski's question, let me answer it with the following.

The first is whether this program that is before us today was improved from Governor Paterson's original proposal is a question that could be better answered if this was negotiated before the public and if there was a transparent discussion of what the pros and cons were of the various proposals.

It may be an improvement over Governor Paterson's original proposal, but frankly you may have accepted, in your clandestine, behind-closed-doors, no transparent negotiations, something that just isn't appropriate for the long-term economic vitality of New York State.

And let me conclude my response to Senator Stachowski's question by asking Senator Stachowski this question parenthetically. Would Senator Stachowski put all his money into a bank that may or may not exist in a year? Would Senator Stachowski and members of your conference invest in a company

that may not exist in 12 months, or could exist but it may not exist, particularly because the people who created that company already had sent signals that they didn't want the company to exist in its current state in 12 months?

This metaphor is what we are confronted with today. The reality is that business decisions with investors' monies are made well in advance, and they're made to be non-risky decisions. Business is risky enough. These are challenging economic times --

ACTING PRESIDENT VALESKY: Senator Thompson, why do you rise?

Excuse me, Senator Nozzolio.

SENATOR THOMPSON: Would the Senator yield for a couple of quick questions, please?

ACTING PRESIDENT VALESKY: Senator Nozzolio, do you yield to Senator Thompson?

SENATOR NOZZOLIO: Yes, I'd be happy to yield to Senator Thompson.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR THOMPSON: Has the upstate population declined over the last 10 years?

SENATOR NOZZOLIO: Mr. President, I'm asked a question about the demographics of upstate. How does Senator Thompson define "upstate"?

SENATOR THOMPSON: Through you, Mr. President. According to my colleagues on the other side of the aisle, it's anything outside of the Bronx.

(Laughter.)

SENATOR THOMPSON: Will the Senator yield for another question?

ACTING PRESIDENT VALESKY: Senator Nozzolio, do you continue to yield to Senator Thompson?

SENATOR NOZZOLIO: Yes, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR THOMPSON: Since he

doesn't know whether or not we lost population upstate, I have another question for him. How many jobs have we lost upstate over the last 10 years? Do you know that? Can you answer that question, please?

SENATOR NOZZOLIO: Mr. President, I know there were promises by many politicians who were running for statewide office that there would be tens of thousands of jobs created in Western New York in particular. I can't remember exactly what United States Senator candidate made that pledge. Was it 10,000 jobs? It was 200,000. I stand corrected, Mr. President. It was 200,000 jobs that were promised upstate New York by a certain candidate for United States Senate. I don't believe those jobs have ever materialized, at least in the area of Central and Western New York that I represent.

But I'm sure that Senator Thompson has the figure at his immediate disposal and this question is something that I know he knows the answer to.

SENATOR THOMPSON: Will the

Senator yield for one other question, please?

ACTING PRESIDENT VALESKY: Senator Nozzolio, do you continue to yield?

SENATOR NOZZOLIO: I would be glad to yield to Senator Thompson.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR THOMPSON: You know, I am so fascinated that some individuals fail to recognize that some of us actually live upstate and we're a little attuned to some of the concerns that are often spewed out.

But I wanted to find out if he was aware of the poverty rates in some of the upstate cities like Buffalo, Rochester, Syracuse, Utica, and Albany, and whether or not he was aware of their poverty rates and whether or not they're in the single digits or in the double digits. If he could kindly answer that. Since we're talking about economic development, if he would be kind enough to answer those questions for me.

SENATOR NOZZOLIO: I'll be glad to answer Senator Thompson's question. I

guess it would be appropriate for Senator Thompson to know that the City of Geneva is one of the most impoverished cities in upstate New York. And that the zone program, because of the zone program, we were able to recruit Guardian Glass to Geneva to help begin a renaissance in that community that is in upstate New York, as Senator Thompson well knows. It's an area that he has to travel by each week when he comes to Albany.

But that Empire Zone program that is being changed by this legislation may very well send a signal to the company that began the renaissance in Geneva that New York is a state that no longer supports business, that it's a state that business can no longer rely on, it's a state that says more jobs will be lost. It says that very clearly, whether it's in Buffalo, Batavia, or the greater Finger Lakes region that I am honored to represent.

That the cities of Auburn and Geneva, the communities in Wayne County, in Tompkins County and Seneca County that have zones are now going to be having to explain to

companies that this program exists up until the middle of next year, so we would like you to invest in New York State.

And the question then becomes -- and maybe I can ask Senator Thompson to yield to respond to this -- what would Senator Thompson tell the companies who are making decisions to invest in Geneva, in Auburn, in Sennett, whether or not this program will definitely exist next year when it's set to expire next year by this legislation?

ACTING PRESIDENT VALESKY: Senator Thompson, do you consent to yield to Senator Nozzolio?

SENATOR THOMPSON: I would love to respond to the Senator's question.

Number one, I think that's an excellent question, particularly as someone who joined my colleague Senator Stachowski in supporting the opposition to a lookback provision. You may not be aware of it, but I actually served on the City of Buffalo's Empire Zone board for three years.

And I would say to that company

we're going to fight to make sure that you get all the tax incentives that you need. But the key critical question is whether or not you will do things differently than has been done in the past.

And so why I asked you the question about the loss of jobs -- yes, we've lost jobs upstate, particularly in the cities. Yes, the poverty rate in most of the upstate cities is double digit. But the critical thing that you must understand, the critical thing that you must understand is since the creation of the zones, that most of our upstate cities, like Buffalo, Rochester, Syracuse, they have all -- most of these cities have seen the job loss continue to increase and the poverty rates continue to increase.

So I support the zone. I have a bill that I put in when I first got in here to talk about increasing the wage tax credit, something that I submitted that hopefully, when they reform this program over the next year and a half, that we can improve the wage tax credit so that more people from Buffalo,

Rochester, Syracuse, Utica and Albany can actually -- the people that live next door to these facilities that don't get those jobs because the tax incentives are more lucrative for property taxes and for sales taxes but not the $1500 for a wage tax credit.

So yes, some of us are passionate about those upstate issues as well. And so when you spew that -- what sometimes may come across as venom but really is passion, I want you to understand that some of us actually do live upstate as well.

Thank you.

ACTING PRESIDENT VALESKY: Thank you, Senator Thompson.

SENATOR NOZZOLIO: Mr. President, to conclude.

That I believe the burden of proof in whether the zone program is going to be benefited by this legislation and that, more importantly, will jobs grow as a result of this legislation, will the priorities of this house support the number-one industry to the degree that under these challenging economic

times, agriculture, which is the number-one job-producing industry in this state, needs support? And it's a question of priority.

Thank you, Mr. President, for the opportunity to speak on this legislation.

ACTING PRESIDENT VALESKY: Thank you, Senator Nozzolio.

Senator Flanagan.

SENATOR FLANAGAN: Thank you, Mr. President. Tough act to follow.

Just one thing, very quickly. This book has been placed on everybody's desks, and I think it was referenced earlier. And it is the, quote, unquote, financial plan or otherwise referenced as the budget fact sheets. And I do have some questions relative to this book.

But following up on some of the comments from my colleagues, the Empire Zones issue is obviously a statewide issue. But frankly, for the communities I represent, it's not as prevalent as it is in many other areas. But from a simplistic standpoint, people will actually ultimately read some of these

documents, and I think this speaks volumes about what we're trying to do and where we're trying to go.

And I will just reference, again, these are words that were put out by the Senate Finance Committee under Senator Kruger's leadership. It talks about the concepts used to reform the program. And two of them say -- the second is to reduce some of the benefits prospectively, and the third is to make entry into the program more difficult.

I don't know, if you're trying to entice business into the State of New York and you're telling people you're going to get rid of benefits and you're going to make getting in the program more difficult and this is the preamble of what we're going to do, it seems to me that we're sending a mixed message at best.

But on that point, would Senator Kruger yield to some questions, please.

ACTING PRESIDENT VALESKY: Senator Kruger, do you yield?

SENATOR CARL KRUGER: Yes, I do,

Mr. President. But if I can indulge Senator Flanagan for one moment, please.

Just to clarify the record, because there was questions made before. The same way as, you know, I think we should all resent the characterization of this chamber being a gulag, I also don't like the word "slush funds."

So let's just set the record straight in terms of Senator Young made some representation concerning a so-called slush fund. Research will show that that is what we call a dry appropriation, which means that we create a budget line. And that budget line is to be used for stimulus funds that are competitive and that we have to apply for.

And unlike other states, where many have their fiscal years in July, because ours starts so early in the process, we need that line to be able to hopefully apply for additional funds and use those funds and support that line in the budget.

So consequently -- through you, Mr. President -- this is not a slush fund,

it's rather an unappropriated line to be used for future stimulus dollars. Thank you.

Senator Flanagan.

SENATOR FLANAGAN: Well, Senator Kruger, inasmuch as you digressed, I will digress as well.

I appreciate the characterizations, while I may not agree with them. And I'll just say that I don't like the fact that someone refers to any comments as spewing, coming from either side of the aisle. So since you made some other references, I'll just raise that and hope to engage in a cordial colloquy with you on some of the components of this bill.

SENATOR CARL KRUGER: Great.

SENATOR FLANAGAN: I want to go back to some of the things that you said originally. And I know it seems time has passed, so just refreshing your recollection and inquiring at the same time, when you were discussing this legislation with Senator Saland, there was a discussion about some of the things that you said.

And I want to focus on what you referenced as cuts in the General Fund. I wrote down some notes that you said there was $6 billion in cuts and that they came from the General Fund. And then later you said that the General Fund spending was flat.

So which one is it? Is there $6 billion in cuts, or is it the General Fund spending is flat?

SENATOR CARL KRUGER: Through you, Mr. President. Are we talking about Empire Zones, or are we talking about the budget lines?

SENATOR FLANAGAN: I'm not talking about Empire Zones at all.

SENATOR CARL KRUGER: Okay, so we're finished with Empire Zones.

SENATOR FLANAGAN: I didn't say that. I just said I'm not talking about Empire Zones.

I'm talking about references that you made before to General Fund expenditures. I believe that you said that we had cut $6 billion in funds, and then at another point

in your conversation you said General Fund spending was flat. I'm trying to ascertain which one was it or which one is it: $6 billion in cuts, or is it flat?

SENATOR CARL KRUGER: Through you, Mr. President. Once again, we've made $6 billion in cuts and we've made $6 billion in restorations. So in principle -- and obviously, there may be some dollars that differentiate -- we're flat.

SENATOR FLANAGAN: Mr. President, would Senator Kruger continue to yield?

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FLANAGAN: Okay. So at one point, Senator Kruger, we actually did make $6 billion in cuts to the General Fund?

SENATOR CARL KRUGER: Yes.

SENATOR FLANAGAN: And that before this product came out, we made roughly

another $6 billion in restorations, so our General Fund spending is flat.

SENATOR CARL KRUGER: Through you, Mr. President, in principle.

SENATOR FLANAGAN: Okay. So when you reference $6 billion in cutting and the public is trying to figure out exactly what we mean, based on what you're telling me now, I would be fair to go out and say to folks in terms of General Fund spending, we didn't make any cuts, because overall spending in that category of our state budget remains flat?

SENATOR CARL KRUGER: Through you, Mr. President. Senator Flanagan, it's $6 billion worth of cuts in services, current services, in the budget. While the Executive had --

SENATOR FLANAGAN: Is that in the General Fund?

SENATOR CARL KRUGER: While the Executive had $9 billion -- yes, in the General Fund. And we accepted roughly $6 billion.

SENATOR FLANAGAN: Okay, so --

ACTING PRESIDENT VALESKY: Senator Flanagan, could you continue to address --

SENATOR FLANAGAN: Mr. President, through you, would Senator Kruger continue to yield?

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield to yield?

SENATOR CARL KRUGER: Yes.

SENATOR FLANAGAN: Because part of what we're going to get into here and as we move along in the budget is a discussion about where is state spending going, how did it start and where are we going to finish.

So when we differentiate between state spending and federal spending, I think it's fair to get down for the record, when we leave here and go back to our districts, I want to know what the representation is going to be. Is it going to be that there was $6 billion in cuts, or is it going to be that we are spending the same amount that we did last year?

SENATOR CARL KRUGER: Through you, Mr. President. I think we're becoming exasperated saying the same thing over and over again. Spending is virtually flat from the General Fund.

SENATOR FLANAGAN: Okay. Senator Kruger, then on that point, if you would continue to yield.

ACTING PRESIDENT VALESKY: Do you continue to yield?

SENATOR CARL KRUGER: Yes, I do.

SENATOR FLANAGAN: How much is the General Fund spending?

SENATOR CARL KRUGER: About $55 billion, approximately.

SENATOR FLANAGAN: And what was it last year?

SENATOR CARL KRUGER: Approximately 54.7.

SENATOR FLANAGAN: Okay. Relative to the financial plan, if Senator Kruger would continue to yield.

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FLANAGAN: We have a good set of numbers here on All Fund spending. Is there any particular reason why we don't have General Fund spending year to year and why we don't have State Fund spending as well?

SENATOR CARL KRUGER: Through you, Mr. President, we do not have exact numbers at this point.

SENATOR FLANAGAN: Well, Senator Kruger, I -- this is -- it's exasperating on my end as well. And baffling, to quote my colleague Senator Saland.

If you don't have specific numbers, then how can you stand here before me and represent that it was $55 billion in General Fund this year and $54.7 last year? Either you have the numbers or you don't.

SENATOR CARL KRUGER: Through you, Mr. President. Senator Flanagan, the numbers are rounded. And the projection as well as the representation is not much

different this year than the representations that were made last year. They're rounded numbers.

SENATOR FLANAGAN: Okay. If Senator Kruger would yield.

ACTING PRESIDENT VALESKY: Senator, do you yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FLANAGAN: Senator Fuschillo had inquired about whether or not there's any MTA funding in this legislation.

SENATOR CARL KRUGER: Yes, he can.

SENATOR FLANAGAN: And I believe your answer was no.

SENATOR CARL KRUGER: The question was was there any new MTA funding.

SENATOR FLANAGAN: Okay. Is there any MTA funding in this plan?

SENATOR CARL KRUGER: Yes, there is. Of course.

SENATOR FLANAGAN: And how much

is that?

SENATOR CARL KRUGER: Through you, Mr. President, approximately $2.5 billion in transit aid that comes through DOT, and approximately $82 million in actual capital. And just to further clarify, that's part of the 2005 Bond Act, that that was the agreement.

SENATOR FLANAGAN: Okay. Following up as well on something that Senator Fuschillo had asked you, if Senator Kruger would continue to yield.

ACTING PRESIDENT VALESKY: Do you continue to yield, Senator Kruger?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FLANAGAN: We have a grave concern -- I think everybody does, obviously, all across the state. But on Long Island we are already hamstrung by actions taken by the DOT and by Governor Paterson. And I want to specifically reference an executive order that he issued last November

which included a provision that said basically if your projects are not at least 75 percent federally funded, you're on hold. Essentially, you're dead in the water. So that blew out the construction season on Long Island.

As part of your negotiations on transportation, have you resolved that issue and has that executive order been rescinded as a part of this budget?

SENATOR CARL KRUGER: Through you, Mr. President. Again, we're not responsible for executive orders instituted by the Governor. However, to the best of my knowledge, that order still is in effect.

SENATOR FLANAGAN: Okay. And then, more specifically, one of the huge projects on Long Island happens to pass quite a distance through my district, and it's generally referred to as Route 347. Which is going to be easily a $200 million project, and has been put off and delayed.

Can you tell me with any certainty in this budget will I know or will our

contractors know or will the residents on Long Island know with specificity if any project is fully funded?

SENATOR CARL KRUGER: Again through you, Mr. President. Senator Flanagan, specific projects would be negotiated between State DOT and the locality. It's not within the scope of this budget.

SENATOR FLANAGAN: So you have no idea or no understanding of what those projects may be, not only on Long Island but in any of our communities throughout the rest of the State of New York?

SENATOR CARL KRUGER: Through you, Mr. President. The actual individual projects and the oversight of those projects is State DOT. We fund the projects. We fund the agency. We authorize the agency, rather.

SENATOR FLANAGAN: If Senator Kruger would continue to yield, Mr. President, through you.

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes,

Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FLANAGAN: I'll just quickly reference this project that I spoke of. You said this is between DOT and localities. Are you suggesting that DOT is negotiating with various towns or the county? Because, frankly, it's state money, and we are the ones that have original and ultimate jurisdiction over this and many other projects.

SENATOR CARL KRUGER: Through you, Mr. President. The memorandum of understanding in the capital plan, 2005 capital plan, would have spelled out the individual projects. And it's administered by State DOT.

SENATOR FLANAGAN: Mr. President, would Senator Kruger continue to yield?

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FLANAGAN: Thank you, Senator Kruger. I appreciate the courtesy.

I want to shift gears, if I could, but I want to be very careful about being germane. And one of the broad concepts that we're going to have to grapple with here and in other pieces of legislation, and you referenced it in something that Senator Young had raised, is federal stimulus money. And I'm going to give you an example of why I as one legislator find myself confused, and maybe you can help clarify some of this for frankly all of us.

Several weeks ago the Governor, Malcolm Smith, Shelly Silver, you, Assemblyman Farrell all stood at a public press conference and said that there was $1.6 billion in, quote, unquote, nuisance taxes that were being taken out of the budget.

SENATOR CARL KRUGER: Yes.

SENATOR FLANAGAN: How was that paid for? Was that through federal stimulus

funds?

SENATOR CARL KRUGER: Through you, Mr. President.

Firstly, there is no such thing as nuisance taxes, but that's beside the point.

The 1.2 that was used to alleviate those taxes was a combination of funds, some stimulus, some General Funds. Not one specific pot of money was used. And nothing was tied to.

SENATOR FLANAGAN: Okay. Senator Kruger, if you would continue to yield.

SENATOR CARL KRUGER: Yes, I do.

SENATOR FLANAGAN: In your opinion, how much federal stimulus money are we going to be getting for this fiscal year? And in fairness, I would go back to the latter part of the last fiscal year and include that as well.

SENATOR CARL KRUGER: I'm told about $5.5 billion.

SENATOR FLANAGAN: And what is your understanding of how much of that is restricted or unrestricted? Mr. President,

through you.

ACTING PRESIDENT VALESKY: Senator, do you yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

Through you, Mr. President, as we all know, Washington, sending down the money, tied it to virtually education and healthcare.

SENATOR FLANAGAN: Okay. Since you reference roughly $5.5 billion, can you differentiate for me and for everyone else how much for education and how much for healthcare?

SENATOR CARL KRUGER: About 1.2 billion for education and about 275 million that would be flexible money. And the rest healthcare.

SENATOR FLANAGAN: Okay. And the healthcare money is unrestricted?

SENATOR CARL KRUGER: It's reimbursement money.

SENATOR FLANAGAN: Okay. Let me focus on the education piece, if I could. Mr. President, through you.

In looking at the federal stimulus money as it relates to education, there were two pots. The general-purpose money, are you representing that all that money, that 275 million, roughly, is all being used for education?

SENATOR CARL KRUGER: Through you, Mr. President, would Senator Flanagan define how his questions are germane to the TEDE bill?

SENATOR FLANAGAN: Mr. President, if Senator Kruger is asking me to yield, I'd be happy to do that.

SENATOR CARL KRUGER: I am.

SENATOR FLANAGAN: I started off this portion of my questions being very clear I want to be germane. You can have this conversation with me, you can have it with any one of my colleagues, and we can have it now or we can have it on every single bill. I believe it is germane because you actually talked about a $1 billion appropriation that's not in this bill and spoke about it at length.

So I think I'm on fair ground to be

bringing up the use of federal stimulus money, because it is germane to everything we're discussing.

And specifically as to your point, Senator Kruger, you referenced Medicaid money or healthcare money that became available that was unrestricted. So it is legitimate for me or for anyone else to be asking whether or not some of that money was used to fund the elements of what is commonly referred to as the TEDE bill.

SENATOR CARL KRUGER: Through you, Mr. President. Education and healthcare is not in this bill. Any questions raised about education and healthcare and the use of stimulus money should be directed when we get to those appropriate bills.

SENATOR FLANAGAN: Well, Mr. President, if Senator Kruger would yield.

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FLANAGAN: Senator Kruger, I'm going to go back to what you said before about the $1 billion fund whose characterization you didn't like, the $1 billion.

It is somehow apparent or it's fair for you to get up and discuss that, which is in a completely separate bill, not in the bill before us. But when I'm raising issues about federal stimulus money, somehow it becomes not germane.

SENATOR CARL KRUGER: Through you, Mr. President, in response to Senator Flanagan. The issue of the so-called slush fund that was raised by the Senator was part of the question on this bill. It had nothing to do about education or with health. It was part of the agriculture amendment. And that's why I raised the issue.

SENATOR FLANAGAN: Mr. President, if Senator Kruger would continue to yield.

ACTING PRESIDENT VALESKY: Senator Kruger, do you yield?

SENATOR CARL KRUGER: Yes,

Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FLANAGAN: Senator Kruger, at what point and frankly on what legislation do you believe it would be germane to be discussing the federal stimulus money and its distribution?

SENATOR CARL KRUGER: Well, through you, Mr. President, depending upon what programs that funding would be used for would be the time that it would be germane.

If we're talking about education and health, it has nothing to do with the TEDE bill.

SENATOR FLANAGAN: Okay. Will Senator Kruger continue to yield?

ACTING PRESIDENT VALESKY: Senator, do you yield?

SENATOR CARL KRUGER: Yes, I do, Mr. President.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FLANAGAN: Senator

Kruger, is there any federal stimulus money that's been used to pay for the components of this legislation before us?

SENATOR CARL KRUGER: Yes, there is.

SENATOR FLANAGAN: Mr. President, if Senator Kruger would continue to yield.

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do.

SENATOR FLANAGAN: Forgive me, but you're telling me not to speak about something that is so unbelievably germane to this bill because you just represented to me and my colleagues that you're paying for it with federal stimulus money. How much more germane do you have to get?

SENATOR CARL KRUGER: Through you, Mr. President. Senator Flanagan, I don't understand your question.

SENATOR FLANAGAN: My question is this. How much, specifically, how much federal stimulus money is being used to fund the components of the bill before us? You

just said there was money. I would like to know how much.

SENATOR CARL KRUGER: Through you, Mr. President. I will get back that answer to you, Senator Flanagan.

SENATOR FLANAGAN: But there is money being used from the federal stimulus.

SENATOR CARL KRUGER: Through you, Mr. President, I believe so.

SENATOR FLANAGAN: Mr. President, on the bill.

ACTING PRESIDENT VALESKY: Senator Flanagan, on the bill.

SENATOR FLANAGAN: When Senator Kruger originally got up, he was talking about the process that we're engaging in and he referenced bipartisanship, and he talked about the outreach that came from the Majority to the Minority.

And I made these similar comments when we talked about the deficit reduction plan. I can guarantee you, when I go home and I talk to the people that I represent, I will be very clear. There was at best a hint and a

scintilla, no more, in terms of bipartisanship.

Because I know what people are going to say. I'm the ranking Republican on the Education Committee, I got a letter from Senator Oppenheimer in the latter part of March, just like Senator DeFrancisco did from you -- as did all the other chairs to their respective rankers -- and we were asked for our input and our ideas on the budget. And frankly, I was offended. I don't work for Senator Oppenheimer. My colleagues don't work for the chairs of their respective committees. I work for my constituents and the residents of the State of New York.

I wrote back politely and said that the proper discourse and the proper venue for that is public dialogue and transparency and things that we call the conference committees that everybody supported unanimously in the Budget Reform Act of 2007.

So you can dance around it a hundred different ways, but the bottom line is this was the most secretive process certainly

in the 23 years I've been in Albany. And you know what? You're in charge. If that's how you decide to do it, I don't have to agree with it, but that's the reality.

So I don't think anyone should walk out of here making any assumptions about whether this was a bipartisan process and whether there was any real outreach. I am certainly not going to represent that to my constituents. And when I am at public forums with my colleagues on both sides of the aisle in both houses, I will be absolutely crystal-clear that there was no bipartisanship in this budget process.

Thank you, Mr. President.

ACTING PRESIDENT VALESKY: Thank you, Senator Flanagan.

Senator Libous.

SENATOR LIBOUS: Thank you, Mr. President. Would Senator Dilan, the chairman of Transportation, yield for a question?

ACTING PRESIDENT VALESKY: Senator Dilan is not in the chamber at this

time, Senator Libous.

SENATOR LIBOUS: Well, then, Senator Kruger, would you yield for a question on transportation?

ACTING PRESIDENT VALESKY: Senator Kruger, would you yield to Senator Libous?

SENATOR CARL KRUGER: Yes, I will.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR LIBOUS: Thank you, Senator.

Senator, for the last several years you've heard me on this floor talk about the Dedicated Highway Trust Fund. Is the fund being raided again this year, Senator Kruger? Through you, Mr. President.

SENATOR CARL KRUGER: Through you, Mr. President. In all due respect, what does "raided" mean?

SENATOR LIBOUS: Is that a question, Mr. President?

ACTING PRESIDENT VALESKY:

Senator Kruger, are you asking Senator Libous to yield to you?

SENATOR CARL KRUGER: Yes, I guess so.

SENATOR LIBOUS: I won't yield the floor, but I'll answer his question.

SENATOR CARL KRUGER: Thank you.

SENATOR LIBOUS: "Raided," in my opinion, and in the opinion of the people that I represent, and quite frankly the people of State of New York, is when a Dedicated Highway Trust Fund was set up -- and I emphasize the word "trust fund" -- the money that was go into that fund was to be used for road and bridge repair.

For the last several years the administration has taken money from that fund, I call it a raid, and used that for other means. And I'm curious if the money has been taken from the fund again. So I will rephrase my word "raided" and say that money was taken from the fund and used for other means. Has that happened again this year, Mr. President?

SENATOR CARL KRUGER: Through

you, Mr. President. If I understand the question correctly, Senator Libous, there is approximately $220 million that is redistributed from the dedicated fund to DMV, which is allowed within the scope of the federal regulation. State law, I'm sorry.

SENATOR LIBOUS: Mr. President, through you, would Senator Kruger continue to yield?

ACTING PRESIDENT VALESKY: Senator Kruger, do you continue to yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR LIBOUS: And, Senator Kruger, the $200 million, do you know what that $200 million is used for in DOT?

SENATOR CARL KRUGER: Through you, Mr. President, operations.

SENATOR LIBOUS: So, Mr. President -- and thank you, Senator Kruger, on that question, that specific question. I'm not done, sir. But --

ACTING PRESIDENT VALESKY:

Senator Fuschillo, why do you rise?

SENATOR FUSCHILLO: I'm going to give Senator Kruger a break. Would Senator Libous yield for a question?

ACTING PRESIDENT VALESKY: Senator Libous, do you yield to Senator Fuschillo?

SENATOR LIBOUS: Yeah, I will, Mr. President.

SENATOR FUSCHILLO: You don't object, Senator Kruger, do you?

SENATOR CARL KRUGER: No, not in the least.

SENATOR FUSCHILLO: Senator Libous, you talked about raiding the Dedicated Highway and Bridge Trust Fund. I know as the chair of the Senate Transportation Committee you had legislation for many years in this house pending that. Could you explain --

SENATOR SALAND: Excuse me, Mr. President. For whatever reason, whether it's Senator Fuschillo's microphone -- it is difficult.

SENATOR FUSCHILLO: How about

now? Is that better?

SENATOR SALAND: Yes.

SENATOR FUSCHILLO: Okay, thank you.

Could you talk a little bit about the need for the legislation that you've had pending here that would prevent the raid and what was the purpose of your question where have the funds been going that are supposed to be dedicated for that specific account?

SENATOR LIBOUS: Certainly, Mr. President. And through you, Mr. President. For the last couple of years the Dedicated Highway Trust Fund, and I emphasize the word "trust," was set up to collect fees -- from fuel fees, from motor vehicle fees -- to go into a fund to pave roads and bridges in New York State. A portion of those dollars have gone to pay for bonding that has paid for roads and bridges and certainly to try to take care of the needs of the highways of New York State.

In the last couple of years, and I remember on the floor last year I referenced

that over $213 million was transferred from the Dedicated Highway Trust Fund, a fund to pave roads and take care of the ailing and failing bridges in this state -- and by the way, Mr. President, DOT put out a report last year that talked about the number of bridges that were in disrepair in our state. And, Mr. President, there were hundreds of bridges throughout the state. The report is quite a large report, it's about this thick (indicating), and it talks about safety to the citizens of New York State. And certainly the money in that Dedicated Highway Trust Fund was supposed to and is supposed to go to road and bridge repair.

But $213 million last year was transferred to, as Senator Kruger mentioned, the Department of Motor Vehicles to pay for the operation of the Department of Motor Vehicles. Now, normally that's done out of the General Fund. Normally, that's done out of state operations. But for whatever reason, the Dedicated Highway Trust Fund, money used that's supposed to go to repair roads and

bridges, goes to that.

There's also, Mr. President, I believe about $500 million, maybe now $600 million that goes to snow and ice removal, to the Department of Transportation. That's taken from that dedicated fund, you know, close to a billion dollars. It's not quite a billion dollars, but it may be closer. And, Mr. President, Senator Kruger, as chairman of Finance, may have those updated numbers. I don't have them available. But again, taken away from a Dedicated Highway Trust Fund that was set up by this body to pay for road and bridge repair. Dangerous bridges, very, very dangerous to our citizens.

So that money is now transferred out and goes into the maintenance and operation of DOT. Again, in the past, was paid for out of a General Fund account.

So, Mr. President, I hope that answers Senator Fuschillo's question.

ACTING PRESIDENT VALESKY: Senator Fuschillo.

SENATOR FUSCHILLO: Mr.

President, would the Senator continue to yield?

ACTING PRESIDENT VALESKY: Senator Libous, do you continue to yield?

SENATOR LIBOUS: Sure.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR FUSCHILLO: My understanding, based on my original questions to Senator Kruger prior to this discussion, was that about $2 billion is going into that fund this year, but a very small percentage is actually going to be for construction.

Is the same principle being applied here, where X amount of dollars will be going to pay for debt and a very small amount will be going for actual construction?

SENATOR LIBOUS: Actually, Mr. President, through you, I know the question came up earlier that Senator Fuschillo talked about the CHIPS money. And I believe he offered a question up to Senator Kruger.

And, you know, the Governor cut the

CHIPS money, and certainly it was restored, and that's a good thing. But what's interesting, and it pertains to the fund, is that about $363 million in CHIPS funding goes to local governments. But what's alarming is that $440 million will go to cover the bonding of that 363.

So it's a problem, because more and more of the Dedicated Highway Fund is going to bonding and to pay debt rather than actually going into road and bridge repair. And as the fund is continually raided, then more and more of the fund will go to bonding, because that 500 million that I mentioned, and add 200 million on top of that, that's 700, say $800 million could have gone to road and bridge repair.

Mr. President, could I continue to ask the chairman of Finance, Senator Kruger, a couple of questions?

ACTING PRESIDENT VALESKY: You certainly may.

Senator Kruger, do you yield to Senator Libous?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR LIBOUS: Thank you, Mr. President.

Senator Kruger, would you concur that also the money is still being taken out for snow and ice repair, as I mentioned?

SENATOR CARL KRUGER: Yes, it is.

And if I could just comment, Senator Libous, to expand on your question.

SENATOR LIBOUS: I would be happy to listen.

SENATOR CARL KRUGER: This program developed in 2005, when Republicans were in the majority, is faulty. We know that. And interestingly enough, you had press conferences around this very issue, and we agree with you. And we would like very, very much to offer a bipartisan approach over this next segment after we finish this budget to see how we better utilize our shared expertise in making this program a better one.

SENATOR LIBOUS: Mr. President,

could I respond to his comment?

ACTING PRESIDENT VALESKY: Senator Libous, yes.

SENATOR LIBOUS: Thank you. Mr. President, through you. Of course, Senator Kruger, I welcome your offer.

And, you know, this house did vote for legislation two years in a row that I put on the floor when I sat on that side of the aisle that would stop the raiding of the Dedicated Highway Fund, and it passed unanimously. So I would welcome that.

And I appreciate you making the offer, because I think we have to stop raiding that fund, because the taxpayers believe that that is a sacred fund that is supposed to go to road and bridge repair.

And again, Mr. President, this year -- and if I could ask Senator Kruger another question.

ACTING PRESIDENT VALESKY: Senator Kruger, do you yield?

SENATOR CARL KRUGER: Yes, I do.

ACTING PRESIDENT VALESKY: The

Senator yields.

SENATOR LIBOUS: Will the increases this year, Senator Kruger, in vehicle registration fees, will they be going into this fund, I'm assuming, as they have, all vehicle registration fees have in the past?

SENATOR CARL KRUGER: Through you, Mr. President, yes, they will.

SENATOR LIBOUS: Mr. President, if Senator Kruger would still yield.

SENATOR CARL KRUGER: Yes, I do.

SENATOR LIBOUS: Would those funds go to highway road and bridge repair, or will they be swept out to be utilized for other purposes?

SENATOR CARL KRUGER: Through you, Mr. President, once again, they're not segregated, as you're well aware, Senator Libous. So the answer is it's a mixed answer to a mixed bag.

SENATOR LIBOUS: Thank you, Mr. President. Could I speak on the bill?

ACTING PRESIDENT VALESKY:

Senator Libous, on the bill.

SENATOR LIBOUS: I am going to offer my comments particularly to the transportation piece of this legislation. And I certainly defer to my colleagues who have spoken on a number of other issues.

It was talked about earlier today that there was going to be job generation in this bill, and what I am concerned about is this. That according to what I can find in the transportation bill, and what I understand is that there's about $1.6 billion in the existing letting program, and the letting program is the number of jobs that DOT puts out on the street. Those are when your contractors call you and say, Hey, where are the projects, how come they're not moving? There's $1.6 billion, which is about a $300 million cut in this program.

And in 2005, as Senator Kruger mentioned before, this house voted and agreed on a highway program at a certain level, it was a five-year plan. And it also went to the taxpayers of this state and asked the

taxpayers to bond. And if you recall, we passed a transportation bond issue. And we told the taxpayers at the time that the money was going to be used for road, bridge, highway repair and other issues.

This budget really breaks that commitment, because there will be $300 million less in actual letting going out the door this year. That's something that concerns me, especially as we talk about jobs.

Let me take it a step further. As Senator Kruger correctly said earlier, there is stimulus money that is in this package. And certainly we all know that there are strings attached to stimulus money. I guess, you know, I asked a question did the stimulus money for highway funds, you know, make up the reduction in state spending. And my answer to that is going to be no. And that's really a short answer.

But there's about a billion dollars in highway stimulus funds that go into this budget. But what's concerning is that -- and that's for the next two years. Okay? That's

a billion dollars for the next two years. So if you cut it in half, that's what, 500 million one year, 500 million the next.

But this budget also cuts 600 million in state construction during the same time. That's 600 million in state construction funds at the same time. So you're again spending less than what was proposed in the capital plan that was put together by this house in 2005. That's less spending, that's less construction jobs, that's less jobs being created than we actually committed to and passed in this house in 2005.

So I'm very concerned that while my colleagues on the other side of the aisle talk about all these jobs that are going to be created, at least from the DOT side -- I can only speak on DOT. I don't profess to be an expert. I know a little bit about it from chairing the committee.

I find transportation to be an exciting area of the state budget because it ties to economic development and our future

growth, whether it be rail or aviation and again, hopefully someday fixing -- and I take Senator Kruger's offer up, and we will work together to fix that Dedicated Highway Fund, because that's something I wanted to do for the last several years.

But to say that at least from the transportation side of this that additional jobs are going to be created, I question that. I only question that because if I look at the numbers, the numbers are telling me that we're to be putting less out in this fiscal year than we've committed in the past. And if we're putting less money on the street -- and I've dealt with the contractors, I've dealt with many of the people in the industry -- it means that they're going to hire less people in the construction season.

So while I certainly -- I think, looking at the spending portion of this budget -- and I do applaud the fact that the CHIPS money was put back in the budget. I know that's something that everybody on the this side of the aisle worked hard -- Senator

Fuschillo, as the ranker of the committee. And I guess if Senator Dilan were here, I'd even say thank you to him. So if he's listening, I say thank you to you too for doing that, because that's a very important part of this transportation budget.

Thank you, Mr. President.

ACTING PRESIDENT VALESKY: Thank you, Senator Libous.

Senator Thompson.

SENATOR THOMPSON: On the bill.

ACTING PRESIDENT VALESKY: Senator Thompson, on the bill.

SENATOR THOMPSON: I won't be long, because I know we've been on this bill for a number of hours.

But first I want to thank you, Mr. President, for recognizing me. I want to also thank Chairman Kruger for his insight into the budget and his tenacity in moving through this process.

Just a couple of things I think are important to note about the environment. This budget will provide $454.5 million in stimulus

money, $9.45 million for spills management, $10 million for land and forest grants, and $435 million for water pollution.

This budget as well, so many people raised concerns. The Governor's initial proposal really proposed a sweeping change to the Environmental Protection Fund, and many of my colleagues on both sides of the aisle raised a concern regarding using the real estate transfer tax, removing that as the primary source of funding from the EPF. And so with the help of so many people in this room and so many advocates, we were able to reject that proposal by the Governor.

The other thing I think is important to note is that there's been a number of sweeps of the EPF. This budget proposed a $45 million sweep. And with the help of a number of advocates and groups, we will not be sweeping the EPF.

I believe that there's still some unfinished business to do as relates to the EPF that we can hopefully submit in a bipartisan way by the end of session as

relates to repayment language. I know that former chairman of the Senate EnCon Committee, Senator Marcellino, in addition to Assemblyman Sweeney in the Assembly, have bills that they'd like to have negotiated to deal with the repayment provisions of over $500 million in sweeps taken place to the EPF.

ACTING PRESIDENT VALESKY: Excuse me, Senator Thompson.

Senator Marcellino, why do you rise?

SENATOR MARCELLINO: I would just like to ask if Senator Thompson would yield for just one question.

ACTING PRESIDENT VALESKY: Senator Thompson, do you yield to Senator Marcellino?

SENATOR THOMPSON: Yes, absolutely.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR MARCELLINO: Senator Thompson, you and I have talked about this before. You mentioned the legislation that I

sponsored in this house and that was passed unanimously by this chamber and the other house and became law that established the EPF at $250 million in last year's budget and raised it to $300 million in this year's budget.

The bill that we're talking about and the bill that will be coming up in Article 7, is the EPF higher or lower than $300 million? Or is it the same as $300 million, or is it less than $300 million?

SENATOR THOMPSON: Through you, Mr. President. The bill will be less than $300 million. But as many of you know, even with the lower amounts it's been difficult to get all of those dollars out of the door, and that's what has led to a lot of the sweeps.

And so I believe as we come out of this fiscal climate, this period of economic recovery, that we all will support, I would hope, to moving it up to that $300 million once we get out of this fiscal climate. As many people are aware, the Governor's budget came in, I believe, at $205 million, and today

we have increased it by more than $17 million, coming up with different ways.

And I think the number-one thing for most of the advocates this year was to, one, deal with the RETT. I believe we did that, to protect the EPF. And two was the issue of making sure that we deal with the Bottle Bill, which I'll talk about after Senator Marcellino is finished.

Do you have any other questions?

SENATOR MARCELLINO: Yes. Just one more.

ACTING PRESIDENT VALESKY: Senator Thompson, do you yield?

SENATOR THOMPSON: Yes, absolutely.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR MARCELLINO: Senator Thompson, the bill that we're talking about, that we're going to be talking about, depends upon, in part, fees that were increased, such as fees to pesticide applicators, fees to new wetlands projects, and so forth.

There's no guarantee -- there's supposed to be an additional $5 million. At least the first $5 million was supposed to go into the Environmental Protection Fund to bring it up to the number you're talking about, amongst other fees. There's no guarantees that any of these fees will achieve the level that is anticipated. Is that not so?

SENATOR THOMPSON: I would respectfully disagree. I mean, I think anytime we put budgets together, we put in projections. And I think whether it's the RETT or whether it's any other number that's assigned to any budget, it's based on projected revenue.

And I believe that not only will we reach that projection, that we're going to work collectively with the various respective agencies and the advocates to not only get the money out the door but to improve the process and make sure that we not only get the revenue in but also spend the money a lot faster and a lot better as well.

SENATOR MARCELLINO: I just wanted to make the point that the EPF was supposed to be $300 million and is significantly less now. This budget does swipe money out of the EPF into other areas. There is no language here that guarantees repayment. There has never been any repayment of EPF funds. There's almost a half a billion dollars in EPF money that has been swept by prior administrations, right up to and including this one, that has not been paid back. And there doesn't seem to be a plan to have it paid back.

I think that has to be addressed, and we will address it in the next bill with an amendment.

Thank you, Senator Thompson.

SENATOR THOMPSON: On the bill, just a couple of quick things.

First, this bill does not have a cash sweep. The $45 million I believe in cash sweep has been rejected. We've always done some bonding. This bill will do about $95 million in bonding for various capital

projects, many that will be performed and conducted, as always, in many Senate districts across the state.

I think the other point that's important to note about this bill is that we did conduct a number of hearings on the Bottle Bill. And the hearings I thought were very inclusive. We did not have hearings where all the people who were for it spoke first and all the people who were against it spoke last.

I think for the people -- in fact, in the hearing that was held in Albany, I want to thank my colleagues from both sides of the aisle that came out and actually gave some very good input and testimony from not only the members but also from people on both sides of the issue.

The Bottle Bill has been something that many folks have been supportive of throughout the years. It has over a 75 percent approval rating in public opinion polls. This bill I believe is a compromise. It's a compromise bill. As an advocate, someone who is passionate about this issue, I

would like to have seen it bigger. I would have loved to see it bigger. But some people said let's try to work on a compromise proposal.

So this compromise only goes to bottled water. It's not your ice teas, your sports drinks, your fruit juices. It takes out of our landfills, out of our farms more than 1.5 billion containers that are purchased and consumed in the State of New York each and every year. So it's a compromise proposal.

It's not as ambitious and robust as many of us who have been supporters of the Bigger Better Bottle Bill would have liked. But it's a compromise. We listened to some of the concerns of the supermarkets. They were concerned about overredemption.

In fact, there's some members on the other side of the aisle and this side of the aisle that were concerned about the fact that the big box retailers, traditionally your Wal-Marts, your Sam's Clubs, your Targets, do not really at this present do a fair job of enforcing the Bottle Bill.

So this bill will seek to address and rectify some of those problems.

ACTING PRESIDENT VALESKY: Senator Marcellino, why do you rise?

SENATOR MARCELLINO: Would the Senator yield.

ACTING PRESIDENT VALESKY: Senator Thompson, do you yield?

SENATOR THOMPSON: Yes, sir, absolutely.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR MARCELLINO: You mentioned the Bottle Bill. I was going to save this for another time, but why not.

How much revenue is anticipated to come from the proposed new Bottle Bill?

SENATOR THOMPSON: According to our numbers, it will be a minimum of 115 will go to the state.

SENATOR MARCELLINO: How much do you -- I'm sorry. Through you, Mr. Chairman.

ACTING PRESIDENT VALESKY: Do you continue to yield, Senator?

SENATOR THOMPSON: Yes.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR MARCELLINO: How much do you expect to get this year, in this fiscal year?

SENATOR THOMPSON: This fiscal year I believe is budgeted for $115 million. In fact, the Container Recycling Institute believes that it will be higher than that, but we took the conservative estimate.

In addition to that, we also -- they believe it's going to be 218. We budgeted 215. And out of that, whatever is left, if there's more money left, 20 percent of that will go to the industry.

SENATOR MARCELLINO: Mr. President, if the Senator could continue to yield.

ACTING PRESIDENT VALESKY: Senator Thompson, do you continue to yield?

SENATOR THOMPSON: Yes, absolutely.

SENATOR MARCELLINO: Senator

Thompson, how do you propose to deal with the issue of a single label for New York State relative to bottled water?

SENATOR THOMPSON: Yes, the UPC code?

SENATOR MARCELLINO: Yeah.

SENATOR THOMPSON: The UPC code I believe will be addressed during the regulatory process.

That is an issue, as I explained to some of our colleagues, that you have some supermarkets right now that would prefer to have a universal UPC code, and some distributors or manufacturers would like to have a universal one, and then you have some on the other side that would like to have a state-specific. Because as you are aware, there are certain supermarkets that have what we call a private label. Meaning Hannaford Foods may do their own bottled water. And they may not only operate in New York State.

So there's not a uniform opinion right now on whether you should have a universal UPC or state code. And I think this

is something that all of us who have been really involved with this would like to allow the right to work out through the regulatory process.

SENATOR MARCELLINO: Well, I understand what you're saying, and I concur that there is going to be a problem. And if one talks to the industry, as I have --

ACTING PRESIDENT VALESKY: Senator Marcellino, are you asking Senator Thompson to continue to yield?

SENATOR MARCELLINO: I will in a second.

As I have spoken to the industry, they tell me that there is no way that that process can be accomplished within six months to a year. So Senator Thompson, if he would continue to yield --

ACTING PRESIDENT VALESKY: Senator, do you continue to yield?

SENATOR THOMPSON: Yes, absolutely.

ACTING PRESIDENT VALESKY: The Senator yields.

SENATOR MARCELLINO: If you can't resolve this problem within the next six months to a year, assuming the industry -- they ought to know -- assuming the industry is correct, if you can't resolve this problem in six months to a year, how do you accomplish the effect of getting any money? Because you're not going to have a code and you're not going to be able to redeem the bottles.

SENATOR THOMPSON: Through you, Madam Chairwoman. First let me say that --

SENATOR MARCELLINO: Is it something we said?

ACTING PRESIDENT STEWART-COUSINS: Look what you did, you changed everything.

(Laughter.)

SENATOR THOMPSON: Through you, Madam Chairwoman, the issue at hand is not that complicated. Number one, I think we need to recognize that we are not the only state in the union that deals with bottled water.

Number two, Connecticut, as you are aware, last month just passed a bottle bill for bottled water, and they gave them a pretty

short time frame. And some will be a little late, but most, I am told, will be on time.

The other issue is in terms of the companies, we're always going to -- I am told that the state, as always, will do its best to work with these companies. Many of the bigger companies said that they are prepared to address this issue. And some of the smaller breweries and things of that nature I believe will be assisted through the regulatory process. And there is also some transition money that may be available as well.

SENATOR MARCELLINO: If the Senator will continue to yield, Madam President.

SENATOR THOMPSON: Yes, absolutely.

ACTING PRESIDENT STEWART-COUSINS: Senator Thompson continues to yield.

SENATOR MARCELLINO: Senator Thompson, I hear what you're saying. But the fact is many of these companies are saying that it cannot be done, that it cannot be met. And what the state is likely to do is have no

product on the shelf at a given period of time. Connecticut hasn't collected a dime yet -- or a nickel, if you will, from their law because they haven't got any labels.

You've got a brewery in your section of the state that is cancelling projects or a proposed project to expand and is talking about possibly even closing down as a result of this particular law, with the loss of several jobs in that region, which is something we don't want.

We're hearing that -- many of the grocery stores are telling us that it's going to cost jobs because they aren't going to be able to make back -- this 20 percent is not going to cover their cost of doing business. The bottlers are not going to be able to cover their costs. Some of them are just not going to be there. Some of the smaller operators are not going to be there.

There's an Anheuser-Busch brewery that is in I believe Senator Aubertine's district that is likewise saying they're going to close down too, and they're cancelling a

project for expansion.

Senator, I go back to you again. This bill, while you're projecting numbers, these are largely guesstimates of the worst kind. There is no basis for which these numbers -- you hear every time we talk a different set of numbers. It started out as $30 million, it then went to the $100 million, it's now up to $218 million. There's no way that this can be done.

And when I asked you how are we going to make the label factors, well, we'll work with the industry and I'm sure something can happen. Again, no answer to the question.

Senator, I suggest to you and I'm asking if you would agree that this poses a serious problem with the revenue that this bill is supposed to generate that adds to the balancing of this budget. If the revenue doesn't come in, is this budget balanced?

SENATOR THOMPSON: Through you, Madam Chair.

First, I'm sure that my colleague -- I will respectfully suggest that

New York State is probably the third-biggest market for most of these national and some regional retailers. And so we -- so that you're -- for full disclosure, one company I met with six times. Six. I went to one company's facility twice. Every group that wanted to participate in this process, I met on a minimum of one time. Many of their recommendations to this bill are a result of members on both sides of the aisle in addition to people from industry.

No industry, for the most part, will say "Give us more regulation" or "We want to give you more money." Most won't. But I think if you look at this bill from what was proposed in December of 2008, you can honestly say that this bill has been substantially modified to address many of the issues.

Is it perfect? Absolutely not. But if you talk about equal enforcement of the Bottle Bill, this addresses that through posting for consumer rights and the rights of the store owners. If you talk about equal enforcement as relates to big box retailers

compared to convenience stores and supermarkets, this bill begins to address that. If we talk about making sure that there's shared sacrifice, this bill addresses that.

Do we take 100 percent from the bottlers like Connecticut just did where Nestle and Poland Spring is in Connecticut? We didn't do that. We offered a compromise.

In addition to that, I am certain, with members on both sides of the aisle, through the regulatory process we will address even more issues. But we know and you know, as someone who's spent a lot of time on environmental issues, that many of these companies, whether it's dealing with lead paint, fire-safe cigarettes, every time we come up with something to provide more regulation, they will always say they can't do it unless government pushes them along.

And I think this is a fair and a better deal. And as I said to someone yesterday, if they couldn't get this deal in Connecticut, where Poland Spring is

headquartered, why would they think they could get a better deal in New York State? This is a better deal than they got in their own home state of Connecticut.

Thank you.

SENATOR MARCELLINO: Thank you, Senator. I just would comment that again, we'll propose an amendment for the Article 7 bill and we'll expand upon this discussion more.

But the numbers that I'm hearing from you, the initial Bottle Bill -- if you would continue to yield.

ACTING PRESIDENT STEWART-COUSINS: Senator Thompson, do you continue to yield?

SENATOR THOMPSON: Absolutely.

SENATOR MARCELLINO: The initial Bottle Bill included a whole bunch of other things like juices and other types of drinks. I heard the same numbers for revenue on that original Bottle Bill that included juice and all kinds of other bottled drinks, noncarbonated bottled drinks, not just water. But the same numbers, total numbers --

$218 million, $111 million -- all of this stuff, same numbers.

You're taking less product, Senator. You're taking less product. You're not taking the juices. Yet you're using the same revenue source and the same revenue numbers. I don't know how that works. Can you explain that, please?

SENATOR THOMPSON: Yes.

Let me just say this. Assembly Bill 9777 and Senate Bill 2831, I believe those were the two bill numbers that did the original Bottle Bill, if I'm correct. And, you know, what's so fascinating about it is that I was only 12 years of age at that time. But I will say that I remember as a young man going to Detroit, Michigan, where at that point they had a bottle law, and every summer I used to -- my aunt owned a store, and I would wonder why we could take cans back there and we couldn't do it in New York.

But you know what, in 1982 they said that all these companies, they were going to leave the state, they were going to lay off

people, it could never be done, it would never happen. And I'm sure some of the members on both sides of the aisle remember those same things. Right? You know that.

And the fascinating part about this is that there are people, as you know, Senator, that are waiting for this to happen so that redemption centers and other companies can continue to grow and take the pressure off our supermarkets.

And is it a perfect process? No. But I can tell you this, that implementing this bill in 2009 will be a lot easier than it was in 1982. And I think everyone, whether you support the bill or not, would agree with that.

SENATOR MARCELLINO: Senator, I would just --

ACTING PRESIDENT STEWART-COUSINS: Senator Marcellino, do you wish Senator Thompson to continue to yield?

SENATOR MARCELLINO: Yes, if he would.

ACTING PRESIDENT STEWART-COUSINS:

Senator Thompson, do you continue to yield?

SENATOR THOMPSON: Yes.

SENATOR MARCELLINO: Senator, I wasn't 12 years old in 1982, so I can't relate to that time frame. It was a blur.

(Laughter.)

SENATOR MARCELLINO: That's more information than some of my colleagues needed.

The question that I would like to ask you is, are you aware of the overredemption that occurs in those areas of the state that border other states without the bottle bill? Some areas, some stores have talked about 150, 130, in some cases approaching double that in redemptions from other states -- people crossing the line, going to stores, bringing the bottles bought in other areas and redeeming them in the state -- causing a tremendous hardship financially on the stores in those regions.

Are you aware of that, and how does this bill address that?

SENATOR THOMPSON: Through you, Madam Chairwoman. That is the dilemma that we

have with the existing Bottle Bill and the expanded. And that's why there were industry people and some advocates who wanted a UPC code, a New York State base.

The problem that I foresee right now is that you have the industry and some of the supermarket chains are mixed on it. And so we have to, through the regulatory process, find out what is the best way in that area. Because some people want a universal UPC code, and some people want a New York State-based one.

But most of the people have said, by and large, that many of the issues that they were concerned about outside of this UPC code, and maybe one or two small issues, have said that many of their concerns have been addressed.

And I think that process that you're talking about now, I think we can work through that process. And I believe we have to also be mindful in 1982 they were starting from scratch. And we're not starting from scratch. We have a lot of folks who have

institutional knowledge as advocates, as legislators, as staffers, and as companies as well.

So I believe they'll be able to work through that. And if you have suggestions, I'm always available and I'll do everything to support some of the ones that make sense.

SENATOR MARCELLINO: Madam Chairman, if the Senator would continue.

ACTING PRESIDENT STEWART-COUSINS: Senator Thompson, do you continue to yield?

SENATOR THOMPSON: Yes, absolutely.

ACTING PRESIDENT STEWART-COUSINS: The Senator yields.

SENATOR MARCELLINO: I take Senator Thompson at his word. I know he is an honorable gentleman. And we have -- as ranker on the committee now, and he is chairman of the committee, we have worked well together, and I respect his leadership.

The question that I would raise, though, is in the realm of enforcement. I do

not see the DEC doing much in that area that needs to be done. You have a tremendous amount of stores, entities, that give away or sell sodas and sell bottled drinks that are now currently under the nickel package.

And by the way, in 1982 we didn't have curbside recycling. So there are curbside recycling programs out there now that would address and could address much of this recycling and getting stuff off the streets.

With that being said, if you go a drugstore -- they're selling soda, water, whatever -- and try to redeem a bag of soda bottles at your local CVS or Rite Aid, they'll look at you like cross-eyed, because they don't have the means of doing it and they don't even want to do it.

What in this bill requires or would get the DEC or would give them the wherewithal -- because it's my understanding that their budget has been cut and that their staffing levels are not what they should be in order to enforce this bill. How are they going to get to the ability to enforce and go

into those areas -- gas stations, drugstores, you name it, delis -- that are small and are not redeeming the bottles currently? Are they going to redeem more?

SENATOR THOMPSON: Very, very good points. I want to thank you for that question, those two specific questions.

Two things on that item right there. Number one, this bill creates a Bigger Better Bottle Bill hotline. And I believe that the number will be on the stickers or signs that are posted in each of the stores at the point of sale.

In addition to that, this bill allows for coordination between Ag & Markets. As you know, they have about 150 to 200 folks on the streets. I'll get the exact number before the end of the night. And they will also have enforcement authority as well. In addition, this bill allows for local governments to have enforcement of the Bottle Bill as well. So you have three sets of eyes working for enforcement -- which we don't have now. Ag & Markets does not have enforcement

cooperation with DEC. Local municipal governments, whether cities or counties, currently do not have enforcement authority. And right now, if you go into any of those stores, at the cash registers, unlike with cigarettes and unlike with alcohol, there's no signage that talks about the Bottle Bill of Rights.

So I think that it's not perfect, but the sentiment that has been raised by people who are even passionately for the issue and people who are hostilely opposed to it, some of those issues have been addressed in the bill.

SENATOR MARCELLINO: Madam President, through you, if the Senator would continue to yield.

ACTING PRESIDENT STEWART-COUSINS: Senator Thompson, do you continue to yield?

SENATOR THOMPSON: Yes, absolutely.

SENATOR MARCELLINO: Senator Thompson, in the original Bottle Bill, the one that was amended in the process, the City of

New York got an exemption for small stores under 10,000 square feet. That exemption was not given to similar-sized stores in the rest of the state, on Long Island, upstate, whatever. Has that been changed in the current language?

SENATOR THOMPSON: Through you, Madam Chair. Jeez, you should have wrote my talking points for me.

Yes, Senator, that has been addressed. In the amendment part of this budget, another thing raised by people not only in your conference but members of our conference, statewide there will be a 10,0000-square-foot exemption in terms of you can only bring, I believe, about 72 containers at a time. Right?

So we have expanded that exemption statewide as a result of the two hearings, in addition to conversations and memos from members on both sides of the aisle. So that has been expanded statewide.

SENATOR MARCELLINO: Madam President, I thank the Senator for his

comments.

And I would just urge that we take a hard look at this piece of legislation. Because this piece, from all of the industry that I talked to and all of the people that I talked to tells me that it is going to hurt the businesses. They're going to hurt the bottling community, they're going to lose jobs upstate, they're going to lose in the bottling areas and you're going to lose in the breweries that are up there. They're going to stop expanding, and they're going to cut back on other things.

So this is going to hurt jobs, it's going to hurt the curbside recycling program. And I think it's a problem that hasn't been thought out carefully. I think that the revenue stream is questionable on this one, at best. It is a guesstimate at best, Senator.

I respect your concerns, I respect your efforts. But I thank you for your attention.

SENATOR THOMPSON: Just in conclusion on the En Con budget, but also a

couple of other things that I think that are important to note on the Bottle Bill.

Number one, the issue of curbside recycling. The State of New York, through the EPF, is going to spend $10.8 million this year on municipal recycling. And as many of us know, volunteer recycling programs in some areas of the state are better; in other areas, they are not.

I am committed to work with individuals to make sure that that $10.8 million is better spent by municipalities and local governments as it relates to curbside recycling. I agree with you, we've got to do a better job. But we've been spending this money for many years, and we have not gotten the desired results.

The last thing I believe is important to note is about the 1982 issue. In 1982, everyone said, we were starting from scratch. We had no infrastructure in place. And they said that companies were going to leave, people were going to lose their jobs. And people came together, and they made it

happen.

And I believe that this bill today is a compromise bill. We tried to address many of the issues. And as many of you can tell, that we spent a lot of time carefully thinking through some of the concerns.

People said to me, don't put a 48-ounce bottle of tomato juice or V-8 juice on this list. All right, we said; I can understand that. Somebody said don't put baby formula on the list. We heard them. Somebody said, well, I know we want to do sports drinks and other ice teas and Snapples. A gentleman came from New York City or Long Island and said, "I know that Red Bull sells at a rapid rate, but please, not this time. Can we do that at another phase?"

So we heard a lot of concerns that people have raised. All right? We have. But at the same time, as we said in the process -- in public, through the hearings -- that we've got to take a step. We've got to take a first step.

And I believe that this is a first

step, it's the right step. If it's good enough for Connecticut, where Poland Spring is located, it's good enough for New York, which is the third-biggest state in the union.

Thank you.

ACTING PRESIDENT STEWART-COUSINS: Senator Young.

SENATOR YOUNG: Thank you, Madam President.

I actually had a question for Senator Aubertine, but I don't see him in the chamber at this particular moment. So I'll be able to discuss this with him tomorrow, I'm sure.

But I do want to take this opportunity to address a concern that Senator Kruger brought up previously about the $1 billion undesignated fund that's included in this budget.

And I'd like to correct the chair of Senate Finance about the definition of a dry appropriation. A dry appropriation is an item that's included in the budget that you're not going to spend. It will not be spent.

However, if you have an undesignated fund and you will be expending that money and the purpose is not lined out in the budget and it will be spent at a later time, it is in fact a slush fund.

Thank you, Madam President.

ACTING PRESIDENT STEWART-COUSINS: Senator Bonacic.

SENATOR BONACIC: Thank you, Madam President.

Will Senator Kruger just yield for a quick question.

ACTING PRESIDENT STEWART-COUSINS: Senator Kruger, do you yield?

SENATOR CARL KRUGER: Yes, I do, Madam President.

SENATOR BONACIC: I'd like to get back to the Empire Zone, if I may.

It's my understanding that under this budget proposal the local zone manager will be eliminated and all decisions of future financial assistance will be made by the Empire State Development Corp. Is that correct?

SENATOR CARL KRUGER: Through you, Madam President, yes, that's true.

SENATOR BONACIC: Thank you. Thank you, Senator Kruger.

You can rest now. On the bill.

SENATOR CARL KRUGER: Oh, that was easy.

SENATOR BONACIC: I want you to relax. You've been working hard tonight.

ACTING PRESIDENT STEWART-COUSINS: Senator Bonacic, on the bill.

SENATOR CARL KRUGER: Thank you, Madam President.

SENATOR BONACIC: I just want to share a couple of experiences about the Empire Zone, if I may.

When this was implemented under Governor Pataki, this was an economic tool to try to help upstate. And what we found when companies came in and filled out applications, and they said in three years we're going to create 800 jobs, let's say, or in five years, in stages. And what happens is let's say they only made 500 jobs; they came up short.

But what happened was technology became more efficient. And they used technology to make their operations and bottom line more successful, and they didn't need to enhance those jobs. It doesn't mean that the Empire Zone was not successful. It was very successful, because we wouldn't have gotten 500 jobs in areas that were not doing well.

Now, when we discussed the Empire Zones, as Senator Thompson did, and Senator Stachowski, you can't analyze it just with the mechanisms of how the zone is going to work. You have to look at the total picture. And what do I mean by that?

When Governor Paterson gave his proposal of changing the rules from 15 to 1 to 20 to 1, retroactively, he basically said, to corporations and small businesses, drop dead. That's what he said. And the highest elected official in the State of New York, that was his message.

Now, Senator Stachowski stood up here and he said, in speaking to Senator Nozzolio, didn't we make it better, didn't we

change, didn't we salvage the 15 to 1 but prospectively the rules would be 20 to 1? Isn't it better? He tried to get Senator Nozzolio to say yes.

The way corporate America works, the way small businesses work, they make -- first of all, let's talk about corporate America. They're answerable to their stockholders, and the bottom line is profit and certainty when they plan.

Under this proposal, they don't know what's going to happen in 15 months. What does Senator Stachowski say? He says there's going to be a better tomorrow. That's why we made the day shorter, because we will do something better for you.

How can corporation and small business trust that policy when the Governor has already said drop dead, when he's kept the 20-to-1 formula prospectively if a company wants to expand and the rules are vague, when the local zone guy is now eliminated, it's now made by the Empire State Development for future financial assistance that answers to

Governor Paterson.

How can anyone say these are not negative messages to small businesses and corporations? And when we go here to try to have credibility to small businesses and corporations, are we not taxing them more?

ACTING PRESIDENT STEWART-COUSINS: Senator Krueger, why do you rise?

SENATOR BONACIC: I will not -- I will not -- Senator Krueger, I don't mean to be disrespectful, but I'd like to finish my thoughts.

SENATOR LIZ KRUEGER: I didn't even ask yet.

ACTING PRESIDENT STEWART-COUSINS: I just asked her why she rose, and she --

SENATOR BONACIC: I hate to say no to her, so I'm asking her not to.

SENATOR LIZ KRUEGER: I will wait to ask my question until Senator Bonacic is done.

SENATOR BONACIC: Thank you, Senator Krueger. And I didn't miss my train of thought, either, by you standing up.

(Laughter.)

SENATOR BONACIC: When you increase personal income taxes, don't you think that's a message of economic destruction to small businesses and corporations that are interested in profit, that are interested in bottom line to their stockholders? Don't you think when you raise electric rates by $600 million that's not economic destruction messages to these companies? Don't you think when you raise health insurance premiums by $240 million that's not a negative message to companies?

So to discuss Empire Zones without discussing the total message, it's not realistic. The Manhattan Institute alone estimates that the PIT increase of the personal income tax, that will be 15,000 jobs lost, small businesses.

So I think Senator Nozzolio and Senator Winner are absolutely correct. People are going to vote with their feet. This is a job-killer. And they're going to look to go to more fertile pastures than the State of

New York.

And I will say, in conclusion, when the recovery comes -- and I hope to God it comes sooner rather than later -- I believe that the State of New York will lag in job growth from the nation because of the budget and the destructive policies and job-killing policies we're doing in this legislation.

Thank you, Madam President.

ACTING PRESIDENT STEWART-COUSINS: Senator Liz Krueger.

SENATOR LIZ KRUEGER: Thank you, Madam President. Would Senator Bonacic please yield for a question?

ACTING PRESIDENT STEWART-COUSINS: Senator Bonacic, do you yield?

SENATOR BONACIC: Absolutely.

SENATOR LIZ KRUEGER: Thank you, Senator Bonacic.

So you referenced in your points that this was a program started for upstate New York. It's my understanding it was actually started statewide and that it's gone through a series of different changes and

reforms over the course of history. Is that correct?

SENATOR BONACIC: Yes, it's true.

SENATOR LIZ KRUEGER: Thank you.

And Senator -- I'm sorry, through you, Madam President, if Senator Bonacic would continue to yield.

ACTING PRESIDENT STEWART-COUSINS: Do you continue to yield, Senator?

SENATOR BONACIC: I will. And you can keep asking as many questions as you like without going the chair.

SENATOR L. KRUEGER: No, we love the etiquette. Thank you so much.

SENATOR BONACIC: Okay.

ACTING PRESIDENT STEWART-COUSINS: We need the protocol.

SENATOR LIZ KRUEGER: We need the president to feel she has a role here. Excuse me.

ACTING PRESIDENT STEWART-COUSINS: It's protocol.

SENATOR LIZ KRUEGER: Thank you.

Senator Bonacic, are you familiar

with the series that the Syracuse Post-Standard has done on exploitation of the Empire Zone program by some?

SENATOR BONACIC: I have no clue what that newspaper said. I don't usually pay attention to newspapers.

SENATOR LIZ KRUEGER: Madam President, if the Senator would continue to yield.

SENATOR BONACIC: I will.

SENATOR LIZ KRUEGER: Thank you.

Well, I enjoy a good newspaper, and I think the Syracuse Post-Standard is a particularly good one. But they've done a series of articles about problems with the Empire Zones. And in fact, out of some of the findings of the reports, we did some reforms to Empire Zones, in fact, when your side of the aisle was the majority here.

And you referenced tonight concerns that we were trying to destroy the program, which I don't agree with. I believe we have to reform the program. But you referenced that the proposal in this bill would destroy

the program.

And do you know that the changes to the Empire Zone in this bill are the following: To cut out shirt-changers from being allowed to take tax deductions under this law, which means the "shirt-changers" expression for companies that don't create new jobs but change their corporate title in order to appear to have created jobs. And that's one of the proposals of change to the Empire Zone in this law.

Are you comfortable with allowing companies that haven't created any new jobs and didn't even try to create new jobs, just changed their names to be able to continue to get Empire Zone credits?

SENATOR BONACIC: Through you, Madam President.

ACTING PRESIDENT STEWART-COUSINS: Senator.

SENATOR BONACIC: First of all, I think there is an order process through Tax & Finance that will take advantage or root out those that are not performing up to the

benchmarks of the Empire Zone.

But when I spoke of the Empire Zone, I spoke about an economic tool that generally has been successful and is worth keeping. Now, you if want to tinker with the edges but keep the substance and the impact of the Empire Zone, then I say we're in agreement. But if you pick out one company or one reform and say that's the reason to kill the Empire Zone, I say that it's an overkill and we've gone too far.

SENATOR LIZ KRUEGER: Madam President, if through you the Senator will continue to yield.

SENATOR BONACIC: I will.

SENATOR LIZ KRUEGER: Thank you.

So we discussed one of the proposed changes in the Empire Zone program, which is companies that did not create jobs but changed their names. The second piece of this proposal in the bill tonight is to require that a business have a cost-benefit ratio of more than 1 to 1 in order to be able to participate in the program.

That simply means if a company's costs for a job are greater to the state than the actual value of the job, then we would actually be able to say no, you're costing the state more than you've even produced in jobs.

Do you think that that's wrong to say to the companies not 20-to-1 ratio, not 15-to-1 ratio, not 10-to-1 ratio, not 5-to-1 ratio, but this proposal in this bill tonight is only a less than 1-to-1 ratio, we're trying to be able to remove them from the program? What do you think of that, sir?

SENATOR BONACIC: Through you, Madam President. The 1-to-1 ratio, as I understand it, applies to the companies retroactively since the Empire Zone was cited. And it means simply this. If they have spent more in private benefits, $1.10 versus $1 of public benefits, they will not be certified. That was a change that was made that was better than the Governor's proposal of 20 to 1. That's a good thing. That portion is a good thing.

But, Madam President, I would like

to ask Senator Krueger a question, if she will yield to a question.

ACTING PRESIDENT STEWART-COUSINS: Senator Krueger, do you yield?

SENATOR LIZ KRUEGER: I'd be happy to yield to a question, Senator.

SENATOR BONACIC: Senator Krueger, do you think when we increase the tax rates on businesses and do you agree that if we raise the electric surcharges on business and do you believe if we increase the cost of health insurance premiums on business that that will have a negative effect on the creation of jobs, whether they're in the Empire Zone or not, whether it's retroactive or prospective? What do you think about that?

SENATOR LIZ KRUEGER: I think that taxes always have an impact on economic activity, that there are taxes that do more harm to business and taxes that do less harm to business.

But what I'm sure of is that if you want to have a state that has a business community and that thrives in the 21st

century, you have to make sure that your population is well educated so that they can be the workers for the businesses. You have to make sure that you have a public infrastructure so that people can move around the state. You have to make sure that you have quality healthcare; otherwise, no one will be interested in living in the state.

And to oversimplify, I sometimes explain myself, when I talk about taxation and the realities of the role of government, is if you're a business and you want to hire people to work in your business, you have to make sure that they have the right education level and can get to where you have your jobs.

And if you're a business that's selling something -- and all businesses are selling something -- you have to make sure that people can earn enough in their jobs to be able to buy whatever you're trying to sell.

So it's a broad question with a broad answer. But again, to get to Empire Zones -- and maybe I'll just speak on the bill rather than ask you an additional question

unless you have a question for me first.

SENATOR BONACIC: I do.

SENATOR LIZ KRUEGER: Madam President, I'm sorry, that should have gone through you.

ACTING PRESIDENT STEWART-COUSINS: Senator Bonacic, do you have a question for Senator Krueger?

SENATOR BONACIC: Will Senator Krueger continue to yield to another question?

ACTING PRESIDENT STEWART-COUSINS: Senator Krueger, do you continue to yield?

SENATOR LIZ KRUEGER: Yes, I'd be happy to, Senator Bonacic.

SENATOR BONACIC: Do you think if government policies tax more and take capital away from small businesses and corporations that that will lead to more jobs or they will have less money to create new jobs?

SENATOR LIZ KRUEGER: No, I think it's a catch-22. As I've explained, that you have to make sure that you're balancing the public's need for an operating government and a quality of life in the state in order to be

a win for the businesses.

And no, you of course want to try to keep your tax rate as minimal as possible in relationship to your cost.

But I think in terms of an Empire Zone, another factor that's critically important for people to understand, this isn't taxing businesses. In an Empire Zone, we are making a decision -- we the Legislature, through the legislation we pass -- to be selectively not taxing businesses. So in an Empire Zone, they're getting to reduce their taxes compared to another business.

So if Senator Kruger's widget company is physically in Ulster County and Senator Bonacic's widget company is in Orange County, and Kruger's widgets are made in an Empire Zone and Bonacic widgets are not, the reality is we are favoring Senator Kruger's widgets over Senator Bonacic's widgets.

So it's a dual responsibility of government. One, we're not collecting the tax revenue, which means, to follow through on another question, we have less money to pay

for schools that people were concerned about, to pay for highways that people were concerned about, to pay for the environment that people were concerned about, because we chose not to tax Senator Kruger's widgets. So that's a heavy responsibility.

And I think we should be very careful about how we select to give people tax breaks over other people or other companies. So I have an equity concern, which is why I'm very comfortable with putting a limit that shirt-changing companies shouldn't get these tax deductions and companies that can't even make a 1-to-1 economic ratio shouldn't get these special deals.

And then, two, there's the fundamental question of equity, which I think is hard to deal with in the context of Empire Zones. Which means because of physically where I'm located, I might get a major advantage over your company and we might both make perfectly good, quality widgets.

And so there are hard questions with the Empire Zone that are much broader

than just what level of tax do you charge a company. Because in fact in this discussion, it's what level of tax deductions do we give. And of course, as we know, the Empire Zone program is costing the people of New York $600, $700, $800 million a year.

The proposed changes in this bill I hope we will pass soon is only $90 million in savings. And there's quite a bit of flexibility in it, because even under those two changes it allows the DED to make a decision to allow a company to continue in the program even if they don't appear to meet the standards. And in fact, the Senate policy in this bill tonight, as compared to the Executive's original proposal, is saving 8,180 companies from losing their Empire Zone status.

And so I think we made a very good deal on the Empire Zones this year. We allowed almost 8200 companies to remain in the program. We put some very reasonable limits on the type of companies that would no longer be able to participate. We are not

retroactively asking for the money back, to also answer a question of yours. So companies who may have been more effective in meeting our standards earlier, they're not being asked to give the money back.

So actually I think we are making a great deal of progress with Empire Zones this year. And while there may be lots of discussions about different parts of the bill, I would be very surprised if anyone would want to vote against this section of the bill tonight.

Thank you.

SENATOR BONACIC: Thank you, Senator Krueger.

Continuing on the bill.

ACTING PRESIDENT STEWART-COUSINS: Senator Bonacic, on the bill.

SENATOR BONACIC: A lot of Senator Krueger's remarks, again, brought the conversation solely to the companies in the Empire Zones and those that are not concerning widgets. And that's really a distraction. Because what we have said is that we are

competing now. We are competing in a global economy, we are competing with neighboring states. And we have to stay competitive.

I think we have probably one of the highest tax rates in the nation, and it's going to get worse. And all of these efforts of raising electric rates, raising health insurance policies, raising taxes, making the Empire Zone more strict, these are negative messages to small businesses and corporations. And they have mobility, and they will vote with their feet. So the point that I'm making is this is an anti-business, job-killing budget.

Thank you, Mr. President.

ACTING PRESIDENT VALESKY: Thank you, Senator Bonacic.

Are there any other Senators who wish to speak on the bill?

Seeing none, the debate is closed.

The Secretary will ring the bells. I ask all Senators to come to the chamber to cast their votes.

SENATOR LIBOUS: Mr. President, I

would request a slow roll call on this bill, please.

ACTING PRESIDENT VALESKY: A slow roll call has been requested. The requisite five Senators have stood, so we will proceed with the slow roll call.

The Secretary will read the last section.

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

ACTING PRESIDENT VALESKY: A slow roll call has been called for. Seeing that five Senators have risen, the Secretary will call the roll slowly.

And I ask that Senators who wish to explain their vote be mindful of the two-minute rule.

THE SECRETARY: Senator Adams.

SENATOR ADAMS: Yes.

THE SECRETARY: Senator Addabbo.

SENATOR ADDABBO: Yes.

THE SECRETARY: Senator Alesi.

SENATOR ALESI: No.

THE SECRETARY: Senator

Aubertine.

SENATOR AUBERTINE: Yes.

THE SECRETARY: Senator Bonacic.

SENATOR BONACIC: No.

THE SECRETARY: Senator Breslin.

SENATOR BRESLIN: Yes.

THE SECRETARY: Senator DeFrancisco.

SENATOR DeFRANCISCO: No.

THE SECRETARY: Senator Diaz.

SENATOR DIAZ: Yes.

THE SECRETARY: Senator Dilan.

(No response.)

THE SECRETARY: Senator Duane.

SENATOR DUANE: Yes.

THE SECRETARY: Senator Espada.

SENATOR ESPADA: Yes.

THE SECRETARY: Senator Farley.

SENATOR FARLEY: No.

THE SECRETARY: Senator Flanagan.

SENATOR FLANAGAN: No.

(Standing ovation as Senator Hassell-Thompson enters the chamber.)

ACTING PRESIDENT VALESKY: The

Secretary will continue to call the roll slowly.

THE SECRETARY: Senator Foley.

SENATOR FOLEY: Aye.

THE SECRETARY: Senator Fuschillo.

SENATOR FUSCHILLO: No.

THE SECRETARY: Senator Golden.

SENATOR GOLDEN: No.

THE SECRETARY: Senator Griffo.

SENATOR GRIFFO: No.

THE SECRETARY: Senator Hannon.

SENATOR HANNON: No.

THE SECRETARY: Senator Hassell-Thompson.

SENATOR HASSELL-THOMPSON: Here, and yes.

THE SECRETARY: Senator Huntley.

SENATOR HUNTLEY: Yes.

THE SECRETARY: Senator C. Johnson.

SENATOR CRAIG JOHNSON: Yes.

THE SECRETARY: Senator O. Johnson.

SENATOR OWEN JOHNSON: No.
THE SECRETARY: Senator Klein.
SENATOR KLEIN: Yes.
THE SECRETARY: Senator L. Krueger.
SENATOR LIZ KRUEGER: Yes.
THE SECRETARY: Senator C. Kruger.
SENATOR CARL KRUGER: Yes.
THE SECRETARY: Senator Lanza.
SENATOR LANZA: No.
THE SECRETARY: Senator Larkin.
SENATOR LARKIN: No.
THE SECRETARY: Senator LaValle.
SENATOR LaVALLE: No.
THE SECRETARY: Senator Leibell.
SENATOR LEIBELL: No.
THE SECRETARY: Senator Libous.
SENATOR LIBOUS: No.
THE SECRETARY: Senator Little.
SENATOR LITTLE: No.
THE SECRETARY: Senator Marcellino.
SENATOR MARCELLINO: No.

THE SECRETARY: Senator Maziarz.
SENATOR MAZIARZ: No.
THE SECRETARY: Senator McDonald.
SENATOR McDONALD: No.
THE SECRETARY: Senator Monserrate.
SENATOR MONSERRATE: Aye.
THE SECRETARY: Senator Montgomery.
SENATOR MONTGOMERY: Yes.
THE SECRETARY: Senator Morahan.
SENATOR MORAHAN: No.
THE SECRETARY: Senator Nozzolio.
SENATOR NOZZOLIO: No.
THE SECRETARY: Senator Onorato.
SENATOR ONORATO: Yes.
THE SECRETARY: Senator Oppenheimer.
SENATOR OPPENHEIMER: Aye.
THE SECRETARY: Senator Padavan.
SENATOR PADAVAN: No.
THE SECRETARY: Senator Parker.
SENATOR PARKER: Aye.
THE SECRETARY: Senator Perkins.

SENATOR PERKINS: Aye.
THE SECRETARY: Senator Ranzenhofer.
SENATOR RANZENHOFER: No.
THE SECRETARY: Senator Robach.
SENATOR ROBACH: No.
THE SECRETARY: Senator Saland.
SENATOR SALAND: No.
THE SECRETARY: Senator Sampson.
SENATOR SAMPSON: Yes.
THE SECRETARY: Senator Savino.
SENATOR SAVINO: Yes.
THE SECRETARY: Senator Schneiderman.
SENATOR SCHNEIDERMAN: Yes.
THE SECRETARY: Senator Serrano.
SENATOR SERRANO: Yes.
THE SECRETARY: Senator Seward.
SENATOR SEWARD: No.
THE SECRETARY: Senator Skelos.
(Senator Skelos was recorded in the negative.)
THE SECRETARY: Senator Smith.
(Senator Smith was recorded in the

affirmative.)

THE SECRETARY: Senator Squadron.

SENATOR SQUADRON: Yes.

THE SECRETARY: Senator Stachowski.

SENATOR STACHOWSKI: Yes.

THE SECRETARY: Senator Stavisky.

SENATOR STAVISKY: Aye.

THE SECRETARY: Senator Stewart-Cousins.

SENATOR STEWART-COUSINS: Yes.

THE SECRETARY: Senator Thompson.

SENATOR THOMPSON: Yes.

THE SECRETARY: Senator Valesky.

SENATOR VALESKY: Aye.

THE SECRETARY: Senator Volker.

SENATOR VOLKER: No.

THE SECRETARY: Senator Winner.

SENATOR WINNER: No.

THE SECRETARY: Senator Young.

SENATOR YOUNG: No.

ACTING PRESIDENT VALESKY: The Secretary will call the absentees.

THE SECRETARY: Senator Dilan.

SENATOR DILAN: I'm here, and it's yes.

ACTING PRESIDENT VALESKY: The Secretary will announce the results.

THE SECRETARY: Ayes, 32. Nays, 30.

ACTING PRESIDENT VALESKY: The bill is passed.

Senator Klein.

SENATOR KLEIN: Mr. President, I move that we adjourn until Wednesday, April 1st, at 9:30.

And I want to tell my colleagues on both sides of the aisle we're going to be doing a lot of work to pass our budget tomorrow, as well as West Point Day, so please be on time.

I'd also now like to call on my colleague Senator Libous for his announcement.

ACTING PRESIDENT VALESKY: Senator Libous.

SENATOR LIBOUS: Thank you, Senator Klein.

Mr. President, there will be a

Republican conference tomorrow morning at 9:15 sharp.

ACTING PRESIDENT VALESKY: A Republican conference at 9:15 tomorrow.

On a motion by Senator Klein, the Senate stands adjourned until tomorrow, April 1st, at 9:30 a.m.

(Whereupon, at 10:00 p.m., the Senate adjourned.)